

SUNWAY BERHAD (Company No : 201001037627 (921551-D))
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

	NOTE	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		CURRENT YEAR QUARTER 31/03/2023	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2022	INCREASE/ (DECREASE) %	CURRENT YEAR TO DATE 31/03/2023	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2022	INCREASE/ (DECREASE) %
		RM'000	RM'000 (RESTATED)	%	RM'000	RM'000 (RESTATED)	%
REVENUE		1,263,738	1,112,476	14	1,263,738	1,112,476	14
OPERATING EXPENSES ⁽¹⁾		(1,187,219)	(1,079,959)	10	(1,187,219)	(1,079,959)	10
OTHER OPERATING INCOME		38,375	37,055	4	38,375	37,055	4
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS & CONTRACT ASSETS		(1,540)	(2,177)	(29)	(1,540)	(2,177)	(29)
PROFIT FROM OPERATIONS		113,354	67,395	68	113,354	67,395	68
FINANCE INCOME		58,357	45,456	28	58,357	45,456	28
FINANCE COSTS		(62,412)	(29,668)	110	(62,412)	(29,668)	110
SHARE OF PROFIT FROM ASSOCIATES		41,667	45,914	(9)	41,667	45,914	(9)
SHARE OF PROFIT FROM JOINT VENTURES		41,064	53,253	(23)	41,064	53,253	(23)
PROFIT BEFORE TAX	B6	192,030	182,350	5	192,030	182,350	5
INCOME TAX EXPENSE ⁽¹⁾	B5	(33,265)	(26,757)	24	(33,265)	(26,757)	24
PROFIT FOR THE PERIOD		158,765	155,593	2	158,765	155,593	2
ATTRIBUTABLE TO:							
- OWNERS OF THE PARENT ⁽¹⁾		141,639	136,512	4	141,639	136,512	4
- NON-CONTROLLING INTERESTS		17,126	19,081	(10)	17,126	19,081	(10)
		<u>158,765</u>	<u>155,593</u>	<u>2</u>	<u>158,765</u>	<u>155,593</u>	<u>2</u>
EARNINGS PER SHARE							
- BASIC (sen) ⁽¹⁾⁽²⁾		<u>1.98</u>	<u>1.89</u>	<u>5</u>	<u>1.98</u>	<u>1.89</u>	<u>5</u>
- DILUTED (sen) ⁽¹⁾⁽²⁾		<u>1.95</u>	<u>1.86</u>	<u>5</u>	<u>1.95</u>	<u>1.86</u>	<u>5</u>

⁽¹⁾ Included the effects of transition to MFRS 17 Insurance Contracts as disclosed in Note A1.

⁽²⁾ The calculation of earnings per share (basic and diluted) includes the ordinary shares that will be issued upon the mandatory conversion of Irredeemable Convertible Preference Shares ("ICPS").

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2022 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 2023
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2023

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2023	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2022	CURRENT YEAR TO DATE 31/03/2023	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2022
	RM'000	RM'000 (RESTATED)	RM'000	RM'000 (RESTATED)
PROFIT FOR THE PERIOD ⁽¹⁾	158,765	155,593	158,765	155,593
OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS				
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS	24,236	7,284	24,236	7,284
CASH FLOW HEDGE RESERVE - FAIR VALUE (LOSS)/GAIN				
- NET FAIR VALUE (LOSS)/GAIN OF DERIVATIVES	(15,852)	18,726	(15,852)	18,726
- AMOUNTS RECYCLED TO PROFIT OR LOSS	12,752	(18,777)	12,752	(18,777)
OTHER COMPREHENSIVE (LOSS)/INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS				
FAIR VALUE (LOSS)/GAIN ON OTHER INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	(113)	27,038	(113)	27,038
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	<u>21,023</u>	<u>34,271</u>	<u>21,023</u>	<u>34,271</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ⁽¹⁾	<u>179,788</u>	<u>189,864</u>	<u>179,788</u>	<u>189,864</u>
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT ⁽¹⁾	162,154	171,687	162,154	171,687
- NON-CONTROLLING INTERESTS	17,634	18,177	17,634	18,177
	<u>179,788</u>	<u>189,864</u>	<u>179,788</u>	<u>189,864</u>

⁽¹⁾ Included the effects of transition to MFRS 17 *Insurance Contracts* as disclosed in Note A1.

(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 2022 and the accompanying explanatory notes attached to the interim financial statements.)

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER 31/03/2023	IMMEDIATE PRECEDING QUARTER 31/12/2022	INCREASE/ (DECREASE)
	RM'000	RM'000 (RESTATED)	%
REVENUE	1,263,738	1,531,591	(17)
OPERATING EXPENSES ⁽¹⁾	(1,187,219)	(1,424,317)	(17)
OTHER OPERATING INCOME	38,375	134,290	(71)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS & CONTRACT ASSETS	(1,540)	(27,839)	(94)
PROFIT FROM OPERATIONS	<u>113,354</u>	<u>213,725</u>	(47)
FINANCE INCOME	58,357	61,618	(5)
FINANCE COSTS	(62,412)	(62,215)	0
SHARE OF PROFIT FROM ASSOCIATES	41,667	3,087	1250
SHARE OF PROFIT FROM JOINT VENTURES	41,064	78,962	(48)
PROFIT BEFORE TAX	<u>192,030</u>	<u>295,177</u>	(35)
INCOME TAX EXPENSE ⁽¹⁾	(33,265)	(73,919)	(55)
PROFIT FOR THE PERIOD	<u><u>158,765</u></u>	<u><u>221,258</u></u>	(28)
ATTRIBUTABLE TO:			
- OWNERS OF THE PARENT ⁽¹⁾	141,639	203,906	(31)
- NON-CONTROLLING INTERESTS	<u>17,126</u>	<u>17,352</u>	(1)
	<u><u>158,765</u></u>	<u><u>221,258</u></u>	(28)
EARNINGS PER SHARE			
- BASIC (sen) ⁽¹⁾⁽²⁾	<u>1.98</u>	<u>3.48</u>	(43)
- DILUTED (sen) ⁽¹⁾⁽²⁾	<u>1.95</u>	<u>3.43</u>	(43)

⁽¹⁾ Included the effects of transition to MFRS 17 *Insurance Contracts* as disclosed in Note A1.

⁽²⁾ The calculation of earnings per share (basic and diluted) includes the ordinary shares that will be issued upon the mandatory conversion of Irredeemable Convertible Preference Shares ("ICPS").

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2022 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 2023
 THE FIGURES HAVE NOT BEEN AUDITED

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER (CONTD.)

	CURRENT QUARTER 31/03/2023 RM'000	IMMEDIATE PRECEDING QUARTER 31/12/2022 RM'000 (RESTATED)
PROFIT FOR THE PERIOD ⁽¹⁾	158,765	221,258
OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS	24,236	(6,332)
CASH FLOW HEDGE RESERVE - FAIR VALUE (LOSS)/GAIN		
- NET FAIR VALUE LOSS OF DERIVATIVES	(15,852)	(50,651)
- AMOUNTS RECYCLED TO PROFIT OR LOSS	12,752	45,474
OTHER COMPREHENSIVE LOSS NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		
FAIR VALUE LOSS ON OTHER INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	(113)	(13,620)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	21,023	(25,129)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ⁽¹⁾	179,788	196,129
ATTRIBUTABLE TO:		
- OWNERS OF THE PARENT ⁽¹⁾	162,154	180,265
- NON-CONTROLLING INTERESTS	17,634	15,864
	179,788	196,129

⁽¹⁾ Included the effects of transition to MFRS 17 *Insurance Contracts* as disclosed in Note A1.

(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 2022 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023

	AS AT END OF CURRENT QUARTER 31/03/2023 RM'000	AS AT PRECEDING FINANCIAL PERIOD END 31/12/2022 RM'000 (RESTATED)	AS AT PRECEDING FINANCIAL PERIOD END 01/01/2022 RM'000 (RESTATED)
ASSETS			
Non-current assets			
Property, plant and equipment	1,262,265	1,265,122	1,262,253
Intangible assets	64,338	63,217	56,985
Investment properties	2,470,354	2,443,181	2,186,313
Inventories	1,851,344	1,839,757	1,671,126
Investment in associates	2,663,673	2,690,651	2,709,684
Investment in joint ventures	6,742,150	6,651,437	6,191,983
Goodwill	378,134	378,134	376,225
Deferred tax assets ⁽¹⁾	61,248	58,642	49,282
Receivables	2,056,327	1,920,362	1,704,347
Derivative assets	2,087	2,086	7,540
Rock reserves	4,754	4,819	5,082
Other investments	404,322	402,392	866,581
Biological assets	317	322	48
	<u>17,961,313</u>	<u>17,720,122</u>	<u>17,087,449</u>
Current assets			
Inventories	3,328,319	3,279,520	2,422,351
Receivables, deposits & prepayments	2,066,513	1,969,285	2,484,785
Contract assets	373,311	532,172	112,076
Tax recoverable	62,979	65,257	68,008
Derivative assets	4,647	1,572	2,465
Other investments	526,151	535,540	98,778
Cash and bank balances	2,243,509	1,958,054	2,810,263
	<u>8,605,429</u>	<u>8,341,400</u>	<u>7,998,726</u>
TOTAL ASSETS	<u>26,566,742</u>	<u>26,061,522</u>	<u>25,086,175</u>
EQUITY AND LIABILITIES			
Current liabilities			
Payables, accruals & other short term liabilities ⁽¹⁾	2,391,037	2,510,317	2,477,089
Contract liabilities	41,097	19,907	12,583
Bank borrowings	4,752,552	5,360,995	4,093,585
Lease liabilities	31,035	32,627	31,354
Taxation	71,814	66,101	55,673
Derivative liabilities	19,466	35,238	43,727
	<u>7,307,001</u>	<u>8,025,185</u>	<u>6,714,011</u>
Non-current liabilities			
Long term bank borrowings	3,909,335	3,095,183	4,021,910
Perpetual Sukuk	600,000	600,000	600,000
Lease liabilities	87,622	90,972	90,244
Other long term liabilities	233,643	232,726	245,732
Derivative liabilities	294,651	274,598	188,957
Deferred tax liabilities	181,892	185,424	108,967
	<u>5,307,143</u>	<u>4,478,903</u>	<u>5,255,810</u>
Total liabilities	<u>12,614,144</u>	<u>12,504,088</u>	<u>11,969,821</u>
Equity attributable to Owners of the Parent			
Share capital	5,393,900	5,393,897	5,393,889
Irredeemable convertible preference shares ("ICPS")	977,779	977,779	977,779
Treasury shares	(74,335)	(74,335)	(74,335)
Reserves ⁽¹⁾	6,388,739	6,228,313	5,727,100
	<u>12,686,083</u>	<u>12,525,654</u>	<u>12,024,433</u>
Non-controlling interests	<u>1,266,515</u>	<u>1,031,780</u>	<u>1,091,921</u>
Total equity	<u>13,952,598</u>	<u>13,557,434</u>	<u>13,116,354</u>
TOTAL EQUITY AND LIABILITIES	<u>26,566,742</u>	<u>26,061,522</u>	<u>25,086,175</u>
Number of ordinary shares ('000) ⁽²⁾	5,866,857	5,866,854	5,866,849
Net assets per share attributable to Owners of the Parent (RM) ⁽¹⁾	2.16	2.13	2.05

⁽¹⁾ Included the effects of transition to MFRS 17 Insurance Contracts as disclosed in Note A1.

⁽²⁾ Included the ordinary shares that will be issued upon the mandatory conversion of ICPS.

(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 2022 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2023

	----- ATTRIBUTABLE TO OWNERS OF THE PARENT -----												
	NON-DISTRIBUTABLE			DISTRIBUTABLE						TOTAL EQUITY			
	SHARE CAPITAL	IRREDEEMABLE PREFERENCE SHARES	TREASURY SHARES	MERGER RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	CASH FLOW HEDGE RESERVE	FURNITURE, FITTINGS & EQUIPMENT RESERVE	OTHER RESERVES	RETAINED PROFITS	TOTAL RESERVES	ATTRIBUTABLE TO OWNERS OF THE PARENT	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	
PERIOD ENDED 31 MARCH 2023													
At 1 January 2023 (as previously reported)	5,393,897	977,779	(74,335)	(1,192,040)	234,670	(26,275)	23,089	505,452	6,698,518	6,243,414	12,540,755	1,031,780	13,572,535
Effects of prior year restatements (Note A(iii))	-	-	-	-	-	-	-	-	(15,101)	(15,101)	(15,101)	-	(15,101)
At 1 January 2023 (restated)	5,393,897	977,779	(74,335)	(1,192,040)	234,670	(26,275)	23,089	505,452	6,683,417	6,228,313	12,525,654	1,031,780	13,557,434
Profit for the year	-	-	-	-	-	-	-	-	141,639	141,639	141,639	17,126	158,765
Other comprehensive income/(loss), net of tax	-	-	-	-	23,728	(3,100)	-	(113)	-	20,515	20,515	508	21,023
Total comprehensive income/(loss)	-	-	-	-	23,728	(3,100)	-	(113)	141,639	162,154	162,154	17,634	179,788
Transfer between reserves	-	-	-	-	-	-	1,489	-	(1,456)	33	33	(33)	-
Transactions with owners													
Issuance of ordinary shares pursuant to exercise of warrants	3 ^	-	-	-	-	-	-	-	-	-	3 ^	-	3 ^
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,133)	(2,133)
Effects of subscriptions and redemptions of units in structured entities	-	-	-	-	-	-	-	-	-	-	-	219,502	219,502
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	(1,761)	(1,761)	(1,761)	(235)	(1,996)
Total transactions with owners	3	-	-	-	-	-	-	-	(1,761)	(1,761)	(1,761)	217,134	215,376
At 31 March 2023	5,393,900	977,779	(74,335)	(1,192,040)	258,398	(29,375)	24,578	505,339	6,821,839	6,388,739	12,686,083	1,266,515	13,952,598
PERIOD ENDED 31 MARCH 2022													
At 1 January 2022 (as previously reported)	5,393,889	977,779	(74,335)	(1,192,040)	204,845	(17,376)	11,845	491,821	6,233,951	5,733,046	12,030,379	1,091,921	13,122,300
Effects of prior year restatements (Note A(iii))	-	-	-	-	-	-	-	-	(5,946)	(5,946)	(5,946)	-	(5,946)
At 1 January 2022 (restated)	5,393,889	977,779	(74,335)	(1,192,040)	204,845	(17,376)	11,845	491,821	6,228,005	5,727,100	12,024,433	1,091,921	13,116,354
Profit for the year	-	-	-	-	-	-	-	-	136,512	136,512	136,512	19,081	155,593
Other comprehensive income/(loss), net of tax	-	-	-	-	8,188	(51)	-	27,038	-	35,175	35,175	(904)	34,271
Total comprehensive income/(loss)	-	-	-	-	8,188	(51)	-	27,038	136,512	171,687	171,687	18,177	189,864
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	4,118	4,118
Effects of joint ventures becoming subsidiaries	-	-	-	-	-	-	-	-	-	-	-	144,405	144,405
Transfer between reserves	-	-	-	-	-	-	683	-	(667)	16	16	(16)	-
Transactions with owners													
Issuance of ordinary shares pursuant to exercise of warrants	8 ^	-	-	-	-	-	-	-	-	-	8 ^	-	8 ^
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(79)	(79)
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	151	151	151	13,371	13,522
Effects of subscriptions and redemptions of units in structured entities	-	-	-	-	-	-	-	-	-	-	-	50,069	50,069
Total transactions with owners	8	-	-	-	-	-	-	-	151	151	159	63,361	63,520
At 31 March 2022	5,393,897	977,779	(74,335)	(1,192,040)	213,033	(17,427)	12,528	518,859	6,364,001	5,898,954	12,196,295	1,321,966	13,518,261

^ Represents 2,322 warrants amounting to RM3,297 (2022: 5,148 warrants amounting to RM7,671).

(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 2022 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2023

	FOR THE 3 MONTHS PERIOD ENDED 31/03/2023	FOR THE 3 MONTHS PERIOD ENDED 31/03/2022
	RM'000	RM'000 (RESTATED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	192,030	182,350
Adjustments for:		
- non-cash items	(52,830)	(69,874)
- finance costs	62,412	29,668
- finance income	(58,357)	(45,456)
Operating cash flows before working capital changes	143,255	96,688
Changes in working capital	(120,143)	(140,542)
Cash generated from/(used in) operations	23,112	(43,854)
Interest received	57,466	45,456
Dividends received from joint ventures, associates and other investments	73,640	45,253
Tax refunded	811	6,987
Tax paid	(32,162)	(44,802)
Net cash generated from operating activities	122,867	9,040
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant & equipment and investment properties	2,784	374
Proceeds from disposal of other investments	21,855	21,017
Proceeds from acquisition of equity interest by non-controlling interests	-	13,522
Acquisition and subsequent expenditure of land	(74)	(165,211)
Acquisition of property, plant and equipment	(29,926)	(35,528)
Acquisition of biological assets	(34)	(9)
Acquisition of intangible assets	(2,816)	(1,451)
Acquisition and subsequent expenditure of investment properties	(11,634)	(2,208)
Acquisition of other investments	(19,814)	(10,732)
Acquisition of equity interest from non-controlling interests	(1,996)	-
Acquisition of a subsidiary for cash, net of cash acquired	-	(7,966)
Investment in associates	(2,548)	(169)
Payment of balance consideration on acquisition of subsidiaries	(32,920)	(20,402)
(Advances to)/Repayment from associates and joint ventures	(42,245)	91,958
Quasi-equity loan advanced to joint ventures	(29,828)	(200,731)
Advances to a non-controlling interest	-	(22,977)
Net cash flows from deposits placed with maturity of over 3 months	(5)	(3)
Net subscriptions of units in structured entities by non-controlling interests	219,502	50,069
Net cash inflow from joint ventures becoming subsidiaries	-	20,215
Other investing activities	-	(49,084)
Net cash generated from/(used in) investing activities	70,301	(319,316)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net bank and other borrowings	215,099	(349,832)
Net lease liabilities	(8,014)	(6,635)
Interest paid	(87,184)	(57,802)
Dividend paid to non-controlling interests of subsidiaries	(2,133)	(79)
Proceeds from issuance of ordinary shares pursuant to exercise of warrants	3	8
Advances from non-controlling interests of a subsidiary	-	40,240
Net cash generated from/(used in) financing activities	117,771	(374,100)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	310,939	(684,376)
EFFECTS OF EXCHANGE RATE CHANGES	3,410	4,529
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	1,895,421	2,732,242
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	2,209,770	2,052,395
Cash & bank balances	610,852	511,806
Fixed deposits	1,632,657	1,621,231
Total cash and bank balances	2,243,509	2,133,037
Bank overdrafts	(32,692)	(80,105)
Less: Deposits with maturity of over 3 months	(1,047)	(537)
Cash and cash equivalents	2,209,770	2,052,395

(The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2022 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 2023.

The interim financial report is unaudited and is prepared in accordance with MFRS 134 *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 2022. 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 2022.

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 2022 except for the adoption of the following new MFRSs and Amendments to MFRSs that are effective for financial statements effective from 1 January 2023, as disclosed below:

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosures of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

The adoption of the above pronouncements does not have any significant impact to the Group except for the following:

MFRS 17 Insurance Contracts

MFRS 17 which was issued by Malaysian Accounting Standards Board superseded MFRS 4 *Insurance Contracts* - an interim Standard on accounting for all insurance contracts (including financial guarantee contracts) for reporting periods beginning on or after 1 January 2021. Subsequently, the amendments to MFRS 17 was issued, to defer the effective date of MFRS 17 by two years, to annual reporting periods beginning on or after 1 January 2023.

The Group had previously designated and measured its financial guarantee contracts given to third parties and financial institutions in respect of trade contracts and credit facilities as insurance contracts in accordance with MFRS 4. At the transition date to MFRS 17, an entity which had previously applied MFRS 4 to its financial guarantee contracts are given the irrevocable choice to apply either MFRS 17 or MFRS 9 *Financial Instruments* to such insurance contracts on a contract-by-contract basis. After reassessment, the Group has elected to apply MFRS 9 on its financial guarantee contracts at the date of transition, which would represent a change in accounting policy.

In relation to this, the Group had retrospectively applied MFRS 9 on its financial guarantee contracts and the financial effects are presented in Notes A1(i), A1(ii) and A1(iii).

The financial effects of the change in accounting policy for the current quarter ended 31 March 2023 are as presented in Note B9(b).

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A1 Accounting Policies and Basis of Preparation (contd.)

(i) Reconciliation of statements of profit of loss

	Quarter ended 31 March 2022			Cumulative quarter ended 31 March 2022		
	As previously reported	Effects of prior year restatements	Restated	As previously reported	Effects of prior year restatements	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,112,476	-	1,112,476	1,112,476	-	1,112,476
Operating expenses	(1,075,222)	(4,737)	(1,079,959)	(1,075,222)	(4,737)	(1,079,959)
Other operating income	37,055	-	37,055	37,055	-	37,055
Net impairment losses on financial assets & contract assets	(2,177)	-	(2,177)	(2,177)	-	(2,177)
Profit from operations	72,132	(4,737)	67,395	72,132	(4,737)	67,395
Finance income	45,456	-	45,456	45,456	-	45,456
Finance costs	(29,668)	-	(29,668)	(29,668)	-	(29,668)
Share of profit from associates	45,914	-	45,914	45,914	-	45,914
Share of profit from joint ventures	53,253	-	53,253	53,253	-	53,253
Profit before tax	187,087	(4,737)	182,350	187,087	(4,737)	182,350
Income tax expense	(27,894)	1,137	(26,757)	(27,894)	1,137	(26,757)
Profit for the period	159,193	(3,600)	155,593	159,193	(3,600)	155,593
Attributable to:						
- Owners of the parent	140,112	(3,600)	136,512	140,112	(3,600)	136,512
- Non-controlling interests	19,081	-	19,081	19,081	-	19,081
	159,193	(3,600)	155,593	159,193	(3,600)	155,593
Earnings per share:						
- Basic	1.95		1.89	1.95		1.89
- Diluted	1.92		1.86	1.92		1.86

A1 Accounting Policies and Basis of Preparation (contd.)

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

	Immediate preceding quarter ended 31 December 2022		
	As previously reported	Effects of prior year restatements	Restated
	RM'000	RM'000	RM'000
Revenue	1,531,591	-	1,531,591
Operating expenses	(1,424,317)	-	(1,424,317)
Other operating income	133,274	1,016	134,290
Net impairment losses on financial assets & contract assets	(27,839)	-	(27,839)
Profit from operations	212,709	1,016	213,725
Finance income	61,618	-	61,618
Finance costs	(62,215)	-	(62,215)
Share of profit from associates	3,087	-	3,087
Share of profit from joint ventures	78,962	-	78,962
Profit before tax	294,161	1,016	295,177
Income tax expense	(73,675)	(244)	(73,919)
Profit for the period	220,486	772	221,258
Attributable to:			
- Owners of the parent	203,134	772	203,906
- Non-controlling interests	17,352	-	17,352
	220,486	772	221,258
Earnings per share:			
- Basic	3.46		3.48
- Diluted	3.42		3.43

A1 Accounting Policies and Basis of Preparation (contd.)

(ii) Reconciliation of statements of comprehensive income

	Quarter ended 31 March 2022			Cumulative quarter ended 31 March 2022		
	As previously reported	Effects of prior year restatements	Restated	As previously reported	Effects of prior year restatements	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Profit for the period	159,193	(3,600)	155,593	159,193	(3,600)	155,593
<u>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</u>						
Foreign currency translation differences for foreign operations	7,284	-	7,284	7,284	-	7,284
Cash flow hedge reserve - Fair value gain/(loss)						
- Net fair value gain of derivatives	18,726	-	18,726	18,726	-	18,726
- Amounts recycled to profit or loss	(18,777)	-	(18,777)	(18,777)	-	(18,777)
<u>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</u>						
Fair value gain on other investments at fair value through other comprehensive income	27,038	-	27,038	27,038	-	27,038
	34,271	-	34,271	34,271	-	34,271
Total comprehensive income for the period	193,464	(3,600)	189,864	193,464	(3,600)	189,864
Attributable to:						
- Owners of the parent	175,287	(3,600)	171,687	175,287	(3,600)	171,687
- Non-controlling interests	18,177	-	18,177	18,177	-	18,177
	193,464	(3,600)	189,864	193,464	(3,600)	189,864

A1 Accounting Policies and Basis of Preparation (contd.)

(ii) Reconciliation of statements of comprehensive income (contd.)

	Immediate preceding quarter ended 31 December 2022		
	As previously reported	Effects of prior year restatements	Restated
	RM'000	RM'000	RM'000
Profit for the period	220,486	772	221,258
<u>Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods</u>			
Foreign currency translation differences for foreign operations	(6,332)	-	(6,332)
Cash flow hedge reserve - Fair value (loss)/gain			
- Net fair value loss of derivatives	(50,651)	-	(50,651)
- Amounts recycled to profit or loss	45,474	-	45,474
<u>Other comprehensive loss not to be reclassified to profit or loss in subsequent periods</u>			
Fair value loss on other investments at fair value through other comprehensive income	(13,620)	-	(13,620)
	(25,129)	-	(25,129)
Total comprehensive income for the period	195,357	772	196,129
Attributable to:			
- Owners of the parent	179,493	772	180,265
- Non-controlling interests	15,864	-	15,864
	195,357	772	196,129

A1 Accounting Policies and Basis of Preparation (contd.)

(iii) Reconciliation of statements of financial position

	As at 1 January 2022			As at 31 December 2022		
	As previously reported	Effects of prior year restatements	Restated	As previously reported	Effects of prior year restatements	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	47,405	1,877	49,282	53,873	4,769	58,642
Other non-current assets	17,038,167	-	17,038,167	17,661,480	-	17,661,480
Non-current assets	17,085,572	1,877	17,087,449	17,715,353	4,769	17,720,122
Current assets	7,998,726	-	7,998,726	8,341,400	-	8,341,400
TOTAL ASSETS	25,084,298	1,877	25,086,175	26,056,753	4,769	26,061,522
Payables, accruals & other short term liabilities	2,469,266	7,823	2,477,089	2,490,447	19,870	2,510,317
Other current liabilities	4,236,922	-	4,236,922	5,514,868	-	5,514,868
Current liabilities	6,706,188	7,823	6,714,011	8,005,315	19,870	8,025,185
Non-current liabilities	5,255,810	-	5,255,810	4,478,903	-	4,478,903
Total liabilities	11,961,998	7,823	11,969,821	12,484,218	19,870	12,504,088
Equity attributable to Owners of the Parent						
Share capital	5,393,889	-	5,393,889	5,393,897	-	5,393,897
Irredeemable convertible preference shares	977,779	-	977,779	977,779	-	977,779
Treasury shares	(74,335)	-	(74,335)	(74,335)	-	(74,335)
Reserves	5,733,046	(5,946)	5,727,100	6,243,414	(15,101)	6,228,313
	12,030,379	(5,946)	12,024,433	12,540,755	(15,101)	12,525,654
Non-controlling interest	1,091,921	-	1,091,921	1,031,780	-	1,031,780
Total equity	13,122,300	(5,946)	13,116,354	13,572,535	(15,101)	13,557,434
TOTAL EQUITY AND LIABILITIES	25,084,298	1,877	25,086,175	26,056,753	4,769	26,061,522
Net assets per share attributable to Owners of the Parent (RM)	2.05		2.05	2.14		2.13

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.

A4 Unusual Items

There were no material unusual items affecting the amounts reported for the current quarter ended 31 March 2023.

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 2023.

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

During the financial period ended 31 March 2023, the Company increased its issued and paid up ordinary share capital by way of issuance of 2,322 ordinary shares pursuant to the exercise of warrants.

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 Dividends Paid

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

- a) Single-tier second interim dividend of 3.50 sen per ordinary share for the financial year ended 31 December 2022, which consists of cash portion of 1.50 sen per ordinary share and an electable portion of 2.00 sen per share which can be elected to be reinvested into new ordinary shares in accordance with the Dividend Reinvestment Scheme ("DRS"). The reinvestment rate subsequent to the completion of the DRS was 93.59% with the allotment of 65,562,100 new ordinary shares at RM1.38 per share amounted to RM90,475,698 and the total cash dividend of RM80,641,964 was paid on 5 May 2023. The new ordinary shares issued pursuant to the DRS were listed on the Main Market of Bursa Securities on 8 May 2023; and
- b) RM25,666,695 was paid on 13 April 2023 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 1 July 2022 to 31 December 2022.

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A8 Segmental Reporting

Segmental results for the financial period ended 31 March 2023 are as follows:

	Property Development RM'000	Property Investment RM'000	Construction RM'000	Healthcare RM'000	Trading and Manufacturing RM'000	Quarry RM'000	Investment Holdings RM'000	Others RM'000	Adjustments/ Eliminations RM'000	Total RM'000
BY BUSINESS SEGMENTS										
REVENUE AND RESULTS										
Revenue										
Sales to external customers	247,807	209,886	327,941	-	224,080	78,225	2,269	173,530	-	1,263,738
Inter-segment revenue	11,305	77,700	372,648	-	47,334	12,581	20,292	50,108	(591,968)	-
Total revenue	259,112	287,586	700,589	-	271,414	90,806	22,561	223,638	(591,968)	1,263,738
Results										
Operating segment results	14,193	45,644	43,744	-	10,895	4,437	(17,865)	12,306	-	113,354
Finance income	17,718	17,775	3,717	-	3,717	1,864	34,830	4,099	(25,363)	58,357
Finance costs	(20,526)	(38,251)	(8,209)	-	(5,013)	(2,369)	(10,341)	(3,066)	25,363	(62,412)
Share of results of:										
- associates	1	41,255	93	-	-	-	-	318	-	41,667
- joint ventures	11,686	821	165	28,832	-	(440)	-	-	-	41,064
Profit before taxation	23,072	67,244	39,510	28,832	9,599	3,492	6,624	13,657	-	192,030
Taxation	(4,020)	(15,226)	(9,436)	-	(2,233)	(947)	1,143	(2,546)	-	(33,265)
Profit for the period	19,052	52,018	30,074	28,832	7,366	2,545	7,767	11,111	-	158,765
Non-controlling interests	(1,393)	(510)	(13,045)	-	162	(13)	(2,064)	(263)	-	(17,126)
Attributable to owners of the parent	17,659	51,508	17,029	28,832	7,528	2,532	5,703	10,848	-	141,639

	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	1,045,404	178,498	147,520	130,219
Singapore	62,805	5,175	5,062	7,893
China	29,139	540	377	445
India	85,385	6,378	5,091	2,517
Australia	8,787	382	202	(26)
Indonesia	12,800	1,403	913	913
United Kingdom	9,460	(462)	(594)	(624)
Other countries	9,958	116	194	302
	1,263,738	192,030	158,765	141,639

A8 Segmental Reporting (contd.)

Segmental assets and liabilities for the financial period ended 31 March 2023 are as follows:

	Property Development RM'000	Property Investment RM'000	Construction RM'000	Healthcare RM'000	Trading and Manufacturing RM'000	Quarry RM'000	Investment Holdings RM'000	Others RM'000	Adjustments/ Eliminations RM'000	Total RM'000
Assets										
Segment assets	7,213,720	3,336,651	2,176,022	-	992,371	413,696	11,892,562	1,353,046	(10,341,376)	17,036,692
Investment in associates	-	2,596,313	-	-	-	-	12,465	54,895	-	2,663,673
Investment in joint ventures	2,263,064	141,634	251,309	4,072,395	51	13,647	50	-	-	6,742,150
Unallocated assets										124,227
Total assets										26,566,742
Liabilities										
Segment liabilities	5,252,835	3,901,977	1,604,538	-	675,326	317,160	10,153,500	739,666	(10,284,564)	12,360,438
Unallocated liabilities										253,706
Total liabilities										12,614,144

A8 Segmental Reporting (contd.)

Segmental results by foreign currency for the financial period ended 31 March 2023 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)	247,807	13,785	9,945	8,780	247,807	13,785	9,945	8,780
Australian Dollar (AUD'000)	-	198	138	62	-	595	415	187
Hong Kong Dollar (HKD'000)	-	4	4	4	-	2	2	2
India Rupee (INR'000)	-	19	19	19	-	1	1	1
Chinese Renminbi (RMB'000)	-	(1,924)	(1,924)	(1,924)	-	(1,231)	(1,231)	(1,231)
Singapore Dollar (SGD'000)	-	3,009	3,009	3,009	-	9,921	9,921	9,921
US Dollar (USD'000)	-	-	-	-	-	(1)	(1)	(1)
					247,807	23,072	19,052	17,659

PROPERTY INVESTMENT 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)	196,873	67,675	52,399	51,812	196,873	67,675	52,399	51,812
Pound Sterling (GBP'000)	1,758	(86)	(110)	(116)	9,460	(462)	(594)	(624)
Singapore Dollar (SGD'000)	-	187	187	187	-	615	615	615
US Dollar (USD'000)	519	(46)	(46)	(22)	2,274	(203)	(203)	(96)
Vietnam Dong (VND'000,000)	6,884	(2,051)	(1,071)	(1,071)	1,279	(381)	(199)	(199)
					209,886	67,244	52,018	51,508

CONSTRUCTION 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)	189,563	39,365	31,216	17,913	189,563	39,365	31,216	17,913
India Rupee (INR'000)	1,602,972	119,718	95,557	47,234	85,385	6,377	5,090	2,516
Singapore Dollar (SGD'000)	16,071	(1,889)	(1,889)	(1,031)	52,993	(6,230)	(6,230)	(3,399)
US Dollar (USD'000)	-	-	-	-	-	(2)	(2)	(1)
					327,941	39,510	30,074	17,029

HEALTHCARE SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)	-	28,832	28,832	28,832	-	28,832	28,832	28,832
					-	28,832	28,832	28,832

TRADING & MANUFACTURING 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)	171,771	6,860	5,492	5,446	171,771	6,860	5,492	5,446
Australian Dollar (AUD'000)	2,930	(71)	(71)	(71)	8,787	(213)	(213)	(213)
Indonesia Rupiah (IDR'000,000)	44,138	4,838	3,148	3,148	12,800	1,403	913	913
Chinese Renminbi (RMB'000)	22,665	48	(198)	127	14,505	31	(127)	81
Singapore Dollar (SGD'000)	2,976	264	229	229	9,812	869	756	756
Thai Baht (THB'000)	43,287	5,155	4,349	4,349	5,584	665	561	561
Vietnam Dong (VND'000,000)	4,419	(86)	(86)	(86)	821	(16)	(16)	(16)
					224,080	9,599	7,366	7,528

A8 Segmental Reporting (contd.)

Segmental results by foreign currency for the financial period ended 31 March 2023 are as follows: (contd.)

QUARRY SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)	78,225	3,438	2,491	2,478	78,225	3,438	2,491	2,478
Trinidad & Tobago Dollar (TTD'000)	-	83	83	83	-	54	54	54
					78,225	3,492	2,545	2,532

INVESTMENT HOLDINGS 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)	1,780	6,677	7,825	5,760	1,780	6,677	7,825	5,760
Hong Kong Dollar (HKD'000)	-	(21)	(30)	(29)	-	(12)	(17)	(16)
Chinese Renminbi (RMB'000)	764	(64)	(64)	(64)	489	(41)	(41)	(41)
					2,269	6,624	7,767	5,703

OTHERS SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)	159,385	11,866	9,320	9,198	159,385	11,866	9,320	9,198
Chinese Renminbi (RMB'000)	22,103	2,799	2,799	2,578	14,145	1,791	1,791	1,650
					173,530	13,657	11,111	10,848

A9 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.

A10 Material Events Subsequent to the end of the Reporting Period

There were no material events subsequent to the current quarter ended 31 March 2023.

A11 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 2023.

A12 Contingent Liabilities and Assets

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

(a) Guarantees

	31/03/2023 RM'000	31/12/2022 RM'000
Guarantees given to third parties in respect of trade and contracts	806,876	807,254
Guarantees given to financial institutions for borrowings obtained by joint ventures	3,097,407	2,554,550
	<u>3,904,283</u>	<u>3,361,804</u>

(b) Claim

	31/03/2023 RM'000	31/12/2022 RM'000
Claim by a third party	<u>164,378</u>	<u>164,378</u>

Claim by a third party represents proportionate share of contingent liability based on amount claimed in relation to a material litigation of Sunway REIT, a 40.89% owned associate of the Group, with Metroplex Holdings Sdn. Bhd. ("Metroplex").

On 31 March 2021, the Federal Court allowed Metroplex's appeal by setting aside the Court of Appeal's Decision in favour of Sunway REIT, restoring the High Court's Decision and ordered the assessment of damages against Sunway REIT to proceed before the High Court. In Metroplex's claim, Metroplex is claiming for the Chattels and Movable Items amounting to approximately RM402 million. However, Sunway REIT is vigorously objecting to the amount claimed as being overly excessive and has appointed subject matter experts to dispute the quantum of claim.

During the case management hearing on 24 June 2022, the original trial dates of 3 to 6 October 2022 for the assessment of damages have been vacated. The trial for the said assessment held on 4, 5, 6, 12 and 13 January 2023 has been concluded. Upon conclusion of the trial, the High Court judge directed Sunway REIT and Metroplex to appear before the High Court for oral submission on 9 May 2023. After the hearing of oral submissions by both parties, the High Court judge then proceeded to fix decision to be delivered on 3 August 2023. At this stage, the financial impact cannot be determined pending the outcome of the said proceedings and decision of the High Court.

In accordance with MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, the Group discloses the share of associate's contingent liability relating to this legal case as there is a present obligation that arose from past event, although the amount of obligation could not be measured with sufficient reliability at this juncture.

There were no contingent assets since the last annual reporting date.

A13 Commitments

(a) Capital commitments not provided for in the financial year as at 31 March 2023 are as follows:

	31/03/2023 RM'000	31/12/2022 RM'000
Approved and contracted for property, plant and equipment and investment properties	21,054	35,074
Approved but not contracted for property, plant and equipment and investment properties	57,130	57,228
	<u>78,184</u>	<u>92,302</u>

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

	31/03/2023 RM'000	31/12/2022 RM'000
Approved and contracted for property, plant and equipment and investment properties	273,177	75,372
Approved but not contracted for property, plant and equipment and investment properties	240,482	136,338
	<u>513,659</u>	<u>211,710</u>

A13 Commitments (contd.)

(a) Capital commitments not provided for in the financial year as at 31 March 2023 are as follows: (contd.)

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

	31/03/2023 RM'000	31/12/2022 RM'000
Approved and contracted for property, plant and equipment and investment properties	496,988	553,325
Approved but not contracted for property, plant and equipment and investment properties	907,930	831,517
	<u>1,404,918</u>	<u>1,384,842</u>

(b) Operating lease commitment not provided for in the financial year as at 31 March 2023 is as follows:

	31/03/2023 RM'000	31/12/2022 RM'000
Future minimum lease receipts:		
- not later than 1 year	54,986	54,658
- later than 1 year and not later than 5 years	213,525	227,573
	<u>268,511</u>	<u>282,231</u>

A14 Significant Related Party Transactions

(a) Sale/(Purchase) transactions with joint ventures and associates

	Current Quarter Ended		Cumulative Year To Date	
	31/03/2023 RM'000	31/03/2022 RM'000	31/03/2023 RM'000	31/03/2022 RM'000
(i) Sunway Real Estate Investment Trust ("Sunway REIT") (RHB Trustees Bhd) ^				
Lease of Sunway Resort Hotel & Spa	(2,069)	(2,068)	(2,069)	(2,068)
Lease of Sunway Putra Hotel	(2,775)	(973)	(2,775)	(973)
Lease of Sunway Hotel Georgetown	(823)	(823)	(823)	(823)
Lease of Sunway Pyramid's ice rink	(415)	(407)	(415)	(407)
Lease/Rental of properties in respect of:				
Menara Sunway and accommodation for security staff	(1,805)	(1,704)	(1,805)	(1,704)
Rental and management of car parks and related services	(9,919)	(6,510)	(9,919)	(6,510)
Provision of property management and related services	1,447	1,081	1,447	1,081
Provision of loyalty card points	300	263	300	263
Sales of financial, human resources and IT related services	537	315	537	315
Marketing, distribution and sale of construction related products and industrial products	29	558	29	558
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	9,459	63,344	9,459	63,344
Management services	3,726	2,720	3,726	2,720
Distribution income from perpetual note	2,566	2,236	2,566	2,236
(ii) Sunway Iskandar Sdn. Bhd. Group				
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	1	9,910	1	9,910
Management services	1,761	1,652	1,761	1,652
Property management and related services	338	264	338	264
(iii) Sunway Healthcare Holdings Sdn. Bhd. Group				
Provision of medical services	(366)	(768)	(366)	(768)
Sponsorship of nurse program	(414)	(423)	(414)	(423)
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	50,652	117,122	50,652	117,122
Rental of office space premises and related services	615	1,289	615	1,289
Provision of property management and related services	1,118	1,024	1,118	1,024
Sales of financial, human resources and IT related services	559	1,036	559	1,036
Management services	692	648	692	648
Provision of ticketing and tour related services	375	-	375	-
Interest income earned from fund placement	1,498	1,042	1,498	1,042

A14 Significant Related Party Transactions (contd.)
(a) Sale/(Purchase) transactions with joint ventures and associates (contd.)

	Current Quarter Ended		Cumulative Year To Date	
	31/03/2023 RM'000	31/03/2022 RM'000	31/03/2023 RM'000	31/03/2022 RM'000
(iv) GME - SE Joint Venture (SWT) Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	-	(7,047)	-	(7,047)

(b) Sale/(Purchase) transactions with shareholders and their related companies

	Current Quarter Ended		Cumulative Year To Date	
	31/03/2023 RM'000	31/03/2022 RM'000	31/03/2023 RM'000	31/03/2022 RM'000
(i) Active Equity Sdn. Bhd. Group * Information systems products and consultancy fees	(2,061)	(1,803)	(2,061)	(1,803)
(ii) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling Distribution paid/payable in respect of Perpetual Sukuk	(7,763)	(7,595)	(7,763)	(7,595)

^ 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..

Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng is the spouse while Sarena Cheah Yean Tih, Evan Cheah Yean Shin and Adrian Cheah Yean Sun are the children of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling.

* Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Sarena Cheah Yean Tih and Evan Cheah Yean Shin are Directors and major shareholders of Active Equity Group Sdn. Bhd. as well as Directors in several subsidiaries of Active Equity Sdn. Bhd.. Adrian Cheah Yean Sun is a major shareholder of Active Equity Sdn. Bhd..

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

Analysis of performance of the respective operating business segments are as follows:

For the quarter

	Quarter ended		Increase/ (Decrease) %
	31/03/2023 RM'000	31/03/2022 RM'000 (Restated)	
Revenue			
Property Development	247,807	158,195	56.6
Property Investment	209,886	121,107	73.3
Construction	327,941	368,611	(11.0)
Trading and Manufacturing	224,080	205,039	9.3
Quarry	78,225	76,151	2.7
Others	175,799	183,373	(4.1)
	<u>1,263,738</u>	<u>1,112,476</u>	13.6
Profit before tax			
Property Development	23,072	23,415	(1.5)
Property Investment	67,244	45,022	49.4
Construction	39,510	47,833	(17.4)
Healthcare*	28,832	28,241	2.1
Trading and Manufacturing	9,599	10,296	(6.8)
Quarry	3,492	4,851	(28.0)
Others	20,281	22,692	(10.6)
	<u>192,030</u>	<u>182,350</u>	5.3

* Please note that the healthcare's contribution is based on equity accounting which accounts for the Group's share of its net profit or loss.

B1 Review of Performance (contd.)

Analysis of performance of the respective operating business segments are as follows: (contd.)

For the quarter (contd.)

The Group recorded revenue of RM1,263.7 million and profit before tax of RM192.0 million for the current quarter ended 31 March 2023 compared to revenue of RM1,112.5 million and profit before tax of RM182.4 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 13.6% and profit before tax of 5.3%. Revenue was higher in the current quarter mainly due to higher contribution from most business segments except for construction and others segments. Profit before tax in the current quarter was higher mainly due to higher contributions from property investment and healthcare segments which more than offset the lower profit contributions from the other business segments.

It should be noted that due to MFRS 15, the development profit from two of the Group's on-going Singapore property development projects will only be recognised upon completion and handover of the projects. As a result, the accumulated progressive profits related to these projects as at the end of the current quarter of RM121.6 million, of which RM12.1 million was attributed to the current quarter, was not recognised.

The property development segment reported revenue of RM247.8 million and profit before tax of RM23.1 million in the current quarter compared to revenue of RM158.2 million and profit before tax of RM23.4 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 56.6% and decrease in profit before tax of 1.5%. The higher revenue in the current quarter was mainly due to higher sales and progress billings from on-going local development projects. However, profit before tax in the current quarter was lower compared to the previous corresponding quarter. This was mainly due to lower profit recognition from overseas development projects in the current quarter.

The property investment segment reported revenue of RM209.9 million and profit before tax of RM67.2 million in the current quarter compared to revenue of RM121.1 million and profit before tax of RM45.0 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 73.3% and profit before tax of 49.4%. The higher revenue in the current quarter was mainly due to strong performance of the leisure and hospitality businesses with higher number of visitors to the theme parks and higher occupancy rates at the Group's hotels and better revenue from property investment assets. As a result, the financial performance in the current quarter was stronger.

The construction segment recorded revenue of RM327.9 million and profit before tax of RM39.5 million in the current quarter compared to revenue of RM368.6 million and profit before tax of RM47.8 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 11.0% and profit before tax of 17.4%. The financial performance in the current quarter was lower due to lower progress billings from some local construction projects which are still in the initial stages of the construction schedules.

The healthcare segment reported a share of net profit of RM28.8 million in the current quarter compared to a share of net profit of RM28.2 million in the corresponding quarter of the previous financial year, representing an increase of 2.1%. The better financial performance in the current quarter was underpinned by the strong operational results from Sunway Medical Centre ("SMC") and SMC Velocity which mitigated the share of start-up operational loss of RM2.2 million from SMC Penang and the share of additional tax payable of RM8.2 million following the normalisation of SMC's tax paying status when its investment tax allowance ("ITA") was fully utilised in the previous financial year.

The trading and manufacturing segment recorded revenue of RM224.1 million and profit before tax of RM9.6 million in the current quarter compared to revenue of RM205.0 million and profit before tax of RM10.3 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 9.3% and decrease in profit before tax of 6.8%. The higher revenue in the current quarter was mainly attributable to higher sales in the domestic market. However, profit before tax was lower mainly due to higher operating costs.

The quarry segment reported revenue of RM78.2 million and profit before tax of RM3.5 million in the current quarter compared to revenue of RM76.2 million and profit before tax of RM4.9 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 2.7% and decrease in profit before tax of 28.0%. The financial performance in the current quarter was satisfactory due to higher average selling prices of aggregates and premix. It should be noted that the financial performance in the corresponding quarter of the previous financial year was boosted by a one-off compensation of RM6.0 million received from a court case.

The others segments recorded revenue of RM175.8 million and profit before tax of RM20.3 million in the current quarter compared to revenue of RM183.4 million and profit before tax of RM22.7 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 4.1% and profit before tax of 10.6%. The lower financial performance in the current quarter was mainly due to lower contribution from the community pharmacy business and Group's treasury functions, but mitigated by higher contribution from the building materials segment.

B2 Material Changes in the Quarterly Results

	Quarter ended		Increase/ (Decrease) %
	31/03/2023 RM'000	31/12/2022 RM'000 (Restated)	
Revenue			
Property Development	247,807	442,653	(44.0)
Property Investment	209,886	230,660	(9.0)
Construction	327,941	291,013	12.7
Trading and Manufacturing	224,080	233,452	(4.0)
Quarry	78,225	123,373	(36.6)
Others	175,799	210,440	(16.5)
	<u>1,263,738</u>	<u>1,531,591</u>	(17.5)

B2 Material Changes in the Quarterly Results (contd.)

	Quarter ended		Increase/ (Decrease) %
	31/03/2023 RM'000	31/12/2022 RM'000 (Restated)	
Profit before tax			
Property Development	23,072	70,356	(67.2)
Property Investment	67,244	51,657	30.2
Construction	39,510	58,723	(32.7)
Healthcare*	28,832	71,841	(59.9)
Trading and Manufacturing	9,599	9,211	4.2
Quarry	3,492	5,123	(31.8)
Others	20,281	28,266	(28.2)
	<u>192,030</u>	<u>295,177</u>	(34.9)

* Please note that the healthcare's contribution is based on equity accounting which accounts for the Group's share of its net profit or loss.

The Group recorded revenue of RM1,263.7 million and profit before tax of RM192.0 million for the current quarter compared to revenue of RM1,531.6 million and profit before tax of RM295.2 million in the preceding quarter, representing a decrease in revenue of 17.5% and profit before tax of 34.9%. Revenue was lower in the current quarter due to lower contributions from most business segments except for construction segment. As a result, profit before tax in the current quarter was lower despite higher contributions from property investment and trading and manufacturing segments.

The property development segment reported revenue of RM247.8 million and profit before tax of RM23.1 million for the current quarter compared to revenue of RM442.7 million and profit before tax of RM70.4 million in the preceding quarter, representing a decrease in revenue of 44.0% and profit before tax of 67.2%. The financial performance in the current quarter was lower mainly due to lower progress billings from on-going local development projects. It should also be noted that the higher profit in the preceding quarter was boosted by write-back of overprovision of development costs and additional profits from the completion and handover of a local project.

The property investment segment reported revenue of RM209.9 million and profit before tax of RM67.2 million for the current quarter compared to revenue of RM230.7 million and profit before tax of RM51.7 million in the preceding quarter, representing a decrease in revenue of 9.0% and increase in profit before tax of 30.2%. After taking into account of the overall fair value loss of RM22.9 million for the various investment properties and assets recorded in the preceding quarter, the operational performance in the current quarter was lower due to lower contributions from the leisure and hospitality segments which tend to peak in the preceding final quarter of the year.

The construction segment recorded revenue of RM327.9 million and profit before tax of RM39.5 million for the current quarter compared to revenue of RM291.0 million and profit before tax of RM58.7 million in the preceding quarter, representing an increase in revenue of 12.7% and decrease in profit before tax of 32.7%. The higher revenue recorded in the current quarter was mainly due to higher progress billings from local construction projects. However, profit before tax was lower due to lower operating margins recorded.

The healthcare segment reported a share of net profit of RM28.8 million in the current quarter which was lower than the share of net profit of RM71.8 million in the preceding quarter by 59.9%. Excluding the share of one-off net remeasurement gain of leases as per MFRS 16 of RM36.7 million recorded in the preceding quarter, the adjusted share of net profit in the preceding quarter was RM35.1 million. The financial performance of the healthcare segment in the current quarter was lower mainly due to higher revised utility costs and higher staff costs at SMC whereby additional headcounts were hired in preparation for the opening of the adjoining new hospital towers. However, it should be noted that the share of start-up losses of SMC Penang has reduced significantly from RM8.4 million in the preceding quarter to only RM2.2 million due to sharp increase in operating revenue.

The trading and manufacturing segment recorded revenue of RM224.1 million and profit before tax of RM9.6 million for the current quarter compared to revenue of RM233.5 million and profit before tax of RM9.2 million in the preceding quarter, representing a decrease in revenue of 4.0% and increase in profit before tax of 4.2%. Revenue in the current quarter was lower due to lower sales from domestic and overseas markets compared to the preceding quarter. However, profit before tax was marginally higher in the current quarter due to higher operating margins.

The quarry segment reported revenue of RM78.2 million and profit before tax of RM3.5 million for the current quarter compared to revenue of RM123.4 million and profit before tax of RM5.1 million in the preceding quarter, representing a decrease in revenue of 36.6% and profit before tax of 31.8%. The financial performance in the current quarter was lower mainly due to lower sales volume and average selling price of premix.

The others segments recorded revenue of RM175.8 million and profit before tax of RM20.3 million for the current quarter compared to revenue of RM210.4 million and profit before tax of RM28.3 million in the preceding quarter, representing a decrease in revenue of 16.5% and profit before tax of 28.2%. The financial performance in the current quarter was lower mainly due to lower contributions from the community pharmacy business, others business segments and Group's treasury functions, but mitigated by stronger contribution from the building materials segment.

B3 Prospects

Malaysia's gross domestic product (GDP) registered a growth of 5.6% in the first quarter of 2023 compared with 7.1% in the preceding fourth quarter of last year. Despite the moderating trend, Bank Negara expects the economy to remain resilient and maintains its 2023 growth forecast at between 4% to 5%. There may be downside risks to the economic growth forecast due to the prevailing challenging global environment caused by tighter credit conditions, weaker global growth and sustained inflationary pressures.

However, the Group is hopeful that the consequential impact from the downside risks will be moderated by the relatively strong domestic economy. In addition, the Group has taken actions to improve the operating process of the business units to make them more resilient to manage the headwinds. Looking ahead, the Group is cautiously optimistic that most of its business units will continue to perform satisfactorily. In particular, the Group expects its leisure, hospitality and healthcare segments to continue to benefit from the improving in-bound leisure and medical-related tourism as more international airlines resume their flights to Malaysia.

Barring any unforeseen circumstances, the Board expects the Group's financial performance for the year to remain 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	
	31/03/2023 RM'000	31/03/2022 RM'000	31/03/2023 RM'000	31/03/2022 RM'000
		(Restated)		(Restated)
Current taxation	(43,086)	(30,370)	(43,086)	(30,370)
Over provision of tax in prior years	318	120	318	120
Deferred taxation	9,503	3,493	9,503	3,493
	(33,265)	(26,757)	(33,265)	(26,757)

B6 Profit before Taxation

The following amounts have been included in arriving at profit before taxation:

	Current Quarter Ended 31/03/2023 RM'000	Cumulative Year To Date 31/03/2023 RM'000
Depreciation and amortisation	(32,065)	(32,065)
Net (provision)/reversal of impairment for financial assets & contract assets:		
- Trade receivables	(1,643)	(1,643)
- Other receivables	7	7
- Advances to joint ventures	(81)	(81)
- Contract assets	177	177
Net provision of impairment for:		
- Inventories	(673)	(673)
Write off:		
- Trade receivables	(20)	(20)
- Inventories	(285)	(285)
- Property, plant and equipment	(8)	(8)
Net gain on disposal of property, plant and equipment	1,972	1,972
Net foreign exchange gain:		
- Others	354	354
- Unrealised for hedged items	12,752	12,752
Cash flow hedge reserve recycled to profit or loss	(12,752)	(12,752)
Net gain on derivatives	1,636	1,636
Net loss on financial guarantee contracts	(1,177)	(1,177)
Distribution paid in respect of Perpetual Sukuk	(7,763)	(7,763)

B7 Status of Corporate Proposal Announced

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

(a) Investment by Greenwood Capital Pte. Ltd. ("Greenwood"), an indirect wholly-owned subsidiary of GIC (Ventures) Pte. Ltd., in Sunway Healthcare Holdings Sdn. Bhd. ("Sunway Healthcare"), a former wholly-owned subsidiary of Sunway City Sdn. Bhd. ("SunCity") which in turn was a wholly-owned subsidiary of the Group, for a total consideration of RM750 million in cash

On 23 June 2021, Sunway Berhad, SunCity, Sunway Healthcare and Greenwood entered into a Share Subscription Agreement ("SSA") for the subscription of 100,000,000 ordinary shares in Sunway Healthcare, 10,000,000 irredeemable convertible preference shares in Sunway Healthcare ("ICPS") and 1 cumulative irredeemable dividend convertible preference share in Sunway Healthcare (collectively, "Subscription Shares") by Greenwood for a total subscription consideration of RM750 million in cash ("Subscription Amount").

The Subscription Amount will be paid over five (5) tranches subject to the satisfaction of the closing conditions of the respective tranches in accordance with the SSA as follows:

- (i) RM33.88 upon the Initial Closing;
- (ii) the 1st tranche of RM199,999,994.32 on the later of the date falling 6 months after the date of the SSA and the date of the Initial Closing ("1st Closing");
- (iii) the 2nd tranche of RM100,000,000.00 on the date falling 18 months after the date of the SSA ("2nd Closing");
- (iv) the 3rd tranche of RM168,000,000.00 on the date falling 18 months after the date of the 2nd Closing ("3rd Closing"); and
- (v) the 4th tranche of RM281,999,971.80 on the date falling 6 months after the date of the 3rd Closing ("4th Closing").

The Group had fulfilled the initial closing conditions on 23 December 2021 as stipulated in the SSA resulting in Greenwood becoming a shareholder of Sunway Healthcare.

Sunway Berhad, SunCity, Sunway Healthcare and Greenwood (collectively, "Parties") have on 23 December 2021 signed a supplemental letter to the SSA ("SSA Supplemental Letter") to vary, among others, the date of the 1st Closing. Pursuant to the SSA Supplemental Letter, the Parties agreed that the 1st Closing has been amended from the later of the date falling six (6) months after the date of the SSA or the Initial Closing Date to the date falling nine (9) months after the date of the SSA. Accordingly, 1st Closing conditions have been fulfilled and that 1st Closing had occurred on 23 March 2022 with Greenwood having paid the 1st tranche of the Subscription Amount of RM199,999,994.32 to Sunway Healthcare.

In addition, the Parties have also signed a Shareholders' Agreement to regulate their relationship as shareholders of Sunway Healthcare. The 2nd Closing in accordance with the SSA has taken place on 23 December 2022.

The 3rd and 4th Closing of the abovementioned Subscription Amount are expected to take place in June 2024 and December 2024 respectively.

(b) Proposed acquisition of lands and buildings by Sunway Medical Centre Sdn. Bhd. from RHB Trustees Berhad (as trustee for Sunway Real Estate Investment Trust) ("Proposed Acquisition")

On 29 December 2022, Sunway Medical Centre Sdn. Bhd. ("SMCSB"), a 99.99%-owned subsidiary of Sunway Healthcare Holdings Sdn. Bhd., which in turn a 84%-owned joint venture of the Group, had entered into a Conditional Sale and Purchase Agreement ("SPA") with RHB Trustees Berhad ("RHB Trustees") for the acquisition of lands and buildings known as "Tower A & B of Sunway Medical Centre", together with the plant and machinery and all fixtures and fittings affixed or located or used in the buildings ("Property") for a total purchase consideration of RM430.0 million. The Property was leased and used by SMCSB to operate a medical centre. Completion of the Proposed Acquisition is subject to the fulfillment of all conditions precedent of the SPA and authorities' approval.

SMCSB and RHB Trustees had on 31 March 2023, entered into a supplemental agreement to amend certain terms and conditions of the SPA. Pursuant to the supplemental agreement, the parties have agreed to extend the cut-off date for fulfilling the conditions precedent of the SPA for another 2 months from 30 March 2023, or such other extended dates as the parties may mutually agree upon in writing.

B8 Group Borrowings and Debt Securities

The Group borrowings as at 31 March 2023 are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
Secured borrowings			
<u>Islamic:</u>			
Term loans	36,926	184,446	221,372
Medium term notes	895,000	1,604,000	2,499,000
	931,926	1,788,446	2,720,372
<u>Conventional:</u>			
Bank overdrafts	32,692	-	32,692
Term loans	266,133	1,159,942	1,426,075
Revolving credits	1,196,082	60,929	1,257,011
Medium term notes	-	500,000	500,000
Bankers' acceptances	1,820	-	1,820
Receivable financing	20,000	-	20,000
Hire purchase	139	224	363
	1,516,866	1,721,095	3,237,961
Total secured borrowings	2,448,792	3,509,541	5,958,333
Unsecured borrowings			
<u>Islamic:</u>			
Revolving credits	17,000	-	17,000
Medium term notes	245,000	200,000	445,000
Commercial papers	520,000	-	520,000
	782,000	200,000	982,000
<u>Conventional:</u>			
Term loans	597,375	199,794	797,169
Revolving credits	676,091	-	676,091
Bankers' acceptances	172,907	-	172,907
Bills discounting	75,387	-	75,387
	1,521,760	199,794	1,721,554
Total unsecured borrowings	2,303,760	399,794	2,703,554
Total borrowings	4,752,552	3,909,335	8,661,887
Islamic borrowings	1,713,926	1,988,446	3,702,372
Conventional borrowings	3,038,626	1,920,889	4,959,515
Total borrowings	4,752,552	3,909,335	8,661,887
Perpetual sukuk	-	600,000	600,000
Total borrowings and perpetual sukuk	4,752,552	4,509,335	9,261,887

Included in the Group borrowings as at 31 March 2023 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 loans	30,500	110,000	134,551	485,265	619,816
- Revolving credits	52,500	-	231,604	-	231,604
Singapore Dollar (SGD'000) **					
- Term loans	5,458	38,499	18,176	128,196	146,372
- Revolving credits	7,600	-	25,307	-	25,307
Australia Dollar (AUD'000) #					
- Revolving credits	83,696	-	248,930	-	248,930
- Bankers' acceptance	612	-	1,820	-	1,820
- Receivable financing	6,724	-	20,000	-	20,000
Pound Sterling (GBP'000) **					
- Term loans	24,000	47,302	131,582	259,338	390,920
Indian Rupee (INR'000) **					
- Term loans	-	3,382,000	-	181,275	181,275

B8 Group Borrowings and Debt Securities (contd.)

Included in the Group borrowings as at 31 March 2023 are amounts denominated in foreign currency as follows: (contd.)

	Foreign currency		RM'000		
	Current	Non-current	Current	Non-current	Total
Unsecured					
US Dollar (USD'000) *					
- Revolving credits	50,000	-	220,575	-	220,575
Singapore Dollar (SGD'000) **					
- Term loans	25,000	60,000	83,248	199,794	283,042
- Revolving credits	93,000	-	309,681	-	309,681
- Bills discounting	850	-	2,831	-	2,831
Chinese Renminbi (RMB'000) *					
- Revolving credits	191,636	-	123,528	-	123,528
Australia Dollar (AUD'000) *					
- Revolving credits	7,500	-	22,307	-	22,307
			1,574,140	1,253,868	2,828,008

The Group borrowings as at 31 March 2022 are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
Secured borrowings			
<u>Islamic:</u>			
Term loans	-	162,948	162,948
Medium term notes	620,000	1,600,000	2,220,000
Revolving credits	-	420,850	420,850
	620,000	2,183,798	2,803,798
<u>Conventional:</u>			
Bank overdrafts	80,105	-	80,105
Term loans	187,488	568,422	755,910
Revolving credits	816,989	264,631	1,081,620
Bankers' acceptances	1,482	-	1,482
Hire purchase	325	168	493
	1,086,389	833,221	1,919,610
Total secured borrowings	1,706,389	3,017,019	4,723,408
Unsecured borrowings			
<u>Islamic:</u>			
Medium term notes	15,000	445,000	460,000
Revolving credits	27,000	-	27,000
Commercial papers	891,000	-	891,000
	933,000	445,000	1,378,000
<u>Conventional:</u>			
Term loans	205,332	573,665	778,997
Revolving credits	645,487	-	645,487
Bankers' acceptances	141,748	-	141,748
Bills discounting	110,564	-	110,564
	1,103,131	573,665	1,676,796
Total unsecured borrowings	2,036,131	1,018,665	3,054,796
Total borrowings	3,742,520	4,035,684	7,778,204
Islamic borrowings	1,553,000	2,628,798	4,181,798
Conventional borrowings	2,189,520	1,406,886	3,596,406
Total borrowings	3,742,520	4,035,684	7,778,204
Perpetual sukuk	-	600,000	600,000
Total borrowings and perpetual sukuk	3,742,520	4,635,684	8,378,204

B8 Group Borrowings and Debt Securities (contd.)

Included in the Group borrowings as at 31 March 2022 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 loans	-	48,000	-	202,008	202,008
- Revolving credits	-	100,000	-	420,850	420,850
Singapore Dollar (SGD'000) **					
- Term loans	-	28,246	-	87,948	87,948
- Revolving credits	9,650	-	30,047	-	30,047
Australia Dollar (AUD'000) #					
- Revolving credits	18,000	83,696	56,912	264,631	321,543
- Bankers' acceptance	491	-	1,482	-	1,482
Pound Sterling (GBP'000) **					
- Term loans	33,868	31,216	187,317	172,652	359,969
Indian Rupee (INR'000) **					
- Term loans	-	156,000	-	8,642	8,642
Unsecured					
US Dollar (USD'000) *					
- Revolving credits	50,000	-	210,425	-	210,425
Singapore Dollar (SGD'000) **					
- Term loans	-	85,000	-	264,665	264,665
- Revolving credits	40,000	-	124,548	-	124,548
Indonesian Rupiah (IDR'000) **					
- Term loans	700,000	-	205	-	205
Chinese Renminbi (RMB'000) *					
- Revolving credits	12,284	-	8,149	-	8,149
Australia Dollar (AUD'000) *					
- Revolving credits	29,200	-	92,325	-	92,325
			711,410	1,421,396	2,132,806

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 borrowings of the Group has increased by RM0.88 billion, from RM7.78 billion as at 31 March 2022 to RM8.66 billion as at 31 March 2023.

The weighted average interest rate of borrowings (including perpetual sukuk) as at 31 March 2023 is 4.22%. 37% of the Group's borrowings (including perpetual sukuk) are fixed rate instruments, whereas 63% are floating rate instruments.

Out of the total borrowings of RM8.66 billion, RM2.83 billion (Current: RM1.58 billion; Non-current: RM1.25 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 4.415, AUD borrowings is 3.033 and CNY borrowings is 0.638.

B9 Financial Instruments - Derivatives and Financial Guarantee Contracts

(a) The Group derivatives as at 31 March 2023 are as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gain for the period RM'000	Cash Flow Hedge Reserve RM'000
Foreign currency forward contracts				
- Less than 1 year	248,238	(3,777)	707	(3,956)
Cross currency swap contracts #				
- Less than 1 year	966,715	(11,042)	-	(2,510)
- 1 year to 5 years	494,325	(18,895)	-	9,566
Derivative liabilities on exit clauses in relation to the partial divestment of Sunway Healthcare Group	-	(222,721)	599	-
Put option	91,350	(50,948)	330	-
Total derivatives		(307,383)	1,636	3,100

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

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.

Derivative liabilities on exit clauses in relation to the partial divestment of Sunway Healthcare Group

Derivatives on exit clauses in relation to the partial divestment of Sunway Healthcare Group represent the derivatives attached to the Shareholders' Agreement ("SHA") entered between Sunway Berhad, SunCity, Sunway Healthcare and Greenwood following the partial divestment of 16% equity interest in Sunway Healthcare to Greenwood by SunCity. The derivatives comprise of the divestment considerations in relation to certain exit clauses of the SSA and SHA and liabilities arising from potential claims for breach of warranties.

Put option

Put option represents the derivative attached to the Put Option Agreement ("POA") entered between Sunway City Sdn. Bhd. ("Put Grantor"), Low Peng Kiat and CRSC Property Sdn. Bhd. (collectively, "Put Grantees"), in respect of Sunway Velocity Two Sdn. Bhd. ("Velocity Two"). Under the POA, for a period of 5 years from year 2025, the Put Grantor granted to Put Grantees the irrevocable right to require Put Grantor to purchase all of the Put Option Shares, representing 10% of the entire enlarged share capital of Velocity Two.

B9 Financial Instruments - Derivatives and Financial Guarantee Contracts (contd.)

(b) The Group financial guarantee contracts as at 31 March 2023 are as follows:

Financial guarantee contracts	Contract/ Notional Value RM'000	Carrying Amount RM'000	Profit/(Loss) for the period RM'000
Guarantees given to third parties in respect of trade and contracts obtained by joint ventures	18,141	(163)	54
Guarantees given to financial institutions in respect of credit facilities obtained by joint ventures	3,097,407	(27,885)	(1,231)
Total financial guarantee contracts		(28,048)	(1,177)

The Group designates guarantees given to third parties and financial institutions in respect of trade contracts and credit facilities as financial liabilities as defined in MFRS 9 *Financial Instruments*. A financial guarantee contract is defined as a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

B10 Aging Analysis of Trade Receivables

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

	31/03/2023 RM'000	31/12/2022 RM'000
Current	1,473,570	1,145,253
1 to 30 days past due	177,365	185,615
31 to 60 days past due	70,223	114,535
61 to 90 days past due	48,011	80,318
91 to 120 days past due	20,078	67,797
More than 120 days past due	159,865	211,783
	475,542	660,048
Gross trade receivables	1,949,112	1,805,301
Impaired	(103,958)	(109,748)
Total trade receivables	1,845,154	1,695,553
Other receivables	594,459	557,508
Amounts due from associates	35,454	39,492
Amounts due from joint ventures	1,647,773	1,597,094
Total receivables	4,122,840	3,889,647
Non-current receivables	2,056,327	1,920,362
Current receivables	2,066,513	1,969,285
Total receivables	4,122,840	3,889,647

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 RM47.8 million) in addition to interest and cost.

In the counterclaim, SunCon is seeking for Rs.78,13,94,628.61 (approximately equivalent to RM41.9 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.

B11 Changes in Material Litigation (contd.)

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

(a) (contd.)

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 the Claimant 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 RM6.9 million).

SunCon has filed an appeal with the High Court of New Delhi in early July 2019 to set aside the arbitral award. The Claimant 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 RM7.3 million) on 26 February 2020 and the amount has been fully provided in the accounts on prudence grounds. Subject to compliance of the said direction, the Honorable Court has stayed the Arbitral Award dated 9 April 2019.

The Claimant filed an application in the High Court of Delhi to permit the Claimant to withdraw the decretal amount deposited by SunCon on 4 March 2020 for release of Rs.6,72,89,597 (approximately equivalent to RM3.6 million) from the deposited Award Amount.

On 27 August 2020, the Court directed the release of Rs.6,71,95,972 (approximately equivalent to RM3.6 million) on the basis of a corporate guarantee to be furnished by Srei Infrastructure Finance Ltd. The balance is to be released subject to furnishing of a bank guarantee. On 3 November 2020, the Court placed on record the corporate guarantee issued on 21 September 2020 and directed the registry to release the amount in terms of the Court order dated 27 August 2020. On 18 November 2020, the Claimant withdrew their application for withdrawal without a bank guarantee and it has been dismissed accordingly.

Matter was adjourned a few times due to the Covid-19 pandemic and the next hearing is on 27 July 2023.

(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. Based on decision published on 11 May 2021, the Court has dismissed Plaintiff's application for discovery against SunCon with cost of RM2,000.00 to be paid to SunCon. On 19 February 2021, SunCon filed applications to include Setia Utama LRT3 Sdn. Bhd. ("SULRT3") (formerly known as "MRCB George Kent Sdn. Bhd.") as co-defendant and third party to the suit.

On 21 July 2021, the Court has allowed SunCon's Application for Leave to issue Third Party Notice to SULRT3. The Court has further directed for SunCon to file and serve its Statement of Claim on SULRT3 within 14 days. With regard to the Plaintiff's application to amend the Statement of Claim to RM643,851,825.01, the Court has allowed the Plaintiff's application with no order as to cost. The Court has dismissed SunCon's Application for Further and Better Particulars with cost of RM3,000.00 to be paid to the Plaintiff. On 28 July 2021, the Court has disallowed SunCon's application to include SULRT3 as co-defendant with cost of RM4,000.00.

On 18 April 2022, the Court has granted order in terms for the Plaintiff's application to transfer the proceedings to Construction Court with no order as to costs. On 16 May 2023, the Court directed the Plaintiff to schedule an appointment with the Klang District and Land Office, in the presence of SunCon's solicitors, to address the issue of the documents provided by the Plaintiff not meeting the requested specifications. The purpose of the appointment is to clarify and confirm the availability and existence of the requested documents. The Plaintiff's solicitors have sent a letter to the Klang Land Office to arrange the meeting with the relevant officer, but the date for the meeting has not been determined yet.

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 2023.

B13 Earnings per share

The calculation of the earnings per share for the Group is based on profit after taxation and non-controlling interests, adjusted for the effects of Irredeemable Convertible Preference Shares ("ICPS") preferential dividends declared for the period, divided by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/2023 RM'000	Preceding Year Corresponding Quarter 31/03/2022 RM'000	Current Year To Date 31/03/2023 RM'000	Preceding Year Corresponding Period 31/03/2022 RM'000
<u>Basic earnings per share</u>		(Restated)		(Restated)
Profit attributable to owners of the Company	141,639	136,512	141,639	136,512
Less: Preferential dividends on ICPS	(25,667)	(25,667)	(25,667)	(25,667)
	115,972	110,845	115,972	110,845
Weighted average number of ordinary shares ('000)	5,866,855	5,866,850	5,866,855	5,866,850
Earnings per share (Basic) (sen) ¹	1.98	1.89	1.98	1.89
<u>Diluted earnings per share</u>				
Profit attributable to owners of the Company	141,639	136,512	141,639	136,512
Less: Preferential dividends on ICPS	(25,667)	(25,667)	(25,667)	(25,667)
	115,972	110,845	115,972	110,845
Weighted average number of ordinary shares ('000)	5,937,864	5,950,211	5,937,864	5,950,211
Earnings per share (Diluted) (sen) ¹	1.95	1.86	1.95	1.86

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