

SUNWAY BERHAD ( Company No : 201001037627 (921551-D) )  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022  
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

	NOTE	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		CURRENT YEAR	PRECEDING YEAR	INCREASE/ (DECREASE)	CURRENT YEAR	PRECEDING YEAR	INCREASE/ (DECREASE)
		QUARTER 30/06/2022	QUARTER 30/06/2021		TO DATE 30/06/2022	PERIOD 30/06/2021	
		RM'000	RM'000	%	RM'000	RM'000	%
<b><u>CONTINUING OPERATIONS</u></b>							
REVENUE		1,280,358	767,298	67%	2,392,834	1,613,412	48%
OPERATING EXPENSES	B6	(1,180,317)	(778,146)	52%	(2,255,539)	(1,605,993)	40%
OTHER OPERATING INCOME	B6	70,008	18,172	285%	107,063	32,704	227%
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS & CONTRACT ASSETS	B6	(3,784)	(797)	375%	(5,961)	(1,656)	260%
PROFIT FROM OPERATIONS		<u>166,265</u>	<u>6,527</u>	2447%	<u>238,397</u>	<u>38,467</u>	520%
FINANCE INCOME		32,798	42,707	(23%)	78,254	78,772	(1%)
FINANCE COSTS		(60,969)	(20,343)	200%	(90,637)	(38,803)	134%
SHARE OF PROFIT FROM ASSOCIATES		32,822	15,894	107%	78,736	32,328	144%
SHARE OF PROFIT FROM JOINT VENTURES		44,112	6,708	558%	97,365	13,914	600%
PROFIT BEFORE TAX	B6	<u>215,028</u>	<u>51,493</u>	318%	<u>402,115</u>	<u>124,678</u>	223%
INCOME TAX EXPENSE	B5	(23,791)	(7,830)	204%	(51,685)	(24,598)	110%
PROFIT FROM CONTINUING OPERATIONS		<u>191,237</u>	<u>43,663</u>	338%	<u>350,430</u>	<u>100,080</u>	250%
<b><u>DISCONTINUED OPERATIONS</u></b>							
PROFIT FROM DISCONTINUED OPERATIONS, NET OF TAX		-	27,452	N/A	-	41,412	N/A
<b>PROFIT FOR THE PERIOD</b>		<u>191,237</u>	<u>71,115</u>	169%	<u>350,430</u>	<u>141,492</u>	148%
<b>ATTRIBUTABLE TO:</b>							
<b>- OWNERS OF THE PARENT</b>							
CONTINUING OPERATIONS		168,877	43,169	291%	308,989	87,813	252%
DISCONTINUED OPERATIONS		-	27,352	N/A	-	41,158	N/A
		<u>168,877</u>	<u>70,521</u>	139%	<u>308,989</u>	<u>128,971</u>	140%
<b>- NON-CONTROLLING INTERESTS</b>							
CONTINUING OPERATIONS		22,360	494	4426%	41,441	12,267	238%
DISCONTINUED OPERATIONS		-	100	N/A	-	254	N/A
		<u>22,360</u>	<u>594</u>	3664%	<u>41,441</u>	<u>12,521</u>	231%
		<u>191,237</u>	<u>71,115</u>	169%	<u>350,430</u>	<u>141,492</u>	148%

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2021 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 30 JUNE 2022  
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022 (CONTD.)

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 30/06/2022	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2021	INCREASE/ (DECREASE)	CURRENT YEAR TO DATE 30/06/2022	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2021	INCREASE/ (DECREASE)
	RM'000	RM'000	%	RM'000	RM'000	%
<b>EARNINGS PER SHARE</b>						
<b>(i) BASIC ( sen ) <sup>1</sup></b>						
CONTINUING OPERATIONS	2.88	0.73	295%	5.27	1.50	251%
DISCONTINUED OPERATIONS	-	0.47	N/A	-	0.70	N/A
	<u>2.88</u>	<u>1.20</u>	140%	<u>5.27</u>	<u>2.20</u>	140%
<b>(ii) DILUTED ( sen ) <sup>1</sup></b>						
CONTINUING OPERATIONS	2.82	0.73	286%	5.17	1.50	245%
DISCONTINUED OPERATIONS	-	0.47	N/A	-	0.70	N/A
	<u>2.82</u>	<u>1.20</u>	135%	<u>5.17</u>	<u>2.20</u>	135%

<sup>1</sup> 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 2021 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 30 JUNE 2022  
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/2022	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2021	CURRENT YEAR TO DATE 30/06/2022	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2021
	RM'000	RM'000	RM'000	RM'000
<b>PROFIT FOR THE PERIOD</b>	191,237	71,115	350,430	141,492
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>				
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS	12,172	8,818	19,456	34,664
CASH FLOW HEDGE RESERVE - FAIR VALUE GAIN/(LOSS)				
- FAIR VALUE GAIN OF DERIVATIVES	13,260	3,112	31,986	48,397
- AMOUNT RECYCLED TO PROFIT OR LOSS	(10,045)	(2,366)	(28,822)	(45,391)
<b>OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>				
FAIR VALUE GAIN ON OTHER INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	10,777	10,815	37,815	11,780
SHARE OF OTHER COMPREHENSIVE INCOME OF AN ASSOCIATE	-	-	-	6,663
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>26,164</u>	<u>20,379</u>	<u>60,435</u>	<u>56,113</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>217,401</u>	<u>91,494</u>	<u>410,865</u>	<u>197,605</u>
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	194,820	91,181	370,107	183,758
- NON-CONTROLLING INTERESTS	22,581	313	40,758	13,847
	<u>217,401</u>	<u>91,494</u>	<u>410,865</u>	<u>197,605</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 2021 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 30 JUNE 2022**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER**

	<b>CURRENT QUARTER 30/06/2022</b>	<b>IMMEDIATE PRECEDING QUARTER 31/03/2022</b>	<b>INCREASE/ (DECREASE)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
REVENUE	1,280,358	1,112,476	15%
OPERATING EXPENSES	(1,180,317)	(1,075,222)	10%
OTHER OPERATING INCOME	70,008	37,055	89%
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS & CONTRACT ASSETS	(3,784)	(2,177)	74%
PROFIT FROM OPERATIONS	<u>166,265</u>	<u>72,132</u>	131%
FINANCE INCOME	32,798	45,456	(28%)
FINANCE COSTS	(60,969)	(29,668)	106%
SHARE OF PROFIT FROM ASSOCIATES	32,822	45,914	(29%)
SHARE OF PROFIT FROM JOINT VENTURES	44,112	53,253	(17%)
PROFIT BEFORE TAX	<u>215,028</u>	<u>187,087</u>	15%
INCOME TAX EXPENSE	(23,791)	(27,894)	(15%)
PROFIT FOR THE PERIOD	<u><u>191,237</u></u>	<u><u>159,193</u></u>	20%
<b>ATTRIBUTABLE TO:</b>			
- OWNERS OF THE PARENT	168,877	140,112	21%
- NON-CONTROLLING INTERESTS	22,360	19,081	17%
	<u><u>191,237</u></u>	<u><u>159,193</u></u>	20%
<b>EARNINGS PER SHARE</b>			
<b>(i) BASIC ( sen )<sup>1</sup></b>	<u>2.88</u>	<u>2.39</u>	21%
<b>(ii) DILUTED ( sen )<sup>1</sup></b>	<u>2.82</u>	<u>2.35</u>	20%
<p><sup>1</sup> The calculation of earnings per share (basic and diluted) includes the ordinary shares that will be issued upon the mandatory conversion of ICPS.</p>			
<p>(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)</p>			

**SUNWAY BERHAD ( Company No : 201001037627 (921551-D) )**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**  
**THE FIGURES HAVE NOT BEEN AUDITED**

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

	<b>CURRENT QUARTER 30/06/2022</b>	<b>IMMEDIATE PRECEDING QUARTER 31/03/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>PROFIT FOR THE PERIOD</b>	191,237	159,193
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>		
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS	12,172	7,284
CASH FLOW HEDGE RESERVE - FAIR VALUE GAIN/(LOSS)		
- FAIR VALUE GAIN OF DERIVATIVES	13,260	18,726
- AMOUNT RECYCLED TO PROFIT OR LOSS	(10,045)	(18,777)
<b>OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>		
FAIR VALUE GAIN ON OTHER INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	10,777	27,038
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>26,164</u>	<u>34,271</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>217,401</u>	<u>193,464</u>
ATTRIBUTABLE TO:		
- OWNERS OF THE PARENT	194,820	175,287
- NON-CONTROLLING INTERESTS	22,581	18,177
	<u>217,401</u>	<u>193,464</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 2021 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 30 JUNE 2022  
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

	AS AT END OF CURRENT QUARTER 30/06/2022 RM'000	AS AT PRECEDING FINANCIAL PERIOD END 31/12/2021 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,260,725	1,262,253
Intangible assets	58,932	56,985
Investment properties	2,125,482	2,186,313
Inventories	2,073,685	1,671,126
Investment in associates	2,734,064	2,709,684
Investment in joint ventures	6,478,789	6,191,983
Goodwill	378,134	376,225
Deferred tax assets	54,481	47,405
Receivables	1,866,009	1,704,347
Derivative assets	5,380	7,540
Rock reserves	4,951	5,082
Other investments	906,197	866,581
Biological assets	31	48
	17,946,860	17,085,572
<b>Current assets</b>		
Inventories	3,201,144	2,422,351
Receivables, deposits & prepayments	2,033,997	2,484,785
Contract assets	389,543	112,076
Tax recoverable	79,281	68,008
Derivative assets	23,304	2,465
Other investments	60,818	98,778
Cash and bank balances	2,299,389	2,810,263
	8,087,476	7,998,726
<b>TOTAL ASSETS</b>	26,034,336	25,084,298
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Payables, accruals & other current liabilities	2,486,645	2,469,266
Contract liabilities	17,291	12,583
Bank borrowings	4,353,038	4,093,585
Lease liabilities	31,291	31,354
Taxation	71,887	55,673
Derivative liabilities	40,470	43,727
	7,000,622	6,706,188
<b>Non-current liabilities</b>		
Long term bank borrowings	4,106,425	4,021,910
Perpetual Sukuk	600,000	600,000
Lease liabilities	97,257	90,244
Other long term liabilities	299,950	245,732
Derivative liabilities	246,893	188,957
Deferred tax liabilities	200,029	108,967
	5,550,554	5,255,810
<b>Total liabilities</b>	12,551,176	11,961,998
<b>Equity attributable to Owners of the Parent</b>		
Share capital	5,393,897	5,393,889
Irredeemable convertible preference shares ("ICPS")	977,779	977,779
Treasury shares	(74,335)	(74,335)
Reserves	6,007,777	5,733,046
	12,305,118	12,030,379
<b>NON-CONTROLLING INTERESTS</b>	1,178,042	1,091,921
<b>Total equity</b>	13,483,160	13,122,300
<b>TOTAL EQUITY AND LIABILITIES</b>	26,034,336	25,084,298
<b>Number of ordinary shares ('000) <sup>1</sup></b>	<b>5,866,854</b>	<b>5,866,849</b>
<b>Net Assets Per Share Attributable To Owners Of The Parent (RM)</b>	<b>2.10</b>	<b>2.05</b>

<sup>1</sup> Includes 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 2021 and the accompanying explanatory notes attached to the interim financial statements.)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022

	----- ATTRIBUTABLE TO OWNERS OF THE PARENT -----										TOTAL EQUITY			
	----- NON-DISTRIBUTABLE -----			----- DISTRIBUTABLE -----							ATTRIBUTABLE TO OWNERS		NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES	TREASURY SHARES	MERGER RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	CASH FLOW HEDGE RESERVE	FURNITURE, FITTINGS & EQUIPMENT RESERVE	OTHER RESERVES	RETAINED PROFITS	TOTAL RESERVES	OF THE PARENT			
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	
<b>PERIOD ENDED 30 JUNE 2022</b>														
At 1 January 2022	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	
Profit for the year	-	-	-	-	-	-	-	-	308,989	308,989	308,989	41,441	350,430	
Other comprehensive income, net of tax	-	-	-	-	20,139	3,164	-	37,815	-	61,118	61,118	(683)	60,435	
Total comprehensive income	-	-	-	-	20,139	3,164	-	37,815	308,989	370,107	370,107	40,758	410,865	
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	4,118	4,118	
Effect of joint ventures becoming subsidiaries	-	-	-	-	-	-	-	-	-	-	-	144,405	144,405	
Transfer to furniture & fittings reserve	-	-	-	-	-	-	1,237	-	(1,200)	37	37	(37)	-	
<b>Transactions with owners</b>														
Issuance of ordinary shares pursuant to - exercise of warrants	8 ^	-	-	-	-	-	-	-	-	-	8 ^	-	8 ^	
Dividends declared	-	-	-	-	-	-	-	-	(99,003)	(99,003)	(99,003)	-	(99,003)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(26,051)	(26,051)	
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	139	139	139	20,807	20,946	
Effects of redemptions of units in structured entities by unit holders	-	-	-	-	-	-	-	-	-	-	-	(92,073)	(92,073)	
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	3,451	3,451	3,451	(5,806)	(2,355)	
Total transactions with owners	8	-	-	-	-	-	-	-	(95,413)	(95,413)	(95,405)	(103,123)	(198,528)	
At 30 June 2022	5,393,897	977,779	(74,335)	(1,192,040)	224,984	(14,212)	13,082	529,636	6,446,327	6,007,777	12,305,118	1,178,042	13,483,160	
<b>PERIOD ENDED 30 JUNE 2021</b>														
At 1 January 2021	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	-	-	-	-	-	-	-	-	128,971	128,971	128,971	12,521	141,492	
Other comprehensive income, net of tax	-	-	-	-	33,338	3,006	-	18,443	-	54,787	54,787	1,326	56,113	
Total comprehensive income	-	-	-	-	33,338	3,006	-	18,443	128,971	183,758	183,758	13,847	197,605	
Transfer to furniture, fittings & equipment reserve	-	-	-	-	-	-	421	-	(367)	54	54	(54)	-	
Transfer to statutory reserve	-	-	-	-	-	-	-	444	(440)	4	4	(4)	-	
<b>Transactions with owners</b>														
Dividends declared	-	-	-	-	-	-	-	-	(77,402)	(77,402)	(77,402)	-	(77,402)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(16,972)	(16,972)	
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	13,156	13,156	
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	3,269	3,269	3,269	(7,519)	(4,250)	
Effects of redemptions of units in structured entities by unit holders	-	-	-	-	-	-	-	-	-	-	-	(9,850)	(9,850)	
Total transactions with owners	-	-	-	-	-	-	-	-	(74,133)	(74,133)	(74,133)	(21,185)	(95,318)	
At 30 June 2021	5,393,667	977,779	(74,335)	(1,192,040)	199,360	(16,034)	18,902	547,456	3,768,836	3,326,480	9,623,591	789,987	10,413,578	

^ Represents 5,292 warrants amounting to RM7,885.

(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 2021 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2022

	FOR THE 6 MONTHS PERIOD ENDED 30/06/2022	FOR THE 6 MONTHS PERIOD ENDED 30/06/2021
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax		
From continuing operations	402,115	124,678
From discontinued operations	-	41,480
	<u>402,115</u>	<u>166,158</u>
Adjustments for:		
- non-cash items	(158,473)	64,023
- finance costs	90,637	50,006
- finance income	(78,254)	(84,376)
Operating cash flows before working capital changes	<u>256,025</u>	<u>195,811</u>
Changes in working capital	(238,474)	(185,291)
Cash generated from operations	<u>17,551</u>	<u>10,520</u>
Interest received	78,254	58,244
Dividend received from joint ventures, associates and other investments	60,532	20,168
Tax refunded	13,678	3,748
Tax paid	(63,170)	(38,088)
Net cash generated from operating activities	<u>106,845</u>	<u>54,592</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant & equipment	1,480	2,859
Proceeds from disposal of investment properties	7,500	-
Proceeds from redemption of shares in associate	-	4,033
Proceeds from disposal of other investments	46,626	18,120
Proceeds from acquisition of equity interest by non-controlling interests	20,946	13,156
Acquisition of land	(174,749)	(55,746)
Acquisition of property, plant and equipment	(37,030)	(153,417)
Acquisition of biological assets	(9)	-
Acquisition of intangible assets	(3,908)	(4,233)
Acquisition of other investment	(10,732)	(33,407)
Acquisition and subsequent expenditure of investment properties	(6,786)	(40,656)
Acquisition of equity interest from non-controlling interests	(2,355)	(4,250)
Acquisition of subsidiaries for cash, net of cash acquired	(7,966)	(53,584)
Investment in joint ventures	-	(390,350)
Investment in associates	(3,599)	-
Payment of balance consideration on acquisition of subsidiaries	(45,704)	-
(Advance to)/Repayment from associates and joint ventures	(39,427)	301,557
Quasi-equity loan advanced to joint ventures	(301,254)	(6,925)
Advance to a non-controlling interest	(31,622)	-
Net redemptions of units in structured entities by non-controlling interests	(92,073)	(9,850)
Net cash inflow from joint ventures become subsidiaries	20,215	-
Other investing activities	(78,456)	-
Net cash used in investing activities	<u>(738,903)</u>	<u>(412,693)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net bank and other borrowings	352,824	(244,354)
Net lease liabilities	(13,891)	(20,884)
Interest paid	(123,116)	(101,479)
Dividend paid to shareholders	(99,003)	(77,402)
Dividend paid to non-controlling interests of subsidiaries	(26,051)	(16,972)
Proceeds from issuance of shares pursuant to exercise of warrants	8	-
Advances from non-controlling interests of subsidiaries	47,991	91
Net cash generated from/(used in) financing activities	<u>138,762</u>	<u>(461,000)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(493,296)	(819,101)
EFFECTS OF EXCHANGE RATE CHANGES	(2,385)	9,979
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,732,242	2,182,845
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b><u>2,236,561</u></b>	<b><u>1,373,723</u></b>
Cash & bank balances	538,996	542,041
Fixed deposits	1,760,393	914,607
<b>Total cash and bank balances</b>	<b><u>2,299,389</u></b>	<b><u>1,456,648</u></b>
Less: Bank overdrafts	(62,293)	(80,317)
Less: Deposits with maturity of over 3 months	(535)	(2,608)
<b>Cash and cash equivalents</b>	<b><u>2,236,561</u></b>	<b><u>1,373,723</u></b>

(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 2021 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 30 June 2022.

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 2021. 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 2021.

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 2021 except for the adoption of the following new MFRSs and Amendments to MFRSs that are effective for financial statements effective from 1 January 2022, as disclosed below:

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022

### 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 30 June 2022.

### A5 Changes in Estimates

There were no changes in estimates that have a material effect on the amounts reported for the current quarter ended 30 June 2022.

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

During the financial period ended 30 June 2022, the Company increased its issued and paid up ordinary share capital by way of issuance of 5,292 ordinary shares pursuant to the exercise of warrants.

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

### A7 Dividend Paid

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

- RM73,336,081 was paid on 14 April 2022 as second interim single tier cash dividend of 1.50 sen per ordinary share for the financial year ended 31 December 2021; and
- RM25,666,695 was paid on 14 April 2022 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 2021 to 31 December 2021.

**A8 Segmental Reporting**

Segmental results for the financial period ended 30 June 2022 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	Total Continuing Operations RM'000	Discontinued Operations RM'000	Total RM'000
<b>BY BUSINESS SEGMENTS</b>												
<b>REVENUE AND RESULTS</b>												
<b>Revenue</b>												
Sales to external customers	444,596	270,705	685,460	469,838	177,215	-	3,693	341,327	-	2,392,834	-	2,392,834
Inter-segment revenue	27,988	57,157	890,102	45,867	17,639	-	83,082	34,282	(1,156,117)	-	-	-
Total revenue	472,584	327,862	1,575,562	515,705	194,854	-	86,775	375,609	(1,156,117)	2,392,834	-	2,392,834
<b>Results</b>												
Operating segment results	29,043	68,726	87,411	21,729	7,409	-	(28,816)	52,895	-	238,397	-	238,397
Finance income	16,984	35,761	8,793	5,052	2,960	-	70,416	5,529	(67,241)	78,254	-	78,254
Finance costs	(28,812)	(85,722)	(4,220)	(6,796)	(3,799)	-	(23,067)	(5,462)	67,241	(90,637)	-	(90,637)
Share of results of:												
- associated companies	3	78,090	-	-	-	-	-	643	-	78,736	-	78,736
- joint ventures	31,897	1,593	244	-	92	63,539	-	-	-	97,365	-	97,365
Profit before taxation	49,115	98,448	92,228	19,985	6,662	63,539	18,533	53,605	-	402,115	-	402,115
Taxation	2,802	(9,549)	(20,402)	(3,937)	(1,846)	-	(11,960)	(6,793)	-	(51,685)	-	(51,685)
Profit for the period	51,917	88,899	71,826	16,048	4,816	63,539	6,573	46,812	-	350,430	-	350,430
Non-controlling interests	(2,017)	58	(31,765)	172	(141)	-	(5,774)	(1,974)	-	(41,441)	-	(41,441)
Attributable to owners of the parent	49,900	88,957	40,061	16,220	4,675	63,539	799	44,838	-	308,989	-	308,989

	Revenue RM'000	Profit/(Loss) before tax RM'000	Profit/(Loss) after tax RM'000	Attributable to owners of the parent RM'000
<b>BY GEOGRAPHICAL SEGMENTS</b>				
Malaysia	2,059,957	349,012	305,090	272,857
Singapore	95,041	25,677	25,463	25,476
China	38,512	(1,760)	(2,569)	(2,224)
India	127,528	17,799	13,344	6,166
Australia	17,697	7,818	6,989	3,583
Indonesia	23,931	3,364	2,201	2,201
United Kingdom	14,109	2,167	2,024	1,933
Other countries	16,059	(1,962)	(2,112)	(1,003)
	2,392,834	402,115	350,430	308,989

**A8 Segmental Reporting (contd.)**

Segmental assets and liabilities for the financial period ended 30 June 2022 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	Total RM'000
<b>Assets</b>										
Segment assets	7,251,224	2,877,218	2,193,692	884,305	405,642	-	12,513,950	1,296,998	(10,735,308)	16,687,721
Investment in associates	-	2,671,616	-	-	-	-	5,837	56,611	-	2,734,064
Investment in joint ventures	2,146,134	137,146	161,168	51	15,566	4,018,724	-	-	-	6,478,789
Unallocated assets										133,762
Total assets										<u>26,034,336</u>
<b>Liabilities</b>										
Segment liabilities	5,602,381	3,676,121	1,587,875	579,809	317,115	-	10,577,233	635,675	(10,696,949)	12,279,260
Unallocated liabilities										271,916
Total liabilities										<u>12,551,176</u>

**A8 Segmental Reporting (contd.)**

Segmental results by foreign currency for the financial period ended 30 June 2022 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)	444,596	20,166	23,797	25,183	444,596	20,166	23,797	25,183
Australian Dollar (AUD'000)	-	2,303	2,031	914	-	7,017	6,188	2,785
Hong Kong Dollar (HKD'000)	-	472	472	472	-	259	259	259
India Rupee (INR'000)	-	(53)	(53)	(53)	-	(3)	(3)	(3)
China Yuan Renminbi (RMB'000)	-	(1,103)	(1,103)	(1,103)	-	(729)	(729)	(729)
Singapore Dollar (SGD'000)	-	7,138	7,138	7,138	-	22,406	22,406	22,406
US Dollar (USD'000)	-	-	-	-	-	(1)	(1)	(1)
					444,596	49,115	51,917	49,900

**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)	252,876	97,432	88,026	87,091	252,876	97,432	88,026	87,091
Pound Sterling (GBP'000)	2,555	392	367	350	14,109	2,167	2,024	1,933
Singapore Dollar (SGD'000)	-	540	540	540	-	1,696	1,696	1,696
US Dollar (USD'000)	599	(531)	(531)	(279)	2,572	(2,281)	(2,281)	(1,197)
Vietnam Dong (VND'000,000)	6,136	(3,025)	(3,025)	(3,025)	1,148	(566)	(566)	(566)
					270,705	98,448	88,899	88,957

**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)	486,129	74,509	58,562	33,938	486,129	74,509	58,562	33,938
United Arab Emirates Dirham (AED'000)	-	(36)	(36)	(20)	-	(42)	(42)	(23)
India Rupee (INR'000)	2,273,902	317,421	237,985	109,979	127,528	17,802	13,347	6,168
Singapore Dollar (SGD'000)	22,874	(9)	(9)	(5)	71,803	(28)	(28)	(15)
US Dollar (USD'000)	-	(3)	(3)	(2)	-	(13)	(13)	(7)
					685,460	92,228	71,826	40,061

**TRADING & MANUFACTURING 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)	363,385	12,146	10,477	10,427	363,385	12,146	10,477	10,427
Australian Dollar (AUD'000)	5,807	263	263	262	17,697	800	800	798
Indonesia Rupiah (IDR'000,000)	80,802	11,358	7,432	7,432	23,931	3,364	2,201	2,201
China Yuan Renminbi (RMB'000)	44,263	1,391	271	610	29,249	919	179	403
Singapore Dollar (SGD'000)	7,403	601	533	533	23,238	1,888	1,674	1,674
Thai Baht (THB'000)	85,522	6,774	5,585	5,585	10,857	860	709	709
Vietnam Dong (VND'000,000)	7,916	43	43	43	1,481	8	8	8
					469,838	19,985	16,048	16,220

**A8 Segmental Reporting (contd.)**

Segmental results by foreign currency for the financial period ended 30 June 2022 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)	177,215	6,588	4,742	4,601	177,215	6,588	4,742	4,601
Trinidad & Tobago Dollar (TTD'000)	-	116	116	116	-	74	74	74
					177,215	6,662	4,816	4,675

**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)	-	63,539	63,539	63,539	-	63,539	63,539	63,539
					-	63,539	63,539	63,539

**INVESTMENT HOLDING SEGMENT:**

	Foreign currency				RM'000			
	Revenue	Profit before tax	Profit/(Loss) after tax	Attributable to owners of the parent	Revenue	Profit before tax	Profit/(Loss) after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)	2,683	18,468	6,577	802	2,683	18,468	6,577	802
Hong Kong Dollar (HKD'000)	-	84	75	77	-	46	41	42
China Yuan Renminbi (RMB'000)	1,528	29	(68)	(68)	1,010	19	(45)	(45)
					3,693	18,533	6,573	799

**OTHERS 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)	333,074	56,163	49,370	47,276	333,074	56,163	49,370	47,276
China Yuan Renminbi (RMB'000)	12,489	(3,441)	(3,441)	(3,260)	8,253	(2,274)	(2,274)	(2,154)
Singapore Dollar (SGD'000)	-	(90)	(90)	(90)	-	(284)	(284)	(284)
					341,327	53,605	46,812	44,838

**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 30 June 2022.

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

There were no material changes in the composition of the Group for the financial period ended 30 June 2022, except for the following:

On 18 February 2022, Sunway City Sdn. Bhd. ("SunCity"), a wholly-owned subsidiary of the Group, entered into a Supplemental Letter Agreement ("SLA") with Huatland Development Sdn. Bhd., and Sunway Artessa Sdn. Bhd. ("Sunway Artessa"), a joint venture of the Group, to vary certain terms of the Subscription and Shareholders' Agreement dated 16 August 2017, which resulted in the Group obtaining control of Sunway Artessa in accordance with MFRS 10 *Consolidated Financial Statements*, notwithstanding that the Group holds a majority of the voting rights of Sunway Artessa.

On the same date, SunCity also entered into another SLA with Low Peng Kiat, CRSC Property Sdn. Bhd. and Sunway Velocity Two Sdn. Bhd. ("Sunway Velocity Two"), a joint venture of the Group, to vary certain terms of the Subscription and Shareholders' Agreement dated 10 February 2017, which resulted in the Group obtaining control of Sunway Velocity Two in accordance with MFRS 10, notwithstanding that the Group holds a majority of the voting rights of Sunway Velocity Two.

Consequently, both Sunway Artessa and Sunway Velocity Two became subsidiaries of the Group on 18 February 2022.

The financial effects arising from the remeasurement of existing stakes in Sunway Artessa & Sunway Velocity Two in accordance with MFRS 3 *Business Combinations*, amounted to a net gain of RM14.4 million, as disclosed in note B6. The consolidated net assets from these entities upon the remeasurement of existing stakes, mainly comprise of inventories (property development costs) amounting to RM756.4 million and contract assets amounting to RM213.8 million.

**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**

	30/06/2022 RM'000	31/12/2021 RM'000
Guarantees given to third parties in respect of trade and contracts	770,750	735,425
Guarantees given to financial institutions for borrowings obtained by joint ventures	<u>2,562,358</u>	<u>1,717,480</u>
	<u>3,333,108</u>	<u>2,452,905</u>

**(b) Claim**

	30/06/2022 RM'000	31/12/2021 RM'000
Claim by third party	<u>164,378</u>	<u>164,378</u>

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

On 31 March 2021, the Federal Court allowed Metroplex's appeal by setting aside the Court of Appeal's Decision in favour of the 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 strenuously objecting to the amount claimed as being overly excessive and have 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 is now fixed on 4, 5, 6, 12 and 13 January 2023. At this stage, the financial impact cannot be determined pending the outcome of the said assessment proceedings.

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 commitment not provided for in the financial year as at 30 June 2022 is as follows:

	30/06/2022 RM'000	31/12/2021 RM'000
Approved and contracted for property, plant and equipment and investment properties	72,832	156,035
Approved but not contracted for property, plant and equipment and investment properties	<u>86,931</u>	<u>86,467</u>
	<u>159,763</u>	<u>242,502</u>

**A13 Commitments (contd.)**

(a) Capital commitment not provided for in the financial year as at 30 June 2022 is as follows: (contd.)

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

	30/06/2022	31/12/2021
	RM'000	RM'000
Approved and contracted for property, plant and equipment and investment properties	99,074	126,789
Approved but not contracted for property, plant and equipment and investment properties	165,101	82,642
	<u>264,175</u>	<u>209,431</u>

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

	30/06/2022	31/12/2021
	RM'000	RM'000
Approved and contracted for property, plant and equipment and investment properties	757,766	892,914
Approved but not contracted for property, plant and equipment and investment properties	825,456	864,348
	<u>1,583,222</u>	<u>1,757,262</u>

(b) Operating lease commitment not provided for in the financial year as at 30 June 2022 is as follows:

	30/06/2022	31/12/2021
	RM'000	RM'000
Future minimum lease receipts:		
- not later than 1 year	54,083	53,375
- later than 1 year and not later than 5 years	224,131	221,460
- later than 5 years	28,737	57,624
	<u>306,951</u>	<u>332,459</u>

**A14 Significant Related Party Transactions**

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

	Current Quarter Ended		Cumulative Year To Date	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
<b>(i) Sunway Real Estate Investment Trust</b>				
<b>("Sunway REIT") (RHB Trustees Bhd) ^</b>				
Lease of Sunway Resort Hotel & Spa	(2,068)	(1,462)	(4,136)	(3,518)
Lease of Sunway Putra Hotel	(1,541)	(2,703)	(2,514)	(5,409)
Lease of Sunway Hotel Georgetown	(822)	(823)	(1,645)	(1,645)
Lease of Sunway Pyramid's ice rink	(405)	160	(812)	(240)
Lease/Rental of properties in respect of:				
Sunway Medical Centre building	-	(6,453)	-	(12,839)
Menara Sunway and accommodation for security staff	(1,934)	(1,786)	(3,638)	(3,342)
Rental and management of car parks and related services	(8,700)	(3,818)	(15,210)	(8,428)
Provision of property management and related services	1,127	565	2,208	1,236
Sales of financial, human resources and IT related services	565	423	880	962
Marketing, distribution and sales of construction related products and industrial products	32	587	590	1,215
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	35,088	23,102	98,432	72,504
Management services	2,973	1,854	5,693	5,894
Distribution income from perpetual note	2,392	2,931	4,628	5,830
<b>(ii) Sunway Iskandar Sdn. Bhd. Group</b>				
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	15,098	15,594	25,008	19,756
Management services	6,704	1,643	8,356	3,093
Property management and related services	495	384	759	619
<b>(iii) Sunway Healthcare Holdings Sdn. Bhd. Group</b>				
Provision of medical services	(433)	-	(1,201)	-
Sponsorship of nurse program	(1,550)	-	(1,973)	-
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	98,146	-	215,268	-
Rental of office space premises and related services	1,417	-	2,706	-
Provision of property management and related services	2,136	-	3,160	-
Sales of financial, human resources and IT related services	1,192	-	2,228	-
Management services	648	-	1,296	-

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

	Current Quarter Ended		Cumulative Year To Date	
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
<b>(iv) GME - SE Joint Venture (SWT)</b> Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	(3,084)	-	(10,131)	-

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

	Current Quarter Ended		Cumulative Year To Date	
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
<b>(i) Active Equity Sdn. Bhd. Group *</b> Information systems products and consultancy fees Distribution paid/payable by wholesale funds	(2,742) (55)	(2,374) (287)	(4,545) (139)	(5,381) (577)
<b>(ii) Jef-San Enterprise Sdn. Bhd. #</b> Distribution paid/payable by wholesale funds	(145)	(527)	(327)	(1,000)
<b>(iii) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling</b> Distribution paid/payable in respect of Perpetual Sukuk	(7,679)	(7,678)	(15,274)	(15,273)

^ 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.

# 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**

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

For the quarter	Quarter ended		Increase/ (Decrease) (%)
	30/06/2022 RM'000	30/06/2021 RM'000	
<b>Revenue from Continuing Operations</b>			
Property Development	286,401	147,366	94.3
Property Investment	149,598	62,324	140.0
Construction	316,849	218,060	45.3
Trading and Manufacturing	264,799	198,915	33.1
Quarry	101,064	70,466	43.4
Others	161,647	70,167	130.4
	<u>1,280,358</u>	<u>767,298</u>	66.9
<b>Profit/(loss) before tax from Continuing Operations</b>			
Property Development	25,700	22,873	12.4
Property Investment	53,426	(16,024)	N/A
Construction	44,395	8,625	414.7
Trading and Manufacturing	9,689	9,950	(2.6)
Quarry	1,811	(546)	N/A
Healthcare*	35,298	-	N/A
Others	44,709	26,615	68.0
	<u>215,028</u>	<u>51,493</u>	317.6



**B1 Review of Performance (contd.)**

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

	Quarter ended		Increase/ (Decrease) (%)
	30/06/2022 RM'000	30/06/2021 RM'000	
<b>Profit from Discontinued Operations, Net of Tax</b>			
Healthcare	-	27,452	N/A

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

The Group recorded revenue of RM1,280.4 million and profit before tax of RM215.0 million from Continuing Operations for the current quarter ended 30 June 2022 compared to revenue of RM767.3 million and profit before tax of RM51.5 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 66.9% and profit before tax of 317.6%. Revenue was higher in the current quarter due to the stronger revenue recorded from all business segments. Profit before tax in the current quarter was higher due to stronger operating performance from most business segments.

It should also be noted that due to the adoption of 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 profit related to these projects as at the end of the current quarter of RM87.5 million, of which RM17.6 million was recorded in the current quarter, was not recognised.

The property development segment reported revenue of RM286.4 million and profit before tax of RM25.7 million in the current quarter compared to revenue of RM147.4 million and profit before tax of RM22.9 million in the corresponding quarter of the previous financial year, representing an increase in revenue and profit before tax of 94.3% and 12.4% respectively. The higher revenue in the current quarter was mainly due to higher progress billings from on-going local development projects and revenue recognition from two joint venture companies which became subsidiaries in the previous quarter (as disclosed in Note A11). Profit before tax was higher in the current quarter due to progressive profit recognition from one of the Group's Singapore private condominium projects and reversal of overprovision in development cost in one of the Group's overseas joint venture company, which more than offset the lower profit contribution from local development projects.

The property investment segment reported revenue of RM149.6 million and profit before tax of RM53.4 million in the current quarter compared to revenue of RM62.3 million and loss before tax of RM16.0 million in the corresponding quarter of the previous financial year. It should be noted that the operating performance for the corresponding quarter of the previous financial year was impacted by the total lockdown (FMCO) for the whole month of June 2021. Higher revenue in the current quarter was attributed to the higher visitorship to the theme parks and higher occupancy rates at the Group's hotels. Profit in the current quarter was also boosted by net gain from disposal of one of its property investment assets and stronger performance of its associate company, Sunway REIT.

The construction segment recorded revenue of RM316.8 million and profit before tax of RM44.4 million in the current quarter compared to revenue of RM218.1 million and profit before tax of RM8.6 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 45.3% and profit before tax of 414.7%. The financial performance in the current quarter was better due to higher progress billings from local construction projects which contributed to the higher profit.

The trading and manufacturing segment recorded revenue of RM264.8 million and profit before tax of RM9.7 million in the current quarter compared to revenue of RM198.9 million and profit before tax of RM10.0 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 33.1% and marginal decrease in profit before tax of 2.6%. Revenue in the current quarter was higher due to higher demand for trading and manufacturing products in the domestic market. However, the financial performance was marginally lower in the current quarter mainly due to lower contribution from the China market which was still impacted by COVID-19 lockdowns.

The quarry segment reported revenue of RM101.1 million and profit before tax of RM1.8 million in the current quarter compared to revenue of RM70.5 million and loss before tax of RM0.5 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 43.4% and higher profit before tax. The financial performance in the current quarter was better due to higher sales volume and average selling prices of aggregates and premix.

The others segments recorded revenue of RM161.6 million and profit before tax of RM44.7 million in the current quarter compared to revenue of RM70.2 million and profit before tax of RM26.6 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 130.4% and profit before tax of 68.0%. The higher financial performance in the current quarter was mainly contributed by the improved operating performance of the building materials segment and the community pharmacy business. Profit for the current quarter was also boosted by a gain on disposal of RM26.6 million of one of the new start-up investments which the Group has invested. This helped to offset the lower contribution from the Group's treasury functions.

The financial results of the healthcare segment in 2021 were reported separately under Discontinued Operations in accordance with MFRS 5 due to the completion of the initial closing conditions related to the partial divestment of Sunway Healthcare Group in December 2021. With effect from 1 January 2022, the Group will only recognise its share of results in the healthcare segment in accordance with MFRS 128 under Continuing Operations.

The healthcare segment reported a share of net profit of RM35.3 million in the current quarter which was higher than the net profit of RM27.5 million in the corresponding quarter of the previous financial year by 28.6%. The improved performance was due to higher number of patients treated at both Sunway Medical Centre and Sunway Medical Centre Velocity in the current quarter.

For 6 months period

	For 6 months period ended		Increase/ (Decrease) (%)
	30/06/2022 RM'000	30/06/2021 RM'000	
<b>Revenue from Continuing Operations</b>			
Property Development	444,596	244,524	81.8
Property Investment	270,705	120,993	123.7
Construction	685,460	539,449	27.1
Trading and Manufacturing	469,838	423,436	11.0
Quarry	177,215	147,706	20.0
Others	345,020	137,304	151.3
	<u>2,392,834</u>	<u>1,613,412</u>	48.3

**B1 Review of Performance (contd.)**

For 6 months period (contd.)

	For 6 months period ended		Increase/ (Decrease) (%)
	30/06/2022 RM'000	30/06/2021 RM'000	
<b>Profit/(loss) before tax from Continuing Operations</b>			
Property Development	49,115	43,550	12.8
Property Investment	98,448	(32,895)	N/A
Construction	92,228	36,305	154.0
Trading and Manufacturing	19,985	22,181	(9.9)
Quarry	6,662	2,510	165.4
Healthcare*	63,539	-	N/A
Others	72,138	53,027	36.0
	<u>402,115</u>	<u>124,678</u>	222.5
<b>Profit from Discontinued Operations, Net of Tax</b>			
Healthcare	-	41,412	N/A

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

The Group recorded revenue of RM2,392.8 million and profit before tax of RM402.1 million from Continuing Operations for the current 6 months period ended 30 June 2022 compared to revenue of RM1,613.4 million and profit before tax of RM124.7 million in the corresponding 6 months period ended 30 June 2021, representing an increase in revenue of 48.3% and profit before tax of 222.5%. Revenue was higher in the current period due to higher contributions from all business segments. Current period profit before tax was higher mainly due to higher profit contributions from all the business segments except trading and manufacturing segment.

The property development segment reported revenue of RM444.6 million and profit before tax of RM49.1 million for the current 6 months period ended 30 June 2022 compared to revenue of RM244.5 million and profit before tax of RM43.6 million in the corresponding 6 months period ended 30 June 2021, representing an increase in revenue of 81.8% and profit before tax of 12.8%. Revenue in the current period was higher mainly due to higher sales and progress billings from on-going local development projects and revenue recognition from two joint venture companies which became subsidiaries in the first quarter of 2022. Profit before tax was higher in the current period due to progressive profit recognition from one of the Group's Singapore private condominium projects and reversal of overprovision in development cost in one of the Group's overseas joint venture company, which more than offset the lower profit contribution from local development projects.

The property investment segment reported revenue of RM270.7 million and profit before tax of RM98.4 million for the current 6 months period ended 30 June 2022 compared to revenue of RM121.0 million and loss before tax of RM32.9 million in the corresponding 6 months period ended 30 June 2021, representing an increase in revenue of 123.7% and higher profit before tax. Revenue in the current period was higher due to the reopening and normalisation of the local economy which allow the leisure and hospitality businesses to resume full operations. It should be noted that the performance of the corresponding 6 months of the previous year was impacted by the various phases of movement control orders which had adversely impacted the operations of these businesses. Profit in the current period was also boosted by net gain from disposal of one of its property investment assets and stronger performance of its associate company, Sunway REIT.

The construction segment recorded revenue of RM685.5 million and profit before tax of RM92.2 million for the current 6 months period ended 30 June 2022 compared to revenue of RM539.4 million and profit before tax of RM36.3 million in the corresponding 6 months period ended 30 June 2021, representing an increase in revenue of 27.1% and profit before tax of 154.0%. The financial performance was better in the current period mainly due to higher progress billings from local construction projects and higher profit margins.

The trading and manufacturing segment recorded revenue of RM469.8 million and profit before tax of RM20.0 million for the current 6 months period ended 30 June 2022 compared to revenue of RM423.4 million and profit before tax of RM22.2 million in the corresponding 6 months period ended 30 June 2021, representing an increase in revenue of 11.0% and decrease in profit before tax of 9.9%. Revenue in the current period was higher due to higher demand for trading and manufacturing products in the domestic market. However, the financial performance was dragged down by lower contribution from the China market which was still impacted by COVID-19 lockdowns.

The quarry segment reported revenue of RM177.2 million and profit before tax of RM6.7 million for the current 6 months period ended 30 June 2022 compared to revenue of RM147.7 million and profit before tax of RM2.5 million in the corresponding 6 months period ended 30 June 2021, representing an increase in revenue of 20.0% and profit before tax of 165.4%. Revenue was higher mainly due to higher sales volume and average selling price of premix. Profit before tax in the current period was boosted by the one-off compensation of RM6.0 million received from a recent court case in the first quarter.

The others segments recorded revenue of RM345.0 million and profit before tax of RM72.1 million for the current 6 months period ended 30 June 2022 compared to revenue of RM137.3 million and profit before tax of RM53.0 million in the corresponding 6 months period ended 30 June 2021, representing an increase in revenue of 151.3% and profit before tax of 36.0%. The higher financial performance in the current period was mainly contributed by the improved operating performance of the building materials segment and the community pharmacy business. Profit for the current period was also boosted by a gain on disposal of RM26.6 million of one of the new start-up investments which the Group has invested. This helped to offset the lower contribution from the Group's treasury functions.

The healthcare segment reported a share of net profit of RM63.5 million in the current period which was higher than the net profit of RM41.4 million in the corresponding period of the previous financial year by 53.4%. The improved performance was due to higher number of patients treated at both Sunway Medical Centre and Sunway Medical Centre Velocity in the current period.

**B2 Material Changes in the Quarterly Results**

	Quarter ended		Increase/ (Decrease) (%)
	30/06/2022 RM'000	31/03/2022 RM'000	
<b>Revenue</b>			
Property Development	286,401	158,195	81.0
Property Investment	149,598	121,107	23.5
Construction	316,849	368,611	(14.0)
Trading and Manufacturing	264,799	205,039	29.1
Quarry	101,064	76,151	32.7
Others	161,647	183,373	(11.8)
	<u>1,280,358</u>	<u>1,112,476</u>	15.1
<b>Profit before tax</b>			
Property Development	25,700	23,415	9.8
Property Investment	53,426	45,022	18.7
Construction	44,395	47,833	(7.2)
Trading and Manufacturing	9,689	10,296	(5.9)
Quarry	1,811	4,851	(62.7)
Healthcare*	35,298	28,241	25.0
Others	44,709	27,429	63.0
	<u>215,028</u>	<u>187,087</u>	14.9

\* 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 RM1,280.4 million and profit before tax of RM215.0 million for the current quarter compared to revenue of RM1,112.5 million and profit before tax of RM187.1 million in the preceding quarter, representing an increase in revenue of 15.1% and profit before tax of 14.9%. Revenue was higher in the current quarter due to higher contributions from most business segments except for construction and others segments. Profit before tax was higher due to higher contributions from most business segments which more than offset the lower contributions from construction, trading and manufacturing and quarry segments.

The property development segment reported revenue of RM286.4 million and profit before tax of RM25.7 million for the current quarter compared to revenue of RM158.2 million and profit before tax of RM23.4 million in the preceding quarter, representing an increase in revenue of 81.0% and profit before tax of 9.8%. The higher revenue in the current quarter was mainly due to higher progress billings from on-going local development projects. However, profit before tax was only marginally higher due to lower progressive profit recognition from one of the Group's Singapore private condominium projects in the current quarter compared to the preceding quarter.

The property investment segment reported revenue of RM149.6 million and profit before tax of RM53.4 million for the current quarter compared to revenue of RM121.1 million and profit before tax of RM45.0 million in the preceding quarter, representing an increase in revenue of 23.5% and profit before tax of 18.7%. The higher financial performance in the current quarter was mainly due to improved performance of the leisure and hospitality segments which saw higher visitorships and higher occupancy rates and net gain from disposal of one of its property investment assets.

The construction segment recorded revenue of RM316.8 million and profit before tax of RM44.4 million for the current quarter compared to revenue of RM368.6 million and profit before tax of RM47.8 million in the preceding quarter, representing a decrease in revenue of 14.0% and profit before tax of 7.2%. The lower financial performance was due to lower progress billings for some local projects in the current quarter.

The trading and manufacturing segment recorded revenue of RM264.8 million and profit before tax of RM9.7 million for the current quarter compared to revenue of RM205.0 million and profit before tax of RM10.3 million in the preceding quarter, representing an increase in revenue of 29.1% and decrease in profit before tax of 5.9%. Revenue in the current quarter was higher due to higher demand for trading and manufacturing products in the domestic market. However, the financial performance was lower in the current quarter mainly due to lower contribution from the China market which was still impacted by prolonged COVID-19 lockdowns.

The quarry segment reported revenue of RM101.1 million and profit before tax of RM1.8 million for the current quarter compared to revenue of RM76.2 million and profit before tax of RM4.9 million in the preceding quarter, representing an increase in revenue of 32.7% and decrease in profit before tax of 62.7%. The financial performance in the current quarter was higher mainly due to higher sales volume of aggregates and premix and higher average selling price for premix. It should be noted that the profit before tax in the previous quarter included a one-off compensation received from a court case of RM6.0 million.

The other segments recorded revenue of RM161.6 million and profit before tax of RM44.7 million for the current quarter compared to revenue of RM183.4 million and profit before tax of RM27.4 million in the preceding quarter, representing a decrease in revenue of 11.8% and increase in profit before tax of 63.0%. The higher profit for the current quarter was boosted by a gain on disposal of RM26.6 million of one of the new start-up investments which the Group has invested. This helped to offset the lower contributions from building materials and other business operations.

The healthcare segment reported a share of net profit of RM35.3 million in the current quarter which was higher than the share of net profit of RM28.2 million in the preceding quarter by 25.0%. The operating performance of the healthcare group in the current quarter continued to improve with higher number of patients treated at both Sunway Medical Centre and Sunway Medical Centre Velocity.

**B3 Prospects**

The Malaysian economy registered a stronger growth of 8.9% in the second quarter which is an improvement from a 5.0% growth in the first quarter of 2022. This was underpinned by the steady recovery of domestic demand as economic activity continued to normalise following the reopening of the economy. Bank Negara expects the growth momentum to sustain and reiterated its full year growth forecast to range between 5.3% to 6.3%.

As the country has moved towards managing the COVID-19 virus as an endemic disease and proceeded to reopen the economy and its international borders, the Group is expected to continue to benefit from the on-going economic recovery. While there may be downside risks to the recovery going forward due to rising inflationary expectations and higher interest rates, the domestic economy is expected to be able to weather the headwinds and sustain its growth momentum.

**B3 Prospects (contd.)**

In particular, the Group expects its leisure and hospitality segments to perform well due to improving domestic tourism demands and higher tourist arrivals. The healthcare segment will also benefit from the recovering medical tourism sector as international travels start to normalise.

Barring any unforeseen circumstances, the Board is optimistic that the Group's financial performance for the financial year 2022 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	
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
Current taxation	(34,537)	(28,861)	(64,907)	(46,671)
Over/(Under) provision of tax in prior years	2,355	226	2,475	(385)
Deferred taxation	8,391	20,805	10,747	22,458
	(23,791)	(7,830)	(51,685)	(24,598)

**B6 Profit before Taxation**

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

	Current Quarter Ended 30/06/2022 RM'000	Cumulative Year To Date 30/06/2022 RM'000
Depreciation and amortisation	(32,757)	(65,530)
Net (provision)/reversal of impairment for:		
- Trade receivables	(3,862)	(5,836)
- Other receivables	24	24
- Advances to joint ventures	198	(29)
- Contract assets	(144)	(120)
- Inventories	(988)	(1,715)
Write off:		
- Trade receivables	(4)	(48)
- Inventories	(71)	(95)
- Property, plant and equipment	(50)	(100)
Net gain on disposal of:		
- Property, plant and equipment	6,713	7,027
- Other investment	26,627	26,627
Net foreign exchange gain/(loss):		
- Others	790	1,497
- Unrealised for hedged items	(10,045)	(28,822)
Cash flow hedge reserve recycled to profit or loss	10,045	28,822
Net gain on derivatives	437	550
Distribution paid in respect of Perpetual Sukuk	(7,679)	(15,274)
Net gain arising from remeasurement of existing stakes in Sunway Velocity Two Sdn. Bhd. and Sunway Artessa Sdn. Bhd.	-	14,400

**B7 Status of Corporate Proposal Announced****B7.1 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.

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

**B7.1 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 (contd.)**

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. As disclosed above, 2nd Closing is expected to occur in the fourth quarter of year 2022.

**B8 Group Borrowings and Debt Securities**

The Group borrowings as at 30 June 2022 are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
<b>Secured borrowings</b>			
<u>Islamic:</u>			
Term loans	71	164,445	164,516
Revolving credits	-	440,800	440,800
Medium term notes	705,000	1,525,000	2,230,000
	705,071	2,130,245	2,835,316
<u>Conventional:</u>			
Bank overdrafts	62,293	-	62,293
Term loans	201,518	586,987	788,505
Revolving credits	820,326	254,010	1,074,336
Medium term notes	-	500,000	500,000
Bankers' acceptances	1,275	-	1,275
Hire purchase	165	181	346
	1,085,577	1,341,178	2,426,755
<b>Total secured borrowings</b>	<b>1,790,648</b>	<b>3,471,423</b>	<b>5,262,071</b>
<b>Unsecured borrowings</b>			
<u>Islamic:</u>			
Revolving credits	25,000	-	25,000
Medium term notes	-	445,000	445,000
Commercial papers	911,000	-	911,000
Bills discounting	3,960	-	3,960
	939,960	445,000	1,384,960
<u>Conventional:</u>			
Term loans	593,296	190,002	783,298
Revolving credits	777,393	-	777,393
Bankers' acceptances	167,542	-	167,542
Bills discounting	84,199	-	84,199
	1,622,430	190,002	1,812,432
<b>Total unsecured borrowings</b>	<b>2,562,390</b>	<b>635,002</b>	<b>3,197,392</b>
<b>Total borrowings</b>	<b>4,353,038</b>	<b>4,106,425</b>	<b>8,459,463</b>
Islamic borrowings	1,645,031	2,575,245	4,220,276
Conventional borrowings	2,708,007	1,531,180	4,239,187
<b>Total borrowings</b>	<b>4,353,038</b>	<b>4,106,425</b>	<b>8,459,463</b>
Perpetual sukuk	-	600,000	600,000
<b>Total borrowings and perpetual sukuk</b>	<b>4,353,038</b>	<b>4,706,425</b>	<b>9,059,463</b>

Included in the Group borrowings as at 30 June 2022 are amounts denominated in foreign currency as follows:

	Foreign currency		RM'000		
	Current	Non-current	Current	Non-current	Total
<b>Secured</b>					
US Dollar (USD'000) *					
- Term loans	-	48,000	-	211,584	211,584
- Revolving credits	-	100,000	-	440,800	440,800
Singapore Dollar (SGD'000) **					
- Term loans	-	28,246	-	89,445	89,445
- Revolving credits	9,050	-	28,659	-	28,659
Australia Dollar (AUD'000) #					
- Revolving credits	18,000	83,696	54,628	254,010	308,638
- Bankers' acceptance	420	-	1,275	-	1,275

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

Included in the Group borrowings as at 30 June 2022 are amounts denominated in foreign currency as follows: (contd.)

	Foreign currency		RM'000		
	Current	Non-current	Current	Non-current	Total
<b>Secured (contd.)</b>					
Pound Sterling (GBP'000) **					
- Term loans	37,641	22,575	201,348	120,756	322,104
Indian Rupee (INR'000) **					
- Term loans	-	1,246,000	-	69,527	69,527
<b>Unsecured</b>					
US Dollar (USD'000) *					
- Revolving credits	50,000	-	220,400	-	220,400
Singapore Dollar (SGD'000) **					
- Term loans	25,000	60,000	79,168	190,002	269,170
- Revolving credits	77,000	-	243,836	-	243,836
China Yuan Renminbi (RMB'000) *					
- Revolving credits	83,804	-	55,160	-	55,160
Australia Dollar (AUD'000) *					
- Revolving credits	29,200	-	88,619	-	88,619
			973,093	1,376,124	2,349,217

The Group borrowings as at 30 June 2021 are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
<b>Secured borrowings</b>			
<u>Islamic:</u>			
Medium term notes	900,000	1,245,000	2,145,000
Revolving credits	-	415,800	415,800
	900,000	1,660,800	2,560,800
<u>Conventional:</u>			
Bank overdrafts	80,317	-	80,317
Term loan	-	390,143	390,143
Revolving credits	291,564	840,807	1,132,371
Bankers' acceptances	1,400	-	1,400
Hire purchase	438	455	893
	373,719	1,231,405	1,605,124
<b>Total secured borrowings</b>	<b>1,273,719</b>	<b>2,892,205</b>	<b>4,165,924</b>
<b>Unsecured borrowings</b>			
<u>Islamic:</u>			
Medium term notes	235,000	245,000	480,000
Commercial papers	720,000	-	720,000
Bills discounting	18,000	-	18,000
	973,000	245,000	1,218,000
<u>Conventional:</u>			
Term loan	548,166	77,360	625,526
Revolving credits	237,700	306,560	544,260
Bankers' acceptances	136,721	-	136,721
Commercial papers	56,000	-	56,000
	978,587	383,920	1,362,507
<b>Total unsecured borrowings</b>	<b>1,951,587</b>	<b>628,920</b>	<b>2,580,507</b>
<b>Total borrowings</b>	<b>3,225,306</b>	<b>3,521,125</b>	<b>6,746,431</b>
Islamic borrowings	1,873,000	1,905,800	3,778,800
Conventional borrowings	1,352,306	1,615,325	2,967,631
<b>Total borrowings</b>	<b>3,225,306</b>	<b>3,521,125</b>	<b>6,746,431</b>
Perpetual sukuk	-	600,000	600,000
<b>Total borrowings and perpetual sukuk</b>	<b>3,225,306</b>	<b>4,121,125</b>	<b>7,346,431</b>

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

Included in the Group borrowings as at 30 June 2021 are amounts denominated in foreign currency as follows:

	Foreign currency		RM'000		
	Current	Non-current	Current	Non-current	Total
<b>Secured</b>					
US Dollar (USD'000) *					
- Revolving credits	111,167	80,000	462,232	332,640	794,872
Singapore Dollar (SGD'000) **					
- Term loans	-	22,000	-	68,077	68,077
- Revolving credits	11,450	-	35,431	-	35,431
Australia Dollar (AUD'000) **					
- Bankers' acceptance	447	-	1,400	-	1,400
Pound Sterling (GBP'000) **					
- Term loans	-	55,874	-	322,067	322,067
<b>Unsecured</b>					
US Dollar (USD'000) *					
- Revolving credits	-	50,000	-	207,900	207,900
Singapore Dollar (SGD'000) **					
- Term loans	11,000	25,000	34,038	77,360	111,398
- Revolving credits	11,495	-	35,570	-	35,570
Chinese remimbi (RMB'000) **					
- Revolving credits	874	-	562	-	562
Australia Dollar (AUD'000) *					
- Revolving credits	7,500	21,700	23,483	67,943	91,426
			592,716	1,075,987	1,668,703

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 a local subsidiary include those entered into cross currency swap contracts.

Overall, the total borrowings of the Group has increased by RM1.71 billion, from RM6.75 billion as at 30 June 2021 to RM8.46 billion as at 30 June 2022.

The weighted average interest rate of borrowings as at 30 June 2022 is 2.85%. 50% of the Group's total borrowing are fixed rate instruments, whereas 50% are floating rate instruments.

Out of the total borrowings of RM8.46 billion, RM2.35 billion (Current: RM0.97 billion; Non-current: RM1.38 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 4.408, AUD borrowings is 3.035 and CNY borrowings is 0.662.

**B9 Derivative Financial Instruments**

The Group's outstanding derivatives as at 30 June 2022 were as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gains for the period RM'000	Cash Flow Hedge Reserve RM'000
<b>Interest rate swap contracts</b>				
- Less than 1 year	61,016	39	479	-
<b>Foreign currency forward contracts</b>				
- Less than 1 year	54,722	124	65	-
- 1 year to 3 years	-	-	6	-
<b>Cross currency swap contracts #</b>				
- Less than 1 year	916,580	21,296	-	(2,065)
- 1 year to 5 years	358,288	4,403	-	(1,099)
<b>Derivative liabilities on exit clauses in relation to the partial divestment of Sunway Healthcare Group</b>				
	-	(224,364)	-	-
<b>Put option</b>				
	-	(60,177)	-	-
<b>Total derivatives</b>		(258,679)	550	(3,164)

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

**B9 Derivative Financial Instruments (contd.)****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.

**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.

**B10 Aging Analysis of Trade Receivables**

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

	30/06/2022 RM'000	31/12/2021 RM'000
Current	1,270,848	986,700
1 to 30 days past due	118,196	110,337
31 to 60 days past due	70,276	68,146
61 to 90 days past due	32,142	29,190
91 to 120 days past due	26,723	20,910
More than 120 days past due	171,519	211,656
	<u>418,856</u>	<u>440,239</u>
Gross trade receivables	1,689,704	1,426,939
Impaired	(110,750)	(99,308)
Total trade receivables	<u>1,578,954</u>	<u>1,327,631</u>
Other receivables	555,751	513,091
Amounts due from associates	37,480	54,412
Amounts due from joint ventures	1,727,821	2,293,998
Total receivables	<u>3,900,006</u>	<u>4,189,132</u>
Non-current receivables	1,866,009	1,704,347
Current receivables	2,033,997	2,484,785
Total receivables	<u>3,900,006</u>	<u>4,189,132</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 RM49.7 million) in addition to interest and cost.

In the counterclaim, SunCon is seeking for Rs.78,13,94,628.61 (approximately equivalent to RM43.6 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 RM7.2 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 RM7.57 million) on 26 February 2020. 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 RM3.75 million) from the deposited Award Amount.

On 27 August 2020, the Court directed the release of Rs.6,71,95,972 (approximately equivalent to RM3.75 million) on the basis of a corporate guarantee to be furnished by Srei Infrastructure Finance Ltd. The balance to be released upon Shristi provides a bank guarantee. On 3 November 2020, the Court placed on record the corporate guarantee issued on 21 September 2020 and directed the registry to release the amount in terms of the Court order dated 27 August 2020. On 18 November 2020, Shristi withdrew their application for withdrawal without a bank guarantee and it has been dismissed accordingly.

Matter was adjourned a few times due to the Covid-19 pandemic and the next hearing is on 6 September 2022.

- (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 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 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.

**B11 Changes in Material Litigation (contd.)**

(b) (contd.)

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 14 June 2022, the Court has scheduled the next case management to be on 5 October 2022.

**B12 Dividend**

Other than the dividend as disclosed in note A7, the Board of Directors has declared the following dividends in respect of financial year ending 31 December 2022:

- A first interim single tier cash dividend of 2.00 sen per ordinary share; and
- A preferential dividend of 5.25% per annum (based on the issue price of RM1.00) per irredeemable convertible preference share ("ICPS") in respect of the financial period from 1 January 2022 to 30 June 2022.

The entitlement and payment dates in respect of the aforesaid dividends will be determined later.

**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.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2022 RM'000	Preceding Year Corresponding Quarter 30/06/2021 RM'000	Current Year To Date 30/06/2022 RM'000	Preceding Year Corresponding Period 30/06/2021 RM'000
<b><u>Basic earnings per share</u></b>				
Profit attributable to members of the Company				
- Continuing operations	168,877	43,169	308,989	87,813
- Discontinued operations	-	27,352	-	41,158
	168,877	70,521	308,989	128,971
Weighted Average Number of Ordinary Shares ('000)	5,866,854	5,866,706	5,866,852	5,866,706
Earnings per share (Basic) (sen) <sup>1</sup>				
- Continuing operations	2.88	0.73	5.27	1.50
- Discontinued operations	-	0.47	-	0.70
	2.88	1.20	5.27	2.20
<b><u>Diluted earnings per share</u></b>				
Profit attributable to members of the Company				
- Continuing operations	168,877	43,169	308,989	87,813
- Discontinued operations	-	27,352	-	41,158
	168,877	70,521	308,989	128,971
Weighted Average Number of Ordinary Shares ('000)	5,971,143	5,866,706	5,970,848	5,866,706
Earnings per share (Diluted) (sen) <sup>1</sup>				
- Continuing operations	2.82	0.73	5.17	1.50
- Discontinued operations	-	0.47	-	0.70
	2.82	1.20	5.17	2.20

<sup>1</sup> 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**