

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	NOTE	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		CURRENT YEAR	PRECEDING YEAR CORRESPONDING QUARTER	INCREASE/ (DECREASE)	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	INCREASE/ (DECREASE)
		30/09/2021	30/09/2020	%	30/09/2021	30/09/2020	%
		RM'000	RM'000	%	RM'000	RM'000	%
			(RESTATED)		(RESTATED)		
REVENUE		1,065,018	1,027,221	4%	3,049,678	2,555,304	19%
OPERATING EXPENSES	B6	(1,007,430)	(971,927)	4%	(2,951,813)	(2,495,355)	18%
OTHER OPERATING INCOME	B6	25,737	80,963	(68%)	71,006	152,528	(53%)
PROFIT FROM OPERATIONS		83,325	136,257	(39%)	168,871	212,477	(21%)
FINANCE INCOME		43,748	34,176	28%	128,124	118,390	8%
FINANCE COSTS		(33,965)	(42,463)	(20%)	(83,971)	(148,127)	(43%)
SHARE OF PROFIT FROM ASSOCIATES		21,768	16,707	30%	54,096	47,765	13%
SHARE OF (LOSS)/PROFIT FROM JOINT VENTURES		(1,031)	11,668	N/A	12,883	18,410	(30%)
PROFIT BEFORE TAX	B6	113,845	156,345	(27%)	280,003	248,915	12%
INCOME TAX EXPENSE	B5	(18,689)	(25,086)	(26%)	(43,355)	(57,282)	(24%)
PROFIT FOR THE PERIOD		95,156	131,259	(28%)	236,648	191,633	23%
ATTRIBUTABLE TO:							
- OWNERS OF THE PARENT		81,098	115,972	(30%)	210,069	157,989	33%
- NON-CONTROLLING INTERESTS		14,058	15,287	(8%)	26,579	33,644	(21%)
		95,156	131,259	(28%)	236,648	191,633	23%
EARNINGS PER SHARE							
(i) BASIC (sen) ¹		1.38	2.37	(42%)	3.58	3.22	11%
(ii) DILUTED (sen) ¹		1.37	2.37	(42%)	3.56	3.22	10%

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

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD (Company No : 201001037627 (921551-D))
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2021	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2020	CURRENT YEAR TO DATE 30/09/2021	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2020
	RM'000	RM'000 (RESTATED)	RM'000	RM'000 (RESTATED)
PROFIT FOR THE PERIOD	95,156	131,259	236,648	191,633
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS				
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS	(4,311)	(4,474)	30,353	19,632
CASH FLOW HEDGE RESERVE - FAIR VALUE GAIN/(LOSS)				
- FAIR VALUE GAIN/(LOSS) OF DERIVATIVES	9,187	(10,107)	57,584	30,470
- AMOUNT RECYCLED TO PROFIT OR LOSS	(9,057)	17,628	(54,448)	(31,864)
OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS				
FAIR VALUE GAIN ON OTHER INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	3,611	-	15,391	-
REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	-	-	6,663	20
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(570)	3,047	55,543	18,258
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	94,586	134,306	292,191	209,891
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	81,542	102,765	265,300	174,124
- NON-CONTROLLING INTERESTS	13,044	31,541	26,891	35,767
	94,586	134,306	292,191	209,891

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER 30/09/2021	IMMEDIATE PRECEDING QUARTER 30/06/2021	INCREASE/ (DECREASE)
	RM'000	RM'000	%
REVENUE	1,065,018	967,917	10%
OPERATING EXPENSES	(1,007,430)	(956,157)	5%
OTHER OPERATING INCOME	25,737	24,730	4%
PROFIT FROM OPERATIONS	<u>83,325</u>	<u>36,490</u>	128%
FINANCE INCOME	43,748	45,592	(4%)
FINANCE COSTS	(33,965)	(25,700)	32%
SHARE OF PROFIT FROM ASSOCIATES	21,768	15,894	37%
SHARE OF (LOSS)/PROFIT FROM JOINT VENTURES	(1,031)	6,708	N/A
PROFIT BEFORE TAX	<u>113,845</u>	<u>78,984</u>	44%
INCOME TAX EXPENSE	(18,689)	(7,869)	138%
PROFIT FOR THE PERIOD	<u>95,156</u>	<u>71,115</u>	34%
ATTRIBUTABLE TO:			
- OWNERS OF THE PARENT	81,098	70,521	15%
- NON-CONTROLLING INTERESTS	14,058	594	2267%
	<u>95,156</u>	<u>71,115</u>	34%
EARNINGS PER SHARE			
(i) BASIC (sen) ¹	<u>1.38</u>	<u>1.20</u>	15%
(ii) DILUTED (sen) ¹	<u>1.37</u>	<u>1.20</u>	14%
¹ The calculation of earnings per share (basic and diluted) includes the ordinary shares that will be issued upon the mandatory conversion of ICPS.			
(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)			

SUNWAY BERHAD (Company No : 201001037627 (921551-D))
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021
 THE FIGURES HAVE NOT BEEN AUDITED

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER 30/09/2021 RM'000	IMMEDIATE PRECEDING QUARTER 30/06/2021 RM'000
PROFIT FOR THE PERIOD	95,156	71,115
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS	(4,311)	8,818
CASH FLOW HEDGE RESERVE - FAIR VALUE GAIN/(LOSS)		
- FAIR VALUE GAIN OF DERIVATIVES	9,187	3,112
- AMOUNT RECYCLED TO PROFIT OR LOSS	(9,057)	(2,366)
OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		
FAIR VALUE GAIN ON OTHER INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	3,611	10,815
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(570)	20,379
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	94,586	91,494
ATTRIBUTABLE TO:		
- OWNERS OF THE PARENT	81,542	77,647
- NON-CONTROLLING INTERESTS	13,044	13,847
	94,586	91,494

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	AS AT END OF	AS AT PRECEDING	
	CURRENT QUARTER	FINANCIAL PERIOD END	
	30/09/2021	31/12/2020	1/1/2020
	RM'000	RM'000	RM'000
		(RESTATED)	(RESTATED)
ASSETS			
Non-current assets			
Property, plant and equipment	2,702,012	2,620,747	2,749,044
Intangible assets	23,060	25,233	19,833
Investment properties	2,093,691	2,033,400	2,327,617
Inventories	1,926,754	1,795,500	1,674,576
Investment in associates	2,711,063	2,693,171	2,458,048
Investment in joint ventures	2,019,715	1,657,587	1,627,372
Goodwill	435,999	325,435	311,808
Deferred tax assets	67,689	60,763	68,574
Receivables	1,721,519	1,974,345	1,478,793
Derivative assets	12,676	-	-
Rock reserves	5,148	5,342	5,605
Other investments	869,572	864,153	569,856
Biological assets	60	230	121
	<u>14,588,958</u>	<u>14,055,906</u>	<u>13,291,247</u>
Current assets			
Contract assets	87,750	91,303	76,230
Inventories	2,000,876	2,074,701	2,077,811
Receivables, deposits & prepayments	2,548,008	2,433,201	3,014,935
Cash and bank balances	2,529,513	2,238,415	2,554,746
Tax recoverable	64,621	68,594	79,257
Derivative assets	3,201	31,532	1,925
Other investments	98,736	100,285	376,373
	<u>7,332,705</u>	<u>7,038,031</u>	<u>8,181,277</u>
TOTAL ASSETS	<u>21,921,663</u>	<u>21,093,937</u>	<u>21,472,524</u>
EQUITY AND LIABILITIES			
Current liabilities			
Payables, accruals & other current liabilities	2,395,490	2,453,061	2,670,944
Contract liabilities	26,970	74,610	43,529
Bank borrowings	4,144,536	5,260,615	7,022,907
Lease liabilities	40,639	50,333	69,750
Taxation	77,441	37,477	5,480
Derivative liabilities	5,011	72,369	17,730
	<u>6,690,087</u>	<u>7,948,465</u>	<u>9,830,340</u>
Non-current liabilities			
Long term bank borrowings	3,637,502	1,649,973	872,563
Perpetual Sukuk	600,000	600,000	400,000
Lease liabilities	304,742	325,262	768,204
Other long term liabilities	102,064	134,713	59,414
Derivative liabilities	340	1,665	187
Deferred tax liabilities	96,984	122,489	130,304
	<u>4,741,632</u>	<u>2,834,102</u>	<u>2,230,672</u>
Total liabilities	<u>11,431,719</u>	<u>10,782,567</u>	<u>12,061,012</u>
Equity attributable to Owners of the Parent			
Share capital	5,393,889	5,393,667	5,393,666
Irredeemable convertible preference shares ("ICPS")	977,779	977,779	-
Treasury shares	(74,335)	(74,335)	(53,324)
Reserves	3,385,866	3,216,876	3,027,210
	<u>9,683,199</u>	<u>9,513,987</u>	<u>8,367,552</u>
NON-CONTROLLING INTERESTS	<u>806,745</u>	<u>797,383</u>	<u>1,043,960</u>
Total equity	<u>10,489,944</u>	<u>10,311,370</u>	<u>9,411,512</u>
TOTAL EQUITY AND LIABILITIES	<u>21,921,663</u>	<u>21,093,937</u>	<u>21,472,524</u>
Number of ordinary shares ('000)¹	5,866,849	5,866,706	4,903,731
Net Assets Per Share Attributable To Owners Of The Parent (RM)	1.65	1.62	1.71

¹ 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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD (Company No : 201001037427 (921551-D))
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	- ATTRIBUTABLE TO OWNERS OF THE PARENT -									TOTAL EQUITY ATTRIBUTABLE TO OWNERS				
	NON-DISTRIBUTABLE			DISTRIBUTABLE						TOTAL RESERVES	OF THE PARENT	PERPETUAL SUKUK	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES	TREASURY SHARES	MERGER RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	CASH FLOW HEDGE RESERVE	FURNITURE, FITTINGS & EQUIPMENT RESERVE	OTHER RESERVES	RETAINED PROFITS					
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
PERIOD ENDED 30 SEPTEMBER 2021														
At 1 January 2021	5,393,667	977,779	(74,335)	(1,192,040)	166,022	(19,040)	18,481	528,569	3,741,567	3,243,559	9,540,670	-	797,837	10,338,507
Effects of Agenda Decision on IAS 23	-	-	-	-	-	-	-	-	(26,683)	(26,683)	(26,683)	-	(454)	(27,137)
At 1 January 2021 (restated)	5,393,667	977,779	(74,335)	(1,192,040)	166,022	(19,040)	18,481	528,569	3,714,884	3,216,876	9,513,987	-	797,383	10,311,370
Profit for the year	-	-	-	-	-	-	-	-	210,069	210,069	210,069	-	26,579	236,648
Other comprehensive income, net of tax	-	-	-	-	30,041	3,136	-	22,054	-	55,231	55,231	-	312	55,543
Total comprehensive income	-	-	-	-	30,041	3,136	-	22,054	210,069	265,300	265,300	-	26,891	292,191
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	8,948	8,948
Transfer to furniture & fittings reserve	-	-	-	-	-	-	(6,528)	-	6,606	78	78	-	(78)	-
Transfer to statutory reserve	-	-	-	-	-	-	-	448	(443)	5	5	-	(5)	-
Transactions with owners														
Issuance of ordinary shares pursuant to														
- exercise of warrants	222	^	-	-	-	-	-	-	-	-	222	-	-	222
Dividends declared	-	-	-	-	-	-	-	-	(77,402)	(77,402)	(77,402)	-	-	(77,402)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(24,414)	(24,414)
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	15,337	15,337
Effects of subscriptions of units in structured entities by unit holders	-	-	-	-	-	-	-	-	-	-	-	-	(9,287)	(9,287)
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	(18,991)	(18,991)	(18,991)	-	(8,030)	(27,021)
Total transactions with owners	222	-	-	-	-	-	-	-	(96,393)	(96,393)	(96,171)	-	(26,394)	(122,565)
At 30 September 2021	5,393,889	977,779	(74,335)	(1,192,040)	196,063	(15,904)	11,953	551,071	3,834,723	3,385,866	9,683,199	-	806,745	10,489,944
PERIOD ENDED 30 SEPTEMBER 2020														
At 1 January 2020	5,393,666	-	(53,324)	(1,192,040)	131,185	(16,535)	20,569	195,212	3,914,135	3,052,526	8,392,868	1,150,000	631,399	10,174,267
Effects of Agenda Decision on IAS 23	-	-	-	-	-	-	-	-	(21,717)	(21,717)	(21,717)	-	(330)	(22,047)
Effects of prior year adjustments on placement in wholesale funds	-	-	-	-	-	-	-	28,139	(31,738)	(3,599)	(3,599)	(1,150,000)	412,891	(740,708)
At 1 January 2020 (restated)	5,393,666	-	(53,324)	(1,192,040)	131,185	(16,535)	20,569	223,351	3,860,680	3,027,210	8,367,552	-	1,043,960	9,411,512
Profit for the year	-	-	-	-	-	-	-	-	157,989	157,989	157,989	-	33,644	191,633
Other comprehensive income, net of tax	-	-	-	-	17,509	(1,394)	-	20	-	16,135	16,135	-	2,123	18,258
Total comprehensive income	-	-	-	-	17,509	(1,394)	-	20	157,989	174,124	174,124	-	35,767	209,891
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	4,432	4,432
Effect of subsidiary becoming joint venture	-	-	-	-	-	-	-	-	-	-	-	-	(15,839)	(15,839)
Transfer to furniture, fittings & equipment reserve	-	-	-	-	-	-	(767)	-	821	54	54	-	(54)	-
Transfer to statutory reserve	-	-	-	-	-	-	-	263	(260)	3	3	-	(3)	-
Transactions with owners														
Issuance of ordinary shares pursuant to:														
- exercise of warrants	1	^	-	-	-	-	-	-	-	-	1	-	-	1
Purchase of treasury shares	-	-	(4,881)	-	-	-	-	-	-	-	(4,881)	-	-	(4,881)
Dividends declared	-	-	-	-	-	-	-	-	(220,562)	(220,562)	(220,562)	-	-	(220,562)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(30,836)	(30,836)
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	(491)	(491)	(491)	-	4,409	3,918
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	-	-	-	(199)	(199)	(199)	-	(591)	(790)
Effects of subscriptions of units in structured entities by unit holders	-	-	-	-	-	-	-	-	-	-	-	-	39,690	39,690
Effects arising from bonus issues	-	-	-	-	-	-	-	600	(327)	273	273	-	(273)	-
Total transactions with owners	1	-	(4,881)	-	-	-	-	600	(221,579)	(220,979)	(225,859)	-	12,399	(213,460)
At 30 September 2020	5,393,667	-	(58,205)	(1,192,040)	148,694	(17,929)	19,802	224,234	3,797,651	2,980,412	8,315,874	-	1,080,662	9,396,536

^ Represents 142,437 warrants amounting to RM222,202 (2020: 404 warrants amounting to RM695).

(The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	FOR THE 9 MONTHS PERIOD ENDED 30/09/2021	FOR THE 9 MONTHS PERIOD ENDED 30/09/2020
	RM'000	RM'000 (RESTATED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	280,003	248,915
Adjustments for:		
- non-cash items	108,141	52,000
- finance costs	83,971	148,127
- finance income	(128,124)	(118,390)
Operating cash flows before working capital changes	343,991	330,652
Changes in working capital	(88,501)	70,359
Cash flow generated from operations	255,490	401,011
Interest received	128,124	118,390
Dividend received from joint ventures, associates and other investments	146,641	97,710
Tax refunded	5,924	7,789
Tax paid	(37,112)	(21,553)
Net cash flow generated from operating activities	499,067	603,347
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant & equipment	3,309	5,660
Proceeds from disposal of non-current assets held for sale	-	45,000
Proceeds from disposal of land held for development	13,141	-
Proceeds from dilution of an associate	-	8,224
Net cash outflow from subsidiary become joint venture	-	(13,231)
Net cash outflow from loss of control of a subsidiary become associate	-	(2,029)
Proceeds from redemption of shares in associate	-	19,406
Proceeds from disposal of other investments	19,586	288,979
Proceeds from acquisition of equity interest by non-controlling interests	15,337	4,307
Acquisition of land	(180,816)	(4,104)
Acquisition of property, plant and equipment	(205,022)	(438,372)
Acquisition of intangible assets	(4,657)	(6,865)
Acquisition of biological assets	-	(4)
Acquisition of other investment	(27,348)	(227,411)
Acquisition and subsequent expenditure of investment properties	(45,845)	(172,200)
Acquisition of equity interest from non-controlling interests	(27,021)	(790)
Acquisition of subsidiaries	(29,201)	(2,455)
Investment in joint ventures	(393,138)	(150)
Investment in associates	(278)	-
Repayment from associates and joint ventures	200,590	17,896
Quasi-equity loan advanced to joint ventures	(45,771)	(48,973)
Net redemptions of units in structured entities by the group	-	165,772
Net redemptions of units in structured entities by non-controlling interests	(9,287)	(126,082)
Net cash used in investing activities	(716,421)	(487,422)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net bank and other borrowings	682,527	68,976
Net lease liabilities	(43,991)	(50,585)
Proceeds from issuance of shares pursuant to exercise of warrants	222	1
Interest paid	(160,252)	(240,116)
Dividend paid to shareholders	(77,402)	(220,562)
Dividend paid to non-controlling interests of subsidiaries	(24,414)	(30,836)
Repayment from/(Advances to) non-controlling interests of subsidiaries	111	(13)
Share buyback	-	(4,881)
Issuance of perpetual sukuk	-	200,000
Net cash generated from/(used in) financing activities	376,801	(278,016)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	159,447	(162,091)
EFFECTS OF EXCHANGE RATE CHANGES	2,189	5,486
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,182,845	2,359,012
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	2,344,481	2,202,407
Bank & cash balances	705,420	967,846
Fixed deposits	1,824,093	1,349,165
Total cash and bank balances	2,529,513	2,317,011
Bank overdrafts	(182,423)	(110,211)
Less: Deposits with maturity of over 3 months	(2,609)	(4,393)
Cash and cash equivalents	2,344,481	2,202,407

(The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

NOTES TO FINANCIAL STATEMENTS

A1 Accounting Policies and Basis of Preparation

The Group has prepared its financial statements using the Malaysian Financial Reporting Standards ("MFRS") for the financial period ended 30 September 2021.

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2020.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2020 except for the adoption of the following new MFRSs and Amendments to MFRSs that are effective for financial statements effective from 1 January 2021, as disclosed below:

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

* Early adopted by the Group.

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

Prior Year Adjustments ("PYA")

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

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

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

In previous financial years, the Group capitalised the borrowing costs incurred in the inventory (work in progress) until the completion of the units. Effective 1 January 2021, the Group had retrospectively applied the Agenda Decision on IAS 23. The Group has restated its comparatives to reflect the financial effects for the period ended 30 June 2020, as at 1 January 2020 and as at 31 December 2020 retrospectively. These are presented in Note A1(i), A1(ii) and A1(iii).

(b) PYA on placement in wholesale funds

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

The Group invested in these wholesale funds with the objective of achieving short term to long term income for its treasury management purposes. The funds are managed by the respective fund managers, who apply various investment strategies to accomplish their respective investment objectives. Their operations are financed through the creation of investee fund units, which in turn entitle the holders to variable returns and fair values in the respective wholesale fund's net assets.

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

(i) Reconciliation of profit of loss for the period ended 30 September 2020

	Quarter ended 30 September 2020				Cumulative quarter ended 30 September 2020			
	As previously stated	PYA on placement in wholesale funds	Effects of Agenda Decision on IAS 23	Restated	As previously stated	PYA on placement in wholesale funds	Effects of Agenda Decision on IAS 23	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,027,221	-	-	1,027,221	2,555,304	-	-	2,555,304
Operating expenses	(973,074)	-	1,147	(971,927)	(2,522,011)	18,970	7,686	(2,495,355)
Other operating income	80,963	-	-	80,963	152,528	-	-	152,528
Profit from operations	135,110	-	1,147	136,257	185,821	18,970	7,686	212,477
Finance income	50,940	(16,764)	-	34,176	193,991	(75,601)	-	118,390
Finance cost	(45,108)	6,571	(3,926)	(42,463)	(158,939)	24,935	(14,123)	(148,127)
Share of profit from associates	16,707	-	-	16,707	47,765	-	-	47,765
Share of profit from joint ventures	13,699	-	(2,031)	11,668	20,628	-	(2,218)	18,410
Profit before tax	171,348	(10,193)	(4,810)	156,345	289,266	(31,696)	(8,655)	248,915
Income tax expense	(25,020)	-	(66)	(25,086)	(57,226)	-	(56)	(57,282)
Profit after tax	146,328	(10,193)	(4,876)	131,259	232,040	(31,696)	(8,711)	191,633
Attributable to:								
- Owners of the parent	132,831	(12,026)	(4,833)	115,972	204,412	(37,884)	(8,539)	157,989
- Non-controlling interests	13,497	1,833	(43)	15,287	27,628	6,188	(172)	33,644
	146,328	(10,193)	(4,876)	131,259	232,040	(31,696)	(8,711)	191,633
Earnings per share:								
- Basic	2.51			2.37	3.52			3.22
- Diluted	2.51			2.37	3.52			3.22

(ii) Reconciliation of comprehensive income for the period ended 30 September 2020

	Quarter ended 30 September 2020				Cumulative quarter ended 30 September 2020			
	As previously stated	PYA on placement in wholesale funds	Effects of Agenda Decision on IAS 23	Restated	As previously stated	PYA on placement in wholesale funds	Effects of Agenda Decision on IAS 23	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Profit for the period	146,328	(10,193)	(4,876)	131,259	232,040	(31,696)	(8,711)	191,633
<u>Other comprehensive income to be reclassified to profit and loss in subsequent periods</u>								
Foreign currency translation differences for foreign operations	(4,474)	-	-	(4,474)	19,632	-	-	19,632
Cash flow hedge reserve - Fair value (loss)/gain								
- Fair value (loss)/gain of derivatives	(10,107)	-	-	(10,107)	30,470	-	-	30,470
- Amount recycled to profit or loss	17,628	-	-	17,628	(31,864)	-	-	(31,864)
<u>Other comprehensive income not to be reclassified to profit and loss in subsequent periods</u>								
Revaluation of property, plant and equipment	-	-	-	-	20	-	-	20
	3,047	-	-	3,047	18,258	-	-	18,258
Total comprehensive income for the period	149,375	(10,193)	(4,876)	134,306	250,298	(31,696)	(8,711)	209,891
Attributable to:								
- Owners of the parent	119,624	(12,026)	(4,833)	102,765	220,547	(37,884)	(8,539)	174,124
- Non-controlling interests	29,751	1,833	(43)	31,541	29,751	6,188	(172)	35,767
	149,375	(10,193)	(4,876)	134,306	250,298	(31,696)	(8,711)	209,891

(iii) Reconciliation of financial position and equity as at 1 January 2020 and 31 December 2020

	As at 1 January 2020			As at 31 December 2020		
	As previously stated	Effects of Agenda Decision on IAS 23	Restated	As previously stated	Effects of Agenda Decision on IAS 23	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Investment in joint ventures	1,627,026	346	1,627,372	1,659,178	(1,591)	1,657,587
Deferred tax assets	66,722	1,852	68,574	59,589	1,174	60,763
Other non-current assets	11,595,301	-	11,595,301	12,337,556	-	12,337,556
Non-current assets	13,289,049	2,198	13,291,247	14,056,323	(417)	14,055,906
Inventories	2,102,056	(24,245)	2,077,811	2,101,421	(26,720)	2,074,701
Other current assets	6,103,466	-	6,103,466	4,963,330	-	4,963,330
Current assets	8,205,522	(24,245)	8,181,277	7,064,751	(26,720)	7,038,031
TOTAL ASSETS	21,494,571	(22,047)	21,472,524	21,121,074	(27,137)	21,093,937
Current liabilities	9,830,340	-	9,830,340	7,948,465	-	7,948,465
Non-current liabilities	2,230,672	-	2,230,672	2,834,102	-	2,834,102
Total liabilities	12,061,012	-	12,061,012	10,782,567	-	10,782,567
Equity attributable to Owners of the Parent						
Share capital	5,393,666	-	5,393,666	5,393,667	-	5,393,667
Irredeemable convertible preference shares	-	-	-	977,779	-	977,779
Treasury shares	(53,324)	-	(53,324)	(74,335)	-	(74,335)
Reserves	3,048,927	(21,717)	3,027,210	3,243,559	(26,683)	3,216,876
	8,389,269	(21,717)	8,367,552	9,540,670	(26,683)	9,513,987
Non-controlling interest	1,044,290	(330)	1,043,960	797,837	(454)	797,383
Total equity	9,433,559	(22,047)	9,411,512	10,338,507	(27,137)	10,311,370
TOTAL LIABILITIES AND EQUITY	21,494,571	(22,047)	21,472,524	21,121,074	(27,137)	21,093,937
Net Assets Per Share Attributable To Owners Of The Parent (RM)	1.71		1.71	1.63		1.62

A2 Report of the Auditors

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

A3 Seasonal or Cyclical Factors

The results for the current quarter under review were not materially affected by seasonal or cyclical factors except for Phase 1 of the National Recovery Plan ("NRP") starting from 15 June 2021 to 10 September 2021 due to the "COVID-19" pandemic.

A4 Unusual Items

There were no material unusual items affecting the amounts reported for the current quarter ended 30 September 2021.

A5 Changes in Estimates

There were no changes in estimates that have a material effect on the amounts reported for the current quarter ended 30 September 2021.

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

During the financial period ended 30 September 2021, the Company increased its issued and paid up ordinary share capital by way of issuance of 142,437 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:

- a) RM73,333,947 was paid on 28 April 2021 as first interim single tier cash dividend of 1.50 sen per ordinary share for the financial year ended 31 December 2020;
- b) RM4,067,562 was paid on 28 April 2021 as preferential dividend of 5.25% per annum, based on the issue price of RM1.00 per irredeemable convertible preference share ("ICPS"), for the period from 3 December 2020 (being the issue date) up to and including 31 December 2020;
- c) RM48,890,695 was paid on 21 October 2021 as first interim single tier cash dividend of 1.00 sen per ordinary share for the financial year ending 31 December 2021; and
- d) RM25,666,715 was paid on 21 October 2021 as preferential dividend of 5.25% per annum, based on the issue price of RM1.00 per irredeemable convertible preference share ("ICPS"), for the period from 1 January 2021 to 30 June 2021.

A8 Segmental Reporting

Segmental results for the financial period ended 30 September 2021 are as follows:

	Property Development RM'000	Property Investment RM'000	Construction RM'000	Trading and Manufacturing RM'000	Quarry RM'000	Healthcare RM'000	Investment Holdings RM'000	Others RM'000	Adjustments/ eliminations RM'000	Consolidated RM'000
BY BUSINESS SEGMENTS										
REVENUE AND EXPENSES										
Revenue										
Sales to external customers	441,606	178,981	732,121	609,877	232,026	579,342	10,867	264,858	-	3,049,678
Inter-segment revenue	54,967	51,190	686,633	104,149	20,961	9,350	294,386	64,225	(1,285,861)	-
Total revenue	496,573	230,171	1,418,754	714,026	252,987	588,692	305,253	329,083	(1,285,861)	3,049,678
Results										
Operating segment results	71,674	(37,597)	48,062	30,607	5,069	78,880	(46,306)	18,482	-	168,871
Finance income	26,642	53,414	10,124	6,846	4,265	8,668	126,171	8,395	(116,401)	128,124
Finance costs	(29,563)	(104,697)	(3,313)	(8,616)	(5,536)	(16,598)	(24,359)	(7,690)	116,401	(83,971)
Share of results of:										
- associated companies	375	53,692	174	-	-	-	-	(145)	-	54,096
- joint ventures	19,059	(9,974)	2,608	-	1,190	-	-	-	-	12,883
Profit/(Loss) before taxation	88,187	(45,162)	57,655	28,837	4,988	70,950	55,506	19,042	-	280,003
Taxation	(13,081)	15,023	(13,157)	(5,266)	(95)	(184)	(21,009)	(5,586)	-	(43,355)
Profit/(Loss) for the period	75,106	(30,139)	44,498	23,571	4,893	70,766	34,497	13,456	-	236,648
Non-controlling interests	(2,426)	(170)	(16,080)	(968)	(165)	(256)	(4,127)	(2,387)	-	(26,579)
Attributable to owners of the parent	72,680	(30,309)	28,418	22,603	4,728	70,510	30,370	11,069	-	210,069

	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	2,727,311	265,897	229,687	198,067
Singapore	108,679	4,358	4,144	4,636
China	106,560	5,159	3,339	3,088
India	5,033	(7,167)	(7,483)	(2,744)
Australia	26,029	4,026	(12)	499
Indonesia	31,094	2,408	1,522	1,522
United Kingdom	17,484	4,818	4,632	4,513
Other countries	27,488	504	819	488
	3,049,678	280,003	236,648	210,069

A8 Segmental Reporting (contd.)

Segmental results by foreign currency for the financial period ended 30 September 2021 are as follows:

PROPERTY DEVELOPMENT SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit/(Loss) before tax	Profit/(Loss) after tax	Attributable to owners of the parent	Revenue	Profit/(Loss) before tax	Profit/(Loss) after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)	441,240	87,297	78,255	75,315	441,240	87,297	78,255	75,315
Australian Dollar (AUD'000)	-	991	(296)	(133)	-	3,109	(929)	(418)
Hong Kong Dollar (HKD'000)	-	(6)	(6)	(6)	-	(3)	(3)	(3)
India Rupee (INR'000)	-	(124)	(124)	(124)	-	(7)	(7)	(7)
China Yuan Renminbi (RMB'000)	570	(1,736)	(1,736)	(1,734)	366	(1,114)	(1,114)	(1,113)
Singapore Dollar (SGD'000)	-	(353)	(353)	(353)	-	(1,093)	(1,094)	(1,093)
US Dollar (USD'000)	-	-	-	-	-	(2)	(2)	(1)
					441,606	88,187	75,106	72,680

PROPERTY INVESTMENT SEGMENT:

Malaysia Ringgit (RM'000)	154,449	(55,610)	(40,967)	(40,634)	154,449	(55,610)	(40,967)	(40,634)
Pound Sterling (GBP'000)	3,044	839	806	786	17,484	4,818	4,632	4,513
Hong Kong Dollar (HKD'000)	-	243	243	243	-	130	130	130
Singapore Dollar (SGD'000)	26	2,030	2,030	2,030	80	6,288	6,288	6,289
US Dollar (USD'000)	1,315	59	195	102	5,453	244	810	425
Vietnam Dong (VND'000,000)	8,393	(5,718)	(5,718)	(5,718)	1,515	(1,032)	(1,032)	(1,032)
					178,981	(45,162)	(30,139)	(30,309)

CONSTRUCTION SEGMENT:

Malaysia Ringgit (RM'000)	650,876	66,085	53,246	31,884	650,876	66,085	53,246	31,884
United Arab Emirates Dirham (AED'000)	-	(71)	(71)	(39)	-	(80)	(80)	(44)
India Rupee (INR'000)	89,273	(127,000)	(132,605)	(48,547)	5,033	(7,160)	(7,476)	(2,737)
Singapore Dollar (SGD'000)	24,600	(373)	(373)	(215)	76,212	(1,155)	(1,155)	(665)
US Dollar (USD'000)	-	(8)	(9)	(5)	-	(35)	(37)	(20)
					732,121	57,655	44,498	28,418

TRADING & MANUFACTURING SEGMENT:

Malaysia Ringgit (RM'000)	410,829	14,383	12,278	11,651	410,829	14,383	12,278	11,651
Australian Dollar (AUD'000)	8,297	292	292	292	26,029	917	917	917
Indonesia Rupiah (IDR'000,000)	107,468	8,323	5,260	5,260	31,094	2,408	1,522	1,522
China Yuan Renminbi (RMB'000)	139,027	12,302	9,477	8,946	89,237	7,896	6,083	5,742
Singapore Dollar (SGD'000)	10,384	625	556	556	32,168	1,935	1,722	1,722
Thai Baht (THB'000)	140,729	12,696	10,794	10,794	18,423	1,662	1,413	1,413
Vietnam Dong (VND'000,000)	11,618	(2,017)	(2,017)	(2,017)	2,097	(364)	(364)	(364)
					609,877	28,837	23,571	22,603

QUARRY SEGMENT:

Malaysia Ringgit (RM'000)	232,026	4,877	4,782	4,617	232,026	4,877	4,782	4,617
Trinidad & Tobago Dollar (TTD'000)	-	214	214	214	-	111	111	111
					232,026	4,988	4,893	4,728

HEALTHCARE SEGMENT:

Malaysia Ringgit (RM'000)	579,123	72,567	72,383	72,127	579,123	72,567	72,383	72,127
Singapore Dollar (SGD'000)	71	(522)	(522)	(522)	219	(1,617)	(1,617)	(1,617)
					579,342	70,950	70,766	70,510

INVESTMENT HOLDING SEGMENT:

Malaysia Ringgit (RM'000)	9,396	55,674	34,672	30,539	9,396	55,674	34,672	30,539
Hong Kong Dollar (HKD'000)	-	(817)	(830)	(818)	-	(436)	(443)	(437)
China Yuan Renminbi (RMB'000)	2,292	418	418	418	1,471	268	268	268
					10,867	55,506	34,497	30,370

OTHERS SEGMENT:

Malaysia Ringgit (RM'000)	249,372	20,624	15,038	12,568	249,372	20,624	15,038	12,568
China Yuan Renminbi (RMB'000)	24,127	(2,465)	(2,465)	(2,335)	15,486	(1,582)	(1,582)	(1,499)
					264,858	19,042	13,456	11,069

A8 Segmental Reporting (contd.)

Segmental assets and liabilities for the financial period ended 30 September 2021 are as follows:

	Property Development RM'000	Property Investment RM'000	Construction RM'000	Trading and Manufacturing RM'000	Quarry RM'000	Healthcare RM'000	Investment Holdings RM'000	Others RM'000	Adjustments/ eliminations RM'000	Consolidated RM'000
Assets										
Segment assets	5,835,798	2,795,661	1,728,902	801,907	390,599	1,846,073	15,214,209	1,245,400	(12,799,974)	17,058,575
Investment in associates	-	2,643,439	-	-	-	-	-	67,624	-	2,711,063
Investment in joint ventures	1,825,778	134,019	45,152	-	14,766	-	-	-	-	2,019,715
Unallocated assets										132,310
Total assets										21,921,663
Liabilities										
Segment liabilities	4,465,037	3,650,193	1,112,260	494,814	305,082	1,153,605	12,107,427	674,256	(12,705,380)	11,257,294
Unallocated liabilities										174,425
Total liabilities										11,431,719

A9 Foreign Currency Rates

The foreign currency exchange rates used are as follows:

Denomination	Closing rate as at 30 September 2021	Average rate for the year 2021
United Arab Emirates Dirham	1.1439	1.1300
Australian Dollar	3.0205	3.1371
Pound Sterling	5.6413	5.7436
Hong Kong Dollar	0.5394	0.5339
Indonesia Rupiah ('000)	0.2940	0.2893
India Rupee	0.0565	0.0564
China Yuan Renminbi	0.6491	0.6419
Singapore Dollar	3.0856	3.0980
Thai Baht	0.1237	0.1309
US Dollar	4.1980	4.1468
Vietnam Dong ('000)	0.1845	0.1805

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

A10 Valuation of Property, Plant and Equipment and Investment Properties

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

A11 Material events subsequent to the end of the reporting period

There were no material events subsequent to the current quarter ended 30 September 2021.

A12 Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current quarter ended 30 September 2021.

A13 Contingent Liabilities and Assets

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

	30/09/2021 RM'000	31/12/2020 RM'000
Guarantees given to third parties in respect of trade and contracts	842,254	841,053
Guarantees given to financial institutions for borrowings obtained by joint ventures	1,611,460	920,000
	<u>2,453,714</u>	<u>1,761,053</u>

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

A14 Commitments

(a) Capital commitment not provided for in the financial year as at 30 September 2021 is as follows:

	30/09/2021 RM'000	31/12/2020 RM'000
Approved and contracted for property, plant and equipment and investment properties	268,041	280,400
Approved but not contracted for property, plant and equipment and investment properties	416,953	431,914
	<u>684,994</u>	<u>712,314</u>

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

	30/09/2021 RM'000	31/12/2020 RM'000
Approved and contracted for property, plant and equipment and investment properties	129,477	230,717
Approved but not contracted for property, plant and equipment and investment properties	97,081	62,889
	<u>226,558</u>	<u>293,606</u>

A14 Commitments (contd.)

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

	30/09/2021 RM'000	31/12/2020 RM'000
Approved and contracted for property, plant and equipment and investment properties	82	6,174
Approved but not contracted for property, plant and equipment and investment properties	9,441	6,460
	<u>9,523</u>	<u>12,634</u>

(b) Operating lease commitment not provided for in the financial year as at 30 September 2021 is as follows:

	30/09/2021 RM'000	31/12/2020 RM'000
Future minimum lease receipts:		
- not later than 1 year	57,232	57,233
- later than 1 year and not later than 5 years	222,121	223,670
- later than 5 years	72,066	115,440
	<u>351,419</u>	<u>396,343</u>

A15 Significant Related Party Transactions

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

	Current Quarter Ended		Cumulative Year To Date	
	30/09/2021 RM'000	30/09/2020 RM'000	30/09/2021 RM'000	30/09/2020 RM'000
(i) <u>Sunway Real Estate Investment Trust</u>				
<u>("Sunway REIT") (RHB Trustees Bhd)</u>				
Lease of Sunway Resort Hotel & Spa	(2,106)	(1,497)	(5,624)	(16,443)
Lease of Sunway Hotel Seberang Jaya	-	(340)	-	(1,837)
Lease of Sunway Putra Hotel	(2,416)	(2,703)	(7,825)	(8,109)
Lease of Sunway Hotel Georgetown	(823)	(823)	(2,468)	(2,468)
Lease of Sunway Pyramid's ice rink	(245)	(396)	(485)	(1,190)
Leasing/Rental of properties in respect of:				
Sunway Medical Center building	(6,418)	(6,205)	(19,257)	(18,612)
Menara Sunway and accommodation for security staff	(1,608)	(1,515)	(4,950)	(5,373)
Rental and management of car parks and related services	(2,353)	(5,743)	(10,781)	(15,860)
Rental of office space premises and related services	168	270	513	729
Provision of property management and related services	1,859	538	3,095	770
Provision of hotel and related services	73	20	157	248
Sales of financial, human resources and IT related services	233	469	1,195	1,128
Marketing, distribution and sales of construction related products and industrial products	615	279	1,830	414
Provision of ticketing and tour related services	85	35	198	230
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	54,562	24,762	127,066	37,536
Provision of loyalty card points	169	220	781	920
Management services	2,648	2,603	8,542	7,534
Distribution income from perpetual note	2,963	2,964	8,793	8,810

A15 Significant Related Party Transactions (contd.)
(a) Sale/(Purchase) transactions with joint ventures and associates (contd.)

	Current Quarter Ended		Cumulative Year To Date	
	30/09/2021 RM'000	30/09/2020 RM'000	30/09/2021 RM'000	30/09/2020 RM'000
(ii) <u>Sunway Iskandar Sdn. Bhd. Group</u>				
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	4,109	21,659	23,865	45,461
Management services	1,222	1,529	4,315	3,942
Sales of financial, human resources and IT related services	168	264	314	823
Marketing, distribution and sales of construction related products and industrial products	35	87	80	489
Property management and related services	326	49	946	180
Lease of land for precast plant	(150)	(157)	(442)	(440)
(iii) <u>Sunway Velocity Two Sdn. Bhd.</u>				
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	14,781	53,326	72,007	53,326
Property management and related services	1,589	791	7,748	2,269
(iv) <u>Sunway Velocity Mall Sdn. Bhd.</u>				
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	(949)	(11,971)	14	7,477
Sales of financial, human resources and IT related services	145	76	285	269
Provision of loyalty points	108	47	226	161
Property management and related services	20	60	100	120
(v) <u>Sunway Velocity Hotel Sdn. Bhd.</u>				
Sales of financial, human resources and IT related services	18	27	54	93
Management services	26	41	75	261
(vi) <u>Sunway Artessa Sdn. Bhd.</u> <u>(Formerly known as Sunway Avila Sdn. Bhd.)</u>				
Sales of financial, human resources and IT related services	14	10	102	75
Property management and related services	-	3	19	10
Provision of loyalty points	27	64	63	169
(vii) <u>Daksina Harta Sdn. Bhd.</u>				
Management services	50	50	151	152
(viii) <u>Monumental Production Sdn. Bhd.</u>				
Management services	-	32	63	113

A15 Significant Related Party Transactions (contd.)

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

	Current Quarter Ended		Cumulative Year To Date	
	30/09/2021 RM'000	30/09/2020 RM'000	30/09/2021 RM'000	30/09/2020 RM'000
(i) <u>Sunway Technology Sdn. Bhd. Group</u> <u>("STSB Group")</u>				
Information systems products and consultancy fees	(2,906)	(3,233)	(8,286)	(8,792)
Sales of financial and IT related services	107	169	424	321
Rental of office equipment, motor vehicles and other related services	21	508	71	1,621
Provision of ticketing and tour related services	-	1	2	44
Rendering of recreational club facilities, theme park, timesharing services and related services	-	1	4	189
Provision of medical services	13	3	29	18
(ii) <u>Jef-San Enterprise Sdn. Bhd.</u>				
Provision of medical services	13	-	21	21
(iii) <u>Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling</u>				
Distribution paid in respect of Perpetual Sukuk	(7,763)	(7,763)	(23,037)	(21,265)

- (i) The wholly-owned subsidiary of the Group, Sunway REIT Holdings Sdn. Bhd., is a major unit holder of Sunway REIT. Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng, Sarena Cheah Yean Tih, Evan Cheah Yean Shin, Adrian Cheah Yean Sun, Sungei Way Corporation Sdn. Bhd. and Active Equity Sdn. Bhd., being major shareholders of the Group, also have deemed interests in Sunway REIT via Sunway REIT Holdings Sdn. Bhd..

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.

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

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling is a Director and major shareholder of the Group as well as Director in several subsidiaries of the Group. Evan Cheah Yean Shin is a Director in several subsidiaries of the Group and a major shareholder of the Group.

- (iii) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Sarena Cheah Yean Tih and Evan Cheah Yean Shin are Directors and major shareholders of Jef-San Enterprise Sdn. Bhd.. Adrian Cheah Yean Sun is a major shareholder of Jef-San Enterprise Sdn. Bhd..

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling and Sarena Cheah Yean Tih are Directors and major shareholders of the Group as well as Directors in several subsidiaries of the Group. Evan Cheah Yean Shin and Adrian Cheah Yean Sun are Directors in several subsidiaries of the Group and major shareholders of the Group.

B1 Review of Performance

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

For the quarter

	Quarter ended		Increase/ (Decrease) (%)
	30/09/2021 RM'000	30/09/2020 RM'000 (Restated)	
Revenue			
Property Development	197,082	103,435	90.5
Property Investment	57,988	98,108	(40.9)
Construction	192,672	255,045	(24.5)
Trading and Manufacturing	186,441	230,970	(19.3)
Quarry	84,320	105,580	(20.1)
Healthcare	208,094	167,951	23.9
Others	138,421	66,132	109.3
	<u>1,065,018</u>	<u>1,027,221</u>	3.7
Profit/(loss) before tax			
Property Development	44,637	16,868	164.6
Property Investment	(12,287)	60,545	N/A
Construction	21,350	36,978	(42.3)
Trading and Manufacturing	6,656	7,175	(7.2)
Quarry	2,478	7,701	(67.8)
Healthcare	29,469	15,439	90.9
Others	21,542	11,639	85.1
	<u>113,845</u>	<u>156,345</u>	(27.2)

The Group recorded revenue of RM1,065.0 million and profit before tax of RM113.8 million for the current quarter ended 30 September 2021 compared to revenue of RM1,027.2 million and profit before tax of RM156.3 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 3.7% and decrease in profit before tax of 27.2%. The higher revenue was mainly due to the stronger revenue recorded from property development, healthcare and others segments which more than offset the lower revenue from the other business segments.

However, profit before tax was lower but it should be noted that the higher profit in the corresponding quarter of the previous financial year was mainly due to a one-off gain of RM57.5 million from the remeasurement of leases under MFRS 16. For comparison, after adjusting for the one-off remeasurement gain, the operating performance of the current quarter was better, which was underpinned by the stronger contributions from property development, healthcare and others segments. It should also be noted that due to the adoption of MFRS 15, the development profit on two of the Group's Singapore property development projects will only be recognised upon completion and handover of the projects. As a result, the accumulated progressive profit of these projects as at the end of the current quarter of RM40.0 million, of which RM22.3 million was recorded in the current quarter, was not recognised.

The property development segment reported revenue of RM197.1 million and profit before tax of RM44.6 million in the current quarter compared to revenue of RM103.4 million and profit before tax of RM16.9 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 90.5% and profit before tax of 164.6%. The financial performance for the current quarter was higher due to higher contribution from the completion and handover of a local development project and higher sales and progress billings from other on-going local development projects.

The property investment segment reported revenue of RM58.0 million and loss before tax of RM12.3 million in the current quarter compared to revenue of RM98.1 million and profit before tax of RM60.5 million in the corresponding quarter of the previous financial year. The loss before tax in the current quarter was mainly due to the additional losses incurred from the leisure and hospitality segments as a result of the extended movement controls imposed and lower rental income resulting from the sale of The Pinnacle Sunway in the fourth quarter of last year. As mentioned earlier, the profit in the previous corresponding quarter was mainly attributed to the one-off remeasurement gain of RM57.5 million under MFRS 16.

The construction segment recorded revenue of RM192.7 million and profit before tax of RM21.4 million in the current quarter compared to revenue of RM255.0 million and profit before tax of RM37.0 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 24.5% and profit before tax of 42.3%. The financial performance in the current quarter was lower mainly due to lower progress billings from local construction projects as a result of the suspension of construction activities for a period of four weeks in the month of July due to the nationwide lockdown.

The trading and manufacturing segment recorded revenue of RM186.4 million and profit before tax of RM6.7 million in the current quarter compared to revenue of RM231.0 million and profit before tax of RM7.2 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 19.3% and profit before tax of 7.2%. The financial performance was lower in the current quarter mainly due to subdued local market conditions brought on by the COVID-19 pandemic and nationwide lockdown.

B1 Review of Performance (contd.)

The quarry segment reported revenue of RM84.3 million and profit before tax of RM2.5 million in the current quarter compared to revenue of RM105.6 million and profit before tax of RM7.7 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 20.1% and profit before tax of 67.8%. The financial performance in the current quarter was lower mainly due to lower sales volume for aggregates and premix and lower average selling price for aggregates.

The healthcare segment reported revenue of RM208.1 million and profit before tax of RM29.5 million in the current quarter compared to revenue of RM168.0 million and profit before tax of RM15.4 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 23.9% and profit before tax of 90.9%. The better performance in the current quarter was due to strong recovery in hospital activities with higher number of admissions and outpatient treatments at both Sunway Medical Centre ("SMC") and Sunway Medical Centre Velocity ("SMCV"). As a result, the profit of SMC rebounded strongly, while the operating loss of SMCV reduced to RM0.6 million in the current quarter, compared to the loss of RM6.6 million in the previous corresponding quarter.

The others segments recorded revenue of RM138.4 million and profit before tax of RM21.5 million in the current quarter compared to revenue of RM66.1 million and profit before tax of RM11.6 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 109.3% and profit before tax of 85.1%. The better financial performance in the current quarter was mainly due to additional contribution from the newly acquired majority stake in Multicare Health Pharmacy Group's business and higher contribution from the Group's treasury functions.

For 9 months period

	For 9 months period ended		Increase/ (Decrease) (%)
	30/09/2021 RM'000	30/09/2020 RM'000 (Restated)	
Revenue			
Property Development	441,606	310,753	42.1
Property Investment	178,981	287,930	(37.8)
Construction	732,121	565,627	29.4
Trading and Manufacturing	609,877	566,282	7.7
Quarry	232,026	211,617	9.6
Healthcare	579,342	442,287	31.0
Others	275,725	170,808	61.4
	<u>3,049,678</u>	<u>2,555,304</u>	19.3
Profit/(loss) before tax			
Property Development	88,187	69,702	26.5
Property Investment	(45,162)	51,893	N/A
Construction	57,655	66,123	(12.8)
Trading and Manufacturing	28,837	13,452	114.4
Quarry	4,988	9,189	(45.7)
Healthcare	70,950	(5,055)	N/A
Others	74,548	43,611	70.9
	<u>280,003</u>	<u>248,915</u>	12.5

The Group recorded revenue of RM3,049.7 million and profit before tax of RM280.0 million for the current 9 months period ended 30 September 2021 compared to revenue of RM2,555.3 million and profit before tax of RM248.9 million in the corresponding 9 months period ended 30 September 2020, representing an increase in revenue of 19.3% and profit before tax of 12.5%. Revenue was higher in the current period due to higher contributions from most business segments except property investment segment. Current period profit before tax was higher mainly due to higher profit contributions from most business segments except property investment, construction and quarry segments.

The property development segment reported revenue of RM441.6 million and profit before tax of RM88.2 million for the current 9 months period ended 30 September 2021 compared to revenue of RM310.8 million and profit before tax of RM69.7 million in the corresponding 9 months period ended 30 September 2020, representing an increase in revenue of 42.1% and profit before tax of 26.5%. The financial performance in the current period was higher due to higher sales and progress billings from local development projects as well as higher contribution from the completion and handover of a local development project.

The property investment segment reported revenue of RM179.0 million and loss before tax of RM45.2 million for the current 9 months period ended 30 September 2021 compared to revenue of RM287.9 million and profit before tax of RM51.9 million in the corresponding 9 months period ended 30 September 2020, representing a decrease in revenue of 37.8% and increase in loss before tax. The various phases of MCO had adversely impacted the financial performance of the Group's hospitality and leisure businesses. Revenue and profit in the current period was also lower due to lower rental income after completion of the disposal of The Pinnacle Sunway to Sunway REIT in November 2020. It should also be noted that profit before tax in the corresponding period of the previous financial year was boosted by a one-off gain of RM57.5 million on remeasurement of leases as per MFRS 16. Further, the performance of our associate company, Sunway REIT was also affected by the pandemic.

B1 Review of Performance (contd.)

The construction segment recorded revenue of RM732.1 million and profit before tax of RM57.7 million for the current 9 months period ended 30 September 2021 compared to revenue of RM565.6 million and profit before tax of RM66.1 million in the corresponding 9 months period ended 30 September 2020, representing an increase in revenue of 29.4% and decrease in profit before tax of 12.8%. Revenue was higher in the current period mainly due to higher progress billings from local construction projects. However, the current profit before tax was lower due to lower profit recognition from the progress billings compared to the corresponding period of the previous financial year.

The trading and manufacturing segment recorded revenue of RM609.9 million and profit before tax of RM28.8 million for the current 9 months period ended 30 September 2021 compared to revenue of RM566.3 million and profit before tax of RM13.5 million in the corresponding 9 months period ended 30 September 2020, representing an increase in revenue of 7.7% and profit before tax of 114.4%. The financial performance was better in the current period mainly due to higher sales from the local market and better operating margins.

The quarry segment reported revenue of RM232.0 million and profit before tax of RM5.0 million for the current 9 months period ended 30 September 2021 compared to revenue of RM211.6 million and profit before tax of RM9.2 million in the corresponding 9 months period ended 30 September 2020, representing an increase in revenue of 9.6% and decrease in profit before tax of 45.7%. Revenue was higher mainly due to higher sales volume for aggregates and higher average selling price for premix. However, profit before tax was lower mainly due to lower profit margin from sales of aggregates.

The healthcare segment reported revenue of RM579.3 million and profit before tax of RM71.0 million for the current 9 months period ended 30 September 2021 compared to revenue of RM442.3 million and loss before tax of RM5.1 million in the corresponding 9 months period ended 30 September 2020. The better financial performance in the current period was due to strong recovery in hospital activities with higher number of admissions and outpatient treatments at Sunway Medical Centre ("SMC") and Sunway Medical Centre Velocity ("SMCV"). As a result, the profit of SMC rebounded strongly, while the operating loss of SMCV reduced from RM28.1 million to RM9.0 million in the current period.

The other segments recorded revenue of RM275.7 million and profit before tax of RM74.5 million for the current 9 months period ended 30 September 2021 compared to revenue of RM170.8 million and profit before tax of RM43.6 million in the corresponding 9 months period ended 30 September 2020, representing an increase in revenue of 61.4% and profit before tax of 70.9%. The financial performance in the current period was better due to additional contribution from the newly acquired majority stake in Multicare Health Pharmacy Group's business and higher contribution from the Group's treasury functions.

B2 Material Changes in the Quarterly Results

	Quarter ended		Increase/ (Decrease) (%)
	30/09/2021 RM'000	30/06/2021 RM'000	
Revenue			
Property Development	197,082	147,365	33.7
Property Investment	57,988	62,324	(7.0)
Construction	192,672	218,060	(11.6)
Trading and Manufacturing	186,441	198,915	(6.3)
Quarry	84,320	70,466	19.7
Healthcare	208,094	200,619	3.7
Others	138,421	70,168	97.3
	<u>1,065,018</u>	<u>967,917</u>	10.0
Profit/(loss) before tax			
Property Development	44,637	22,873	95.2
Property Investment	(12,287)	(16,017)	23.3
Construction	21,350	8,625	147.5
Trading and Manufacturing	6,656	9,950	(33.1)
Quarry	2,478	(546)	N/A
Healthcare	29,469	27,490	7.2
Others	21,542	26,609	(19.0)
	<u>113,845</u>	<u>78,984</u>	44.1

The Group recorded revenue of RM1,065.0 million and profit before tax of RM113.8 million for the current quarter compared to revenue of RM967.9 million and profit before tax of RM79.0 million in the preceding quarter, representing an increase in revenue of 10.0% and profit before tax of 44.1%. Revenue was higher in the current quarter mainly due to higher contributions from most business segments except property investment, construction and trading and manufacturing segments. Profit before tax was also higher due to higher contributions from most business segments except trading and manufacturing and others segments.

The property development segment reported revenue of RM197.1 million and profit before tax of RM44.6 million for the current quarter compared to revenue of RM147.4 million and profit before tax of RM22.9 million in the preceding quarter, representing an increase in revenue of 33.7% and profit before tax of 95.2%. The financial performance in the current quarter was better mainly due to higher contribution from the completion and handover of a local development project.

B2 Material Changes in the Quarterly Results (contd.)

The property investment segment reported revenue of RM58.0 million and loss before tax of RM12.3 million for the current quarter compared to revenue of RM62.3 million and loss before tax of RM16.0 million in the preceding quarter, representing a decrease in revenue of 7.0% and lower loss before tax of 23.3%. The revenue in the current quarter was lower mainly due to lower contribution from the theme park segment which had to stop its operations as a result of the extended movement controls imposed. However, loss before tax recorded in the current quarter was lower due to improved contributions from the REIT assets.

The construction segment recorded revenue of RM192.7 million and profit before tax of RM21.4 million for the current quarter compared to revenue of RM218.1 million and profit before tax of RM8.6 million in the preceding quarter, representing a decrease in revenue of 11.6% and increase in profit before tax of 147.5%. Revenue in the current quarter was lower mainly due to lower progress billings from local construction projects. However, profit before tax was higher due to improved margin from the segment's local rail infrastructure project.

The trading and manufacturing segment recorded revenue of RM186.4 million and profit before tax of RM6.7 million for the current quarter compared to revenue of RM198.9 million and profit before tax of RM10.0 million in the preceding quarter, representing a decrease in revenue of 6.3% and profit before tax of 33.1%. The financial performance in the current quarter was impacted by lower sales from subdued local and overseas market conditions.

The quarry segment reported revenue of RM84.3 million and profit before tax of RM2.5 million for the current quarter compared to revenue of RM70.5 million and loss before tax of RM0.5 million in the preceding quarter. The financial performance in the current quarter was better due to higher sales volume and average selling price for both aggregates and premix.

The healthcare segment reported revenue of RM208.1 million and profit before tax of RM29.5 million for the current quarter compared to revenue of RM200.6 million and profit before tax of RM27.5 million in the preceding quarter, representing an increase in revenue of 3.7% and profit before tax of 7.2%. Sunway Medical Centre Velocity continued to lower its operating loss from RM4.3 million in the preceding quarter to RM0.6 million in the current quarter with higher number of admissions. However, the performance at Sunway Medical Centre moderated due to lower admissions and outpatient treatments as a result of the extended movement controls imposed.

The other segments recorded revenue of RM138.4 million and profit before tax of RM21.5 million for the current quarter compared to revenue of RM70.2 million and profit before tax of RM26.6 million in the preceding quarter, representing an increase in revenue of 97.3% and decrease in profit before tax of 19.0. Revenue in the current quarter was higher mainly due to additional contribution from the newly acquired majority stake in Multicare Health Pharmacy Group's business. Profit before tax was lower, however, due to lower contributions from building materials segment and the Group's treasury functions.

B3 Prospects

The Malaysian economy contracted 4.5% in the third quarter of 2021, mainly due to the strict movement controls implemented to contain the surging COVID-19 cases. However, it is encouraging to note that the infection rates have started to trend downwards, which can be attributed to the successful mass vaccination roll-out and the strict SOP compliance.

As a result, the government has started to progressively allow more economic sectors to reopen in the latter part of the third quarter. The Group expects the recovery to strengthen further in the fourth quarter as most economic activities have resumed, especially social and local tourism-related activities. This augurs well for the Group, particularly our leisure and hospitality operations which were severely impacted by the extended lockdowns.

The Group expects the financial performance for the last quarter of the year to improve against current quarter.

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	
	30/09/2021 RM'000	30/09/2020 RM'000	30/09/2021 RM'000	30/09/2020 RM'000
Current taxation	(29,382)	(13,294)	(76,121)	(38,396)
Over/(Under) provision of tax in prior years	2,649	(6,409)	2,264	(18,046)
Deferred taxation *	8,044	(5,383)	30,502	(840)
	(18,689)	(25,086)	(43,355)	(57,282)

* Provision for deferred taxation pertaining to timing difference and RPTG was reversed during the second quarter subsequent to the completion of the disposal of an investment property during the last quarter of the previous financial year.

B6 Profit before Taxation

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

	Current Quarter Ended 30/09/2021 RM'000	Cumulative Year To Date 30/09/2021 RM'000
Depreciation and amortisation	(54,521)	(160,907)
Net (provision)/reversal of impairment for:		
- Trade receivables	(7,544)	(12,070)
- Other receivables	132	109
- Inventories	(3,423)	(6,119)
- Advances to joint ventures	(1)	(30)
- Property, plant and equipment	(400)	(400)
(Write off)/Write back:		
- Trade receivables	(511)	(1,374)
- Other receivables	(42)	(44)
- Inventories	(274)	(643)
- Property, plant and equipment	(176)	(824)
- Biological assets	77	(11)
Net gain on disposal of:		
- Property, plant and equipment	142	2,045
Net foreign exchange gain/(loss):		
- Others	2,481	4,800
- Unrealised for hedged items	(9,057)	(54,448)
Cash flow hedge reserve recycled to profit or loss	9,057	54,448
Net gain on derivatives	55	206
Distribution paid in respect of Perpetual Sukuk	(7,763)	(23,037)

B7 Status of Corporate Proposal Announced**B7.1 Rights Issue and utilisation of ICPS of the Company**

The status of utilisation of proceeds is as follows:

Use Of Proceeds	Proposed Utilisation	Variation #	Utilisation As At 30 September 2021	Balance As At 30 September 2021	Status of Utilisation From 8 December 2020
	RM'000	RM'000	RM'000	RM'000	
Repayment of borrowings	596,979	164,175	(761,154)	-	Completed
Capital expenditure to expand and develop hospitals	200,000	(164,175)	(35,825)	-	Completed
Property development and property investment expenditure	179,200	-	(179,200)	-	Completed
Defray estimated expenses for the Corporate Exercises	1,600	-	(1,600)	-	Completed
TOTAL	977,779	-	(977,779)	-	

As announced to the Bursa Malaysia Securities Berhad on 29 July 2021, the Board of Directors had approved for the unutilised balance of RM164.2 million included under capital expenditure to expand and develop hospitals to be reallocated to repayment of borrowings.

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

B7.2 Proposed 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 wholly owned subsidiary of Sunway City Sdn. Bhd. ("Sunway City") which in turn is a wholly owned subsidiary of the Group, for a total consideration of RM750 million in cash ("Proposed Investment")

On 23 June 2021, Maybank Investment Bank Berhad ("Maybank IB") had, on behalf of our Board, Sunway, Sunway City, Sunway Healthcare and Greenwood have today entered into a share subscription agreement 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") ("SSA").

The Subscription Amount will be paid over 5 tranches subject to the satisfaction of the closing conditions of the respective tranches in accordance with the SSA 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").

Pending the satisfaction of the Initial Closing conditions, the Proposed Investment has not been completed at the date of this Report. Upon the completion of the Proposed Closing, Sunway Healthcare will become a joint venture company of the Group.

B8 Group Borrowings and Debt Securities

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

	Current RM'000	Non-current RM'000	Total RM'000
Secured borrowings			
<u>Islamic:</u>			
Term loan	-	75,000	75,000
Medium term notes	945,000	1,160,000	2,105,000
Revolving credits	-	419,800	419,800
	945,000	1,654,800	2,599,800
<u>Conventional:</u>			
Bank overdrafts	182,424	-	182,424
Term loan	190	638,261	638,451
Revolving credits	595,381	582,721	1,178,102
Bankers' acceptances	742	-	742
Receivable financing	45,545	-	45,545
Hire purchase	421	510	931
	824,703	1,221,492	2,046,195
Total secured borrowings	1,769,703	2,876,292	4,645,995
Unsecured borrowings			
<u>Islamic:</u>			
Medium term notes	235,000	445,000	680,000
Commercial papers	1,176,000	-	1,176,000
	1,411,000	445,000	1,856,000
<u>Conventional:</u>			
Term loan	309,000	316,210	625,210
Revolving credits	501,167	-	501,167
Bankers' acceptances	104,620	-	104,620
Bills discounting	49,046	-	49,046
	963,833	316,210	1,280,043
Total unsecured borrowings	2,374,833	761,210	3,136,043
Total borrowings	4,144,536	3,637,502	7,782,038
Islamic borrowings	2,356,000	2,099,800	4,455,800
Conventional borrowings	1,788,536	1,537,702	3,326,238
Total borrowings	4,144,536	3,637,502	7,782,038
Perpetual sukuk	-	600,000	600,000
Total borrowings and perpetual sukuk	4,144,536	4,237,502	8,382,038

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

	Foreign currency		RM'000		
	Current	Non-current	Current	Non-current	Total
Secured					
US Dollar (USD'000) *					
- Term loan	-	48,000	-	201,504	201,504
- Revolving credits	8,000	191,167	33,584	802,519	836,103
Singapore Dollar (SGD'000) **					
- Term loan	-	22,000	-	67,883	67,883
- Revolving credits	10,850	-	33,479	-	33,479
Australia Dollar (AUD'000) **					
- Bankers' acceptance	246	-	742	-	742
Pound Sterling (GBP'000) **					
- Term loan	-	64,896	-	366,100	366,100

B8 Group Borrowings and Debt Securities (contd.)

	Foreign currency		RM'000		
	Current	Non-current	Current	Non-current	Total
Unsecured					
US Dollar (USD'000) *					
- Revolving credits	50,000	-	209,900	-	209,900
Singapore Dollar (SGD'000) **					
- Term loan	-	36,000	-	111,082	111,082
- Revolving credits	365	-	1,126	-	1,126
China Yuan Renminbi (RMB'000) #					
- Revolving credits	8,300	-	5,387	-	5,387
Australia Dollar (AUD'000) *					
- Revolving credits	29,200	-	88,199	-	88,199
			372,417	1,549,088	1,921,505

The Group borrowings as at 30 September 2020 are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
Secured borrowings			
<u>Islamic:</u>			
Term loan	87,300	-	87,300
Medium term notes	950,000	1,470,000	2,420,000
Bankers' acceptance	1,900	-	1,900
Revolving credits	415,800	-	415,800
	1,455,000	1,470,000	2,925,000
<u>Conventional:</u>			
Bank overdrafts	110,211	-	110,211
Term loan	270,329	258,769	529,098
Revolving credits	1,103,654	-	1,103,654
Bankers' acceptances	1,483	-	1,483
Hire purchase	941	480	1,421
	1,486,618	259,249	1,745,867
Total secured borrowings	2,941,618	1,729,249	4,670,867
Unsecured borrowings			
<u>Islamic:</u>			
Term loan	403	-	403
Medium term notes	-	465,000	465,000
Commercial papers	780,000	-	780,000
	780,403	465,000	1,245,403
<u>Conventional:</u>			
Term loan	590,229	-	590,229
Revolving credits	888,101	-	888,101
Bankers' acceptances	105,200	-	105,200
Commercial papers	281,000	-	281,000
Bills discounting	92,186	-	92,186
	1,956,716	-	1,956,716
Total unsecured borrowings	2,737,119	465,000	3,202,119
Total borrowings	5,678,737	2,194,249	7,872,986
Islamic borrowings	2,235,403	1,935,000	4,170,403
Conventional borrowings	3,443,334	259,249	3,702,583
Total borrowings	5,678,737	2,194,249	7,872,986
Perpetual sukuk	-	600,000	600,000
Total borrowings and perpetual sukuk	5,678,737	2,794,249	8,472,986

B8 Group Borrowings and Debt Securities (contd.)

Included in the Group borrowings as at 30 September 2020 are amounts denominated in foreign currency as follows:

	Foreign currency		RM'000		
	Current	Non-current	Current	Non-current	Total
Secured					
US Dollar (USD'000) *					
- Revolving credits	130,000	-	540,540	-	540,540
Singapore Dollar (SGD'000) **					
- Term loan	-	22,000	-	66,970	66,970
- Revolving credits	12,400	-	37,747	-	37,747
Australia Dollar (AUD'000) #					
- Revolving credits	146,996	-	437,562	-	437,562
- Bankers' acceptance	498	-	1,483	-	1,483
Pound Sterling (GBP'000) **					
- Term loan	20,000	35,819	107,094	191,799	298,893
Unsecured					
US Dollar (USD'000) *					
- Revolving credits	50,000	-	207,900	-	207,900
Singapore Dollar (SGD'000) **					
- Term loan	25,000	-	76,103	-	76,103
- Revolving credits	64,590	-	196,618	-	196,618
Indonesian Rupiah (RP'000) **					
- Revolving credits	3,999,990	-	1,120	-	1,120
Australia Dollar (AUD'000) *					
- Revolving credits	21,700	-	64,594	-	64,594
			1,670,761	258,769	1,929,530

Notes:

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

** Borrowings obtained by overseas subsidiaries.

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

Overall, the total borrowing of the Group has decreased by RM0.09 billion, from RM7.87 billion as at 30 September 2020 to RM7.78 billion as at 30 September 2021.

The weighted average interest rate of borrowings as at 30 September 2021 is 2.58%. 60% of the Group's total borrowing are fixed rate instruments, whereas 40% are floating rate instruments.

Out of the total borrowings of RM7.78 billion, RM1.92 billion (Current: RM0.37 billion; Non-current: RM1.55 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 4.154, AUD borrowings is 3.190 and CNY borrowings is 0.646.

B9 Derivative Financial Instruments

The Group's outstanding derivatives as at 30 September 2021 were as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gains arising from for the period RM'000	Cash Flow Hedge Reserve RM'000
Interest rate swap contracts				
- 1 year to 3 years	61,016	(1,057)	-	-
Foreign currency forward contracts				
- Less than 1 year	18,636	44	177	-
- 1 year to 3 years	3,211	9	29	-
Cross currency swap contracts #				
- Less than 1 year	275,248	(798)	-	(5,682)
- 1 year to 5 years	989,152	12,328	-	2,546
Total derivatives		10,526	206	(3,136)

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

Interest rate swap contracts

An interest rate swap is a derivative in which one party exchanges a stream of interest payments for another party's stream of cash flow. During the financial year, the Group had entered into interest rate swap to exchange floating interest rate for fixed interest rate in order to minimise the exposure from fluctuation of interest rate. This interest rate swap received floating interest rate equals to Singapore Swap Offer Rate ("SOR") per annum and paid fixed rate of interest of 1.49% and 1.58% per annum.

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

Interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest rate curves.

Foreign currency forward contracts

The Group entered into foreign currency forward contracts to manage some of the transaction exposure. These contracts are entered into for periods consistent with currency transaction exposure and fair value changes exposure. The Group also uses foreign currency forward contracts as derivatives to hedge future changes in currency exposure of cash flows from foreign operations.

Forward currency contracts are valued using a valuation technique with market observable inputs. The derivatives arising from the forward currency contracts are stated at fair value using the prevailing market rate. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

Cross currency swap contracts

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

Cross currency swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest rate curves.

B10 Ageing Analysis of Trade Receivables

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

	30/09/2021 RM'000	31/12/2020 RM'000
Current	1,195,792	1,273,747
1 to 30 days past due	100,086	169,557
31 to 60 days past due	55,015	72,343
61 to 90 days past due	42,716	43,094
91 to 120 days past due	43,013	21,399
More than 120 days past due	192,345	148,215
	<u>433,175</u>	<u>454,608</u>
Gross trade receivables	1,628,967	1,728,355
Impaired	(101,806)	(96,696)
Total trade receivables	<u>1,527,161</u>	<u>1,631,659</u>
Other receivables	514,570	317,630
Amounts due from associates	37,113	49,865
Amounts due from joint ventures	2,190,683	2,408,392
Total receivables	<u><u>4,269,527</u></u>	<u><u>4,407,546</u></u>
Non-current receivables	1,721,519	1,974,345
Current receivables	2,548,008	2,433,201
Total receivables	<u><u>4,269,527</u></u>	<u><u>4,407,546</u></u>

B11 Changes in Material Litigation

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

- (a) On 4 September 2008, the solicitors of Sunway Construction Sdn. Bhd. ("SunCon") had been served with a Statement of Claim ("Statement of Claim") by Shristi Infrastructure Development Corporation Ltd ("Claimant").

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

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

The Statement of Claim was raised in respect of various claims and the total amount claimed is Rs.89,14,55,047.83 (approximately equivalent to RM50.4 million) in addition to interest and cost.

In the counterclaim, SunCon is seeking for Rs.78,13,94,628.61 (approximately equivalent to RM44.1 million) for inter alia, additional costs incurred by SunCon to complete the works, recovery of mobilisation advance and interest charges, loss of reputation and loss of profits.

On 11 January 2013, the arbitrator that presided over the case passed away and 75 hearings had been held.

SunCon was notified by its solicitors that an arbitration petition has been filed by Shristi on 7 January 2016 in the Supreme Court of India for the appointment of a new arbitrator. The Supreme Court of India by an order dated 5 January 2017 appointed Hon'ble Mr Justice Vikramajit Sen (a former Judge of the Supreme Court of India) as arbitrator. The first hearing before Mr Justice Vikramajit Sen was held on 24 February 2017 and cross examination has been completed on 7 October 2017.

The Arbitrator published his award on 9 April 2019 and awarded the Claimant Rs.12,84,41,929.37 (approximately equivalent to RM7.3 million).

SunCon has filed an appeal with the High Court of New Delhi in early July 2019 to set aside the arbitral award. Shristi has also filed an execution application against SunCon for enforcement of the arbitral award.

On 10 February 2020, the Honorable Court has directed SunCon to deposit, on a without prejudice basis, the decretal amount with interest with the Registrar General of the High Court of Delhi. SunCon has deposited Rs.13,56,77,784.64 (approximately equivalent to RM7.7 million) on 26 February 2020 and the amount has been fully provided in the accounts on prudence grounds. Subject to compliance of the said direction, the Honorable Court has stayed the Arbitral Award dated 9 April 2019. Case is further adjourned to 17 February 2022.

B11 Changes in Material Litigation (contd.)

(a) contd.

The Claimant filed an application in the High Court of Delhi to permit the Claimant to withdraw the decretal amount deposited by SunCon on 4 March 2020 for release of Rs.6,72,89,597 (approximately equivalent to RM3.8 million) from the deposited Award Amount.

On 27 August 2020, the Court directed the release of Rs.6,71,95,972 (approximately equivalent to RM3.8 million) on the basis of a corporate guarantee to the furnished by Srei Infrastructure Finance Ltd. The balance is to be released subject to furnishing of a bank guarantee. On 3 November 2020, the court place on record the corporate guarantee issued on 21 September 2020 and directed the registry to release the amount in terms of the Court order dated 27 August 2020. On 18 November 2020, Shristi withdrew their application for withdrawal without a bank guarantee and it has been dismissed accordingly.

(b) PNSB Acmar Sdn. Bhd. ("Plaintiff") has on 14 November 2019 served a Writ of Summon and a Statement of Claim both dated 8 November 2019 on Prasarana Malaysia Berhad ("Prasarana") (1st Defendant) and Sunway Construction Sdn. Bhd. ("SunCon") (2nd Defendant).

The Plaintiff is claiming that all the construction works in relation to the project known as "Construction and Completion of Light Rail Transit Line 3 (LRT3) from Bandar Utama to Johan Setia" ("Project") and the structures such as the Project's poles, bars, and LRT stations had trespassed and/or encroached into the Plaintiff's own development project area and has resulted in losses and damages towards the Plaintiff.

Prasarana is the owner of the Project and SunCon is the awarded Works Package Contractor for the contract known as "Contract No. Prasarana/GSC/CTT/2.06080/2017: Construction and Completion of Guideway, Stations Iconic Bridge, Park and Rides, Ancillary Buildings and other Associated Works for Package GS07-08 for Light Rail Transit 3 (LRT3) from Bandar Utama to Johan Setia" in relation to the Project.

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

- (i) Special damages of RM711,367,434.46;
- (ii) The costs between the solicitor and client amounts to RM400,000.00;
- (iii) Interest rate of 5% per year from the date of trespass i.e. 30 April 2018 until the full settlement; and
- (iv) Court's declarations, injunctions, orders and other reliefs that the Honorable Court deems fit and proper.

On the case management on 5 March 2020, the Court had directed SunCon to file the application to strike out the case by 19 March 2020. On 30 October 2020, the striking out application by Prasarana and SunCon is dismissed and matter is to proceed for full trial. On 9 December 2020, the Plaintiff filed an application for discovery against the Defendants. 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 MRCB George Kent Sdn. Bhd. ("MRCBGK") 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 MRCBGK. The Court has further directed for SunCon to file and serve its Statement of Claim on MRCBGK 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 MRCBGK as co-defendant with cost of RM4,000. Next case management on 30 Nov 2021 and pre-trial case management on 4 January 2023. Hearing scheduled from 6 to 9 February 2023.

B12 Dividend

Other than the dividend paid as disclosed in note A7, no dividend has been proposed by the Board of Directors for the financial period ended 30 September 2021.

B13 Earnings per share

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

	Current Quarter Ended 30/09/2021 RM'000	Cumulative Year To Date 30/09/2021 RM'000
<u>Basic earnings per share</u>		
Profit attributable to members of the Company	81,098	210,069
Weighted Average Number of Ordinary Shares ('000)	5,866,717	5,866,710
Earnings per share (Basic) (sen) ¹	1.38	3.58
<u>Diluted earnings per share</u>		
Profit attributable to members of the Company	81,098	210,069
Weighted Average Number of Ordinary Shares ('000)	5,934,527	5,903,734
Earnings per share (Diluted) (sen) ¹	1.37	3.56

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