

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

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

	NOTE	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		CURRENT YEAR QUARTER 30/09/2022	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2021	INCREASE/ (DECREASE) %	CURRENT YEAR TO DATE 30/09/2022	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2021	INCREASE/ (DECREASE) %
		RM'000	RM'000	%	RM'000	RM'000	%
<u>CONTINUING OPERATIONS</u>							
REVENUE		1,270,524	856,924	48%	3,663,358	2,470,336	48%
OPERATING EXPENSES	B6	(1,177,591)	(818,148)	44%	(3,433,130)	(2,424,141)	42%
OTHER OPERATING INCOME	B6	42,508	18,807	126%	149,571	51,511	190%
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS & CONTRACT ASSETS	B6	(3,079)	(6,044)	(49%)	(9,040)	(7,700)	17%
PROFIT FROM OPERATIONS		132,362	51,539	157%	370,759	90,006	312%
FINANCE INCOME		47,807	40,684	18%	126,061	119,456	6%
FINANCE COSTS		(49,298)	(28,570)	73%	(139,935)	(67,373)	108%
SHARE OF PROFIT FROM ASSOCIATES		37,447	21,768	72%	116,183	54,096	115%
SHARE OF PROFIT/(LOSS) FROM JOINT VENTURES		55,457	(1,031)	N/A	152,822	12,883	1086%
PROFIT BEFORE TAX	B6	223,775	84,390	165%	625,890	209,068	199%
INCOME TAX EXPENSE	B5	(41,591)	(18,573)	124%	(93,276)	(43,171)	116%
PROFIT FROM CONTINUING OPERATIONS		182,184	65,817	177%	532,614	165,897	221%
<u>DISCONTINUED OPERATIONS</u>							
PROFIT FROM DISCONTINUED OPERATIONS, NET OF TAX		-	29,339	N/A	-	70,751	N/A
PROFIT FOR THE PERIOD		182,184	95,156	91%	532,614	236,648	125%
ATTRIBUTABLE TO:							
- OWNERS OF THE PARENT							
CONTINUING OPERATIONS		164,722	51,761	218%	473,711	139,574	239%
DISCONTINUED OPERATIONS		-	29,337	N/A	-	70,495	N/A
		164,722	81,098	103%	473,711	210,069	126%
- NON-CONTROLLING INTERESTS							
CONTINUING OPERATIONS		17,462	14,056	24%	58,903	26,323	124%
DISCONTINUED OPERATIONS		-	2	N/A	-	256	N/A
		17,462	14,058	24%	58,903	26,579	122%
		182,184	95,156	91%	532,614	236,648	125%

(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 SEPTEMBER 2022
 THE FIGURES HAVE NOT BEEN AUDITED

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

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 30/09/2022	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2021	INCREASE/ (DECREASE) %	CURRENT YEAR TO DATE 30/09/2022	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2021	INCREASE/ (DECREASE) %
	RM'000	RM'000	%	RM'000	RM'000	%
EARNINGS PER SHARE						
(i) BASIC (sen) ¹						
CONTINUING OPERATIONS	2.80	0.88	218%	8.07	2.38	239%
DISCONTINUED OPERATIONS	-	0.50	N/A	-	1.20	N/A
	<u>2.80</u>	<u>1.38</u>	103%	<u>8.07</u>	<u>3.58</u>	125%
(ii) DILUTED (sen) ¹						
CONTINUING OPERATIONS	2.76	0.87	217%	7.93	2.37	235%
DISCONTINUED OPERATIONS	-	0.49	N/A	-	1.19	N/A
	<u>2.76</u>	<u>1.36</u>	103%	<u>7.93</u>	<u>3.56</u>	123%

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 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 SEPTEMBER 2022
 THE FIGURES HAVE NOT BEEN AUDITED

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2022	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2021	CURRENT YEAR TO DATE 30/09/2022	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2021
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	182,184	95,156	532,614	236,648
OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS				
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS	14,948	(4,311)	34,404	30,353
CASH FLOW HEDGE RESERVE - FAIR VALUE GAIN/(LOSS)				
- FAIR VALUE GAIN OF DERIVATIVES	34,073	9,187	66,059	57,584
- AMOUNT RECYCLED TO PROFIT OR LOSS	(40,959)	(9,057)	(69,781)	(54,448)
OTHER COMPREHENSIVE (LOSS)/INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS				
FAIR VALUE (LOSS)/GAIN ON OTHER INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	(11,041)	3,611	26,774	15,391
SHARE OF OTHER COMPREHENSIVE INCOME OF AN ASSOCIATE	-	-	-	6,663
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	<u>(2,979)</u>	<u>(570)</u>	<u>57,456</u>	<u>55,543</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>179,205</u>	<u>94,586</u>	<u>590,070</u>	<u>292,191</u>
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	161,325	81,542	531,432	265,300
- NON-CONTROLLING INTERESTS	17,880	13,044	58,638	26,891
	<u>179,205</u>	<u>94,586</u>	<u>590,070</u>	<u>292,191</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.)

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER 30/09/2022	IMMEDIATE PRECEDING QUARTER 30/06/2022	INCREASE/ (DECREASE)
	RM'000	RM'000	%
REVENUE	1,270,524	1,280,358	(1%)
OPERATING EXPENSES	(1,177,591)	(1,180,317)	(0%)
OTHER OPERATING INCOME	42,508	70,008	(39%)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS & CONTRACT ASSETS	(3,079)	(3,784)	(19%)
PROFIT FROM OPERATIONS	132,362	166,265	(20%)
FINANCE INCOME	47,807	32,798	46%
FINANCE COSTS	(49,298)	(60,969)	(19%)
SHARE OF PROFIT FROM ASSOCIATES	37,447	32,822	14%
SHARE OF PROFIT FROM JOINT VENTURES	55,457	44,112	26%
PROFIT BEFORE TAX	223,775	215,028	4%
INCOME TAX EXPENSE	(41,591)	(23,791)	75%
PROFIT FOR THE PERIOD	182,184	191,237	(5%)
ATTRIBUTABLE TO:			
- OWNERS OF THE PARENT	164,722	168,877	(2%)
- NON-CONTROLLING INTERESTS	17,462	22,360	(22%)
	182,184	191,237	(5%)
EARNINGS PER SHARE			
(i) BASIC (sen) ¹	2.80	2.88	(3%)
(ii) DILUTED (sen) ¹	2.76	2.82	(2%)

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 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 SEPTEMBER 2022
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FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER (CONTD.)

	CURRENT QUARTER 30/09/2022 RM'000	IMMEDIATE PRECEDING QUARTER 30/06/2022 RM'000
PROFIT FOR THE PERIOD	182,184	191,237
OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS	14,948	12,172
CASH FLOW HEDGE RESERVE - FAIR VALUE GAIN/(LOSS)		
- FAIR VALUE GAIN OF DERIVATIVES	34,073	13,260
- AMOUNT RECYCLED TO PROFIT OR LOSS	(40,959)	(10,045)
OTHER COMPREHENSIVE (LOSS)/INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		
FAIR VALUE (LOSS)/GAIN ON OTHER INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	(11,041)	10,777
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	<u>(2,979)</u>	<u>26,164</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>179,205</u>	<u>217,401</u>
ATTRIBUTABLE TO:		
- OWNERS OF THE PARENT	161,325	194,820
- NON-CONTROLLING INTERESTS	17,880	22,581
	<u>179,205</u>	<u>217,401</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.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	AS AT END OF CURRENT QUARTER 30/09/2022 RM'000	AS AT PRECEDING FINANCIAL PERIOD END 31/12/2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,253,923	1,262,253
Intangible assets	60,191	56,985
Investment properties	2,128,792	2,186,313
Inventories	2,178,366	1,671,126
Investment in associates	2,705,473	2,709,684
Investment in joint ventures	6,508,065	6,191,983
Goodwill	378,134	376,225
Deferred tax assets	60,834	47,405
Receivables	2,023,402	1,704,347
Derivative assets	7,457	7,540
Rock reserves	4,885	5,082
Other investments	911,542	866,581
Biological assets	348	48
	18,221,412	17,085,572
Current assets		
Inventories	3,084,439	2,422,351
Receivables, deposits & prepayments	2,012,541	2,484,785
Contract assets	423,691	112,076
Tax recoverable	68,053	68,008
Derivative assets	31,920	2,465
Other investments	66,166	98,778
Cash and bank balances	2,152,879	2,810,263
	7,839,689	7,998,726
TOTAL ASSETS	26,061,101	25,084,298
EQUITY AND LIABILITIES		
Current liabilities		
Payables, accruals & other current liabilities	2,428,514	2,469,266
Contract liabilities	12,412	12,583
Bank borrowings	4,284,744	4,093,585
Lease liabilities	28,762	31,354
Taxation	83,862	55,673
Derivative liabilities	41,236	43,727
	6,879,530	6,706,188
Non-current liabilities		
Long term bank borrowings	4,010,188	4,021,910
Perpetual Sukuk	600,000	600,000
Lease liabilities	93,807	90,244
Other long term liabilities	296,488	245,732
Derivative liabilities	249,842	188,957
Deferred tax liabilities	204,479	108,967
	5,454,804	5,255,810
Total liabilities	12,334,334	11,961,998
Equity attributable to Owners of the Parent		
Share capital	5,393,897	5,393,889
Irredeemable convertible preference shares ("ICPS")	977,779	977,779
Treasury shares	(74,335)	(74,335)
Reserves	6,169,119	5,733,046
	12,466,460	12,030,379
Non-controlling interest	1,260,307	1,091,921
Total equity	13,726,767	13,122,300
TOTAL EQUITY AND LIABILITIES	26,061,101	25,084,298
Number of ordinary shares ('000) ¹	5,866,854	5,866,849
Net assets per share attributable to Owners of the Parent (RM)	2.12	2.05

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 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 SEPTEMBER 2022

	----- ATTRIBUTABLE TO OWNERS OF THE PARENT -----										TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			NON-CONTROLLING INTERESTS		TOTAL EQUITY	
	----- NON-DISTRIBUTABLE -----					DISTRIBUTABLE											
	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		
PERIOD ENDED 30 SEPTEMBER 2022																	
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	-	-	-	-	-	-	-	-	473,711	473,711	473,711	58,903	532,614				
Other comprehensive income/(loss), net of tax	-	-	-	-	34,669	(3,722)	-	26,774	-	57,721	57,721	(265)	57,456				
Total comprehensive income/(loss)	-	-	-	-	34,669	(3,722)	-	26,774	473,711	531,432	531,432	58,638	590,070				
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	4,118	4,118				
Effect of joint ventures becoming subsidiaries	-	-	-	-	-	-	-	-	-	-	-	144,405	144,405				
Transfer to furniture, fittings & equipment reserve	-	-	-	-	-	-	11,132	-	(11,070)	62	62	(62)	-				
Transfer to statutory reserve	-	-	-	-	-	-	-	610	(604)	6	6	(6)	-				
Transactions with owners																	
Issuance of ordinary shares pursuant to:																	
- exercise of warrants	8	^	-	-	-	-	-	-	-	-	8	^	8				
Dividends paid by the Company	-	-	-	-	-	-	-	-	(99,003)	(99,003)	(99,003)	-	(99,003)				
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(47,050)	(47,050)				
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	139	139	139	20,807	20,946				
Effects of redemptions of units in structured entities by unit holders	-	-	-	-	-	-	-	-	-	-	-	(6,239)	(6,239)				
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	3,437	3,437	3,437	(6,225)	(2,788)				
Total transactions with owners	8	-	-	-	-	-	-	-	(95,427)	(95,427)	(95,419)	(38,707)	(134,126)				
At 30 SEPTEMBER 2022	5,393,897	977,779	(74,335)	(1,192,040)	239,514	(21,098)	22,977	519,205	6,600,561	6,169,119	12,466,460	1,260,307	13,726,767				
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	3,714,884	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 from furniture, fittings & equipment 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 paid by the Company	-	-	-	-	-	-	-	-	(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 redemptions 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				

^ Represents 5,292 warrants amounting to RM7,885 (2021: 142,437 warrants amounting to RM222,202).

(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 SEPTEMBER 2022

	FOR THE 9 MONTHS PERIOD ENDED 30/09/2022 RM'000	FOR THE 9 MONTHS PERIOD ENDED 30/09/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
From continuing operations	625,890	209,068
From discontinued operations	-	70,935
	<u>625,890</u>	<u>280,003</u>
Adjustments for:		
- non-cash items	(246,414)	108,141
- finance costs	139,935	83,971
- finance income	(126,061)	(128,124)
Operating cash flows before working capital changes	<u>393,350</u>	<u>343,991</u>
Changes in working capital	(342,772)	(88,501)
Cash generated from operations	<u>50,578</u>	<u>255,490</u>
Interest received	126,061	128,124
Dividend received from joint ventures, associates and other investments	131,511	146,641
Tax refunded	12,422	5,924
Tax paid	(82,096)	(37,112)
Net cash generated from operating activities	<u>238,476</u>	<u>499,067</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant & equipment and investment properties	20,002	3,309
Proceeds from disposal of land held for development	-	13,141
Proceeds from disposal of other investments	90,238	19,586
Proceeds from acquisition of equity interest by non-controlling interests	20,946	15,337
Acquisition of land	(186,897)	(180,816)
Acquisition of property, plant and equipment	(59,977)	(205,022)
Acquisition of biological assets	(365)	-
Acquisition of intangible assets	(6,794)	(4,657)
Acquisition of other investment	(25,143)	(27,348)
Acquisition and subsequent expenditure of investment properties	(11,503)	(45,845)
Acquisition of equity interest from non-controlling interests	(2,788)	(27,021)
Acquisition of subsidiaries for cash, net of cash acquired	(7,966)	(29,201)
Investment in joint ventures	(50)	(393,138)
Investment in associates	(3,599)	(278)
Payment of balance consideration on acquisition of subsidiaries	(45,954)	-
(Advance to)/Repayment from associates and joint ventures	(72,151)	200,590
Quasi-equity loan advanced to joint ventures	(327,859)	(45,771)
Advance to a non-controlling interest	(25,934)	-
Net cash flow from deposits placed with maturity of over 3 months	(493)	-
Net redemptions of units in structured entities by non-controlling interests	(6,239)	(9,287)
Net cash inflow from joint ventures become subsidiaries	20,215	-
Other investing activities	(104,780)	-
Net cash used in investing activities	<u>(737,091)</u>	<u>(716,421)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net bank and other borrowings	175,099	682,527
Net lease liabilities	(19,914)	(43,991)
Interest paid	(193,679)	(160,252)
Dividend paid to shareholders	(99,003)	(77,402)
Dividend paid to non-controlling interests of subsidiaries	(47,050)	(24,414)
Proceeds from issuance of shares pursuant to exercise of warrants	8	222
Advances from non-controlling interests of subsidiaries	48,400	111
Net cash (used in)/generated from financing activities	<u>(136,139)</u>	<u>376,801</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(634,754)	159,447
EFFECTS OF EXCHANGE RATE CHANGES	(4,622)	2,189
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>2,732,242</u>	<u>2,182,845</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>2,092,866</u>	<u>2,344,481</u>
Cash & bank balances	483,691	705,420
Fixed deposits	1,669,188	1,824,093
Total cash and bank balances	<u>2,152,879</u>	<u>2,529,513</u>
Bank overdrafts	(58,985)	(182,423)
Less: Deposits with maturity of over 3 months	(1,028)	(2,609)
Cash and cash equivalents	<u>2,092,866</u>	<u>2,344,481</u>

(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 September 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 September 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 September 2022.

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

During the financial period ended 30 September 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;
- 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;
- RM97,781,497 was paid on 6 October 2022 as first interim single tier cash dividend of 2.00 sen per ordinary share for the financial year ending 31 December 2022; and
- RM25,666,695 was paid on 6 October 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 January 2022 to 30 June 2022.

A8 Segmental Reporting

Segmental results for the financial period ended 30 September 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
BY BUSINESS SEGMENTS												
REVENUE AND RESULTS												
Revenue												
Sales to external customers	722,659	459,316	990,591	668,659	282,794	-	12,848	526,491	-	3,663,358	-	3,663,358
Inter-segment revenue	41,835	123,362	1,234,470	122,083	28,931	-	173,958	64,890	(1,789,529)	-	-	-
Total revenue	764,494	582,678	2,225,061	790,742	311,725	-	186,806	591,381	(1,789,529)	3,663,358	-	3,663,358
Results												
Operating segment results	54,194	132,765	122,750	35,711	10,182	-	(54,341)	69,498	-	370,759	-	370,759
Finance income	29,750	52,537	12,187	7,293	4,387	-	102,332	8,407	(90,832)	126,061	-	126,061
Finance costs	(45,044)	(118,316)	(7,338)	(10,640)	(5,781)	-	(35,583)	(8,065)	90,832	(139,935)	-	(139,935)
Share of results of:												
- associated companies	4	115,314	-	-	-	-	-	865	-	116,183	-	116,183
- joint ventures	45,994	1,835	244	-	(236)	104,985	-	-	-	152,822	-	152,822
Profit before taxation	84,898	184,135	127,843	32,364	8,552	104,985	12,408	70,705	-	625,890	-	625,890
Taxation	(14,285)	(23,298)	(34,746)	(6,912)	(4,059)	-	948	(10,924)	-	(93,276)	-	(93,276)
Profit for the period	70,613	160,837	93,097	25,452	4,493	104,985	13,356	59,781	-	532,614	-	532,614
Non-controlling interests	(3,861)	(857)	(41,564)	279	(287)	-	(8,638)	(3,975)	-	(58,903)	-	(58,903)
Attributable to owners of the parent	66,752	159,980	51,533	25,731	4,206	104,985	4,718	55,806	-	473,711	-	473,711

	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	3,118,206	544,454	467,044	423,250
Singapore	156,528	33,025	32,620	32,351
China	67,898	755	(274)	201
India	208,991	24,633	19,051	8,843
Australia	27,148	16,522	12,055	6,178
Indonesia	37,261	5,358	3,846	3,846
United Kingdom	20,727	1,853	(691)	(812)
Other countries	26,599	(710)	(1,037)	(146)
	3,663,358	625,890	532,614	473,711

A8 Segmental Reporting (contd.)

Segmental assets and liabilities for the financial period ended 30 September 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
Assets										
Segment assets	7,206,844	3,045,688	2,177,783	914,759	424,064	-	11,797,579	1,319,685	(10,167,726)	16,718,676
Investment in associates	-	2,644,513	-	-	-	-	5,837	55,123	-	2,705,473
Investment in joint ventures	2,196,468	137,514	178,613	51	14,539	3,980,830	50	-	-	6,508,065
Unallocated assets										128,887
Total assets										<u>26,061,101</u>
Liabilities										
Segment liabilities	5,249,438	3,652,663	1,594,808	574,888	330,320	-	10,107,635	658,070	(10,121,829)	12,045,993
Unallocated liabilities										288,341
Total liabilities										<u>12,334,334</u>

A8 Segmental Reporting (contd.)

Segmental results by foreign currency for the financial period ended 30 September 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)	722,659	38,383	28,565	30,580	722,659	38,383	28,565	30,580
Australian Dollar (AUD'000)	-	4,954	3,493	1,572	-	15,153	10,686	4,809
Hong Kong Dollar (HKD'000)	-	473	473	473	-	264	264	264
India Rupee (INR'000)	-	(71)	(71)	(71)	-	(4)	(4)	(4)
Chinese Renminbi (RMB'000)	-	(1,324)	(1,324)	(1,324)	-	(872)	(872)	(872)
Singapore Dollar (SGD'000)	-	10,089	10,089	10,089	-	31,976	31,976	31,976
US Dollar (USD'000)	-	-	-	-	-	(2)	(2)	(1)
					722,659	84,898	70,613	66,752

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)	432,572	187,446	166,743	165,143	432,572	187,446	166,743	165,143
Pound Sterling (GBP'000)	3,807	340	(127)	(149)	20,727	1,853	(691)	(812)
Singapore Dollar (SGD'000)	-	(730)	(745)	(745)	-	(2,314)	(2,361)	(2,361)
US Dollar (USD'000)	991	(409)	(410)	(212)	4,335	(1,787)	(1,791)	(927)
Vietnam Dong (VND'000,000)	8,906	(5,628)	(5,628)	(5,628)	1,682	(1,063)	(1,063)	(1,063)
					459,316	184,135	160,837	159,980

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)	659,454	102,671	73,507	42,394	659,454	102,671	73,507	42,394
United Arab Emirates Dirham (AED'000)	-	(35)	(35)	(19)	-	(42)	(42)	(23)
India Rupee (INR'000)	3,723,118	438,901	339,460	157,607	208,991	24,637	19,055	8,847
Singapore Dollar (SGD'000)	38,538	186	186	102	122,146	591	591	322
US Dollar (USD'000)	-	(3)	(3)	(2)	-	(14)	(14)	(7)
					990,591	127,843	93,097	51,533

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)	502,496	18,741	14,980	14,812	502,496	18,741	14,980	14,812
Australian Dollar (AUD'000)	8,875	448	448	448	27,148	1,369	1,369	1,369
Indonesia Rupiah (IDR'000,000)	125,130	17,993	12,916	12,916	37,261	5,358	3,846	3,846
Chinese Renminbi (RMB'000)	71,043	2,663	1,209	1,887	46,790	1,754	796	1,243
Singapore Dollar (SGD'000)	10,848	964	851	851	34,382	3,056	2,698	2,698
Thai Baht (THB'000)	143,469	15,734	13,158	13,158	17,991	1,973	1,650	1,650
Vietnam Dong (VND'000,000)	13,719	598	598	598	2,591	113	113	113
					668,659	32,364	25,452	25,731

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)	282,794	8,440	4,381	4,094	282,794	8,440	4,381	4,094
Trinidad & Tobago Dollar (TTD'000)	-	173	173	173	-	112	112	112
					282,794	8,552	4,493	4,206

A8 Segmental Reporting (contd.)

Segmental results by foreign currency for the financial period ended 30 September 2022 are as follows: (contd.)

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)	-	104,985	104,985	104,985	-	104,985	104,985	104,985
	-	104,985	104,985		-	104,985	104,985	104,985

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)	11,338	12,275	13,294	4,655	11,338	12,275	13,294	4,655
Hong Kong Dollar (HKD'000)	-	170	158	159	-	95	88	89
Chinese Renminbi (RMB'000)	2,293	58	(39)	(39)	1,510	38	(26)	(26)
					12,848	12,408	13,356	4,718

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)	506,893	71,513	60,589	56,587	506,893	71,513	60,589	56,587
Chinese Renminbi (RMB'000)	29,757	(796)	(796)	(755)	19,598	(524)	(524)	(497)
Singapore Dollar (SGD'000)	-	(90)	(90)	(90)	-	(284)	(284)	(284)
					526,491	70,705	59,781	55,806

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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 September 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 September 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*.

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.

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 RM213.7 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

	30/09/2022 RM'000	31/12/2021 RM'000
Guarantees given to third parties in respect of trade and contracts	740,278	735,425
Guarantees given to financial institutions for borrowings obtained by joint ventures	2,580,927	1,717,480
	<u>3,321,205</u>	<u>2,452,905</u>

(b) Claim

	30/09/2022 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 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 has appointed subject matter experts to dispute the quantum of claim.

During the case management hearing on 24 June 2022, the original trial dates of 3 to 6 October 2022 for the assessment of damages have been vacated. The trial for the said assessment 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 September 2022 is as follows:

	30/09/2022 RM'000	31/12/2021 RM'000
Approved and contracted for property, plant and equipment and investment properties	53,993	156,035
Approved but not contracted for property, plant and equipment and investment properties	78,192	86,467
	<u>132,185</u>	<u>242,502</u>

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

	30/09/2022 RM'000	31/12/2021 RM'000
Approved and contracted for property, plant and equipment and investment properties	107,947	126,789
Approved but not contracted for property, plant and equipment and investment properties	150,410	82,642
	<u>258,357</u>	<u>209,431</u>

A13 Commitments (contd.)

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

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

	30/09/2022 RM'000	31/12/2021 RM'000
Approved and contracted for property, plant and equipment and investment properties	637,731	892,914
Approved but not contracted for property, plant and equipment and investment properties	935,909	864,348
	<u>1,573,640</u>	<u>1,757,262</u>

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

	30/09/2022 RM'000	31/12/2021 RM'000
Future minimum lease receipts:		
- not later than 1 year	54,534	53,375
- later than 1 year and not later than 5 years	226,481	221,460
- later than 5 years	14,343	57,624
	<u>295,358</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	
	30/09/2022 RM'000	30/09/2021 RM'000	30/09/2022 RM'000	30/09/2021 RM'000
(i) Sunway Real Estate Investment Trust ("Sunway REIT") (RHB Trustees Bhd) ^				
Lease of Sunway Resort Hotel & Spa	(2,091)	(2,106)	(6,227)	(5,624)
Lease of Sunway Putra Hotel	(1,874)	(2,416)	(4,388)	(7,825)
Lease of Sunway Hotel Georgetown	(823)	(823)	(2,468)	(2,468)
Lease of Sunway Pyramid's ice rink	(411)	(245)	(1,223)	(485)
Lease/Rental of properties in respect of:				
Sunway Medical Centre building	-	(6,418)	-	(19,257)
Menara Sunway and accommodation for security staff	(1,946)	(1,608)	(5,584)	(4,950)
Rental and management of car parks and related services	(9,770)	(2,353)	(24,980)	(10,781)
Provision of property management and related services	1,444	1,859	3,652	3,095
Sales of financial, human resources and IT related services	589	233	1,469	1,195
Marketing, distribution and sales of construction related products and industrial products	8	615	598	1,830
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	42,505	54,562	140,937	127,066
Management services	3,181	2,648	8,874	8,542
Distribution income from perpetual note	2,308	2,963	6,936	8,793
(ii) Sunway Iskandar Sdn. Bhd. Group				
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	7,729	4,109	32,737	23,865
Management services	1,165	1,222	9,521	4,315
Property management and related services	537	326	1,296	946
(iii) Sunway Velocity Hotel Sdn. Bhd.				
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	1,499	-	1,499	-
(iv) Sunway Healthcare Holdings Sdn. Bhd. Group				
Provision of medical services	(334)	-	(1,535)	-
Sponsorship of nurse program	(972)	-	(2,945)	-
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	49,536	-	264,804	-
Rental of office space premises and related services	814	-	3,520	-
Provision of property management and related services	1,018	-	4,178	-
Sales of financial, human resources and IT related services	1,041	-	3,269	-
Management services	671	-	1,967	-
(v) GME - SE Joint Venture (SWT)				
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	(4,086)	-	(14,217)	-

A14 Significant Related Party Transactions (contd.)
(b) Purchase transactions with shareholders and their related companies

	Current Quarter Ended		Cumulative Year To Date	
	30/09/2022 RM'000	30/09/2021 RM'000	30/09/2022 RM'000	30/09/2021 RM'000
(i) Active Equity Sdn. Bhd. Group * Information systems products and consultancy fees Distribution paid/payable by wholesale funds	(2,382) -	(2,906) (284)	(6,927) (139)	(8,286) (861)
(ii) Jef-San Enterprise Sdn. Bhd. # Distribution paid/payable by wholesale funds	-	(497)	(327)	(1,496)
(iii) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling Distribution paid/payable in respect of Perpetual Sukuk	(7,763)	(7,763)	(23,037)	(23,037)

^ 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) %
	30/09/2022 RM'000	30/09/2021 RM'000	
Revenue from Continuing Operations			
Property Development	278,063	197,082	41.1
Property Investment	188,611	57,988	225.3
Construction	305,131	192,672	58.4
Trading and Manufacturing	198,821	186,441	6.6
Quarry	105,579	84,320	25.2
Others	194,319	138,421	40.4
	<u>1,270,524</u>	<u>856,924</u>	48.3
Profit/(loss) before tax from Continuing Operations			
Property Development	35,783	44,637	(19.8)
Property Investment	85,687	(12,267)	N/A
Construction	35,615	21,350	66.8
Trading and Manufacturing	12,379	6,656	86.0
Quarry	1,890	2,478	(23.7)
Healthcare*	41,446	-	N/A
Others	10,975	21,536	(49.0)
	<u>223,775</u>	<u>84,390</u>	165.2
Profit from Discontinued Operations, Net of Tax			
Healthcare	-	29,339	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 RM1,270.5 million and profit before tax of RM223.8 million from Continuing Operations for the current quarter ended 30 September 2022 compared to revenue of RM856.9 million and profit before tax of RM84.4 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 48.3% and profit before tax of 165.2%. Higher revenue was recorded from all the business segments in the current quarter. As a result, profit before tax in the current quarter was higher but several business segments like property development, quarry and others delivered lower profit contributions.

B1 Review of Performance (contd.)

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

For the quarter (contd.)

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 RM101.7 million, of which RM14.2 million was recorded in the current quarter, was not recognised. These two projects are expected to be completed by the next financial year.

The property development segment reported revenue of RM278.1 million and profit before tax of RM35.8 million in the current quarter compared to revenue of RM197.1 million and profit before tax of RM44.6 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 41.1% and decrease in profit before tax of 19.8%. The higher revenue in the current quarter was 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 previous quarter (as disclosed in Note A11). However, profit before tax in the current quarter was lower compared to the previous corresponding quarter. The higher profit in the previous corresponding quarter was mainly boosted by the stronger profit recognised from a completed and handed over local development project.

The property investment segment reported revenue of RM188.6 million and profit before tax of RM85.7 million in the current quarter compared to revenue of RM58.0 million and loss before tax of RM12.3 million in the corresponding quarter of the previous financial year. The higher revenue in the current quarter was due to higher revenue from operations of property investment assets, increased visitorship to the theme parks and higher occupancy rates at the Group's hotels. As a result, profit in the current quarter was much higher compared to the previous corresponding quarter. The current financial performance was also boosted by stronger contribution from Sunway REIT and gain on disposal of a property investment asset of RM16.6 million.

The construction segment recorded revenue of RM305.1 million and profit before tax of RM35.6 million in the current quarter compared to revenue of RM192.7 million and profit before tax of RM21.4 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 58.4% and profit before tax of 66.8%. The financial performance in the current quarter was better due to higher progress billings from both local and overseas construction projects which contributed to the higher profit.

The trading and manufacturing segment recorded revenue of RM198.8 million and profit before tax of RM12.4 million in the current quarter compared to revenue of RM186.4 million and profit before tax of RM6.7 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 6.6% and profit before tax of 86.0%. The improvement in the financial performance in the current quarter was due to higher demand for trading and manufacturing products in the domestic market and gradual recovery in the overseas markets.

The quarry segment reported revenue of RM105.6 million and profit before tax of RM1.9 million in the current quarter compared to revenue of RM84.3 million and profit before tax of RM2.5 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 25.2% and decrease in profit before tax of 23.7%. Revenue in the current quarter was better due to higher sales volume and average selling prices of aggregates and premix. However, profit before tax was lower due to higher production costs.

The others segments recorded revenue of RM194.3 million and profit before tax of RM11.0 million in the current quarter compared to revenue of RM138.4 million and profit before tax of RM21.5 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 40.4% and decrease in profit before tax of 49.0%. The lower financial performance in the current quarter was mainly due to lower contribution from the Group's treasury functions, although the operating performance of other business units were generally better.

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 RM41.4 million in the current quarter which was higher than the share of net profit of RM29.3 million in the corresponding quarter of the previous financial year by 41.3%. 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 9 months period

	For 9 months period ended		Increase/ (Decrease) %
	30/09/2022 RM'000	30/09/2021 RM'000	
Revenue from Continuing Operations			
Property Development	722,659	441,606	63.6
Property Investment	459,316	178,981	156.6
Construction	990,591	732,121	35.3
Trading and Manufacturing	668,659	609,877	9.6
Quarry	282,794	232,026	21.9
Others	539,339	275,725	95.6
	<u>3,663,358</u>	<u>2,470,336</u>	48.3
Profit/(loss) before tax from Continuing Operations			
Property Development	84,898	88,187	(3.7)
Property Investment	184,135	(45,162)	N/A
Construction	127,843	57,655	121.7
Trading and Manufacturing	32,364	28,837	12.2
Quarry	8,552	4,988	71.5
Healthcare*	104,985	-	N/A
Others	83,113	74,563	11.5
	<u>625,890</u>	<u>209,068</u>	199.4
Profit from Discontinued Operations, Net of Tax			
Healthcare	-	70,751	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.

B1 Review of Performance (contd.)

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

For 9 months period (contd.)

The Group recorded revenue of RM3,663.4 million and profit before tax of RM625.9 million from Continuing Operations for the current 9 months period ended 30 September 2022 compared to revenue of RM2,470.3 million and profit before tax of RM209.1 million in the corresponding 9 months period ended 30 September 2021, representing an increase in revenue of 48.3% and profit before tax of 199.4%. Revenue was higher in the current period due to higher contributions from all business segments. As a result, profit before tax in the current period was higher with higher profit contributions from all the business segments except property development segment.

The property development segment reported revenue of RM722.7 million and profit before tax of RM84.9 million for the current 9 months period ended 30 September 2022 compared to revenue of RM441.6 million and profit before tax of RM88.2 million in the corresponding 9 months period ended 30 September 2021, representing an increase in revenue of 63.6% and marginal decrease in profit before tax of 3.7%. 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. Despite higher 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 companies, profit before tax was marginally lower in the current period due to lower profit contributions from local development projects.

The property investment segment reported revenue of RM459.3 million and profit before tax of RM184.1 million for the current 9 months period ended 30 September 2022 compared to revenue of RM179.0 million and loss before tax of RM45.2 million in the corresponding 9 months period ended 30 September 2021, representing an increase in revenue of 156.6% and higher profit before tax. Revenue in the current period was much better due to higher revenue from operations of property investment assets, increased visitorship to the theme parks and higher occupancy rates at the Group's hotels. It should be noted that the performance of the corresponding 9 months of the previous year was impacted by the various phases of movement control orders which had adversely affected the operations of the leisure and hospitality businesses. Profit in the current period was also boosted by net gains on disposal of property investment assets amounting to RM28.1 million and stronger contribution of its associate company, Sunway REIT.

The construction segment recorded revenue of RM990.6 million and profit before tax of RM127.8 million for the current 9 months period ended 30 September 2022 compared to revenue of RM732.1 million and profit before tax of RM57.7 million in the corresponding 9 months period ended 30 September 2021, representing an increase in revenue of 35.3% and profit before tax of 121.7%. The financial performance was better in the current period mainly due to higher progress billings from local and overseas construction projects and higher profit margins.

The trading and manufacturing segment recorded revenue of RM668.7 million and profit before tax of RM32.4 million for the current 9 months period ended 30 September 2022 compared to revenue of RM609.9 million and profit before tax of RM28.8 million in the corresponding 9 months period ended 30 September 2021, representing an increase in revenue and profit before tax of 9.6% and 12.2% respectively. Revenue in the current period was higher due to higher demand for trading and manufacturing products in the domestic market and gradual recovery in the overseas markets.

The quarry segment reported revenue of RM282.8 million and profit before tax of RM8.6 million for the current 9 months period ended 30 September 2022 compared to revenue of RM232.0 million and profit before tax of RM5.0 million in the corresponding 9 months period ended 30 September 2021, representing an increase in revenue of 21.9% and profit before tax of 71.5%. Revenue was higher mainly due to higher sales volume and average selling prices of aggregates and 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 RM539.3 million and profit before tax of RM83.1 million for the current 9 months period ended 30 September 2022 compared to revenue of RM275.7 million and profit before tax of RM74.6 million in the corresponding 9 months period ended 30 September 2021, representing an increase in revenue of 95.6% and profit before tax of 11.5%. 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 RM105.0 million in the current period which was higher than the net profit of RM70.8 million in the corresponding period of the previous financial year by 48.4%. 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) %
	30/09/2022 RM'000	30/06/2022 RM'000	
Revenue			
Property Development	278,063	286,401	(2.9)
Property Investment	188,611	149,598	26.1
Construction	305,131	316,849	(3.7)
Trading and Manufacturing	198,821	264,799	(24.9)
Quarry	105,579	101,064	4.5
Others	194,319	161,647	20.2
	<u>1,270,524</u>	<u>1,280,358</u>	(0.8)
Profit before tax			
Property Development	35,783	25,700	39.2
Property Investment	85,687	53,426	60.4
Construction	35,615	44,395	(19.8)
Trading and Manufacturing	12,379	9,689	27.8
Quarry	1,890	1,811	4.4
Healthcare*	41,446	35,298	17.4
Others	10,975	44,709	(75.5)
	<u>223,775</u>	<u>215,028</u>	4.1

* 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.

B2 Material Changes in the Quarterly Results (contd.)

The Group recorded revenue of RM1,270.5 million and profit before tax of RM223.8 million for the current quarter compared to revenue of RM1,280.4 million and profit before tax of RM215.0 million in the preceding quarter, representing a marginal decrease in revenue of 0.8% and marginal increase in profit before tax of 4.1%. Revenue was lower in the current quarter due to lower contributions from most business segments except for property investment, quarry and others segments. Profit before tax was higher due to higher contributions from most business segments which offset the lower contributions from construction and others segments.

The property development segment reported revenue of RM278.1 million and profit before tax of RM35.8 million for the current quarter compared to revenue of RM286.4 million and profit before tax of RM25.7 million in the preceding quarter, representing a decrease in revenue of 2.9% and increase in profit before tax of 39.2%. The lower revenue was mainly due to lower progress billings from on-going local development projects in the current quarter. However, profit before tax was higher due to higher 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 RM188.6 million and profit before tax of RM85.7 million for the current quarter compared to revenue of RM149.6 million and profit before tax of RM53.4 million in the preceding quarter, representing an increase in revenue of 26.1% and profit before tax of 60.4%. 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. The higher profit was also boosted by continued strong performance of its associate company, Sunway REIT and net gains on disposal of property investment assets.

The construction segment recorded revenue of RM305.1 million and profit before tax of RM35.6 million for the current quarter compared to revenue of RM316.8 million and profit before tax of RM44.4 million in the preceding quarter, representing a decrease in revenue of 3.7% and profit before tax of 19.8%. The lower financial performance was due to lower progress billings for some local projects in the current quarter and lower profit margins.

The trading and manufacturing segment recorded revenue of RM198.8 million and profit before tax of RM12.4 million for the current quarter compared to revenue of RM264.8 million and profit before tax of RM9.7 million in the preceding quarter, representing a decrease in revenue of 24.9% and increase in profit before tax of 27.8%. Revenue in the current quarter was lower due to lower sales in the domestic market compared to preceding quarter. However, the financial performance was still better in the current quarter mainly due to improved profit margins.

The quarry segment reported revenue of RM105.6 million and profit before tax of RM1.9 million for the current quarter compared to revenue of RM101.1 million and profit before tax of RM1.8 million in the preceding quarter, representing an increase in revenue of 4.5% and profit before tax of 4.4%. The financial performance in the current quarter was marginally higher mainly due to higher sales volume and average selling price of aggregates and premix.

The other segments recorded revenue of RM194.3 million and profit before tax of RM11.0 million for the current quarter compared to revenue of RM161.6 million and profit before tax of RM44.7 million in the preceding quarter, representing an increase in revenue of 20.2% and decrease in profit before tax of 75.5%. The financial performance in the current quarter was mainly contributed by the improved operating performance of the building materials segment and the other businesses. However, profit for the current quarter was lower mainly due to lower contribution from the Group's treasury functions. It should be noted that profit for the preceding quarter was boosted by a one-off gain on disposal of RM26.6 million of one of the new start-up investments which the Group has invested.

The healthcare segment reported a share of net profit of RM41.4 million in the current quarter which was higher than the share of net profit of RM35.3 million in the preceding quarter by 17.4%. The operating performance of the healthcare group in the current quarter continued to be driven by higher number of patients treated at both Sunway Medical Centre and Sunway Medical Centre Velocity.

B3 Prospects

The Malaysian economy continued to recover, recording a strong growth of 14.2% in the third quarter compared to 8.9% in the second quarter of 2022. The improving growth momentum was due to the full reopening of the economy and low base effects from the negative growth registered last year. Bank Negara expects economic growth to be sustained, albeit at a lower pace in the fourth quarter due to tighter monetary conditions and a more challenging global economic environment.

Looking ahead, the improving domestic economic outlook augurs well for the Group. In addition, the Group expects its leisure, hospitality and healthcare segments to also benefit from the improving inbound leisure and medical-related tourism sectors as international travel continues to normalise. However, the Group's property development segment may be affected by the recent increase in interest rates by Bank Negara but its consequential impact may be mitigated by the sustained economic recovery.

Barring any unforeseen circumstances, the Board is confident that the Group's financial performance for the financial year 2022 will remain satisfactory.

B4 Variance of Actual Profit from Profit Forecast

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

B5 Taxation

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

	Current Quarter Ended		Cumulative Year To Date	
	30/09/2022 RM'000	30/09/2021 RM'000	30/09/2022 RM'000	30/09/2021 RM'000
Current taxation	(40,144)	(29,266)	(105,051)	(75,937)
(Under)/Over provision of tax in prior years	(7,570)	2,649	(5,095)	2,264
Deferred taxation	6,123	8,044	16,870	30,502
	(41,591)	(18,573)	(93,276)	(43,171)

B6 Profit before Taxation

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

	Current Quarter Ended 30/09/2022 RM'000	Cumulative Year To Date 30/09/2022 RM'000
Depreciation and amortisation	(28,924)	(94,454)
Net (provision)/reversal of impairment for:		
- Trade receivables	(4,423)	(10,259)
- Other receivables	942	966
- Advances to joint ventures	320	291
- Contract assets	82	(38)
- Inventories	(1,511)	(3,226)
Write off:		
- Trade receivables	(546)	(594)
- Inventories	(305)	(400)
- Property, plant and equipment	(109)	(209)
Net gain on disposal of property, plant and equipment	23,061	30,088
Net foreign exchange (loss)/gain:		
- Others	(351)	1,146
- Unrealised for hedged items	(40,959)	(69,781)
Cash flow hedge reserve recycled to profit or loss	40,959	69,781
Net gain on derivatives	110	660
Distribution paid in respect of Perpetual Sukuk	(7,763)	(23,037)
Gain on disposal of other investment	-	26,627
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.

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.

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B8 Group Borrowings and Debt Securities

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

	Current RM'000	Non-current RM'000	Total RM'000
Secured borrowings			
<u>Islamic:</u>			
Term loans	18,823	184,013	202,836
Revolving credits	-	464,300	464,300
Medium term notes	560,000	1,510,000	2,070,000
	578,823	2,158,313	2,737,136
<u>Conventional:</u>			
Bank overdrafts	58,985	-	58,985
Term loans	302,021	499,413	801,434
Revolving credits	835,185	252,788	1,087,973
Medium term notes	-	500,000	500,000
Bankers' acceptance	2,918	-	2,918
Receivable financing	20,000	-	20,000
Hire purchase	240	104	344
	1,219,349	1,252,305	2,471,654
Total secured borrowings	1,798,172	3,410,618	5,208,790
Unsecured borrowings			
<u>Islamic:</u>			
Revolving credits	15,000	-	15,000
Medium term notes	245,000	200,000	445,000
Commercial papers	766,000	-	766,000
	1,026,000	200,000	1,226,000
<u>Conventional:</u>			
Term loans	391,573	399,570	791,143
Revolving credits	810,983	-	810,983
Bankers' acceptances	228,487	-	228,487
Bills discounting	29,529	-	29,529
	1,460,572	399,570	1,860,142
Total unsecured borrowings	2,486,572	599,570	3,086,142
Total borrowings	4,284,744	4,010,188	8,294,932
Islamic borrowings	1,604,823	2,358,313	3,963,136
Conventional borrowings	2,679,921	1,651,875	4,331,796
Total borrowings	4,284,744	4,010,188	8,294,932
Perpetual sukuk	-	600,000	600,000
Total borrowings and perpetual sukuk	4,284,744	4,610,188	8,894,932

Included in the Group borrowings as at 30 September 2022 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 loans	23,000	17,500	106,789	81,253	188,042
- Revolving credits	-	100,000	-	464,300	464,300
Singapore Dollar (SGD'000) **					
- Term loans	-	39,424	-	127,763	127,763
- Revolving credits	8,450	-	27,384	-	27,384
Australia Dollar (AUD'000) #					
- Revolving credits	18,000	83,696	54,365	252,788	307,153
- Bankers' acceptance	966	-	2,918	-	2,918
- Receivable financing	6,622	-	20,000	-	20,000
Pound Sterling (GBP'000) **					
- Term loans	37,641	22,464	195,062	116,408	311,470
Indian Rupee (INR'000) **					
- Term loans	-	2,057,000	-	116,632	116,632
Unsecured					
US Dollar (USD'000) *					
- Revolving credits	59,000	-	273,937	-	273,937
Singapore Dollar (SGD'000) **					
- Term loans	25,000	60,000	81,018	194,442	275,460
- Revolving credits	77,000	-	249,534	-	249,534
Chinese Renminbi (RMB'000) #					
- Term loans	2,386	-	1,555	-	1,555
- Revolving credits	103,804	-	67,670	-	67,670
Australia Dollar (AUD'000) *					
- Revolving credit	21,700	-	65,541	-	65,541
			1,145,773	1,353,586	2,499,359

B8 Group Borrowings and Debt Securities (contd.)

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 loans	190	638,261	638,451
Revolving credits	595,381	582,721	1,178,102
Bankers' acceptance	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 loans	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 loans	-	48,000	-	201,504	201,504
- Revolving credits	8,000	191,167	33,584	802,519	836,103
Singapore Dollar (SGD'000) **					
- Term loans	-	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 loans	-	64,896	-	366,100	366,100
Unsecured					
US Dollar (USD'000) *					
- Revolving credits	50,000	-	209,900	-	209,900
Singapore Dollar (SGD'000) **					
- Term loans	-	36,000	-	111,082	111,082
- Revolving credits	365	-	1,126	-	1,126
Chinese 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

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.

B8 Group Borrowings and Debt Securities (contd.)

Overall, the total borrowings of the Group has increased by RM0.51 billion, from RM7.78 billion as at 30 September 2021 to RM8.29 billion as at 30 September 2022.

The weighted average interest rate of borrowings (including perpetual sukuk) as at 30 September 2022 is 3.44%. 49% of the Group's borrowings (including perpetual sukuk) are fixed rate instruments, whereas 51% are floating rate instruments.

Out of the total borrowings of RM8.29 billion, RM2.50 billion (Current: RM1.15 billion; Non-current: RM1.35 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 3.051 and CNY borrowings is 0.651.

B9 Derivative Financial Instruments

The Group's outstanding derivatives as at 30 September 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
Interest rate swap contracts				
- Less than 1 year	61,016	95	444	-
Foreign currency forward contracts				
- Less than 1 year	55,973	162	209	-
- 1 year to 3 years	-	-	7	-
Cross currency swap contracts #				
- Less than 1 year	998,446	29,052	-	4,816
- 1 year to 5 years	326,881	3,531	-	(1,094)
Derivative liabilities on exit clauses in relation to the partial divestment of Sunway Healthcare Group	-	(224,364)	-	-
Put option	-	(60,177)	-	-
Total derivatives		(251,701)	660	3,722

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. 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:

	30/09/2022 RM'000	31/12/2021 RM'000
Current	1,395,661	986,700
1 to 30 days past due	122,571	110,337
31 to 60 days past due	80,730	68,146
61 to 90 days past due	35,065	29,190
91 to 120 days past due	21,376	20,910
More than 120 days past due	157,159	211,656
	<u>416,901</u>	<u>440,239</u>
Gross trade receivables	1,812,562	1,426,939
Impaired	(111,868)	(99,308)
Total trade receivables	<u>1,700,694</u>	<u>1,327,631</u>
Other receivables	586,823	513,091
Amounts due from associates	32,923	54,412
Amounts due from joint ventures	1,715,503	2,293,998
Total receivables	<u>4,035,943</u>	<u>4,189,132</u>
Non-current receivables	2,023,402	1,704,347
Current receivables	2,012,541	2,484,785
Total receivables	<u>4,035,943</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 RM50.5 million) in addition to interest and cost.

In the counterclaim, SunCon is seeking for Rs.78,13,94,628.61 (approximately equivalent to RM44.3 million) for inter alia, additional costs incurred by SunCon to complete the works, recovery of mobilisation advance and interest charges, loss of reputation and loss of profits.

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

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

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

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

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

The 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 be furnished by Srei Infrastructure Finance Ltd. The balance is to be released subject to furnishing of a bank guarantee. On 3 November 2020, the Court placed on record the corporate guarantee issued on 21 September 2020 and directed the registry to release the amount in terms of the Court order dated 27 August 2020. On 18 November 2020, 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 9 December 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.

B11 Changes in Material Litigation (contd.)

(b) (contd.)

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

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

On the case management on 5 March 2020, the Court had directed SunCon to file the application to strike out the case by 19 March 2020. On 30 October 2020, the striking out application by Prasarana and SunCon is dismissed and matter is to proceed for full trial. On 9 December 2020, the Plaintiff filed an application for discovery against the Defendants. Based on decision published on 11 May 2021, the Court has dismissed Plaintiff's application for discovery against SunCon with cost of RM2,000.00 to be paid to SunCon. On 19 February 2021, SunCon filed applications to include Setia Utama LRT3 Sdn. Bhd. ("SULRT3") (formerly known as "MRCB George Kent Sdn. Bhd.") as co-defendant and third party to the suit.

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

On 18 April 2022, the Court has granted order in terms for the Plaintiff's application to transfer the proceedings to Construction Court with no order as to costs. On 14 June 2022, the Court has scheduled the next case management to be on 6 December 2022.

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 2022.

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 30/09/2022 RM'000	Preceding Year Corresponding Quarter 30/09/2021 RM'000	Current Year To Date 30/09/2022 RM'000	Preceding Year Corresponding Period 30/09/2021 RM'000
Basic earnings per share				
Profit attributable to members of the Company				
- Continuing operations	164,722	51,761	473,711	139,574
- Discontinued operations	-	29,337	-	70,495
	164,722	81,098	473,711	210,069
Weighted average number of ordinary shares ('000)	5,866,854	5,866,717	5,866,853	5,866,710
Earnings per share (Basic) (sen) ¹				
- Continuing operations	2.80	0.88	8.07	2.38
- Discontinued operations	-	0.50	-	1.20
	2.80	1.38	8.07	3.58
Diluted earnings per share				
Profit attributable to members of the Company				
- Continuing operations	164,722	51,761	473,711	139,574
- Discontinued operations	-	29,337	-	70,495
	164,722	81,098	473,711	210,069
Weighted average number of ordinary shares ('000)	5,925,226	5,934,527	5,970,634	5,903,734
Earnings per share (Diluted) (sen) ¹				
- Continuing operations	2.76	0.87	7.93	2.37
- Discontinued operations	-	0.49	-	1.19
	2.76	1.36	7.93	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