

SUNWAY BERHAD ( Company No : 201001037627 (921551-D) )  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022  
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

	NOTE	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		CURRENT YEAR	PRECEDING YEAR CORRESPONDING QUARTER	INCREASE/ (DECREASE)	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	INCREASE/ (DECREASE)
		31/03/2022	31/03/2021	%	31/03/2022	31/03/2021	%
		RM'000	RM'000	%	RM'000	RM'000	%
<b><u>CONTINUING OPERATIONS</u></b>							
REVENUE		1,112,476	846,114	31%	1,112,476	846,114	31%
OPERATING EXPENSES	B6	(1,075,222)	(827,847)	30%	(1,075,222)	(827,847)	30%
OTHER OPERATING INCOME	B6	37,055	14,532	155%	37,055	14,532	155%
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS & CONTRACT ASSETS	B6	(2,177)	(859)	153%	(2,177)	(859)	153%
PROFIT FROM OPERATIONS		72,132	31,940	126%	72,132	31,940	126%
FINANCE INCOME		45,456	36,065	26%	45,456	36,065	26%
FINANCE COSTS		(29,668)	(18,460)	61%	(29,668)	(18,460)	61%
SHARE OF PROFIT FROM ASSOCIATES		45,914	16,434	179%	45,914	16,434	179%
SHARE OF PROFIT FROM JOINT VENTURES		53,253	7,206	639%	53,253	7,206	639%
PROFIT BEFORE TAX	B6	187,087	73,185	156%	187,087	73,185	156%
INCOME TAX EXPENSE	B5	(27,894)	(16,768)	66%	(27,894)	(16,768)	66%
PROFIT FROM CONTINUING OPERATIONS		159,193	56,417	182%	159,193	56,417	182%
<b><u>DISCONTINUED OPERATIONS</u></b>							
PROFIT FROM DISCONTINUED OPERATIONS, NET OF TAX		-	13,960	N/A	-	13,960	N/A
<b>PROFIT FOR THE PERIOD</b>		<b>159,193</b>	<b>70,377</b>	<b>126%</b>	<b>159,193</b>	<b>70,377</b>	<b>126%</b>
<b>ATTRIBUTABLE TO:</b>							
<b>- OWNERS OF THE PARENT</b>							
CONTINUING OPERATIONS		140,112	44,644	214%	140,112	44,644	214%
DISCONTINUED OPERATIONS		-	13,806	N/A	-	13,806	N/A
		140,112	58,450	140%	140,112	58,450	140%
<b>- NON-CONTROLLING INTERESTS</b>							
CONTINUING OPERATIONS		19,081	11,773	62%	19,081	11,773	62%
DISCONTINUED OPERATIONS		-	154	N/A	-	154	N/A
		19,081	11,927	60%	19,081	11,927	60%
		159,193	70,377	126%	159,193	70,377	126%

(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 31 MARCH 2022  
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022 (contd.)

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR	PRECEDING YEAR CORRESPONDING QUARTER	INCREASE/ (DECREASE)	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	INCREASE/ (DECREASE)
	QUARTER 31/03/2022	QUARTER 31/03/2021		31/03/2022	31/03/2021	
	RM'000	RM'000	%	RM'000	RM'000	%
<b>EARNINGS PER SHARE</b>						
<b>(i) BASIC ( sen ) <sup>1</sup></b>						
CONTINUING OPERATIONS	2.39	0.77	210%	2.39	0.77	210%
DISCONTINUED OPERATIONS	-	0.24	N/A	-	0.24	N/A
	<u>2.39</u>	<u>1.01</u>	137%	<u>2.39</u>	<u>1.01</u>	137%
<b>(ii) DILUTED ( sen ) <sup>1</sup></b>						
CONTINUING OPERATIONS	2.35	0.77	205%	2.35	0.77	205%
DISCONTINUED OPERATIONS	-	0.24	N/A	-	0.24	N/A
	<u>2.35</u>	<u>1.01</u>	133%	<u>2.35</u>	<u>1.01</u>	133%

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

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD ( Company No : 201001037627 (921551-D) )  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022  
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2022	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2021	CURRENT YEAR TO DATE 31/03/2022	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2021
	RM'000	RM'000	RM'000	RM'000
<b>PROFIT FOR THE PERIOD</b>	159,193	70,377	159,193	70,377
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>				
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS	7,284	25,846	7,284	25,846
CASH FLOW HEDGE RESERVE - FAIR VALUE GAIN/(LOSS)				
- FAIR VALUE GAIN OF DERIVATIVES	18,726	45,285	18,726	45,285
- AMOUNT RECYCLED TO PROFIT OR LOSS	(18,777)	(43,025)	(18,777)	(43,025)
<b>OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>				
FAIR VALUE GAIN ON OTHER INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	27,038	965	27,038	965
SHARE OF OTHER COMPREHENSIVE INCOME OF AN ASSOCIATE	-	6,663	-	6,663
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>34,271</u>	<u>35,734</u>	<u>34,271</u>	<u>35,734</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>193,464</u>	<u>106,111</u>	<u>193,464</u>	<u>106,111</u>
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	175,287	92,577	175,287	92,577
- NON-CONTROLLING INTERESTS	18,177	13,534	18,177	13,534
	<u>193,464</u>	<u>106,111</u>	<u>193,464</u>	<u>106,111</u>

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD ( Company No : 201001037627 (921551-D) )  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022  
 THE FIGURES HAVE NOT BEEN AUDITED

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER 31/03/2022 RM'000	IMMEDIATE PRECEDING QUARTER 31/12/2021 RM'000	INCREASE/ (DECREASE) %
<b><u>CONTINUING OPERATIONS</u></b>			
REVENUE	1,112,476	1,246,972	(11%)
OPERATING EXPENSES	(1,075,222)	(1,119,049)	(4%)
OTHER OPERATING INCOME	37,055	119,643	(69%)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS & CONTRACT ASSETS	(2,177)	(9,794)	(78%)
PROFIT FROM OPERATIONS	<u>72,132</u>	<u>237,772</u>	(70%)
FINANCE INCOME	45,456	37,774	20%
FINANCE COSTS	(29,668)	(34,928)	(15%)
SHARE OF PROFIT FROM ASSOCIATES	45,914	6,072	656%
SHARE OF PROFIT FROM JOINT VENTURES	53,253	8,141	554%
PROFIT BEFORE TAX	<u>187,087</u>	<u>254,831</u>	(27%)
INCOME TAX EXPENSE	(27,894)	(73,058)	(62%)
PROFIT FROM CONTINUING OPERATIONS	<u>159,193</u>	<u>181,773</u>	(12%)
<b><u>DISCONTINUED OPERATIONS</u></b>			
PROFIT FROM DISCONTINUED OPERATIONS, NET OF TAX	-	33,619	N/A
NET GAIN ARISING FROM PARTIAL DIVESTMENT OF SUNWAY HEALTHCARE GROUP	-	2,286,116	N/A
PROFIT FROM DISCONTINUED OPERATIONS	-	2,319,735	N/A
<b>PROFIT FOR THE PERIOD</b>	<u>159,193</u>	<u>2,501,508</u>	(94%)
<b>ATTRIBUTABLE TO:</b>			
<b>- OWNERS OF THE PARENT</b>			
CONTINUING OPERATIONS	140,112	153,930	(9%)
DISCONTINUED OPERATIONS	-	2,300,447	N/A
	<u>140,112</u>	<u>2,454,377</u>	(94%)
<b>- NON-CONTROLLING INTERESTS</b>			
CONTINUING OPERATIONS	19,081	27,843	(31%)
DISCONTINUED OPERATIONS	-	19,288	N/A
	<u>19,081</u>	<u>47,131</u>	(60%)
	<u>159,193</u>	<u>2,501,508</u>	(94%)
<b>EARNINGS PER SHARE</b>			
<b>(i) BASIC ( sen )<sup>1</sup></b>			
CONTINUING OPERATIONS	2.39	2.62	(9%)
DISCONTINUED OPERATIONS	-	39.21	N/A
	<u>2.39</u>	<u>41.83</u>	(94%)
<b>(ii) DILUTED ( sen )<sup>1</sup></b>			
CONTINUING OPERATIONS	2.35	2.58	(9%)
DISCONTINUED OPERATIONS	-	38.62	N/A
	<u>2.35</u>	<u>41.20</u>	(94%)

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

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

**SUNWAY BERHAD ( Company No : 201001037627 (921551-D) )**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**  
**THE FIGURES HAVE NOT BEEN AUDITED**

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

	<b>CURRENT QUARTER 31/03/2022</b>	<b>IMMEDIATE PRECEDING QUARTER 31/12/2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>PROFIT FOR THE PERIOD</b>	159,193	2,501,508
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>		
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS	7,284	9,038
CASH FLOW HEDGE RESERVE - FAIR VALUE GAIN/(LOSS)		
- FAIR VALUE GAIN/(LOSS) OF DERIVATIVES	18,726	(5,831)
- AMOUNT RECYCLED TO PROFIT OR LOSS	(18,777)	4,359
<b>OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>		
FAIR VALUE GAIN/(LOSS) ON OTHER INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	27,038	(52,609)
SHARE OF OTHER COMPREHENSIVE LOSS OF AN ASSOCIATE	-	(4,873)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<u>34,271</u>	<u>(49,916)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>193,464</u>	<u>2,451,592</u>
ATTRIBUTABLE TO:		
- OWNERS OF THE PARENT	175,287	2,404,228
- NON-CONTROLLING INTERESTS	<u>18,177</u>	<u>47,364</u>
	<u>193,464</u>	<u>2,451,592</u>

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD ( Company No : 201001037627 (921551-D) )  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022  
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

	AS AT END OF CURRENT QUARTER 31/03/2022	AS AT PRECEDING FINANCIAL PERIOD END 31/12/2021
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,289,859	1,262,253
Intangible assets	56,968	56,985
Investment properties	2,183,633	2,186,313
Inventories	1,855,301	1,671,126
Investment in associates	2,712,132	2,709,684
Investment in joint ventures	6,321,949	6,191,983
Goodwill	378,134	376,225
Deferred tax assets	53,129	47,405
Receivables	1,638,007	1,704,347
Derivative assets	8,608	7,540
Rock reserves	5,016	5,082
Other investments	907,979	866,581
Biological assets	44	48
	17,410,759	17,085,572
<b>Current assets</b>		
Inventories	3,203,268	2,422,351
Receivables, deposits & prepayments	2,178,388	2,484,785
Contract assets	273,587	112,076
Tax recoverable	68,621	68,008
Derivative assets	10,917	2,465
Other investments	86,427	98,778
Cash and bank balances	2,133,037	2,810,263
	7,954,245	7,998,726
<b>TOTAL ASSETS</b>	25,365,004	25,084,298
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Payables, accruals & other current liabilities	2,473,907	2,469,266
Contract liabilities	17,561	12,583
Bank borrowings	3,742,520	4,093,585
Lease liabilities	37,216	31,354
Taxation	43,765	55,673
Derivative liabilities	40,426	43,727
	6,355,395	6,706,188
<b>Non-current liabilities</b>		
Long term bank borrowings	4,035,684	4,021,910
Perpetual Sukuk	600,000	600,000
Lease liabilities	99,496	90,244
Other long term liabilities	296,592	245,732
Derivative liabilities	245,923	188,957
Deferred tax liabilities	204,107	108,967
	5,481,802	5,255,810
<b>Total liabilities</b>	11,837,197	11,961,998
<b>Equity attributable to Owners of the Parent</b>		
Share capital	5,393,897	5,393,889
Irredeemable convertible preference shares ("ICPS")	977,779	977,779
Treasury shares	(74,335)	(74,335)
Reserves	5,908,500	5,733,046
	12,205,841	12,030,379
<b>NON-CONTROLLING INTERESTS</b>	1,321,966	1,091,921
<b>Total equity</b>	13,527,807	13,122,300
<b>TOTAL EQUITY AND LIABILITIES</b>	25,365,004	25,084,298
<b>Number of ordinary shares ('000) <sup>1</sup></b>	<b>5,866,854</b>	<b>5,866,849</b>
<b>Net Assets Per Share Attributable To Owners Of The Parent (RM)</b>	<b>2.08</b>	<b>2.05</b>

<sup>1</sup> Includes the ordinary shares that will be issued upon the mandatory conversion of ICPS.

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD ( Company No : 201001037627 (921551-D) )  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022  
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 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 PREFERENCE SHARES	TREASURY SHARES	MERGER RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	CASH FLOW HEDGE RESERVE	RESERVES FURNITURE, FITTINGS & EQUIPMENT RESERVE	OTHER RESERVES	RETAINED PROFITS	TOTAL RESERVES	OF THE PARENT	RM'000	RM'000	RM'000	RM'000
<b>PERIOD ENDED 31 MARCH 2022</b>	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	
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	-	-	-	-	-	-	-	-	140,112	140,112	140,112	19,081	159,193		
Other comprehensive income, net of tax	-	-	-	-	8,188	(51)	-	27,038	-	35,175	35,175	(904)	34,271		
Total comprehensive income	-	-	-	-	8,188	(51)	-	27,038	140,112	175,287	175,287	18,177	193,464		
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	4,118	4,118		
Effect of joint ventures becoming subsidiaries	-	-	-	-	-	-	-	-	-	-	-	144,405	144,405		
Transfer to furniture & fittings reserve	-	-	-	-	-	-	683	-	(667)	16	16	(16)	-		
<b>Transactions with owners</b>															
Issuance of ordinary shares pursuant to															
- exercise of warrants	8 ^	-	-	-	-	-	-	-	-	-	8 ^	-	8		
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(79)	(79)		
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	151	151	151	13,371	13,522		
Effects of subscriptions of units in structured entities by unit holders	-	-	-	-	-	-	-	-	-	-	-	50,069	50,069		
Total transactions with owners	8	-	-	-	-	-	-	-	151	151	159	63,361	63,520		
At 31 March 2022	5,393,897	977,779	(74,335)	(1,192,040)	213,033	(17,427)	12,528	518,859	6,373,547	5,908,500	12,205,841	1,321,966	13,527,807		
<b>PERIOD ENDED 31 MARCH 2021</b>															
At 1 January 2021	5,393,667	977,779	(74,335)	(1,192,040)	166,022	(19,040)	18,481	528,569	3,714,805	3,216,797	9,513,908	797,383	10,311,291		
Profit for the year	-	-	-	-	-	-	-	-	58,450	58,450	58,450	11,927	70,377		
Other comprehensive income, net of tax	-	-	-	-	24,239	2,260	-	7,628	-	34,127	34,127	1,607	35,734		
Total comprehensive income	-	-	-	-	24,239	2,260	-	7,628	58,450	92,577	92,577	13,534	106,111		
Transfer to furniture, fittings & equipment reserve	-	-	-	-	-	-	295	-	(258)	37	37	(37)	-		
<b>Transactions with owners</b>															
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,336	1,336		
Effects of redemptions of units in structured entities by unit holders	-	-	-	-	-	-	-	-	-	-	-	(15,956)	(15,956)		
Total transactions with owners	-	-	-	-	-	-	-	-	-	-	-	(14,620)	(14,620)		
At 31 March 2021	5,393,667	977,779	(74,335)	(1,192,040)	190,261	(16,780)	18,776	536,197	3,772,997	3,309,411	9,606,522	796,260	10,402,782		

^ Represents 5,148 warrants amounting to RM7,671.

(The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2022

	FOR THE 3 MONTHS PERIOD ENDED 31/03/2022	FOR THE 3 MONTHS PERIOD ENDED 31/03/2021
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax		
From continuing operations	187,087	73,185
From discontinued operations	-	13,989
	<u>187,087</u>	<u>87,174</u>
Adjustments for:		
- non-cash items	(69,874)	29,001
- finance costs	29,668	24,306
- finance income	(45,456)	(38,784)
Operating cash flows before working capital changes	<u>101,425</u>	<u>101,697</u>
Changes in working capital	(145,279)	(47,450)
Cash (used in)/generated from operations	<u>(43,854)</u>	<u>54,247</u>
Interest received	45,456	24,930
Dividend received from joint ventures, associates and other investments	45,253	12,874
Tax refunded	6,987	14
Tax paid	(44,802)	(22,969)
Net cash generated from operating activities	<u>9,040</u>	<u>69,096</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant & equipment	374	2,304
Proceeds from disposal of other investments	21,017	-
Proceeds from acquisition of equity interest by non-controlling interests	13,522	1,336
Acquisition of land	(165,211)	(2,360)
Acquisition of property, plant and equipment	(35,528)	(77,163)
Acquisition of biological assets	(9)	-
Acquisition of intangible assets	(1,451)	(1,703)
Acquisition of other investment	(10,732)	(22,321)
Acquisition and subsequent expenditure of investment properties	(2,208)	(33,529)
Acquisition of subsidiaries for cash, net of cash acquired	(7,966)	-
Investment in joint ventures	-	(390,350)
Investment in associates	(169)	-
Payment of balance consideration on acquisition of subsidiaries	(20,402)	-
Repayment from associates and joint ventures	91,958	390,222
Net cash flow from deposits placed with maturity of over 3 months	(3)	-
Quasi-equity loan advanced to joint ventures	(200,731)	(6,541)
Advance to a non-controlling interest	(22,977)	-
Net subscriptions/(redemptions) of units in structured entities by non-controlling interests	50,069	(15,956)
Net cash inflow from joint ventures become subsidiaries	20,215	-
Other investing activities	(49,084)	-
Net cash used in investing activities	<u>(319,316)</u>	<u>(156,061)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net bank and other borrowings	(349,832)	(144,141)
Net lease liabilities	(6,635)	(17,285)
Proceeds from issuance of shares pursuant to exercise of warrants	8	-
Interest paid	(57,802)	(49,220)
Dividend paid to non-controlling interests of subsidiaries	(79)	-
Advances from non-controlling interests of a subsidiary	40,240	-
Net cash used in financing activities	<u>(374,100)</u>	<u>(210,646)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(684,376)	(297,611)
EFFECTS OF EXCHANGE RATE CHANGES	4,529	9,375
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>2,732,242</u>	<u>2,182,845</u>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b><u>2,052,395</u></b>	<b><u>1,894,609</u></b>
Cash & bank balances	511,806	499,090
Fixed deposits	1,621,231	1,445,012
<b>Total cash and bank balances</b>	<b><u>2,133,037</u></b>	<b><u>1,944,102</u></b>
Bank overdrafts	(80,105)	(46,886)
Less: Deposits with maturity of over 3 months	(537)	(2,607)
<b>Cash and cash equivalents</b>	<b><u>2,052,395</u></b>	<b><u>1,894,609</u></b>

(The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)



## NOTES TO FINANCIAL STATEMENTS

### A1 Accounting Policies and Basis of Preparation

The Group has prepared its financial statements using the Malaysian Financial Reporting Standards ("MFRS") for the financial period ended 31 March 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 31 March 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 31 March 2022.

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

During the financial period ended 31 March 2022, the Company increased its issued and paid up ordinary share capital by way of issuance of 5,148 ordinary shares pursuant to the exercise of warrants.

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

### A7 Dividend Paid

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

- RM73,336,081 was paid on 14 April 2022 as second interim single tier cash dividend of 1.50 sen per ordinary share for the financial year ended 31 December 2021; and
- RM25,666,695 was paid on 14 April 2022 as preferential dividend of 5.25% per annum, based on the issue price of RM1.00 per irredeemable convertible preference share ("ICPS"), for the period from 1 July 2021 to 31 December 2021.

**A8 Segmental Reporting**

Segmental results for the financial period ended 31 March 2022 are as follows:

	Property Development RM'000	Property Investment RM'000	Construction RM'000	Trading and Manufacturing RM'000	Quarry RM'000	Healthcare RM'000	Investment Holdings RM'000	Others RM'000	Adjustments/ eliminations RM'000	Total Continuing Operations RM'000	Discontinued Operations RM'000	Total RM'000
<b>BY BUSINESS SEGMENTS</b>												
<b>REVENUE AND RESULTS</b>												
<b>Revenue</b>												
Sales to external customers	158,195	121,107	368,611	205,039	76,151	-	1,884	181,489	-	1,112,476	-	1,112,476
Inter-segment revenue	12,912	51,304	446,174	47,158	9,735	-	15,518	14,194	(596,995)	-	-	-
<b>Total revenue</b>	<b>171,107</b>	<b>172,411</b>	<b>814,785</b>	<b>252,197</b>	<b>85,886</b>	<b>-</b>	<b>17,402</b>	<b>195,683</b>	<b>(596,995)</b>	<b>1,112,476</b>	<b>-</b>	<b>1,112,476</b>
<b>Results</b>												
Operating segment results	4,389	14,819	43,534	10,921	5,005	-	(22,208)	15,672	-	72,132	-	72,132
Finance income	8,249	18,329	5,415	2,541	1,540	-	40,923	2,852	(34,393)	45,456	-	45,456
Finance costs	(12,772)	(34,991)	(1,137)	(3,166)	(1,786)	-	(7,439)	(2,770)	34,393	(29,668)	-	(29,668)
Share of results of:												
- associated companies	1	45,514	-	-	-	-	-	399	-	45,914	-	45,914
- joint ventures	23,548	1,351	21	-	92	28,241	-	-	-	53,253	-	53,253
<b>Profit before taxation</b>	<b>23,415</b>	<b>45,022</b>	<b>47,833</b>	<b>10,296</b>	<b>4,851</b>	<b>28,241</b>	<b>11,276</b>	<b>16,153</b>	<b>-</b>	<b>187,087</b>	<b>-</b>	<b>187,087</b>
Taxation	1,599	(3,041)	(11,159)	(1,858)	(1,300)	-	(8,187)	(3,948)	-	(27,894)	-	(27,894)
<b>Profit for the period</b>	<b>25,014</b>	<b>41,981</b>	<b>36,674</b>	<b>8,438</b>	<b>3,551</b>	<b>28,241</b>	<b>3,089</b>	<b>12,205</b>	<b>-</b>	<b>159,193</b>	<b>-</b>	<b>159,193</b>
Non-controlling interests	1,552	75	(16,272)	(61)	(82)	-	(2,747)	(1,546)	-	(19,081)	-	(19,081)
Attributable to owners of the parent	26,566	42,056	20,402	8,377	3,469	28,241	342	10,659	-	140,112	-	140,112

	Revenue RM'000	Profit/(Loss) before tax RM'000	Profit/(Loss) after tax RM'000	Attributable to owners of the parent RM'000
<b>BY GEOGRAPHICAL SEGMENTS</b>				
Malaysia	948,079	152,701	128,400	112,737
Singapore	47,597	20,822	20,742	20,764
China	21,279	743	546	597
India	58,621	9,699	7,281	3,366
Australia	8,470	695	637	562
Indonesia	13,644	2,059	1,358	1,358
United Kingdom	6,950	1,198	1,129	1,084
Other countries	7,836	(830)	(900)	(356)
	<b>1,112,476</b>	<b>187,087</b>	<b>159,193</b>	<b>140,112</b>

**A8 Segmental Reporting (contd.)**

Segmental assets and liabilities for the financial period ended 31 March 2022 are as follows:

	Property Development RM'000	Property Investment RM'000	Construction RM'000	Trading and Manufacturing RM'000	Quarry RM'000	Healthcare RM'000	Investment Holdings RM'000	Others RM'000	Adjustments/ eliminations RM'000	Total RM'000
<b>Assets</b>										
Segment assets	7,183,536	2,844,466	2,036,432	877,234	402,316	-	12,485,291	1,263,083	(10,883,185)	16,209,173
Investment in associates	-	2,649,615	-	-	-	-	5,837	56,680	-	2,712,132
Investment in joint ventures	2,039,077	137,875	145,202	51	15,567	3,984,177	-	-	-	6,321,949
Unallocated assets										121,750
Total assets										<u>25,365,004</u>
<b>Liabilities</b>										
Segment liabilities	5,754,683	3,652,264	1,406,034	576,602	314,107	-	10,033,792	689,177	(10,837,334)	11,589,325
Unallocated liabilities										247,872
Total liabilities										<u>11,837,197</u>

**A8 Segmental Reporting (contd.)**

Segmental results by foreign currency for the financial period ended 31 March 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)	158,195	4,066	5,724	7,349	158,195	4,066	5,724	7,349
Australian Dollar (AUD'000)	-	65	45	20	-	195	136	61
Hong Kong Dollar (HKD'000)	-	472	472	472	-	254	254	254
China Yuan Renminbi (RMB'000)	-	511	511	511	-	339	339	339
Singapore Dollar (SGD'000)	-	5,981	5,981	5,981	-	18,563	18,563	18,564
US Dollar (USD'000)	-	-	-	-	-	(2)	(2)	(1)
					158,195	23,415	25,014	26,566

**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)	112,249	43,531	40,560	40,143	112,249	43,531	40,560	40,143
Pound Sterling (GBP'000)	1,242	214	202	194	6,950	1,199	1,129	1,084
Singapore Dollar (SGD'000)	-	492	492	492	1	1,526	1,526	1,526
US Dollar (USD'000)	267	(269)	(269)	(141)	1,123	(1,131)	(1,131)	(594)
Vietnam Dong (VND'000,000)	4,247	(558)	(558)	(558)	784	(103)	(103)	(103)
					121,107	45,022	41,981	42,056

**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)	273,093	38,195	29,454	17,069	273,093	38,195	29,454	17,069
United Arab Emirates Dirham (AED'000)	-	(3)	(3)	(1)	-	(3)	(3)	(1)
India Rupee (INR'000)	1,051,812	174,025	130,640	60,395	58,621	9,699	7,281	3,366
Singapore Dollar (SGD'000)	11,888	(15)	(15)	(8)	36,897	(47)	(47)	(26)
US Dollar (USD'000)	-	(3)	(3)	(1)	-	(11)	(11)	(6)
					368,611	47,833	36,674	20,402

**TRADING & MANUFACTURING SEGMENT:**

	Foreign currency				RM'000			
	Revenue	Profit/(Loss) before tax	Profit/(Loss) after tax	Attributable to owners of the parent	Revenue	Profit/(Loss) before tax	Profit/(Loss) after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)	150,203	5,997	5,120	5,068	150,203	5,997	5,120	5,068
Australian Dollar (AUD'000)	2,828	167	167	167	8,470	501	501	501
Indonesia Rupiah (IDR'000,000)	46,620	7,035	4,640	4,640	13,644	2,059	1,358	1,358
China Yuan Renminbi (RMB'000)	24,264	871	674	660	16,093	578	447	438
Singapore Dollar (SGD'000)	3,448	251	226	226	10,700	779	700	700
Thai Baht (THB'000)	42,373	3,406	2,855	2,855	5,387	433	363	363
Vietnam Dong (VND'000,000)	2,936	(276)	(276)	(276)	542	(51)	(51)	(51)
					205,039	10,296	8,438	8,377

**A8 Segmental Reporting (contd.)**

Segmental results by foreign currency for the financial period ended 31 March 2022 are as follows: (contd.)

**QUARRY 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)	76,151	4,814	3,514	3,432	76,151	4,814	3,514	3,432
Trinidad & Tobago Dollar (TTD'000)	-	59	59	59	-	37	37	37
					<b>76,151</b>	<b>4,851</b>	<b>3,551</b>	<b>3,469</b>

**HEALTHCARE 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)	-	28,241	28,241	28,241	-	28,241	28,241	28,241
					<b>-</b>	<b>28,241</b>	<b>28,241</b>	<b>28,241</b>

**INVESTMENT HOLDING SEGMENT:**

	Foreign currency				RM'000			
	Revenue	Profit/(Loss) before tax	Profit/(Loss) after tax	Attributable to owners of the parent	Revenue	Profit/(Loss) before tax	Profit/(Loss) after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)	1,378	10,409	2,289	(451)	1,378	10,409	2,289	(451)
Hong Kong Dollar (HKD'000)	-	1,616	1,612	1,597	-	870	868	860
China Yuan Renminbi (RMB'000)	763	(5)	(103)	(101)	506	(3)	(68)	(67)
					<b>1,884</b>	<b>11,276</b>	<b>3,089</b>	<b>342</b>

**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)	176,810	17,449	13,502	11,887	176,810	17,449	13,502	11,887
China Yuan Renminbi (RMB'000)	7,055	(1,954)	(1,956)	(1,852)	4,679	(1,296)	(1,297)	(1,228)
					<b>181,489</b>	<b>16,153</b>	<b>12,205</b>	<b>10,659</b>

**A9 Valuation of Property, Plant and Equipment and Investment Properties**

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

**A10 Material Events Subsequent to the end of the Reporting Period**

There were no material events subsequent to the current quarter ended 31 March 2022.

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

There were no material changes in the composition of the Group for the current quarter ended 31 March 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, notwithstanding that the Group holds a majority of the voting rights of Sunway Artessa.

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

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

The financial effects arising from the remeasurement of existing stakes in Sunway Artessa & Sunway Velocity Two in accordance with MFRS 3 *Business Combinations*, amounted to a net gain of RM14.4 million, as disclosed in note B6. The consolidated net assets from these entities mainly comprise of inventories (property development costs) amounting to RM761.7 million and contract assets amounting to RM216.2 million in this quarter.

**A12 Contingent Liabilities and Assets**

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

**(a) Guarantees**

	31/03/2022 RM'000	31/12/2021 RM'000
Guarantees given to third parties in respect of trade and contracts	746,560	735,425
Guarantees given to financial institutions for borrowings obtained by joint ventures	<u>2,183,215</u>	<u>1,717,480</u>
	<u>2,929,775</u>	<u>2,452,905</u>

**(b) Claim**

	31/03/2022 RM'000	31/12/2021 RM'000
Claim by third party	<u>164,378</u>	<u>164,378</u>

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

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

On 22 February 2022, during the hearing of Metroplex's application for directions for the conduct of assessment of damages before the High Court, the High Court gave the necessary directions for the hearing of the assessment of damages and fixed the trial for the said assessment from 3 to 6 October 2022. 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 31 March 2022 is as follows:

	31/03/2022 RM'000	31/12/2021 RM'000
Approved and contracted for property, plant and equipment and investment properties	101,723	156,035
Approved but not contracted for property, plant and equipment and investment properties	<u>95,327</u>	<u>86,467</u>
	<u>197,050</u>	<u>242,502</u>

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

	31/03/2022 RM'000	31/12/2021 RM'000
Approved and contracted for property, plant and equipment and investment properties	98,095	126,789
Approved but not contracted for property, plant and equipment and investment properties	<u>88,764</u>	<u>82,642</u>
	<u>186,859</u>	<u>209,431</u>

**A13 Commitments (contd.)**

(a) Capital commitment not provided for in the financial year as at 31 March 2022 is as follows: (contd.)

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

	31/03/2022 RM'000	31/12/2021 RM'000
Approved and contracted for property, plant and equipment and investment properties	804,375	892,914
Approved but not contracted for property, plant and equipment and investment properties	937,955	864,348
	<u>1,742,330</u>	<u>1,757,262</u>

(b) Operating lease commitment not provided for in the financial year as at 31 March 2022 is as follows:

	31/03/2022 RM'000	31/12/2021 RM'000
Future minimum lease receipts:		
- not later than 1 year	53,546	53,375
- later than 1 year and not later than 5 years	222,906	221,460
- later than 5 years	43,284	57,624
	<u>319,736</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	
	31/03/2022 RM'000	31/03/2021 RM'000	31/03/2022 RM'000	31/03/2021 RM'000
<b>(i) Sunway Real Estate Investment Trust ("Sunway REIT") (RHB Trustees Bhd)</b>				
Lease of Sunway Resort Hotel & Spa	(2,068)	(2,057)	(2,068)	(2,057)
Lease of Sunway Putra Hotel	(973)	(2,706)	(973)	(2,706)
Lease of Sunway Hotel Georgetown	(823)	(823)	(823)	(823)
Lease of Sunway Pyramid's ice rink	(407)	(400)	(407)	(400)
Lease/Rental of properties in respect of:				
Sunway Medical Centre building	-	(6,386)	-	(6,386)
Menara Sunway and accommodation for security staff	(1,704)	(1,555)	(1,704)	(1,555)
Rental and management of car parks and related services	(6,510)	(4,610)	(6,510)	(4,610)
Provision of property management and related services	1,081	671	1,081	671
Sales of financial, human resources and IT related services	315	539	315	539
Marketing, distribution and sales of construction related products and industrial products	558	628	558	628
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	63,344	49,402	63,344	49,402
Provision of loyalty card points	263	241	263	241
Management services	2,720	4,040	2,720	4,040
Distribution income from perpetual note	2,236	2,899	2,236	2,899
<b>(ii) Sunway Iskandar Sdn. Bhd. Group</b>				
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	9,910	4,162	9,910	4,162
Management services	1,652	1,450	1,652	1,450
Property management and related services	264	235	264	235
<b>(iii) Sunway Healthcare Holdings Sdn. Bhd. Group</b>				
Provision of medical services	(768)	-	(768)	-
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	117,122	-	117,122	-
Rental of office space premises and related services	1,289	-	1,289	-
Sales of financial, human resources and IT related services	1,036	-	1,036	-
Management services	648	-	648	-
<b>(iv) GME - SE Joint Venture (SWT)</b>				
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	(7,047)	-	(7,047)	-

**A14 Significant Related Party Transactions (contd.)**

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

	Current Quarter Ended		Cumulative Year To Date	
	31/03/2022 RM'000	31/03/2021 RM'000	31/03/2022 RM'000	31/03/2021 RM'000
<b>(i) Active Equity Sdn. Bhd. Group</b> Information systems products and consultancy fees Distribution paid/payable by wholesale funds	(1,803) (84)	(3,007) (291)	(1,803) (84)	(3,007) (291)
<b>(ii) Jef-San Enterprise Sdn. Bhd.</b> Distribution paid/payable by wholesale funds	(182)	(472)	(182)	(472)
<b>(iii) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling</b> Distribution paid/payable in respect of Perpetual Sukuk	(7,595)	(7,595)	(7,595)	(7,595)

- (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, 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.

- (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**

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

For the quarter

	Quarter ended		Increase/ (Decrease) (%)
	31/03/2022 RM'000	31/03/2021 RM'000	
<b>Revenue from Continuing Operations</b>			
Property Development	158,195	97,159	62.8
Property Investment	121,107	58,669	106.4
Construction	368,611	321,389	14.7
Trading and Manufacturing	205,039	224,521	(8.7)
Quarry	76,151	77,240	(1.4)
Others	183,373	67,136	173.1
	<u>1,112,476</u>	<u>846,114</u>	31.5
<b>Profit/(loss) before tax from Continuing Operations</b>			
Property Development	23,415	20,677	13.2
Property Investment	45,022	(16,871)	N/A
Construction	47,833	27,680	72.8
Trading and Manufacturing	10,296	12,231	(15.8)
Quarry	4,851	3,056	58.7
Healthcare*	28,241	-	N/A
Others	27,429	26,412	3.9
	<u>187,087</u>	<u>73,185</u>	155.6
<b>Profit from Discontinued Operations, Net of Tax</b>			
Healthcare	-	13,960	N/A

\* Please note that the healthcare's contribution from Continuing Operations is based on the Group's share of its net profit.



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

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

The Group recorded revenue of RM1,112.5 million and profit before tax of RM187.1 million from Continuing Operations for the current quarter ended 31 March 2022 compared to revenue of RM846.1 million and profit before tax of RM73.2 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 31.5% and profit before tax of 155.6%. Revenue was higher in the current quarter due to the stronger revenue recorded from most business segments except trading and manufacturing and quarry segments. Profit before tax in the current quarter was higher due to stronger operating performance from most business segments which offset the lower contribution from trading and manufacturing segment.

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 RM69.9 million, of which RM18.2 million was recorded in the current quarter, was not recognised.

The property development segment reported revenue of RM158.2 million and profit before tax of RM23.4 million in the current quarter compared to revenue of RM97.2 million and profit before tax of RM20.7 million in the corresponding quarter of the previous financial year, representing an increase in revenue and profit before tax of 62.8% and 13.2% respectively. 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 current quarter (as disclosed in Note A11). Profit before tax was higher in the current quarter due to higher progressive profit recognition from one of the Group's Singapore private condominium projects, which more than offset the lower profit contribution from local development projects.

The property investment segment reported revenue of RM121.1 million and profit before tax of RM45.0 million in the current quarter compared to revenue of RM58.7 million and loss before tax of RM16.9 million in the corresponding quarter of the previous financial year. It should be noted that the operating performance for the corresponding quarter of the previous financial year was impacted by the reinstatement of the movement control order from 13 January to 4 March 2021 which resulted in closure of the theme park operations, more stringent social distancing requirements and restriction in interstate travels. Higher revenue in the current quarter was attributed to the higher visitorship to the theme parks and higher occupancy at the Group's hotels which managed to lower the operating losses of the two segments. Profit in the current quarter was also boosted by recovery in the performance of our associate company, Sunway REIT.

The construction segment recorded revenue of RM368.6 million and profit before tax of RM47.8 million in the current quarter compared to revenue of RM321.4 million and profit before tax of RM27.7 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 14.7% and profit before tax of 72.8%. The financial performance in the current quarter was better due to higher progress billings from local construction projects which contributed to the higher profit. It should be noted that the operating performance for the corresponding quarter of the previous financial year was impacted by the closure of the construction sites due to the movement control order as mentioned earlier.

The trading and manufacturing segment recorded revenue of RM205.0 million and profit before tax of RM10.3 million in the current quarter compared to revenue of RM224.5 million and profit before tax of RM12.2 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 8.7% and profit before tax of 15.8%. The financial performance was lower in the current quarter mainly due to lower contribution from the China market which was impacted by COVID-19 lockdowns.

The quarry segment reported revenue of RM76.2 million and profit before tax of RM4.9 million in the current quarter compared to revenue of RM77.2 million and profit before tax of RM3.1 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 1.4% and increase in profit before tax of 58.7%. The financial performance in the current quarter was boosted by the one-off compensation of RM6.0 million received from a recent court case. The current operational performance was impacted by lower sales volume for aggregates and premix caused by temporary closure at a premix plant due to flooding and temporary stop operations at Nilai Quarry.

The others segments recorded revenue of RM183.4 million and profit before tax of RM27.4 million in the current quarter compared to revenue of RM67.1 million and profit before tax of RM26.4 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 173.1% and profit before tax of 3.9%. The higher financial performance in the current quarter was mainly contributed by the building materials segment and community pharmacy business.

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 under Continuing Operations.

The healthcare segment reported a share of net profit of RM28.2 million in the current quarter which was higher than the net profit of RM14.0 million in the corresponding quarter of the previous financial year by 102.3%. The strong performance in the current quarter was due to higher number of patients treated at both Sunway Medical Centre ("SMC") and Sunway Medical Centre Velocity ("SMCV").

**B2 Material Changes in the Quarterly Results**

	Quarter ended		Increase/ (Decrease) (%)
	31/03/2022 RM'000	31/12/2021 RM'000	
<b>Revenue from Continuing Operations</b>			
Property Development	158,195	184,143	(14.1)
Property Investment	121,107	133,368	(9.2)
Construction	368,611	379,577	(2.9)
Trading and Manufacturing	205,039	230,709	(11.1)
Quarry	76,151	105,731	(28.0)
Others	183,373	213,444	(14.1)
	<u>1,112,476</u>	<u>1,246,972</u>	(10.8)

**B2 Material Changes in the Quarterly Results (contd.)**

	Quarter ended		Increase/ (Decrease) (%)
	31/03/2022 RM'000	31/12/2021 RM'000	
<b>Profit before tax from Continuing Operations</b>			
Property Development	23,415	65,875	(64.5)
Property Investment	45,022	35,128	28.2
Construction	47,833	91,095	(47.5)
Trading and Manufacturing	10,296	9,162	12.4
Quarry	4,851	4,395	10.4
Healthcare*	28,241	-	N/A
Others	27,429	49,176	(44.2)
	<u>187,087</u>	<u>254,831</u>	(26.6)
<b>Profit from Discontinued Operations, Net of Tax</b>			
Healthcare	-	2,319,735	N/A

\* Please note that the healthcare's contribution from Continuing Operations is based on the Group's share of its net profit.

The Group recorded revenue of RM1,112.5 million and profit before tax of RM187.1 million from Continuing Operations for the current quarter compared to revenue of RM1,247.0 million and profit before tax of RM254.8 million in the preceding quarter, representing a decrease in revenue of 10.8% and profit before tax of 26.6%. Revenue was lower in the current quarter due to lower contributions from all business segments. Profit before tax was also lower due to lower contributions from most business segments except property investment, trading and manufacturing and quarry segments.

The property development segment reported revenue of RM158.2 million and profit before tax of RM23.4 million for the current quarter compared to revenue of RM184.1 million and profit before tax of RM65.9 million in the preceding quarter, representing a decrease in revenue of 14.1% and profit before tax of 64.5%. The financial performance in the current quarter was lower. It should be noted that better performance in the preceding quarter was due to higher contribution from the completion and handover of a local project and higher sales and progress billings from other on-going development projects.

The property investment segment reported revenue of RM121.1 million and profit before tax of RM45.0 million for the current quarter compared to revenue of RM133.4 million and profit before tax of RM35.1 million in the preceding quarter, representing a decrease in revenue of 9.2% and increase in profit before tax of 28.2%. The lower revenue in the current quarter was partly due to the seasonality factor, as the leisure and hospitality segments usually delivered stronger performance in the last quarter of the year. However, profit before tax improved in the current quarter due to stronger performance of our associate company, Sunway REIT. Profit before tax in the preceding quarter also recorded a fair value gain on revaluation on investment properties of RM41.3 million, offset by share of fair value loss from the revaluation of Sunway REIT properties of RM23.1 million.

The construction segment recorded revenue of RM368.6 million and profit before tax of RM47.8 million for the current quarter compared to revenue of RM379.6 million and profit before tax of RM91.1 million in the preceding quarter, representing a marginal decrease in revenue of 2.9% and decrease in profit before tax of 47.5%. The higher profit before tax in the preceding quarter was boosted by higher profit contribution from some local projects which were nearing completion.

The trading and manufacturing segment recorded revenue of RM205.0 million and profit before tax of RM10.3 million for the current quarter compared to revenue of RM230.7 million and profit before tax of RM9.2 million in the preceding quarter, representing a decrease in revenue of 11.1% and increase in profit before tax of 12.4%. The revenue in the current quarter was lower due to lower sales from local and overseas markets. However, the profit for the current quarter was boosted by better profit margin contributions.

The quarry segment reported revenue of RM76.2 million and profit before tax of RM4.9 million for the current quarter compared to revenue of RM105.7 million and profit before tax of RM4.4 million in the preceding quarter, representing a decrease in revenue of 28.0% and increase in profit before tax of 10.4%. The financial performance in the current quarter was lower mainly due to lower sales volume for aggregates and premix caused by temporary closure at a premix plant due to flooding and temporary stop operations at Nilai Quarry. Further, the profit before tax in the current quarter included a one-off compensation received from a court case of RM6.0 million.

The other segments recorded revenue of RM183.4 million and profit before tax of RM27.4 million for the current quarter compared to revenue of RM213.4 million and profit before tax of RM49.2 million in the preceding quarter, representing a decrease in revenue of 14.1% and profit before tax of 44.2%. Performance in the current quarter was lower mainly due to lower contributions from building materials and others business segments.

The healthcare segment reported a share of net profit of RM28.2 million in the current quarter which was lower than the net profit of RM2,319.7 million in the preceding quarter. Excluding the one-off net gain arising from the partial divestment of Sunway Healthcare Group of RM2,286.1 million in the preceding quarter, the operating net profit was RM33.6 million before adjusting for the partial divestment. The operating performance of the healthcare group in the current quarter was comparable to the preceding quarter despite lower number of patients treated during this seasonally slower quarter.

**B3 Prospects**

Malaysia's gross domestic product (GDP) registered a growth of 5.0% in the first quarter of 2022 compared with 3.6% in the preceding fourth quarter of last year. This was mainly supported by improving domestic demand as economic activity continued to normalise with the reopening of the economy. Bank Negara expects the growth momentum to sustain and forecast a full year growth of between 5.3% to 6.3%, which augurs well for the Group.

The Group's financial performance in the first quarter of this year benefited from the recovery in the property investment and healthcare segments. This was mainly due to the easing of COVID-19 containment measures and strong pent-up demand. While there may be downside risks to the recovery due to rising inflationary expectations caused by the on-going supply chain disruptions and geopolitical conflicts, the Group is actively managing these risks.

Barring any unforeseen circumstances, the Group is optimistic that the financial performance for the remaining period of 2022 will be satisfactory.

**B4 Variance of Actual Profit from Profit Forecast**

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

**B5 Taxation**

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

	Current Quarter Ended		Cumulative Year To Date	
	31/03/2022 RM'000	31/03/2021 RM'000	31/03/2022 RM'000	31/03/2021 RM'000
Current taxation	(30,370)	(17,810)	(30,370)	(17,810)
Over/(Under) provision of tax in prior years	120	(611)	120	(611)
Deferred taxation	2,356	1,653	2,356	1,653
	<b>(27,894)</b>	<b>(16,768)</b>	<b>(27,894)</b>	<b>(16,768)</b>

**B6 Profit before Taxation**

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

	Current Quarter Ended 31/03/2022 RM'000	Cumulative Year To Date 31/03/2022 RM'000
Depreciation and amortisation	(32,773)	(32,773)
Net (provision)/reversal of impairment for:		
- Trade receivables	(1,974)	(1,974)
- Advances to joint ventures	(227)	(227)
- Contract assets	24	24
- Inventories	(727)	(727)
Write off:		
- Trade receivables	(44)	(44)
- Inventories	(24)	(24)
- Property, plant and equipment	(50)	(50)
Net gain on disposal of:		
- Property, plant and equipment	314	314
Net foreign exchange gain/(loss):		
- Others	707	707
- Unrealised for hedged items	(18,777)	(18,777)
Cash flow hedge reserve recycled to profit or loss	18,777	18,777
Net gain on derivatives	113	113
Distribution paid in respect of Perpetual Sukuk	(7,595)	(7,595)
Net gain arising from remeasurement of existing stakes in Sunway Velocity Two Sdn. Bhd. and Sunway Artessa Sdn. Bhd.	14,400	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.

**B8 Group Borrowings and Debt Securities**

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

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

Included in the Group borrowings as at 31 March 2022 are amounts denominated in foreign currency as follows:

	Foreign currency		RM'000		Total
	Current	Non-current	Current	Non-current	
<b>Secured</b>					
US Dollar (USD'000) *					
- Term loans	-	48,000	-	202,008	202,008
- Revolving credits	-	100,000	-	420,850	420,850
Singapore Dollar (SGD'000) **					
- Term loans	-	28,246	-	87,948	87,948
- Revolving credits	9,650	-	30,047	-	30,047
Australia Dollar (AUD'000) #					
- Revolving credits	18,000	83,696	56,912	264,631	321,543
- Bankers' acceptance	491	-	1,482	-	1,482
Pound Sterling (GBP'000) **					
- Term loans	33,868	31,216	187,317	172,652	359,969
Indian Rupee (INR'000) **					
- Term loans	-	156,000	-	8,642	8,642

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

Included in the Group borrowings as at 31 March 2022 are amounts denominated in foreign currency as follows: (contd.)

	Foreign currency		RM'000		
	Current	Non-current	Current	Non-current	Total
<b>Unsecured</b>					
US Dollar (USD'000) *					
- Revolving credits	50,000	-	210,425	-	210,425
Singapore Dollar (SGD'000) **					
- Term loans	-	85,000	-	264,665	264,665
- Revolving credits	40,000	-	124,548	-	124,548
Indonesian Rupiah (RP'000) **					
- Term loans	700,000	-	205	-	205
China Yuan Renminbi (RMB'000) *					
- Revolving credits	12,284	-	8,149	-	8,149
Australia Dollar (AUD'000) *					
- Revolving credits	29,200	-	92,325	-	92,325
			711,410	1,421,396	2,132,806

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

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

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

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

	Foreign currency		RM'000		
	Current	Non-current	Current	Non-current	Total
<b>Secured</b>					
US Dollar (USD'000) *					
- Revolving credits	191,167	-	795,064	-	795,064
Singapore Dollar (SGD'000) **					
- Term loans	-	22,000	-	68,028	68,028
- Revolving credits	12,200	-	37,725	-	37,725
Australia Dollar (AUD'000) #					
- Revolving credits	63,602	-	201,485	-	201,485
- Bankers' acceptance	567	-	1,795	-	1,795
Pound Sterling (GBP'000) **					
- Term loans	42,323	13,528	242,067	77,372	319,439
<b>Unsecured</b>					
US Dollar (USD'000) *					
- Revolving credits	50,000	-	207,950	-	207,950
Singapore Dollar (SGD'000) **					
- Term loans	36,000	-	111,319	-	111,319
- Revolving credits	495	-	1,531	-	1,531
Australia Dollar (AUD'000) *					
- Revolving credits	29,200	-	92,503	-	92,503
			1,691,439	145,400	1,836,839

Notes:

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

\*\* Borrowings obtained by overseas subsidiaries.

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

Overall, the total borrowings of the Group has increased by RM0.96 billion, from RM6.82 billion as at 31 March 2021 to RM7.78 billion as at 31 March 2022.

The weighted average interest rate of borrowings as at 31 March 2022 is 2.48%. 54% of the Group's total borrowing are fixed rate instruments, whereas 46% are floating rate instruments.

Out of the total borrowings of RM7.78 billion, RM2.13 billion (Current: RM0.71 billion; Non-current: RM1.42 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 4.209, AUD borrowings is 3.162 and CNY borrowings is 0.658.

## B9 Derivative Financial Instruments

The Group's outstanding derivatives as at 31 March 2022 were as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gains for the period RM'000	Cash Flow Hedge Reserve RM'000
<b>Interest rate swap contracts</b>				
- Less than 1 year	61,016	(603)	-	-
<b>Foreign currency forward contracts</b>				
- Less than 1 year	17,043	62	113	-
<b>Cross currency swap contracts #</b>				
- Less than 1 year	896,766	9,649	-	(279)
- 1 year to 5 years	358,288	8,609	-	330
<b>Derivative liabilities on exit clauses in relation to the partial divestment of Sunway Healthcare Group</b>	-	(224,364)	-	-
<b>Put option</b>	-	(60,177)	-	-
<b>Total derivatives</b>		(266,824)	113	51

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

**B9 Derivative Financial Instruments (contd.)****Interest rate swap contracts**

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

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

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

**Foreign currency forward contracts**

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

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

**Cross currency swap contracts**

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

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

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

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

**Put option**

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

**B10 Aging Analysis of Trade Receivables**

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

	31/03/2022 RM'000	31/12/2021 RM'000
Current	1,158,335	986,700
1 to 30 days past due	116,974	110,337
31 to 60 days past due	102,516	68,146
61 to 90 days past due	37,293	29,190
91 to 120 days past due	23,973	20,910
More than 120 days past due	175,001	211,656
	<u>455,757</u>	<u>440,239</u>
Gross trade receivables	1,614,092	1,426,939
Impaired	(109,636)	(99,308)
Total trade receivables	<u>1,504,456</u>	<u>1,327,631</u>
Other receivables	656,536	513,091
Amounts due from associates	47,753	54,412
Amounts due from joint ventures	1,607,650	2,293,998
Total receivables	<u>3,816,395</u>	<u>4,189,132</u>
Non-current receivables	1,638,007	1,704,347
Current receivables	2,178,388	2,484,785
Total receivables	<u>3,816,395</u>	<u>4,189,132</u>

## B11 Changes in Material Litigation

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

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

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

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

The Statement of Claim was raised in respect of various claims and the total amount claimed is Rs.89,14,55,047.83 (approximately equivalent to RM49.4 million) in addition to interest and cost.

In the counterclaim, SunCon is seeking for Rs.78,13,94,628.61 (approximately equivalent to RM43.3 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 RM7.1 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 RM7.52 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 RM3.73 million) from the deposited Award Amount.

On 27 August 2020, the Court directed the release of Rs.6,71,95,972 (approximately equivalent to RM3.72 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 6 September 2022.

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

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

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

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

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

On the case management on 5 March 2020, the Court had directed SunCon to file the application to strike out the case by 19 March 2020. On 30 October 2020, the striking out application by Prasarana and SunCon is dismissed and matter is to proceed for full trial. On 9 December 2020, the Plaintiff filed an application for discovery against the Defendants. Based on decision published on 11 May 2021, the Court has dismissed Plaintiff's application for discovery against SunCon with cost of RM2,000 to be paid to SunCon. On 19 February 2021, SunCon filed applications to include Setia Utama LRT3 Sdn. Bhd. ("SULRT3") (formerly known as "MRCB George Kent Sdn. Bhd.") as co-defendant and third party to the suit.

On 21 July 2021, the Court has allowed SunCon's Application for Leave to issue Third Party Notice to SULRT3. The Court has further directed for SunCon to file and serve its Statement of Claim on SULRT3 within 14 days. With regard to the Plaintiff's application to amend the Statement of Claim to RM643,851,825.01, the Court has allowed the Plaintiff's application with no order as to cost. The Court has dismissed SunCon's Application for Further and Better Particulars with cost of RM3,000 to be paid to the Plaintiff. On 28 July 2021, the Court has disallowed SunCon's application to include SULRT3 as co-defendant with cost of RM4,000. The pre-trial case management was held on 27 January 2022. Hearing scheduled from 6 to 9 February 2023.



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

(b) (contd.)

On 18 April 2022, the Court has granted order in terms for the Plaintiff's application to transfer the proceedings to Construction Court with no order as to costs. In this regard, the proceedings will be transferred to Construction Court and next date for case management to be fixed once the proceedings are transferred.

**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 31 March 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 31/03/2022 RM'000	Preceding Year Corresponding Quarter 31/03/2021 RM'000	Current Year To Date 31/03/2022 RM'000	Preceding Year Corresponding Period 31/03/2021 RM'000
<b>Basic earnings per share</b>				
Profit attributable to members of the Company				
- Continuing operations	140,112	44,644	140,112	44,644
- Discontinued operations	-	13,806	-	13,806
	140,112	58,450	140,112	58,450
Weighted Average Number of Ordinary Shares ('000)	5,866,850	5,812,385	5,866,850	5,812,385
Earnings per share (Basic) (sen) <sup>1</sup>				
- Continuing operations	2.39	0.77	2.39	0.77
- Discontinued operations	-	0.24	-	0.24
	2.39	1.01	2.39	1.01
<b>Diluted earnings per share</b>				
Profit attributable to members of the Company				
- Continuing operations	140,112	44,644	140,112	44,644
- Discontinued operations	-	13,806	-	13,806
	140,112	58,450	140,112	58,450
Weighted Average Number of Ordinary Shares ('000)	5,950,211	5,812,385	5,950,211	5,812,385
Earnings per share (Diluted) (sen) <sup>1</sup>				
- Continuing operations	2.35	0.77	2.35	0.77
- Discontinued operations	-	0.24	-	0.24
	2.35	1.01	2.35	1.01

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

**By Order of the Board**

**Tan Kim Aun  
Chin Lee Chin**

**Secretaries**