

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

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

	NOTE	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		CURRENT YEAR QUARTER 31/12/2022	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2021	INCREASE/(DECREASE)	CURRENT YEAR TO DATE 31/12/2022	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2021	INCREASE/(DECREASE)
		RM'000	RM'000	%	RM'000	RM'000	%
CONTINUING OPERATIONS							
REVENUE		1,531,593	1,246,972	23	5,194,951	3,717,308	40
OPERATING EXPENSES	B6	(1,382,873)	(1,119,049)	24	(4,816,003)	(3,543,190)	36
OTHER OPERATING INCOME	B6	89,934	119,643	(25)	239,505	171,154	40
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS & CONTRACT ASSETS	B6	(25,994)	(9,794)	165	(35,034)	(17,494)	100
PROFIT FROM OPERATIONS		212,660	237,772	(11)	583,419	327,778	78
FINANCE INCOME		61,618	37,774	63	187,679	157,230	19
FINANCE COSTS		(62,215)	(34,928)	78	(202,150)	(102,301)	98
SHARE OF PROFIT FROM ASSOCIATES		3,003	6,072	(51)	119,186	60,168	98
SHARE OF PROFIT FROM JOINT VENTURES		78,835	8,141	868	231,657	21,024	1002
PROFIT BEFORE TAX	B6	293,901	254,831	15	919,791	463,899	98
INCOME TAX EXPENSE	B5	(73,675)	(73,058)	1	(166,951)	(116,229)	44
PROFIT FROM CONTINUING OPERATIONS		220,226	181,773	21	752,840	347,670	117
DISCONTINUED OPERATIONS #							
PROFIT FROM DISCONTINUED OPERATIONS, NET OF TAX	B7	-	2,319,735	N/A	-	2,390,486	N/A
PROFIT FOR THE PERIOD		220,226	2,501,508	(91)	752,840	2,738,156	(73)
ATTRIBUTABLE TO:							
- OWNERS OF THE PARENT							
CONTINUING OPERATIONS		202,980	153,930	32	676,691	293,504	131
DISCONTINUED OPERATIONS		-	2,300,447	N/A	-	2,370,942	N/A
		<u>202,980</u>	<u>2,454,377</u>	<u>(92)</u>	<u>676,691</u>	<u>2,664,446</u>	<u>(75)</u>
- NON-CONTROLLING INTERESTS							
CONTINUING OPERATIONS		17,246	27,843	(38)	76,149	54,166	41
DISCONTINUED OPERATIONS		-	19,288	N/A	-	19,544	N/A
		<u>17,246</u>	<u>47,131</u>	<u>(63)</u>	<u>76,149</u>	<u>73,710</u>	<u>3</u>
		<u>220,226</u>	<u>2,501,508</u>	<u>(91)</u>	<u>752,840</u>	<u>2,738,156</u>	<u>(73)</u>

The financial results of the partial divestment of Sunway Healthcare Holdings Sdn. Bhd. and its subsidiaries for the previous financial year (as disclosed in Note B7) of this interim report were presented as discontinued operations in line with the requirements of MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

(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 DECEMBER 2022
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022 (CONTD.)

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 31/12/2022	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2021	INCREASE/ (DECREASE)	CURRENT YEAR TO DATE 31/12/2022	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2021	INCREASE/ (DECREASE)
	RM'000	RM'000	%	RM'000	RM'000	%
EARNINGS PER SHARE						
(i) BASIC (sen) ¹						
CONTINUING OPERATIONS	3.46	2.62	32	10.66	4.50	137
DISCONTINUED OPERATIONS	-	39.21	N/A	-	40.41	N/A
	<u>3.46</u>	<u>41.83</u>	(92)	<u>10.66</u>	<u>44.91</u>	(76)
(ii) DILUTED (sen) ¹						
CONTINUING OPERATIONS	3.42	2.58	33	10.43	4.44	135
DISCONTINUED OPERATIONS	-	38.62	N/A	-	39.94	N/A
	<u>3.42</u>	<u>41.20</u>	(92)	<u>10.43</u>	<u>44.38</u>	(76)

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 31 DECEMBER 2022
 THE FIGURES HAVE NOT BEEN AUDITED

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2022	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2021	CURRENT YEAR TO DATE 31/12/2022	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2021
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	220,226	2,501,508	752,840	2,738,156
OTHER COMPREHENSIVE (LOSS)/INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS				
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS	(4,222)	9,038	30,182	39,391
RECLASSIFICATION OF FOREIGN CURRENCY TRANSLATION RESERVE TO PROFIT OR LOSS UPON PARTIAL DIVESTMENT OF DISCONTINUED OPERATIONS	-	(3)	-	(3)
CASH FLOW HEDGE RESERVE - FAIR VALUE (LOSS)/GAIN				
- FAIR VALUE (LOSS)/GAIN OF DERIVATIVES	(50,651)	(5,831)	15,408	51,753
- AMOUNT RECYCLED TO PROFIT OR LOSS	45,474	4,359	(24,307)	(50,089)
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	(13,620)	(52,609)	13,154	(37,218)
SHARE OF OTHER COMPREHENSIVE (LOSS)/INCOME OF AN ASSOCIATE	-	(4,873)	-	1,790
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	<u>(23,019)</u>	<u>(49,919)</u>	<u>34,437</u>	<u>5,624</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>197,207</u>	<u>2,451,589</u>	<u>787,277</u>	<u>2,743,780</u>
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	184,785	2,404,225	716,217	2,669,525
- NON-CONTROLLING INTERESTS	12,422	47,364	71,060	74,255
	<u>197,207</u>	<u>2,451,589</u>	<u>787,277</u>	<u>2,743,780</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 DECEMBER 2022
 THE FIGURES HAVE NOT BEEN AUDITED

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER 31/12/2022 RM'000	IMMEDIATE PRECEDING QUARTER 30/09/2022 RM'000	INCREASE/ (DECREASE) %
REVENUE	1,531,593	1,270,524	21
OPERATING EXPENSES	(1,382,873)	(1,177,591)	17
OTHER OPERATING INCOME	89,934	42,508	112
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS & CONTRACT ASSETS	(25,994)	(3,079)	744
PROFIT FROM OPERATIONS	212,660	132,362	61
FINANCE INCOME	61,618	47,807	29
FINANCE COSTS	(62,215)	(49,298)	26
SHARE OF PROFIT FROM ASSOCIATES	3,003	37,447	(92)
SHARE OF PROFIT FROM JOINT VENTURES	78,835	55,457	42
PROFIT BEFORE TAX	293,901	223,775	31
INCOME TAX EXPENSE	(73,675)	(41,591)	77
PROFIT FOR THE PERIOD	220,226	182,184	21
ATTRIBUTABLE TO:			
- OWNERS OF THE PARENT	202,980	164,722	23
- NON-CONTROLLING INTERESTS	17,246	17,462	(1)
	220,226	182,184	21
EARNINGS PER SHARE			
(i) BASIC (sen) ¹	3.46	2.37	46
(ii) DILUTED (sen) ¹	3.42	2.35	46

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

	CURRENT QUARTER 31/12/2022 RM'000	IMMEDIATE PRECEDING QUARTER 30/09/2022 RM'000
PROFIT FOR THE PERIOD	220,226	182,184
OTHER COMPREHENSIVE (LOSS)/INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS	(4,222)	14,948
CASH FLOW HEDGE RESERVE - FAIR VALUE (LOSS)/GAIN		
- FAIR VALUE (LOSS)/GAIN OF DERIVATIVES	(50,651)	34,073
- AMOUNT RECYCLED TO PROFIT OR LOSS	45,474	(40,959)
OTHER COMPREHENSIVE LOSS NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		
FAIR VALUE LOSS ON OTHER INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	(13,620)	(11,041)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD	<u>(23,019)</u>	<u>(2,979)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>197,207</u>	<u>179,205</u>
ATTRIBUTABLE TO:		
- OWNERS OF THE PARENT	184,785	161,325
- NON-CONTROLLING INTERESTS	<u>12,422</u>	<u>17,880</u>
	<u>197,207</u>	<u>179,205</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 DECEMBER 2022
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	AS AT END OF CURRENT QUARTER 31/12/2022 RM'000	AS AT PRECEDING FINANCIAL PERIOD END 31/12/2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,263,992	1,262,253
Intangible assets	63,217	56,985
Investment properties	2,443,115	2,186,313
Inventories	1,844,344	1,671,126
Investment in associates	2,690,404	2,709,684
Investment in joint ventures	6,653,131	6,191,983
Goodwill	378,134	376,225
Deferred tax assets	53,873	47,405
Receivables	1,929,185	1,704,347
Derivative assets	2,086	7,540
Rock reserves	4,819	5,082
Other investments	852,392	866,581
Biological assets	322	48
	18,179,014	17,085,572
Current assets		
Inventories	3,279,620	2,422,351
Receivables, deposits & prepayments	1,957,896	2,484,785
Contract assets	532,172	112,076
Tax recoverable	65,257	68,008
Derivative assets	1,572	2,465
Other investments	85,540	98,778
Cash and bank balances	1,957,303	2,810,263
	7,879,360	7,998,726
TOTAL ASSETS	26,058,374	25,084,298
EQUITY AND LIABILITIES		
Current liabilities		
Payables, accruals & other current liabilities	2,490,772	2,469,266
Contract liabilities	19,907	12,583
Bank borrowings	4,918,695	4,093,585
Lease liabilities	35,032	31,354
Taxation	65,566	55,673
Derivative liabilities	73,863	43,727
	7,603,835	6,706,188
Non-current liabilities		
Long term bank borrowings	3,537,483	4,021,910
Perpetual Sukuk	600,000	600,000
Lease liabilities	87,407	90,244
Other long term liabilities	245,668	245,732
Derivative liabilities	235,973	188,957
Deferred tax liabilities	185,960	108,967
	4,892,491	5,255,810
Total liabilities	12,496,326	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	6,231,798	5,733,046
	12,529,139	12,030,379
Non-controlling interest	1,032,909	1,091,921
Total equity	13,562,048	13,122,300
TOTAL EQUITY AND LIABILITIES	26,058,374	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)	2.14	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 31 DECEMBER 2022

	ATTRIBUTABLE TO OWNERS OF THE PARENT									TOTAL EQUITY ATTRIBUTABLE TO OWNERS			
	NON-DISTRIBUTABLE			DISTRIBUTABLE						TOTAL RESERVES	OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	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				
PERIOD ENDED 31 DECEMBER 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	-	-	-	-	-	-	-	-	676,691	676,691	676,691	76,149	752,840
Other comprehensive income/(loss), net of tax	-	-	-	-	35,271	(8,899)	-	13,154	-	39,526	39,526	(5,089)	34,437
Total comprehensive income/(loss)	-	-	-	-	35,271	(8,899)	-	13,154	676,691	716,217	716,217	71,060	787,277
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	4,118	4,118
Effect of joint ventures becoming subsidiaries	-	-	-	-	-	-	-	-	-	-	-	153,272	153,272
Transfer to furniture, fittings & equipment reserve	-	-	-	-	-	-	11,244	-	(11,244)	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	477	6,540	7,017	7,017	(7,017)	-
Transactions with owners													
Issuance of ordinary shares pursuant to - exercise of warrants	8 ^	-	-	-	-	-	-	-	-	-	8 ^	-	8 ^
Dividends paid by the Company	-	-	-	-	-	-	-	-	(222,451)	(222,451)	(222,451)	-	(222,451)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(48,464)	(48,464)
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	(5,341)	(5,341)	(5,341)	59,104	53,763
Effects of redemptions of units in structured entities by unit holders	-	-	-	-	-	-	-	-	-	-	-	(284,707)	(284,707)
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	3,310	3,310	3,310	(6,098)	(2,788)
Capital reduction in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(280)	(280)
Total transactions with owners	8	-	-	-	-	-	-	-	(224,482)	(224,482)	(224,474)	(280,445)	(504,919)
At 31 DECEMBER 2022	5,393,897	977,779	(74,335)	(1,192,040)	240,116	(26,275)	23,089	505,452	6,681,456	6,231,798	12,529,139	1,032,909	13,562,048
PERIOD ENDED 31 DECEMBER 2021													
At 1 January 2021	5,393,667	977,779	(74,335)	(1,192,040)	166,022	(19,040)	18,481	528,569	3,714,092	3,216,084	9,513,195	797,382	10,310,577
Profit for the year	-	-	-	-	-	-	-	-	2,664,446	2,664,446	2,664,446	73,710	2,738,156
Other comprehensive income/(loss), net of tax	-	-	-	-	38,823	1,664	-	(37,198)	1,790	5,079	5,079	545	5,624
Total comprehensive income/(loss)	-	-	-	-	38,823	1,664	-	(37,198)	2,666,236	2,669,525	2,669,525	74,255	2,743,780
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	10,095	10,095
Transfer from furniture, fittings & equipment reserve	-	-	-	-	-	-	(6,636)	-	6,636	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	450	(446)	4	4	(4)	-
Transactions with owners													
Issuance of ordinary shares pursuant to: - exercise of warrants	222 ^	-	-	-	-	-	-	-	-	-	222 ^	-	222 ^
Dividends paid by the Company	-	-	-	-	-	-	-	-	(151,960)	(151,960)	(151,960)	-	(151,960)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(27,796)	(27,796)
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	18,060	18,060
Effects of subscriptions of units in structured entities by unit holders	-	-	-	-	-	-	-	-	-	-	-	246,644	246,644
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	(607)	(607)	(607)	(26,715)	(27,322)
Total transactions with owners	222	-	-	-	-	-	-	-	(152,567)	(152,567)	(152,345)	210,193	57,848
At 31 DECEMBER 2021	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

^ 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 31 DECEMBER 2022

	FOR THE 12 MONTHS PERIOD ENDED 31/12/2022 RM'000	FOR THE 12 MONTHS PERIOD ENDED 31/12/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
From continuing operations	919,791	463,899
From discontinued operations	-	2,388,389
	<u>919,791</u>	<u>2,852,288</u>
Adjustments for:		
- non-cash items	(257,160)	(2,198,276)
- finance costs	202,150	124,777
- finance income	(187,679)	(170,169)
Operating cash flows before working capital changes	<u>677,102</u>	<u>608,620</u>
Changes in working capital	(443,196)	107,357
Cash generated from operations	<u>233,906</u>	<u>715,977</u>
Interest received	187,679	178,302
Dividend received from joint ventures, associates and other investments	143,909	189,743
Tax refunded	17,166	9,681
Tax paid	(187,735)	(114,988)
Net cash generated from operating activities	<u>394,925</u>	<u>978,715</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant & equipment and investment properties	45,128	6,588
Proceeds from disposal of intangible assets	-	13
Proceeds from disposal of a joint venture	-	902
Proceeds from disposal of other investments	90,980	19,526
Proceeds from liquidation of subsidiaries	1,183	-
Proceeds from acquisition of equity interest by non-controlling interests	21,092	18,060
Acquisition of land	(204,438)	(13,534)
Acquisition of property, plant and equipment	(110,752)	(343,858)
Acquisition of biological assets	(374)	(9,243)
Acquisition of intangible assets	(11,961)	-
Acquisition and subsequent expenditure of investment properties	(104,275)	(84,053)
Acquisition of other investment	(44,978)	(65,722)
Acquisition of equity interest from non-controlling interests	(2,788)	(27,322)
Acquisition of subsidiaries for cash, net of cash acquired	(7,966)	(36,495)
Investment in joint ventures	(50)	(97,906)
Investment in associates	(8,215)	(6,418)
Payment of balance consideration on acquisition of subsidiaries	(45,954)	-
Repayment from associates and joint ventures	6,357	169,292
Quasi-equity loan advanced to joint ventures	(409,688)	(269,671)
Advances to a non-controlling interest	(17,446)	-
Subscription of medium term notes issued by a joint venture	-	(299,000)
Net cash flow from deposits placed with maturity of over 3 months	(507)	2,073
Net (redemptions)/subscriptions of units in structured entities by non-controlling interests	(284,707)	246,644
Net cash inflow from joint ventures become subsidiaries	20,277	-
Net cash outflow from loss of control of subsidiaries	-	(261,092)
Deposit paid for acquisition of land	-	(228,390)
Net cash used in investing activities	<u>(1,069,082)</u>	<u>(1,279,606)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net bank and other borrowings	370,633	1,290,423
Net lease liabilities	(32,289)	(51,298)
Interest paid	(277,413)	(214,584)
Dividend paid to shareholders	(222,451)	(151,960)
Dividend paid to non-controlling interests of subsidiaries	(48,464)	(27,796)
Proceeds from issuance of ordinary shares pursuant to exercise of warrants	8	222
Proceeds from issuance of preference shares to a non-controlling interest	1,000	-
Advances from non-controlling interests of subsidiaries	48,825	-
Capital repayment to a non-controlling interest	(280)	-
Net cash (used in)/generated from financing activities	<u>(160,431)</u>	<u>845,007</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(834,588)	544,116
EFFECTS OF EXCHANGE RATE CHANGES	(2,984)	5,281
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>1,894,670</u>	<u>2,732,242</u>
Cash & bank balances	654,550	643,881
Fixed deposits	1,302,753	2,166,382
Total cash and bank balances	1,957,303	2,810,263
Bank overdrafts	(61,591)	(77,486)
Less: Deposits with maturity of over 3 months	(1,042)	(535)
Cash and cash equivalents	1,894,670	2,732,242

(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 December 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 December 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 December 2022.

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

During the financial period ended 31 December 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 Dividends Paid

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

- RM73,336,081 was paid on 14 April 2022 as single-tier second interim 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 single-tier first interim cash dividend of 2.00 sen per ordinary share for the financial year ended 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 31 December 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	1,165,313	689,977	1,281,604	902,111	406,167	-	19,305	730,474	-	5,194,951	-	5,194,951
Inter-segment revenue	185,432	151,449	1,729,613	164,782	40,978	-	313,913	327,838	(2,914,005)	-	-	-
Total revenue	1,350,745	841,426	3,011,217	1,066,893	447,145	-	333,218	1,058,312	(2,914,005)	5,194,951	-	5,194,951
Results												
Operating segment results	120,108	200,428	190,132	46,589	16,016	-	(88,406)	98,552	-	583,419	-	583,419
Finance income	47,319	69,739	16,347	9,898	6,243	-	124,868	11,587	(98,322)	187,679	-	187,679
Finance costs	(65,818)	(154,799)	(18,411)	(15,044)	(7,896)	-	(12,644)	(25,860)	98,322	(202,150)	-	(202,150)
Share of results of:												
- associated companies	3	117,566	477	-	-	-	-	1,140	-	119,186	-	119,186
- joint ventures	53,664	3,962	(1,979)	-	(688)	176,698	-	-	-	231,657	-	231,657
Profit before taxation	155,276	236,896	186,566	41,443	13,675	176,698	23,818	85,419	-	919,791	-	919,791
Taxation	(47,829)	(42,072)	(46,253)	(9,066)	(5,772)	-	(3,387)	(12,572)	-	(166,951)	-	(166,951)
Profit for the period	107,447	194,824	140,313	32,377	7,903	176,698	20,431	72,847	-	752,840	-	752,840
Non-controlling interests	2,380	180	(61,425)	317	(299)	-	(11,255)	(6,047)	-	(76,149)	-	(76,149)
Attributable to owners of the parent	109,827	195,004	78,888	32,694	7,604	176,698	9,176	66,800	-	676,691	-	676,691

	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	4,420,075	853,484	706,276	645,271
Singapore	224,524	30,324	29,355	30,063
China	100,053	1,305	(166)	400
India	293,292	26,582	20,704	10,045
Australia	36,866	16,132	12,075	6,139
Indonesia	48,946	6,895	4,883	4,883
United Kingdom	31,115	(16,032)	(20,949)	(21,177)
Other countries	40,080	1,101	662	1,067
	5,194,951	919,791	752,840	676,691

A8 Segmental Reporting (contd.)

Segmental assets and liabilities for the financial period ended 31 December 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	7,212,475	3,375,585	2,126,116	952,177	434,481	-	11,671,399	1,359,807	(10,536,331)	16,595,709
Investment in associates	-	2,625,898	-	-	-	-	9,952	54,554	-	2,690,404
Investment in joint ventures	2,244,228	135,419	215,792	51	14,087	4,043,504	50	-	-	6,653,131
Unallocated assets										119,130
Total assets										26,058,374
Liabilities										
Segment liabilities	5,250,060	3,987,980	1,584,935	642,511	338,384	-	10,192,415	752,465	(10,503,950)	12,244,800
Unallocated liabilities										251,526
Total liabilities										12,496,326

A8 Segmental Reporting (contd.)

Segmental results by foreign currency for the financial period ended 31 December 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)	1,165,313	98,878	55,668	63,983	1,165,313	98,878	55,668	63,983
Australian Dollar (AUD'000)	-	5,054	3,539	1,592	-	15,411	10,792	4,856
Hong Kong Dollar (HKD'000)	-	108	108	108	-	61	61	61
India Rupee (INR'000)	-	(107)	(107)	(107)	-	(6)	(6)	(6)
Chinese Renminbi (RMB'000)	-	898	898	898	-	587	587	587
Singapore Dollar (SGD'000)	-	12,588	12,588	12,588	-	40,347	40,347	40,347
US Dollar (USD'000)	-	-	-	-	-	(2)	(2)	(1)
					1,165,313	155,276	107,447	109,827

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)	647,958	266,709	229,920	229,951	647,958	266,709	229,920	229,951
Pound Sterling (GBP'000)	5,722	(2,948)	(3,853)	(3,895)	31,115	(16,032)	(20,949)	(21,177)
Singapore Dollar (SGD'000)	-	(3,749)	(3,861)	(3,861)	-	(12,016)	(12,374)	(12,374)
US Dollar (USD'000)	1,820	(164)	(166)	(81)	8,042	(725)	(733)	(356)
Vietnam Dong (VND'000,000)	15,194	(5,521)	(5,521)	(5,521)	2,862	(1,040)	(1,040)	(1,040)
					689,977	236,896	194,824	195,004

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)	806,729	161,595	121,221	69,720	806,729	161,595	121,221	69,720
United Arab Emirates Dirham (AED'000)	-	(32)	(33)	(18)	-	(39)	(40)	(22)
India Rupee (INR'000)	5,242,818	475,281	370,207	179,669	293,292	26,588	20,710	10,051
Singapore Dollar (SGD'000)	56,652	(486)	(486)	(265)	181,583	(1,558)	(1,558)	(850)
US Dollar (USD'000)	-	(5)	(5)	(2)	-	(20)	(20)	(11)
					1,281,604	186,566	140,313	78,888

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)	678,899	23,981	18,784	18,610	678,899	23,981	18,784	18,610
Australian Dollar (AUD'000)	12,089	236	421	421	36,866	721	1,283	1,283
Indonesia Rupiah (IDR'000,000)	165,265	23,281	16,487	16,487	48,946	6,895	4,883	4,883
Chinese Renminbi (RMB'000)	99,827	4,944	2,837	3,587	65,283	3,233	1,855	2,346
Singapore Dollar (SGD'000)	13,397	1,196	1,006	1,006	42,941	3,835	3,224	3,224
Thai Baht (THB'000)	189,315	20,611	17,189	17,189	23,789	2,590	2,160	2,160
Vietnam Dong (VND'000,000)	28,600	998	998	998	5,387	188	188	188
					902,111	41,443	32,377	32,694

A8 Segmental Reporting (contd.)

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

QUARRY SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)	406,167	13,526	7,754	7,455	406,167	13,526	7,754	7,455
Trinidad & Tobago Dollar (TTD'000)	-	227	227	227	-	149	149	149
					406,167	13,675	7,903	7,604

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)	-	176,698	176,698	176,698	-	176,698	176,698	176,698
					-	176,698	176,698	176,698

INVESTMENT HOLDINGS SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit/(Loss) before tax	Profit/(Loss) after tax	Attributable to owners of the parent	Revenue	Profit/(Loss) before tax	Profit/(Loss) after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)	17,306	25,288	21,988	10,717	17,306	25,288	21,988	10,717
Hong Kong Dollar (HKD'000)	-	(2,403)	(2,415)	(2,387)	-	(1,356)	(1,363)	(1,347)
Chinese Renminbi (RMB'000)	3,057	(174)	(297)	(297)	1,999	(114)	(194)	(194)
					19,305	23,818	20,431	9,176

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)	697,703	86,809	74,243	68,137	697,703	86,809	74,243	68,137
Chinese Renminbi (RMB'000)	50,112	(1,691)	(1,700)	(1,610)	32,771	(1,106)	(1,112)	(1,053)
Singapore Dollar (SGD'000)	-	(89)	(89)	(89)	-	(284)	(284)	(284)
					730,474	85,419	72,847	66,800

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, except for the total net fair value gain of approximately RM5.9 million (including the Group's share in associates and joint ventures) recognised during the year based on a professional valuer's opinion.

A10 Material Events Subsequent to the end of the Reporting Period

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

On 11 November 2022, SunwayMas Sdn. Bhd., a wholly-owned subsidiary of Sunway Holdings Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Group, entered into a SLA with Perkasa Bernas (M) Sdn. Bhd. and Daksina Harta Sdn. Bhd. ("Daksina Harta"), a joint venture of the Group, to vary certain terms of the Shareholders' Agreement dated 26 October 2018, which resulted in the Group obtaining control of Daksina Harta in accordance with MFRS 10.

Consequently, Sunway Artessa and Sunway Velocity Two became subsidiaries of the Group on 18 February 2022, while Daksina Harta became subsidiary of the Group on 11 November 2022.

The financial effects arising from the remeasurement of existing stakes in Sunway Artessa, Sunway Velocity Two and Daksina Harta in accordance with MFRS 3 *Business Combinations* amounted to a net gain of RM6.0 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 RM875.9 million and contract assets amounting to RM220.4 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

	31/12/2022 RM'000	31/12/2021 RM'000
Guarantees given to third parties in respect of trade and contracts	811,524	735,425
Guarantees given to financial institutions for borrowings obtained by joint ventures	2,549,800	1,717,480
	<u>3,361,324</u>	<u>2,452,905</u>

(b) Claim

	31/12/2022 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 held on 4, 5, 6, 12 and 13 January 2023 has been concluded. Upon conclusion of the trial, the High Court judge directed Sunway REIT and Metroplex to appear before the High Court for oral submission on 9 May 2023. At this stage, the financial impact cannot be determined pending the outcome of the said proceedings and decision of the High Court.

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

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

A13 Commitments

(a) Capital commitments not provided for in the financial year as at 31 December 2022 are as follows:

	31/12/2022 RM'000	31/12/2021 RM'000
Approved and contracted for property, plant and equipment and investment properties	35,135	156,035
Approved but not contracted for property, plant and equipment and investment properties	60,346	86,467
	<u>95,481</u>	<u>242,502</u>

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

	31/12/2022 RM'000	31/12/2021 RM'000
Approved and contracted for property, plant and equipment and investment properties	75,372	126,789
Approved but not contracted for property, plant and equipment and investment properties	136,338	82,642
	<u>211,710</u>	<u>209,431</u>

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

	31/12/2022 RM'000	31/12/2021 RM'000
Approved and contracted for property, plant and equipment and investment properties	553,674	892,914
Approved but not contracted for property, plant and equipment and investment properties	802,970	864,348
	<u>1,356,644</u>	<u>1,757,262</u>

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

	31/12/2022 RM'000	31/12/2021 RM'000
Future minimum lease receipts:		
- not later than 1 year	54,658	53,375
- later than 1 year and not later than 5 years	227,573	221,460
- later than 5 years	-	57,624
	<u>282,231</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	
	31/12/2022 RM'000	31/12/2021 RM'000	31/12/2022 RM'000	31/12/2021 RM'000
(i) Sunway Real Estate Investment Trust				
("Sunway REIT") (RHB Trustees Bhd) ^				
Lease of Sunway Resort Hotel & Spa	(2,068)	(2,670)	(8,295)	(8,294)
Lease of Sunway Putra Hotel	(3,369)	(1,865)	(7,757)	(9,690)
Lease of Sunway Hotel Georgetown	(823)	(823)	(3,291)	(3,291)
Lease of Sunway Pyramid's ice rink	(400)	93	(1,623)	(392)
Lease/Rental of properties in respect of:				
Sunway Medical Centre building	-	(6,386)	-	(25,643)
Menara Sunway and accommodation for security staff	(1,407)	(2,555)	(6,991)	(7,505)
Rental and management of car parks and related services	(9,542)	(6,254)	(34,522)	(17,034)
Provision of property management and related services	1,481	1,130	5,133	4,225
Provision of loyalty card points	286	527	1,237	1,309
Sales of financial, human resources and IT related services	361	798	1,830	1,993
Marketing, distribution and sale of construction related products and industrial products	(50)	401	548	2,230
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	31,902	87,992	172,839	215,058
Management services	7,309	2,548	16,183	11,090
Distribution income from perpetual note	2,613	1,102	9,549	9,895
(ii) Sunway Iskandar Sdn. Bhd. Group				
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	4,406	10,403	37,143	34,268
Management services	2,222	1,707	11,743	6,022
Property management and related services	346	391	1,642	1,337

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

	Current Quarter Ended		Cumulative Year To Date	
	31/12/2022 RM'000	31/12/2021 RM'000	31/12/2022 RM'000	31/12/2021 RM'000
(iii) Sunway Velocity Hotel Sdn. Bhd. Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	-	-	1,499	-
(iv) Sunway Velocity Mall Sdn. Bhd. Corporate guarantee commission fee	1,666	1,436	1,666	1,436
(v) Sunway Healthcare Holdings Sdn. Bhd. Group				
Provision of medical services	(9)	-	(1,544)	-
Sponsorship of nurse program	(1,711)	-	(4,656)	-
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	73,914	-	338,718	-
Rental of office space premises and related services	703	-	4,223	-
Provision of property management and related services	921	-	5,099	-
Sales of financial, human resources and IT related services	1,061	-	4,330	-
Management services	1,184	-	3,151	-
(vi) GME - SE Joint Venture (SWT) Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	-	(39,834)	(14,217)	(39,834)

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

	Current Quarter Ended		Cumulative Year To Date	
	31/12/2022 RM'000	31/12/2021 RM'000	31/12/2022 RM'000	31/12/2021 RM'000
(i) Active Equity Sdn. Bhd. Group *				
Information systems products and consultancy fees	(3,111)	(3,083)	(10,038)	(11,369)
Sales of financial and IT related services	294	750	1,107	1,174
Distribution paid/payable by wholesale funds	-	(61)	(139)	(923)
(ii) Jef-San Enterprise Sdn. Bhd. # Distribution paid/payable by wholesale funds	-	(395)	(327)	(1,891)
(iii) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling Distribution paid/payable in respect of Perpetual Sukuk	(7,763)	(7,763)	(30,800)	(30,800)

[^] 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) %
	31/12/2022 RM'000	31/12/2021 RM'000	
Revenue from Continuing Operations			
Property Development	442,654	184,143	140.4
Property Investment	230,661	133,368	73.0
Construction	291,013	379,577	(23.3)
Trading and Manufacturing	233,452	230,709	1.2
Quarry	123,373	105,731	16.7
Others	210,440	213,444	(1.4)
	<u>1,531,593</u>	<u>1,246,972</u>	22.8
Profit before tax from Continuing Operations			
Property Development	70,378	65,875	6.8
Property Investment	52,761	35,128	50.2
Construction	58,723	91,095	(35.5)
Trading and Manufacturing	9,079	9,162	(0.9)
Quarry	5,123	4,395	16.6
Healthcare*	71,713	-	N/A
Others	26,124	49,176	(46.9)
	<u>293,901</u>	<u>254,831</u>	15.3
Profit from Discontinued Operations, Net of Tax			
Healthcare	-	2,319,735	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 RM1,531.6 million and profit before tax of RM293.9 million from Continuing Operations for the current quarter ended 31 December 2022 compared to revenue of RM1,247.0 million and profit before tax of RM254.8 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 22.8% and profit before tax of 15.3%. Revenue was higher in the current quarter mainly due to higher contribution from most business segments except from construction and others segments. As a result, profit before tax in the current quarter was also higher. However, several business segments such as construction, trading and manufacturing and others delivered lower profit contributions.

It should also be noted that due to MFRS 15, the development profit from two of the Group's on-going Singapore property development projects will only be recognised upon completion and handover of the projects. As a result, the accumulated progressive profit related to these projects as at the end of the current quarter of RM109.6 million, of which RM7.9 million was recorded in the current quarter, was not recognised.

The property development segment reported revenue of RM442.7 million and profit before tax of RM70.4 million in the current quarter compared to revenue of RM184.1 million and profit before tax of RM65.9 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 140.4% and profit before tax of 6.8%. The higher revenue in the current quarter was mainly due to completion and handover of a local development project and revenue recognition from three joint venture companies which became subsidiaries in 2022 (as disclosed in Note A11). However, profit before tax in the current quarter was only marginally higher compared to the previous corresponding quarter mainly due to lower profit contributions from local development projects.

The property investment segment reported revenue of RM230.7 million and profit before tax of RM52.8 million in the current quarter compared to revenue of RM133.4 million and profit before tax of RM35.1 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 73.0% and profit before tax of 50.2%. The higher revenue in the current quarter was due to strong recovery for the leisure and hospitality businesses with increased visitorship to the theme parks and higher occupancy rates at the Group's hotels and higher revenue from operations of property investment assets. As a result, the current quarter financial performance is better despite recording an overall fair value loss of RM22.9 million, compared to an overall fair value gain of RM18.2 million for the various investment properties and assets owned by the Group in the corresponding quarter of the previous financial year.

The construction segment recorded revenue of RM291.0 million and profit before tax of RM58.7 million in the current quarter compared to revenue of RM379.6 million and profit before tax of RM91.1 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 23.3% and profit before tax of 35.5%. The financial performance in the current quarter was lower due to lower progress billings from local construction projects.

The trading and manufacturing segment recorded revenue of RM233.5 million and profit before tax of RM9.1 million in the current quarter compared to revenue of RM230.7 million and profit before tax of RM9.2 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 1.2% and decrease in profit before tax of 0.9%. The financial performance was relatively stable.

The quarry segment reported revenue of RM123.4 million and profit before tax of RM5.1 million in the current quarter compared to revenue of RM105.7 million and profit before tax of RM4.4 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 16.7% and profit before tax of 16.6%. The financial performance in the current quarter was better mainly due to higher average selling prices of aggregates and premix.

B1 Review of Performance (contd.)

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

For the quarter (contd.)

The others segments recorded revenue of RM210.4 million and profit before tax of RM26.1 million in the current quarter compared to revenue of RM213.4 million and profit before tax of RM49.2 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 1.4% and profit before tax of 46.9%. 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 RM71.7 million in the current quarter compared to the net profit of RM2,319.7 million in the corresponding quarter of the previous financial year. However, it should be noted that the profit for the current quarter includes a one-off net remeasurement gain of leases as per MFRS 16 of RM36.7 million following the termination of the long term rental agreement of Tower A and B which were occupied by Sunway Medical Centre (SMC). Whereas, the net profit in the corresponding quarter of the previous year included a one-off net gain arising from the partial divestment of Sunway Healthcare Group of RM2,286.1 million.

Excluding these respective one-off net gains, the share of net operating profit in the current quarter was RM35.0 million compared to net operating profit of RM33.6 million in the corresponding quarter of the previous year. Despite accounting for the share of start-up losses of RM8.4 million from the commencement of operation of SMC Penang in November 2022 and share of tax provision of RM6.7 million following the normalisation of SMC's tax paying status when its investment tax allowance (ITA) was fully exhausted in the first half of 2022, the share of net profit in the current quarter still managed to deliver commendable increase compared to the corresponding quarter of the previous year. The strong performance was due to higher number of patients treated at both SMC and SMC Velocity in the current quarter.

For 12 months period

	For 12 months period ended		Increase/ (Decrease) %
	31/12/2022 RM'000	31/12/2021 RM'000	
Revenue from Continuing Operations			
Property Development	1,165,313	625,749	86.2
Property Investment	689,977	312,349	120.9
Construction	1,281,604	1,111,698	15.3
Trading and Manufacturing	902,111	840,586	7.3
Quarry	406,167	337,757	20.3
Others	749,779	489,169	53.3
	<u>5,194,951</u>	<u>3,717,308</u>	39.8
Profit/(loss) before tax from Continuing Operations			
Property Development	155,276	154,062	0.8
Property Investment	236,896	(10,034)	N/A
Construction	186,566	148,750	25.4
Trading and Manufacturing	41,443	37,999	9.1
Quarry	13,675	9,383	45.7
Healthcare*	176,698	-	N/A
Others	109,237	123,739	(11.7)
	<u>919,791</u>	<u>463,899</u>	98.3
Profit from Discontinued Operations, Net of Tax			
Healthcare	<u>-</u>	<u>2,390,486</u>	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 RM5,195.0 million and profit before tax of RM919.8 million from Continuing Operations for the current 12 months period ended 31 December 2022 compared to revenue of RM3,717.3 million and profit before tax of RM463.9 million in the corresponding 12 months period ended 31 December 2021, representing an increase in revenue of 39.8% and profit before tax of 98.3%. 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 also higher with higher profit contributions from all the business segments except from others segment.

The property development segment reported revenue of RM1,165.3 million and profit before tax of RM155.3 million for the current 12 months period ended 31 December 2022 compared to revenue of RM625.7 million and profit before tax of RM154.1 million in the corresponding 12 months period ended 31 December 2021, representing an increase in revenue of 86.2% and profit before tax of 0.8%. Revenue in the current period was higher mainly due to higher sales and progress billings from on-going local development projects, completion and handover of a local development project and revenue recognition from three joint venture companies which became subsidiaries during the year. Despite higher progressive profit recognition from one of the Group's Singapore private condominium projects and higher share of results from one of the Group's overseas joint venture companies, profit before tax was only marginally higher in the current period due to lower profit contributions from local development projects.

B1 Review of Performance (contd.)

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

For 12 months period (contd.)

The property investment segment reported revenue of RM690.0 million and profit before tax of RM236.9 million for the current 12 months period ended 31 December 2022 compared to revenue of RM312.3 million and loss before tax of RM10.0 million in the corresponding 12 months period ended 31 December 2021, representing an increase in revenue of 120.9% 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 12 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 asset of RM28.1 million, stronger contribution from its associate company, Sunway REIT and lower share of fair value loss on revaluation of Sunway REIT properties of RM9.1 million, compared to RM23.1 million in the corresponding period of the previous financial year.

The construction segment recorded revenue of RM1,281.6 million and profit before tax of RM186.6 million for the current 12 months period ended 31 December 2022 compared to revenue of RM1,111.7 million and profit before tax of RM148.8 million in the corresponding 12 months period ended 31 December 2021, representing an increase in revenue of 15.3% and profit before tax of 25.4%. 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 RM902.1 million and profit before tax of RM41.4 million for the current 12 months period ended 31 December 2022 compared to revenue of RM840.6 million and profit before tax of RM38.0 million in the corresponding 12 months period ended 31 December 2021, representing an increase in revenue and profit before tax of 7.3% and 9.1% 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 RM406.2 million and profit before tax of RM13.7 million for the current 12 months period ended 31 December 2022 compared to revenue of RM337.8 million and profit before tax of RM9.4 million in the corresponding 12 months period ended 31 December 2021, representing an increase in revenue of 20.3% and profit before tax of 45.7%. 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 also 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 RM749.8 million and profit before tax of RM109.2 million for the current 12 months period ended 31 December 2022 compared to revenue of RM489.2 million and profit before tax of RM123.7 million in the corresponding 12 months period ended 31 December 2021, representing an increase in revenue of 53.3% and decrease in profit before tax of 11.7%. The higher financial performance in the current period was mainly contributed by the improved operating performance of the building materials segment, as well as 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 partially offset the lower contribution from the Group's treasury functions.

The healthcare segment reported a share of net profit of RM176.7 million in the current period compared to RM2,390.5 million in the corresponding period of the previous financial year. Excluding the one-off net gain arising from the partial divestment of Sunway Healthcare Group of RM2,286.1 million in the corresponding period of the previous financial year and share of one-off net remeasurement gain of leases as per MFRS 16 of RM36.7 million, the better operating performance in the current period was due to a higher number of patients treated at both SMC and SMC Velocity in the current period. However, the strong healthcare performance was partly offset by the share of operating loss from the newly opened SMC Penang which amounted to RM11.2 million and share of the commencement of tax provision of RM29.2 million following the normalisation of SMC's tax paying status when its investment tax allowance (ITA) was fully exhausted in the first half of 2022.

B2 Material Changes in the Quarterly Results

	Quarter ended		Increase/ (Decrease) %
	31/12/2022 RM'000	30/09/2022 RM'000	
Revenue			
Property Development	442,654	278,063	59.2
Property Investment	230,661	188,611	22.3
Construction	291,013	305,131	(4.6)
Trading and Manufacturing	233,452	198,821	17.4
Quarry	123,373	105,579	16.9
Others	210,440	194,319	8.3
	<u>1,531,593</u>	<u>1,270,524</u>	20.5
Profit before tax			
Property Development	70,378	35,783	96.7
Property Investment	52,761	85,687	(38.4)
Construction	58,723	35,615	64.9
Trading and Manufacturing	9,079	12,379	(26.7)
Quarry	5,123	1,890	171.1
Healthcare*	71,713	41,446	73.0
Others	26,124	10,975	138.0
	<u>293,901</u>	<u>223,775</u>	31.3

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

B2 Material Changes in the Quarterly Results (contd.)

The Group recorded revenue of RM1,531.6 million and profit before tax of RM293.9 million for the current quarter compared to revenue of RM1,270.5 million and profit before tax of RM223.8 million in the preceding quarter, representing an increase in revenue of 20.5% and profit before tax of 31.3%. Revenue was higher in the current quarter due to higher contributions from most business segments except for construction segment. Profit before tax was higher due to higher contributions from most business segments which offset the lower contributions from property investment and trading and manufacturing segments.

The property development segment reported revenue of RM442.7 million and profit before tax of RM70.4 million for the current quarter compared to revenue of RM278.1 million and profit before tax of RM35.8 million in the preceding quarter, representing an increase in revenue of 59.2% and profit before tax of 96.7%. The better financial performance was mainly due to higher progress billings from on-going local development projects in the current quarter and higher recognition from the completion and handover of a local development project.

The property investment segment reported revenue of RM230.7 million and profit before tax of RM52.8 million for the current quarter compared to revenue of RM188.6 million and profit before tax of RM85.7 million in the preceding quarter, representing an increase in revenue of 22.3% and decrease in profit before tax of 38.4%. The higher revenue in the current quarter was mainly contributed by improved performance of the leisure and hospitality segments which saw higher visitorships and higher occupancy rates. Profit before tax in the current quarter was lower mainly due to an overall fair value loss of RM22.9 million for the various investment properties and assets owned by the Group and lower contribution from its associate company, Sunway REIT.

The construction segment recorded revenue of RM291.0 million and profit before tax of RM58.7 million for the current quarter compared to revenue of RM305.1 million and profit before tax of RM35.6 million in the preceding quarter, representing a decrease in revenue of 4.6% and increase in profit before tax of 64.9%. The lower revenue recorded in the current quarter was mainly due to lower progress billings for some local projects. However, profit before tax is higher due to higher profit margins.

The trading and manufacturing segment recorded revenue of RM233.5 million and profit before tax of RM9.1 million for the current quarter compared to revenue of RM198.8 million and profit before tax of RM12.4 million in the preceding quarter, representing an increase in revenue of 17.4% and decrease in profit before tax of 26.7%. Revenue in the current quarter was higher due to higher sales in the domestic market compared to preceding quarter. However, profit before tax was lower in the current quarter mainly due to lower profit margins.

The quarry segment reported revenue of RM123.4 million and profit before tax of RM5.1 million for the current quarter compared to revenue of RM105.6 million and profit before tax of RM1.9 million in the preceding quarter, representing an increase in revenue of 16.9% and profit before tax of 171.1%. The financial performance in the current quarter was higher mainly due to higher sales volume and average selling price of aggregates and premix.

The other segments recorded revenue of RM210.4 million and profit before tax of RM26.1 million for the current quarter compared to revenue of RM194.3 million and profit before tax of RM11.0 million in the preceding quarter, representing an increase in revenue of 8.3% and profit before tax of 138.0%. The higher revenue in the current quarter was mainly contributed by higher contribution from the community pharmacy business. The higher profit before tax in the current quarter was also boosted by better contribution from the Group's treasury functions.

The healthcare segment reported a share of net profit of RM71.7 million in the current quarter which was higher than the share of net profit of RM41.4 million in the preceding quarter by 73.0%. The financial performance in the current quarter recorded a share of one-off net remeasurement gain of leases as per MFRS 16 of RM36.7 million. Excluding the one-off gain and the share of additional operating loss of RM6.3 million for SMC Penang, the performance of the healthcare segment in the current quarter was comparable with the preceding quarter.

B3 Prospects

The Malaysian economic growth rate in the fourth quarter moderated to 7.0% compared with the exceptionally strong growth rate of 14.2% in the preceding third quarter. The expected lower growth rate is still commendable given the various prevailing headwinds such as rising inflationary expectations and higher interest rates which have been impacting both the domestic as well as the global economy. Despite the challenging economic environment, Bank Negara expects economic growth to be sustained between 4% to 5% in 2023, which is lower than the high growth rate of 8.7% in 2022.

Although the local economy is expected to grow at a moderate rate, the Group is cautiously optimistic that it can sustain its growth momentum going forward. In particular, the Group expects several of its business segments such as its leisure, hospitality and healthcare businesses to continue to benefit from the improving inbound leisure and medical-related tourism especially with the reopening of China's international borders which will boost further tourist arrivals.

It is also encouraging to note that after four consecutive rate hikes last year, Bank Negara kept the OPR (overnight policy rate) unchanged at 2.75% at its recent January 2023 Monetary Policy Committee meeting. Interest rates are expected to peak lower which is positive for consumer and business confidence.

The Group expects the financial performance of 2023 to be satisfactory.

B4 Variance of Actual Profit from Profit Forecast

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

B5 Taxation

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

	Current Quarter Ended		Cumulative Year To Date	
	31/12/2022 RM'000	31/12/2021 RM'000	31/12/2022 RM'000	31/12/2021 RM'000
Current taxation	(71,841)	(37,407)	(176,892)	(113,344)
Under provision of tax in prior years	(4,345)	(12,833)	(9,440)	(10,569)
Deferred taxation	2,511	(22,818)	19,381	7,684
	(73,675)	(73,058)	(166,951)	(116,229)

B6 Profit before Taxation

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

	Current Quarter Ended 31/12/2022 RM'000	Cumulative Year To Date 31/12/2022 RM'000
Depreciation and amortisation	(35,773)	(130,227)
Net (provision)/reversal of impairment for financial assets & contract assets:		
- Trade receivables	(1,113)	(11,372)
- Other receivables	(24,686)	(23,720)
- Advances to joint ventures	69	360
- Contract assets	31	(7)
- Quasi loan	(295)	(295)
Net provision of impairment for:		
- Investment in an associate	(17,482)	(17,482)
- Inventories	(1,130)	(4,356)
Write off:		
- Trade receivables	390	(204)
- Inventories	(421)	(821)
- Property, plant and equipment	(258)	(467)
Net gain on disposal of property, plant and equipment	329	30,417
Net foreign exchange (loss)/gain:		
- Others	(1,052)	94
- Unrealised for hedged items	45,474	(24,307)
Cash flow hedge reserve recycled to profit or loss	(45,474)	24,307
Net gain on derivatives	8,389	9,049
Distribution paid in respect of Perpetual Sukuk	(7,763)	(30,800)
Gain on disposal of other investment	-	26,627
Net gain arising from remeasurement of existing stakes in Sunway Artessa, Sunway Velocity Two and Daksina Harta	(8,395)	6,005

B7 Status of Corporate Proposal Announced

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.

B7 Status of Corporate Proposal Announced (contd.)

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

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

B8 Group Borrowings and Debt Securities

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

	Current RM'000	Non-current RM'000	Total RM'000
Secured borrowings			
<u>Islamic:</u>			
Term loans	18,822	202,882	221,704
Revolving credits	-	442,300	442,300
Medium term notes	935,000	1,335,000	2,270,000
	953,822	1,980,182	2,934,004
<u>Conventional:</u>			
Bank overdrafts	61,591	-	61,591
Term loans	289,701	657,860	947,561
Revolving credits	1,250,334	1,522	1,251,856
Medium term notes	-	500,000	500,000
Bankers' acceptances	3,271	-	3,271
Receivable financing	20,000	-	20,000
Hire purchase	161	273	434
	1,625,058	1,159,655	2,784,713
Total secured borrowings	2,578,880	3,139,837	5,718,717
Unsecured borrowings			
<u>Islamic:</u>			
Revolving credits	12,000	-	12,000
Medium term notes	245,000	200,000	445,000
Commercial papers	591,000	-	591,000
	848,000	200,000	1,048,000
<u>Conventional:</u>			
Term loans	596,480	197,646	794,126
Revolving credits	661,190	-	661,190
Bankers' acceptances	156,318	-	156,318
Bills discounting	77,827	-	77,827
	1,491,815	197,646	1,689,461
Total unsecured borrowings	2,339,815	397,646	2,737,461
Total borrowings	4,918,695	3,537,483	8,456,178
Islamic borrowings	1,801,822	2,180,182	3,982,004
Conventional borrowings	3,116,873	1,357,301	4,474,174
Total borrowings	4,918,695	3,537,483	8,456,178
Perpetual sukuk	-	600,000	600,000
Total borrowings and perpetual sukuk	4,918,695	4,137,483	9,056,178

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

	Foreign currency		RM'000		Total
	Current	Non-current	Current	Non-current	
Secured					
US Dollar (USD'000) *					
- Term loans	30,500	10,000	134,902	44,230	179,132
- Revolving credits	39,000	100,000	172,497	442,300	614,797
Singapore Dollar (SGD'000) **					
- Term loans	-	44,514	-	146,632	146,632
- Revolving credits	7,900	-	26,023	-	26,023
Australia Dollar (AUD'000) #					
- Revolving credits	101,696	-	304,692	-	304,692
- Bankers' acceptance	1,092	-	3,271	-	3,271
- Receivable financing	6,675	-	20,000	-	20,000
Pound Sterling (GBP'000) **					
- Term loans	29,000	47,322	154,753	252,522	407,275
Indian Rupee (INR'000) **					
- Term loans	-	3,032,000	-	161,909	161,909

B8 Group Borrowings and Debt Securities (contd.)

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

	Foreign currency		RM'000		
	Current	Non-current	Current	Non-current	Total
Unsecured					
US Dollar (USD'000) *					
- Revolving credits	50,000	-	221,150	-	221,150
Singapore Dollar (SGD'000) **					
- Term loans	25,000	60,000	82,353	197,646	279,999
- Revolving credits	87,000	-	286,587	-	286,587
- Bills discounting	995	-	3,277	-	3,277
Chinese Renminbi (RMB'000) #					
- Revolving credits	103,804	-	65,967	-	65,967
Australia Dollar (AUD'000) *					
- Revolving credits	29,200	-	87,486	-	87,486
			1,562,958	1,245,239	2,808,197

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

	Current RM'000	Non-current RM'000	Total RM'000
Secured borrowings			
<u>Islamic:</u>			
Term loans	-	143,055	143,055
Medium term notes	745,000	1,800,000	2,545,000
Revolving credits	-	417,850	417,850
	745,000	2,360,905	3,105,905
<u>Conventional:</u>			
Bank overdrafts	77,486	-	77,486
Term loans	28,620	724,889	753,509
Revolving credits	782,815	379,256	1,162,071
Bankers' acceptances	955	-	955
Hire purchase	409	497	906
	890,285	1,104,642	1,994,927
Total secured borrowings	1,635,285	3,465,547	5,100,832
Unsecured borrowings			
<u>Islamic:</u>			
Medium term notes	235,000	445,000	680,000
Commercial papers	871,000	-	871,000
	1,106,000	445,000	1,551,000
<u>Conventional:</u>			
Term loans	514,128	111,363	625,491
Revolving credits	604,190	-	604,190
Bankers' acceptances	168,457	-	168,457
Bills discounting	65,525	-	65,525
	1,352,300	111,363	1,463,663
Total unsecured borrowings	2,458,300	556,363	3,014,663
Total borrowings	4,093,585	4,021,910	8,115,495
Islamic borrowings	1,851,000	2,805,905	4,656,905
Conventional borrowings	2,242,585	1,216,005	3,458,590
Total borrowings	4,093,585	4,021,910	8,115,495
Perpetual sukuk	-	600,000	600,000
Total borrowings and perpetual sukuk	4,093,585	4,621,910	8,715,495

B8 Group Borrowings and Debt Securities (contd.)

Included in the Group borrowings as at 31 December 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	-	200,568	200,568
- Revolving credits	-	191,167	-	798,791	798,791
Singapore Dollar (SGD'000) **					
- Term loans	-	22,000	-	68,055	68,055
- Revolving credits	10,250	-	31,707	-	31,707
Australia Dollar (AUD'000) **					
- Bankers' acceptance	315	-	955	-	955
Pound Sterling (GBP'000) **					
- Term loans	5,000	60,062	28,224	339,030	367,254
Unsecured					
US Dollar (USD'000) *					
- Revolving credits	50,000	-	208,925	-	208,925
Singapore Dollar (SGD'000) **					
- Term loans	-	36,000	-	111,362	111,362
- Revolving credits	20,000	-	61,868	-	61,868
Chinese Renminbi (RMB'000) #					
- Revolving credits	12,225	-	8,020	-	8,020
Australia Dollar (AUD'000) *					
- Revolving credits	29,200	-	88,581	-	88,581
			428,280	1,517,806	1,946,086

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 RM0.34 billion, from RM8.12 billion as at 31 December 2021 to RM8.46 billion as at 31 December 2022.

The weighted average interest rate of borrowings (including perpetual sukuk) as at 31 December 2022 is 3.99%. 40% of the Group's borrowings (including perpetual sukuk) are fixed rate instruments, whereas 60% are floating rate instruments.

Out of the total borrowings of RM8.46 billion, RM2.81 billion (Current: RM1.56 billion; Non-current: RM1.25 billion) are denominated in foreign currencies. The group entered into cross currency swap contracts to manage its exposure in foreign currency risk arising from foreign currency borrowings. The average exchange rate entered for cross currency swap contracts for USD borrowings is 4.474, AUD borrowings is 3.051 and CNY borrowings is 0.946.

B9 Derivative Financial Instruments

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

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	(Loss)/Gain for the period RM'000	Cash Flow Hedge Reserve RM'000
Foreign currency forward contracts				
- Less than 1 year	264,075	(8,576)	(892)	7,616
Cross currency swap contracts #				
- Less than 1 year	1,425,590	(25,090)	-	1,014
- 1 year to 5 years	41,875	2,086	-	269
Derivative liabilities on exit clauses in relation to the partial divestment of Sunway Healthcare Group	-	(223,320)	1,044	-
Put option	-	(51,278)	8,898	-
Total derivatives		(306,178)	9,050	8,899

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

B9 Derivative Financial Instruments (contd.)

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:

	31/12/2022	31/12/2021
	RM'000	RM'000
Current	1,366,124	986,700
1 to 30 days past due	136,113	110,337
31 to 60 days past due	76,651	68,146
61 to 90 days past due	37,792	29,190
91 to 120 days past due	24,989	20,910
More than 120 days past due	163,370	211,656
	<u>438,915</u>	<u>440,239</u>
Gross trade receivables	1,805,039	1,426,939
Impaired	(109,508)	(99,308)
Total trade receivables	<u>1,695,531</u>	<u>1,327,631</u>
Other receivables	554,367	513,091
Amounts due from associates	39,492	54,412
Amounts due from joint ventures	<u>1,597,691</u>	<u>2,293,998</u>
Total receivables	<u>3,887,081</u>	<u>4,189,132</u>
Non-current receivables	1,929,185	1,704,347
Current receivables	<u>1,957,896</u>	<u>2,484,785</u>
Total receivables	<u>3,887,081</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.

B11 Changes in Material Litigation (contd.)

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

(a) (contd.)

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

The Statement of Claim was raised in respect of various claims and the total amount claimed is Rs.89,14,55,047.83 (approximately equivalent to RM47.6 million) in addition to interest and cost.

In the counterclaim, SunCon is seeking for Rs.78,13,94,628.61 (approximately equivalent to RM41.7 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 RM6.9 million).

SunCon has filed an appeal with the High Court of New Delhi in early July 2019 to set aside the arbitral award. 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 RM7.2 million) on 26 February 2020 and the amount has been fully provided in the accounts on prudence grounds. Subject to compliance of the said direction, the Honorable Court has stayed the Arbitral Award dated 9 April 2019.

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

On 27 August 2020, the Court directed the release of Rs.6,71,95,972 (approximately equivalent to RM3.6 million) on the basis of a corporate guarantee to be furnished by Srei Infrastructure Finance Ltd. The balance is to be released subject to furnishing of a bank guarantee. On 3 November 2020, the Court placed on record the corporate guarantee issued on 21 September 2020 and directed the registry to release the amount in terms of the Court order dated 27 August 2020. On 18 November 2020, 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 2 March 2023.

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

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

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

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

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

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

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

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. Matter is currently fixed for case management on 16 March 2023.

B12 Dividend

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

a) A single-tier second interim dividend of 3.50 sen per ordinary share ("Second Interim Dividend").

The Board had resolved that the dividend reinvestment scheme ("DRS"), which was approved by the shareholders of Sunway, at the Extraordinary General Meeting of Sunway held on 26 June 2014, will apply to the Second Interim Dividend, in which Shareholders may elect to reinvest a portion of 2.00 sen per ordinary share into new ordinary shares with the remaining portion of 1.50 sen per ordinary share to be paid in cash.

The details of the DRS will be provided in a separate announcement; and

b) A preferential dividend of 5.25% per annum (based on the issue price of RM1.00) per irredeemable convertible preference share ("ICPS") in respect of the financial period from 1 July 2022 to 31 December 2022.

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

B13 Earnings per share

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2022 RM'000	Preceding Year Corresponding Quarter 31/12/2021 RM'000	Current Year To Date 31/12/2022 RM'000	Preceding Year Corresponding Period 31/12/2021 RM'000
<u>Basic earnings per share</u>				
Profit attributable to owners of the Company				
- Continuing operations	202,980	153,930	676,691	293,504
- Less: Preferential dividends on ICPS	-	-	(51,334)	(29,735)
	202,980	153,930	625,357	263,769
Profit attributable to owners of the Company				
- Discontinued operations	-	2,300,447	-	2,370,942
	202,980	2,454,377	625,357	2,634,711
Weighted average number of ordinary shares ('000)	5,866,854	5,866,849	5,866,853	5,866,745
Earnings per share (Basic) (sen) ¹				
- Continuing operations	3.46	2.62	10.66	4.50
- Discontinued operations	-	39.21	-	40.41
	3.46	41.83	10.66	44.91
<u>Diluted earnings per share</u>				
Profit attributable to owners of the Company				
- Continuing operations	202,980	153,930	676,691	293,504
- Less: Preferential dividends on ICPS	-	-	(51,334)	(29,735)
	202,980	153,930	625,357	263,769
Profit attributable to owners of the Company				
- Discontinued operations	-	2,300,447	-	2,370,942
	202,980	2,454,377	625,357	2,634,711
Weighted average number of ordinary shares ('000)	5,943,159	5,957,365	5,996,370	5,935,520
Earnings per share (Diluted) (sen) ¹				
- Continuing operations	3.42	2.58	10.43	4.44
- Discontinued operations	-	38.62	-	39.94
	3.42	41.20	10.43	44.38

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