

SUNWAY BERHAD ( Company No : 201001037627 (921551-D) )  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023  
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	NOTE	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		CURRENT YEAR QUARTER 30/09/2023	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2022	INCREASE/ (DECREASE)	CURRENT YEAR TO DATE 30/09/2023	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2022	INCREASE/ (DECREASE)
		RM'000	RM'000 (RESTATED)	%	RM'000	RM'000 (RESTATED)	%
REVENUE		1,539,136	1,270,524	21	4,271,045	3,663,358	17
OPERATING EXPENSES <sup>(1)</sup>		(1,428,932)	(1,176,199)	21	(3,965,928)	(3,446,194)	15
OTHER OPERATING INCOME <sup>(1)</sup>		14,273	42,508	(66)	74,443	149,571	(50)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS & CONTRACT ASSETS		(5,361)	(3,079)	74	(7,059)	(9,040)	(22)
PROFIT FROM OPERATIONS		119,116	133,754	(11)	372,501	357,695	4
FINANCE INCOME		61,729	47,807	29	183,895	126,061	46
FINANCE COSTS		(89,777)	(49,298)	82	(230,583)	(139,935)	65
SHARE OF PROFIT FROM ASSOCIATES		38,955	37,447	4	110,259	116,183	(5)
SHARE OF PROFIT FROM JOINT VENTURES		117,777	55,457	112	206,776	152,822	35
PROFIT BEFORE TAX	B6	247,800	225,167	10	642,848	612,826	5
INCOME TAX EXPENSE <sup>(1)</sup>	B5	(40,540)	(41,925)	(3)	(104,601)	(90,140)	16
<b>PROFIT FOR THE PERIOD</b>		<b>207,260</b>	<b>183,242</b>	<b>13</b>	<b>538,247</b>	<b>522,686</b>	<b>3</b>
<b>ATTRIBUTABLE TO:</b>							
- OWNERS OF THE PARENT <sup>(1)</sup>		180,300	165,780	9	471,873	463,783	2
- NON-CONTROLLING INTERESTS		26,960	17,462	54	66,374	58,903	13
		<u>207,260</u>	<u>183,242</u>	<u>13</u>	<u>538,247</u>	<u>522,686</u>	<u>3</u>
<b>EARNINGS PER SHARE</b>							
- BASIC (sen) <sup>(1)(2)</sup>	B13	2.61	2.39	9	7.13	7.03	1
- DILUTED (sen) <sup>(1)(2)</sup>	B13	2.51	2.35	7	6.97	6.91	1

<sup>(1)</sup> Included the effects of transition to MFRS 17 *Insurance Contracts* as disclosed in Note A1.

<sup>(2)</sup> The calculation of earnings per share (basic and diluted) includes the ordinary shares that will be issued upon the mandatory conversion of Irredeemable Convertible Preference Shares ("ICPS").

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD ( Company No : 201001037627 (921551-D) )  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023  
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2023	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2022	CURRENT YEAR TO DATE 30/09/2023	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2022
	RM'000	RM'000 (RESTATED)	RM'000	RM'000 (RESTATED)
<b>PROFIT FOR THE PERIOD <sup>(1)</sup></b>	207,260	183,242	538,247	522,686
<b>OTHER COMPREHENSIVE (LOSS)/INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>				
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS	(20,486)	14,948	77,179	34,404
CASH FLOW HEDGE RESERVE - FAIR VALUE GAIN/(LOSS)				
- NET FAIR VALUE GAIN OF DERIVATIVES	9,557	34,073	70,671	66,059
- AMOUNTS RECYCLED TO PROFIT OR LOSS	(5,970)	(40,959)	(71,179)	(69,781)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>				
FAIR VALUE GAIN/(LOSS) ON OTHER INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	67,208	(11,041)	47,118	26,774
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<u>50,309</u>	<u>(2,979)</u>	<u>123,789</u>	<u>57,456</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD <sup>(1)</sup></b>	<u>257,569</u>	<u>180,263</u>	<u>662,036</u>	<u>580,142</u>
<b>ATTRIBUTABLE TO:</b>				
- OWNERS OF THE PARENT <sup>(1)</sup>	232,583	162,383	589,005	521,504
- NON-CONTROLLING INTERESTS	24,986	17,880	73,031	58,638
	<u>257,569</u>	<u>180,263</u>	<u>662,036</u>	<u>580,142</u>

<sup>(1)</sup> Included the effects of transition to MFRS 17 *Insurance Contracts* as disclosed in Note A1.

(The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD ( Company No : 201001037627 (921551-D) )  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023  
 THE FIGURES HAVE NOT BEEN AUDITED

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER 30/09/2023 RM'000	IMMEDIATE PRECEDING QUARTER 30/06/2023 RM'000	INCREASE/ (DECREASE) %
REVENUE	1,539,136	1,468,171	5
OPERATING EXPENSES <sup>(1)</sup>	(1,428,932)	(1,349,777)	6
OTHER OPERATING INCOME <sup>(1)</sup>	14,273	21,795	(35)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS & CONTRACT ASSETS	(5,361)	(158)	3293
PROFIT FROM OPERATIONS	<u>119,116</u>	<u>140,031</u>	(15)
FINANCE INCOME	61,729	63,809	(3)
FINANCE COSTS	(89,777)	(78,394)	15
SHARE OF PROFIT FROM ASSOCIATES	38,955	29,637	31
SHARE OF PROFIT FROM JOINT VENTURES	117,777	47,935	146
PROFIT BEFORE TAX	<u>247,800</u>	<u>203,018</u>	22
INCOME TAX EXPENSE <sup>(1)</sup>	(40,540)	(30,796)	32
<b>PROFIT FOR THE PERIOD</b>	<u><u>207,260</u></u>	<u><u>172,222</u></u>	20
<b>ATTRIBUTABLE TO:</b>			
- OWNERS OF THE PARENT <sup>(1)</sup>	180,300	149,934	20
- NON-CONTROLLING INTERESTS	<u>26,960</u>	<u>22,288</u>	21
	<u><u>207,260</u></u>	<u><u>172,222</u></u>	20
<b>EARNINGS PER SHARE</b>			
- BASIC (sen) <sup>(1)(2)</sup>	<u>2.61</u>	<u>2.54</u>	3
- DILUTED (sen) <sup>(1)(2)</sup>	<u>2.51</u>	<u>2.51</u>	0

<sup>(1)</sup> Included the effects of transition to MFRS 17 *Insurance Contracts* as disclosed in Note A1.

<sup>(2)</sup> The calculation of earnings per share (basic and diluted) includes the ordinary shares that will be issued upon the mandatory conversion of Irredeemable Convertible Preference Shares ("ICPS").

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.)

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

	CURRENT QUARTER 30/09/2023 RM'000	IMMEDIATE PRECEDING QUARTER 30/06/2023 RM'000
<b>PROFIT FOR THE PERIOD <sup>(1)</sup></b>	207,260	172,222
<b>OTHER COMPREHENSIVE (LOSS)/INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>		
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS	(20,486)	73,429
CASH FLOW HEDGE RESERVE - FAIR VALUE GAIN/(LOSS)		
- NET FAIR VALUE GAIN OF DERIVATIVES	9,557	76,966
- AMOUNTS RECYCLED TO PROFIT OR LOSS	(5,970)	(77,961)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>		
FAIR VALUE GAIN/(LOSS) ON OTHER INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	67,208	(19,977)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>50,309</u>	<u>52,457</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD <sup>(1)</sup></b>	<u>257,569</u>	<u>224,679</u>
<b>ATTRIBUTABLE TO:</b>		
- OWNERS OF THE PARENT <sup>(1)</sup>	232,583	194,268
- NON-CONTROLLING INTERESTS	24,986	30,411
	<u>257,569</u>	<u>224,679</u>

<sup>(1)</sup> Included the effects of transition to MFRS 17 *Insurance Contracts* as disclosed in Note A1.

(The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD ( Company No : 201001037627 (921551-D) )  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023  
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	AS AT END OF CURRENT QUARTER 30/09/2023 RM'000	AS AT PRECEDING FINANCIAL PERIOD END 31/12/2022 RM'000 (RESTATED)	AS AT PRECEDING FINANCIAL PERIOD END 01/01/2022 RM'000 (RESTATED)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1,280,344	1,265,122	1,262,253
Intangible assets	66,145	63,217	56,985
Investment properties	2,514,010	2,443,181	2,186,313
Inventories	2,388,631	1,839,757	1,671,126
Investment in associates	2,667,820	2,690,651	2,709,684
Investment in joint ventures	6,836,184	6,651,437	6,191,983
Goodwill	388,253	378,134	376,225
Deferred tax assets <sup>(1)</sup>	74,107	58,642	49,282
Receivables	1,630,506	1,920,362	1,704,347
Derivative assets	16,360	2,086	7,540
Rock reserves	4,622	4,819	5,082
Other investments	87,583	402,392	866,581
Biological assets	265	322	48
	<u>17,954,830</u>	<u>17,720,122</u>	<u>17,087,449</u>
<b>Current assets</b>			
Inventories	3,525,852	3,279,520	2,422,351
Receivables, deposits & prepayments	2,613,406	1,969,285	2,484,785
Contract assets	420,293	532,172	112,076
Tax recoverable	60,424	65,257	68,008
Derivative assets	18,032	1,572	2,465
Other investments	860,861	535,540	98,778
Cash and bank balances	2,533,128	1,958,054	2,810,263
	<u>10,031,996</u>	<u>8,341,400</u>	<u>7,998,726</u>
<b>TOTAL ASSETS</b>	<u>27,986,826</u>	<u>26,061,522</u>	<u>25,086,175</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Payables, accruals & other short term liabilities <sup>(1)</sup>	2,765,614	2,510,317	2,477,089
Contract liabilities	36,325	19,907	12,583
Bank borrowings	5,659,861	5,360,995	4,093,585
Lease liabilities	30,010	32,627	31,354
Taxation	127,761	66,101	55,673
Derivative liabilities	1,413	35,238	43,727
	<u>8,620,984</u>	<u>8,025,185</u>	<u>6,714,011</u>
<b>Non-current liabilities</b>			
Long term bank borrowings	3,950,200	3,095,183	4,021,910
Perpetual Sukuk	600,000	600,000	600,000
Lease liabilities	89,811	90,972	90,244
Other long term liabilities	197,960	232,726	245,732
Derivative liabilities	283,952	274,598	188,957
Deferred tax liabilities	167,574	185,424	108,967
	<u>5,289,497</u>	<u>4,478,903</u>	<u>5,255,810</u>
<b>Total liabilities</b>	<u>13,910,481</u>	<u>12,504,088</u>	<u>11,969,821</u>
<b>Equity attributable to Owners of the Parent</b>			
Share capital	5,484,421	5,393,897	5,393,889
Irredeemable convertible preference shares ("ICPS")	977,779	977,779	977,779
Treasury shares	(74,335)	(74,335)	(74,335)
Reserves <sup>(1)</sup>	6,618,226	6,228,313	5,727,100
	<u>13,006,091</u>	<u>12,525,654</u>	<u>12,024,433</u>
<b>Non-controlling interests</b>	<u>1,070,254</u>	<u>1,031,780</u>	<u>1,091,921</u>
<b>Total equity</b>	<u>14,076,345</u>	<u>13,557,434</u>	<u>13,116,354</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>27,986,826</u>	<u>26,061,522</u>	<u>25,086,175</u>
<b>Number of ordinary shares ('000) <sup>(2)</sup></b>	<b>5,932,450</b>	<b>5,866,854</b>	<b>5,866,849</b>
<b>Net assets per share attributable to Owners of the Parent (RM) <sup>(1)</sup></b>	<b>2.19</b>	<b>2.13</b>	<b>2.05</b>

<sup>(1)</sup> Included the effects of transition to MFRS 17 Insurance Contracts as disclosed in Note A1.

<sup>(2)</sup> Included 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 2022 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	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	FURNITURE, FITTINGS & EQUIPMENT RESERVE	OTHER RESERVES	RETAINED PROFITS	RM'000				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>PERIOD ENDED 30 SEPTEMBER 2023</b>														
At 1 January 2023 (as previously reported)	5,393,897	977,779	(74,335)	(1,192,040)	234,670	(26,275)	23,089	505,452	6,698,518	6,243,414	12,540,755	1,031,780	13,572,535	
Effects of prior year restatements (Note A1(iii))	-	-	-	-	-	-	-	-	(15,101)	(15,101)	(15,101)	-	(15,101)	
At 1 January 2023 (restated)	5,393,897	977,779	(74,335)	(1,192,040)	234,670	(26,275)	23,089	505,452	6,683,417	6,228,313	12,525,654	1,031,780	13,557,434	
Profit for the year	-	-	-	-	-	-	-	-	471,873	471,873	471,873	66,374	538,247	
Other comprehensive income/(loss), net of tax	-	-	-	-	70,522	(508)	-	47,118	-	117,132	117,132	6,657	123,789	
Total comprehensive income/(loss)	-	-	-	-	70,522	(508)	-	47,118	471,873	589,005	589,005	73,031	662,036	
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	9,862	9,862	
Transfer between reserves	-	-	-	-	-	-	5,102	(14)	(4,998)	90	90	(90)	-	
Disposals of other investment recognised at fair value through other comprehensive income	-	-	-	-	-	-	-	(2,258)	2,258	-	-	-	-	
<b>Transactions with owners</b>														
Issuance of ordinary shares pursuant to :														
- exercise of warrants	48 <sup>^</sup>	-	-	-	-	-	-	-	-	-	48 <sup>^</sup>	-	48 <sup>^</sup>	
- Dividend Reinvestment Scheme ("DRS")	90,476 <sup>#</sup>	-	-	-	-	-	-	-	-	-	90,476 <sup>#</sup>	-	90,476 <sup>#</sup>	
Dividends paid by the Company	-	-	-	-	-	-	-	-	(196,784)	(196,784)	(196,784)	-	(196,784)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(36,979)	(36,979)	
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	77	77	77	4,055	4,132	
Effects of subscriptions and redemptions of units in structured entities	-	-	-	-	-	-	-	-	-	-	-	(10,536)	(10,536)	
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	(2,466)	(2,466)	(2,466)	(832)	(3,298)	
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(9)	(9)	(9)	(37)	(46)	
Total transactions with owners	90,524	-	-	-	-	-	-	-	(199,182)	(199,182)	(108,658)	(44,329)	(152,987)	
At 30 September 2023	5,484,421	977,779	(74,335)	(1,192,040)	305,192	(26,783)	28,191	550,298	6,953,368	6,618,226	13,006,091	1,070,254	14,076,345	
<b>PERIOD ENDED 30 SEPTEMBER 2022</b>														
At 1 January 2022 (as previously reported)	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	
Effects of prior year restatements (Note A1(iii))	-	-	-	-	-	-	-	-	(5,946)	(5,946)	(5,946)	-	(5,946)	
At 1 January 2022 (restated)	5,393,889	977,779	(74,335)	(1,192,040)	204,845	(17,376)	11,845	491,821	6,228,005	5,727,100	12,024,433	1,091,921	13,116,354	
Profit for the year	-	-	-	-	-	-	-	-	463,783	463,783	463,783	58,903	522,686	
Other comprehensive income/(loss), net of tax	-	-	-	-	34,669	(3,722)	-	26,774	-	57,721	57,721	(265)	57,456	
Total comprehensive income/(loss)	-	-	-	-	34,669	(3,722)	-	26,774	463,783	521,504	521,504	58,638	580,142	
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	4,118	4,118	
Effects of joint ventures becoming subsidiaries	-	-	-	-	-	-	-	-	-	-	-	144,405	144,405	
Transfer between reserves	-	-	-	-	-	-	11,132	610	(11,674)	68	68	(68)	-	
<b>Transactions with owners</b>														
Issuance of ordinary shares pursuant to :														
- exercise of warrants	8 <sup>^</sup>	-	-	-	-	-	-	-	-	-	8 <sup>^</sup>	-	8 <sup>^</sup>	
Dividends paid by the Company	-	-	-	-	-	-	-	-	(99,003)	(99,003)	(99,003)	-	(99,003)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(47,050)	(47,050)	
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	139	139	139	20,807	20,946	
Effects of subscriptions and redemptions of units in structured entities	-	-	-	-	-	-	-	-	-	-	-	(6,239)	(6,239)	
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	3,437	3,437	3,437	(6,225)	(2,788)	
Total transactions with owners	8	-	-	-	-	-	-	-	(95,427)	(95,427)	(95,419)	(38,707)	(134,126)	
At 30 September 2022	5,393,897	977,779	(74,335)	(1,192,040)	239,514	(21,098)	22,977	519,205	6,584,687	6,153,245	12,450,586	1,260,307	13,710,893	

<sup>^</sup> Represents 34,128 warrants amounting to RM48,462 (2022: 5,292 warrants amounting to RM7,885).

<sup>#</sup> Represents 65,562,100 ordinary shares amounting to RM90,475,698.

(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 2022 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	FOR THE 9 MONTHS PERIOD ENDED 30/09/2023 RM'000	FOR THE 9 MONTHS PERIOD ENDED 30/09/2022 RM'000 (RESTATED)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	642,848	612,826
Adjustments for:		
- non-cash items	(201,501)	(246,414)
- finance costs	230,583	139,935
- finance income	(183,895)	(126,061)
Operating cash flows before working capital changes	488,035	380,286
Changes in working capital	(405,252)	(329,708)
Cash generated from operations	82,783	50,578
Interest received	183,432	126,061
Dividends received from joint ventures, associates and other investments	172,611	131,511
Tax refunded	4,656	12,422
Tax paid	(76,489)	(82,096)
Net cash generated from operating activities	366,993	238,476
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant & equipment and investment properties	10,477	20,002
Proceeds from disposal of other investments	129,911	90,238
Proceeds from acquisition of equity interest by non-controlling interests	4,132	20,946
Acquisition of property, plant and equipment	(63,637)	(59,977)
Acquisition of biological assets	(63)	(365)
Acquisition of intangible assets	(8,955)	(6,794)
Acquisition and subsequent expenditure of investment properties	(26,879)	(11,503)
Acquisition and subsequent expenditure of land	-	(186,897)
Acquisition of other investments	(87,507)	(25,143)
Acquisition of equity interest from non-controlling interests	(3,298)	(2,788)
Acquisition of a subsidiary for cash, net of cash acquired	10,168	(7,966)
Investment in associates	(6,869)	(3,599)
Investment in joint ventures	(5,873)	(50)
Payment of balance consideration on acquisition of subsidiaries	(41,198)	(45,954)
Repayment from/(Advances to) associates and joint ventures	39,268	(72,151)
Quasi-equity loan advanced to joint ventures	(32,761)	(327,859)
Advances to a non-controlling interest	-	(25,934)
Net cash flows from deposits placed with maturity of over 3 months	(2,870)	(493)
Net redemptions of units in structured entities by non-controlling interests	(10,536)	(6,239)
Net cash outflow from disposal of a subsidiary	(35)	-
Net cash (outflow)/inflow from joint ventures becoming subsidiaries	(84,989)	20,215
Other investing activities	(152,317)	(104,780)
Net cash used in investing activities	(333,831)	(737,091)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net bank and other borrowings	1,018,058	175,099
Net lease liabilities	(29,664)	(19,914)
Interest paid	(307,091)	(193,679)
Dividends paid to shareholders	(106,308)	(99,003)
Dividends paid to non-controlling interests of subsidiaries	(36,979)	(47,050)
Proceeds from issuance of shares pursuant to exercise of warrants	48	8
Advances from non-controlling interests of a subsidiary	-	48,400
Net cash generated from/(used in) financing activities	538,064	(136,139)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	571,226	(634,754)
EFFECTS OF EXCHANGE RATE CHANGES	12,958	(4,622)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	1,895,421	2,732,242
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>2,479,605</b>	<b>2,092,866</b>
Cash & bank balances	736,606	483,691
Fixed deposits	1,796,522	1,669,188
<b>Total cash and bank balances</b>	<b>2,533,128</b>	<b>2,152,879</b>
Bank overdrafts	(49,611)	(58,985)
Less: Deposits with maturity of over 3 months	(3,912)	(1,028)
<b>Cash and cash equivalents</b>	<b>2,479,605</b>	<b>2,092,866</b>

(The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.)

## NOTES TO FINANCIAL STATEMENTS

### A1 Accounting Policies and Basis of Preparation

The Group has prepared its financial statements using the Malaysian Financial Reporting Standards ("MFRS") for the financial period ended 30 September 2023.

The interim financial report is unaudited and is prepared in accordance with MFRS 134 *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 2022. 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 2022.

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 2022 except for the adoption of the following new MFRSs and Amendments to MFRSs that are effective for financial statements effective from 1 January 2023, as disclosed below:

<b>Title</b>	<b>Effective Date</b>
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosures of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	1 January 2023 *

\* *An entity is not required to disclose the information required by paragraphs 88B–88D for any interim period ending on or before 31 December 2023.*

The adoption of the above pronouncements does not have any significant impact to the Group except for the following:

#### **MFRS 17 Insurance Contracts**

MFRS 17 which was issued by Malaysian Accounting Standards Board superseded MFRS 4 *Insurance Contracts* - an interim Standard on accounting for all insurance contracts (including financial guarantee contracts) for reporting periods beginning on or after 1 January 2021. Subsequently, the amendments to MFRS 17 was issued, to defer the effective date of MFRS 17 by two years, to annual reporting periods beginning on or after 1 January 2023.

The Group had previously designated and measured its financial guarantee contracts given to third parties and financial institutions in respect of trade contracts and credit facilities as insurance contracts in accordance with MFRS 4. At the transition date to MFRS 17, an entity which had previously applied MFRS 4 to its financial guarantee contracts are given the irrevocable choice to apply either MFRS 17 or MFRS 9 *Financial Instruments* to such insurance contracts on a contract-by-contract basis. After reassessment, the Group has elected to apply MFRS 9 on its financial guarantee contracts at the date of transition, which would represent a change in accounting policy.

In relation to this, the Group had retrospectively applied MFRS 9 on its financial guarantee contracts and the financial effects are presented in Notes A1(i), A1(ii) and A1(iii).

The financial effects of the change in accounting policy for the current quarter ended 30 September 2023 are as presented in Note B9(b).

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**A1 Accounting Policies and Basis of Preparation (contd.)**

## (i) Reconciliation of statements of profit of loss

	Quarter ended 30 September 2022			Cumulative quarter ended 30 September 2022		
	As previously reported	Effects of prior year restatements	Restated	As previously reported	Effects of prior year restatements	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,270,524	-	1,270,524	3,663,358	-	3,663,358
Operating expenses	(1,177,591)	1,392	(1,176,199)	(3,433,130)	(13,064)	(3,446,194)
Other operating income	42,508	-	42,508	149,571	-	149,571
Net impairment losses on financial assets & contract assets	(3,079)	-	(3,079)	(9,040)	-	(9,040)
Profit from operations	132,362	1,392	133,754	370,759	(13,064)	357,695
Finance income	47,807	-	47,807	126,061	-	126,061
Finance costs	(49,298)	-	(49,298)	(139,935)	-	(139,935)
Share of profit from associates	37,447	-	37,447	116,183	-	116,183
Share of profit from joint ventures	55,457	-	55,457	152,822	-	152,822
Profit before tax	223,775	1,392	225,167	625,890	(13,064)	612,826
Income tax expense	(41,591)	(334)	(41,925)	(93,276)	3,136	(90,140)
Profit for the period	182,184	1,058	183,242	532,614	(9,928)	522,686
Attributable to:						
- Owners of the parent	164,722	1,058	165,780	473,711	(9,928)	463,783
- Non-controlling interests	17,462	-	17,462	58,903	-	58,903
	182,184	1,058	183,242	532,614	(9,928)	522,686
Earnings per share:						
- Basic	2.37		2.39	7.20		7.03
- Diluted	2.35		2.35	7.07		6.91

**A1 Accounting Policies and Basis of Preparation (contd.)**

(ii) Reconciliation of statements of comprehensive income

	Quarter ended 30 September 2022			Cumulative quarter ended 30 September 2022		
	As previously reported	Effects of prior year restatements	Restated	As previously reported	Effects of prior year restatements	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Profit for the period	182,184	1,058	183,242	532,614	(9,928)	522,686
<u>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</u>						
Foreign currency translation differences for foreign operations	14,948	-	14,948	34,404	-	34,404
Cash flow hedge reserve - Fair value gain/(loss)						
- Net fair value gain of derivatives	34,073	-	34,073	66,059	-	66,059
- Amounts recycled to profit or loss	(40,959)	-	(40,959)	(69,781)	-	(69,781)
<u>Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods</u>						
Fair value (loss)/gain on other investments at fair value through other comprehensive income	(11,041)	-	(11,041)	26,774	-	26,774
	(2,979)	-	(2,979)	57,456	-	57,456
Total comprehensive income for the period	179,205	1,058	180,263	590,070	(9,928)	580,142
Attributable to:						
- Owners of the parent	161,325	1,058	162,383	531,432	(9,928)	521,504
- Non-controlling interests	17,880	-	17,880	58,638	-	58,638
	179,205	1,058	180,263	590,070	(9,928)	580,142

**A1 Accounting Policies and Basis of Preparation (contd.)**

## (iii) Reconciliation of statements of financial position

	As at 1 January 2022			As at 31 December 2022		
	As previously reported	Effects of prior year restatements	Restated	As previously reported	Effects of prior year restatements	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	47,405	1,877	49,282	53,873	4,769	58,642
Other non-current assets	17,038,167	-	17,038,167	17,661,480	-	17,661,480
<b>Non-current assets</b>	<b>17,085,572</b>	<b>1,877</b>	<b>17,087,449</b>	<b>17,715,353</b>	<b>4,769</b>	<b>17,720,122</b>
<b>Current assets</b>	<b>7,998,726</b>	<b>-</b>	<b>7,998,726</b>	<b>8,341,400</b>	<b>-</b>	<b>8,341,400</b>
<b>TOTAL ASSETS</b>	<b>25,084,298</b>	<b>1,877</b>	<b>25,086,175</b>	<b>26,056,753</b>	<b>4,769</b>	<b>26,061,522</b>
Payables, accruals & other short term liabilities	2,469,266	7,823	2,477,089	2,490,447	19,870	2,510,317
Other current liabilities	4,236,922	-	4,236,922	5,514,868	-	5,514,868
<b>Current liabilities</b>	<b>6,706,188</b>	<b>7,823</b>	<b>6,714,011</b>	<b>8,005,315</b>	<b>19,870</b>	<b>8,025,185</b>
<b>Non-current liabilities</b>	<b>5,255,810</b>	<b>-</b>	<b>5,255,810</b>	<b>4,478,903</b>	<b>-</b>	<b>4,478,903</b>
<b>Total liabilities</b>	<b>11,961,998</b>	<b>7,823</b>	<b>11,969,821</b>	<b>12,484,218</b>	<b>19,870</b>	<b>12,504,088</b>
<b>Equity attributable to Owners of the Parent</b>						
Share capital	5,393,889	-	5,393,889	5,393,897	-	5,393,897
Irredeemable convertible preference shares	977,779	-	977,779	977,779	-	977,779
Treasury shares	(74,335)	-	(74,335)	(74,335)	-	(74,335)
Reserves	5,733,046	(5,946)	5,727,100	6,243,414	(15,101)	6,228,313
	12,030,379	(5,946)	12,024,433	12,540,755	(15,101)	12,525,654
Non-controlling interests	1,091,921	-	1,091,921	1,031,780	-	1,031,780
<b>Total equity</b>	<b>13,122,300</b>	<b>(5,946)</b>	<b>13,116,354</b>	<b>13,572,535</b>	<b>(15,101)</b>	<b>13,557,434</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,084,298</b>	<b>1,877</b>	<b>25,086,175</b>	<b>26,056,753</b>	<b>4,769</b>	<b>26,061,522</b>
<b>Net assets per share attributable to Owners of the Parent (RM)</b>	<b>2.05</b>		<b>2.05</b>	<b>2.14</b>		<b>2.13</b>

**A2 Report of the Auditors**

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

**A3 Seasonal or Cyclical Factors**

The results for the current quarter under review were not materially affected by seasonal or cyclical factors.

**A4 Unusual Items**

There were no material unusual items affecting the amounts reported for the current quarter ended 30 September 2023.

**A5 Changes in Estimates**

There were no changes in estimates that have a material effect on the amounts reported for the current quarter ended 30 September 2023.

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

During the financial period ended 30 September 2023, the Company increased its issued and paid up ordinary share capital by way of:

- (a) issuance of 34,128 ordinary shares pursuant to the exercise of warrant; and
- (b) issuance of 65,562,100 ordinary shares pursuant to the Dividend Reinvestment Scheme ("DRS").

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 were as follows:

- a) Single-tier second interim dividend of 3.50 sen per ordinary share for the financial year ended 31 December 2022, which consists of cash portion of 1.50 sen per ordinary share and an electable portion of 2.00 sen per share which can be elected to be reinvested into new ordinary shares in accordance with the Dividend Reinvestment Scheme ("DRS"). The reinvestment rate subsequent to the completion of the DRS was 93.59% with the allotment of 65,562,100 new ordinary shares at RM1.38 per share amounted to RM90,475,698 and the total cash dividend of RM80,641,964 was paid on 5 May 2023. The new ordinary shares issued pursuant to the DRS were listed on the Main Market of Bursa Securities on 8 May 2023;
- b) RM25,666,695 was paid on 13 April 2023 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 2022 to 31 December 2022;
- c) RM99,093,385 was paid on 12 October 2023 as single-tier first interim cash dividend of 2.00 sen per ordinary share for the financial year ending 31 December 2023; and
- d) RM25,666,695 was paid on 12 October 2023 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 2023 to 30 June 2023.

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**A8 Segmental Reporting**

Segmental results for the financial period ended 30 September 2023 are as follows:

	Property Development RM'000	Property Investment RM'000	Construction RM'000	Healthcare RM'000	Trading and Manufacturing RM'000	Quarry RM'000	Investment Holdings RM'000	Others RM'000	Adjustments/ Eliminations RM'000	Total RM'000
<b>BY BUSINESS SEGMENTS</b>										
<b>REVENUE AND RESULTS</b>										
<b>Revenue</b>										
Sales to external customers	919,418	642,096	1,156,046	-	694,532	321,490	17,105	520,358	-	4,271,045
Inter-segment revenue	43,150	158,879	1,239,663	-	149,060	47,211	122,370	159,139	(1,919,472)	-
<b>Total revenue</b>	<b>962,568</b>	<b>800,975</b>	<b>2,395,709</b>	<b>-</b>	<b>843,592</b>	<b>368,701</b>	<b>139,475</b>	<b>679,497</b>	<b>(1,919,472)</b>	<b>4,271,045</b>
<b>Results</b>										
Operating segment results	61,743	116,380	149,968	-	37,762	19,874	(40,484)	27,258	-	372,501
Finance income	57,376	53,182	17,083	-	11,326	6,365	98,245	13,062	(72,744)	183,895
Finance costs	(69,248)	(126,205)	(32,582)	-	(15,950)	(7,938)	(43,136)	(8,268)	72,744	(230,583)
Share of results of:										
- associates	4	110,211	87	-	-	-	(856)	813	-	110,259
- joint ventures	92,685	2,719	584	110,999	-	(211)	-	-	-	206,776
<b>Profit before taxation</b>	<b>142,560</b>	<b>156,287</b>	<b>135,140</b>	<b>110,999</b>	<b>33,138</b>	<b>18,090</b>	<b>13,769</b>	<b>32,865</b>	<b>-</b>	<b>642,848</b>
Taxation	(21,660)	(25,442)	(32,438)	-	(7,856)	(3,908)	(3,478)	(9,819)	-	(104,601)
<b>Profit for the period</b>	<b>120,900</b>	<b>130,845</b>	<b>102,702</b>	<b>110,999</b>	<b>25,282</b>	<b>14,182</b>	<b>10,291</b>	<b>23,046</b>	<b>-</b>	<b>538,247</b>
Non-controlling interests	(18,723)	609	(44,287)	-	469	(82)	(5,513)	1,153	-	(66,374)
<b>Attributable to owners of the parent</b>	<b>102,177</b>	<b>131,454</b>	<b>58,415</b>	<b>110,999</b>	<b>25,751</b>	<b>14,100</b>	<b>4,778</b>	<b>24,199</b>	<b>-</b>	<b>471,873</b>

	Revenue RM'000	Profit/(Loss) before tax RM'000	Profit/(Loss) after tax RM'000	Attributable to owners of the parent RM'000
<b>BY GEOGRAPHICAL SEGMENTS</b>				
Malaysia	3,548,782	550,525	458,664	396,761
Singapore	230,875	63,770	61,960	67,742
China	81,916	2,503	1,406	1,981
India	283,456	20,988	15,800	8,278
Australia	25,873	8,885	5,808	1,871
Indonesia	38,202	4,874	4,006	4,006
United Kingdom	28,645	(9,537)	(9,811)	(9,811)
Other countries	33,296	840	414	1,045
	<b>4,271,045</b>	<b>642,848</b>	<b>538,247</b>	<b>471,873</b>

**A8 Segmental Reporting (contd.)**

Segmental assets and liabilities for the financial period ended 30 September 2023 are as follows:

	Property Development RM'000	Property Investment RM'000	Construction RM'000	Healthcare RM'000	Trading and Manufacturing RM'000	Quarry RM'000	Investment Holdings RM'000	Others RM'000	Adjustments/ Eliminations RM'000	Total RM'000
<b>Assets</b>										
Segment assets	8,326,743	3,105,166	2,748,230	-	1,015,889	599,088	12,275,922	1,448,074	(11,170,821)	18,348,291
Investment in associates	-	2,598,131	-	-	-	-	15,963	53,726	-	2,667,820
Investment in joint ventures	2,260,835	142,162	266,030	4,155,647	51	11,372	87	-	-	6,836,184
Unallocated assets										134,531
Total assets										27,986,826
<b>Liabilities</b>										
Segment liabilities	5,964,240	3,790,655	2,156,788	-	682,705	488,816	10,842,235	785,707	(11,096,000)	13,615,146
Unallocated liabilities										295,335
Total liabilities										13,910,481

**A8 Segmental Reporting (contd.)**

Segmental results by foreign currency for the financial period ended 30 September 2023 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)	919,418	59,821	42,787	27,998	919,418	59,821	42,787	27,998
Australian Dollar (AUD'000)	-	3,400	2,378	1,070	-	10,236	7,160	3,222
Hong Kong Dollar (HKD'000)	-	3	2	2	-	2	1	1
India Rupee (INR'000)	-	110	110	110	-	6	6	6
Chinese Renminbi (RMB'000)	-	(2,768)	(2,768)	(2,768)	-	(1,782)	(1,782)	(1,782)
Singapore Dollar (SGD'000)	-	22,164	21,702	21,702	-	74,288	72,739	72,739
US Dollar (USD'000)	-	(2)	(2)	(2)	-	(11)	(11)	(7)
					919,418	142,560	120,900	102,177

**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)	603,374	168,072	142,905	142,889	603,374	168,072	142,905	142,889
Pound Sterling (GBP'000)	5,152	(1,715)	(1,765)	(1,765)	28,645	(9,537)	(9,811)	(9,811)
Singapore Dollar (SGD'000)	-	(128)	(128)	(128)	-	(428)	(428)	(428)
US Dollar (USD'000)	1,413	(267)	(267)	(128)	6,333	(1,198)	(1,199)	(574)
Vietnam Dong (VND'000,000)	19,657	(3,266)	(3,266)	(3,266)	3,744	(622)	(622)	(622)
					642,096	156,287	130,845	131,454

**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)	668,102	126,887	99,637	57,088	668,102	126,887	99,637	57,088
United Arab Emirates Dirham (AED'000)	-	(2)	(2)	(1)	-	(2)	(2)	(1)
India Rupee (INR'000)	5,196,260	384,638	289,533	151,641	283,456	20,982	15,794	8,272
Singapore Dollar (SGD'000)	61,009	(3,796)	(3,796)	(2,071)	204,488	(12,725)	(12,725)	(6,943)
US Dollar (USD'000)	-	-	-	-	-	(2)	(2)	(1)
					1,156,046	135,140	102,702	58,415

**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)	-	110,999	110,999	110,999	-	110,999	110,999	110,999
					-	110,999	110,999	110,999

**TRADING & MANUFACTURING SEGMENT:**

	Foreign currency				RM'000			
	Revenue	Profit/(Loss) before tax	Profit/(Loss) after tax	Attributable to owners of the parent	Revenue	Profit/(Loss) before tax	Profit/(Loss) after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)	533,649	22,966	17,760	17,565	533,649	22,966	17,760	17,565
Australian Dollar (AUD'000)	8,594	(449)	(449)	(449)	25,873	(1,351)	(1,352)	(1,351)
Indonesia Rupiah (IDR'000,000)	127,908	16,319	13,413	13,413	38,202	4,874	4,006	4,006
Chinese Renminbi (RMB'000)	73,310	2,344	645	1,674	47,202	1,509	415	1,078
Singapore Dollar (SGD'000)	7,873	786	708	708	26,387	2,635	2,374	2,374
Thai Baht (THB'000)	155,135	17,947	14,680	14,680	20,227	2,340	1,914	1,914
Vietnam Dong (VND'000,000)	15,709	866	866	866	2,992	165	165	165
					694,532	33,138	25,282	25,751

**A8 Segmental Reporting (contd.)**

Segmental results by foreign currency for the financial period ended 30 September 2023 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)	321,490	17,920	14,011	13,929	321,490	17,920	14,011	13,929
Trinidad & Tobago Dollar (TTD'000)	-	256	257	257	-	170	171	171
					<b>321,490</b>	<b>18,090</b>	<b>14,182</b>	<b>14,100</b>

**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)	15,632	13,631	10,155	4,640	15,632	13,631	10,155	4,640
Hong Kong Dollar (HKD'000)	-	(133)	(119)	(115)	-	(76)	(68)	(66)
Chinese Renminbi (RMB'000)	2,288	332	317	317	1,473	214	204	204
					<b>17,105</b>	<b>13,769</b>	<b>10,291</b>	<b>4,778</b>

**OTHERS 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)	487,117	30,229	20,410	21,653	487,117	30,229	20,410	21,653
Chinese Renminbi (RMB'000)	51,627	4,094	4,094	3,954	33,241	2,636	2,636	2,546
					<b>520,358</b>	<b>32,865</b>	<b>23,046</b>	<b>24,199</b>

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

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

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

There were no material events subsequent to the current quarter ended 30 September 2023, except for the following:

### Joint development between Umech Land Sdn. Bhd. ("Umech Land") and Penang Development Corporation ("PDC")

Umech Land, a 70%-owned subsidiary of the Group, has on 27 September 2023, entered into a Joint Development Agreement ("JDA") with PDC to specify each party's rights and obligations in respect of the joint development of the parcels of land located in Mukim 11, Changkat/Byram, Daerah Seberang Perai Selatan, Pulau Pinang measuring approximately 558.96 acres ("Land").

On 24 October 2023, Umech Land has received the Notice of Termination of the JDA dated 20 October 2023 from PDC. Pursuant to the Notice of Termination, the JDA shall be terminated on the expiry of 90 days from the date of the Notice of Termination. Umech Land has on 27 October 2023, received a full refund of the deposit previously paid to PDC, amounting to RM64,602,072.

## A11 Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current quarter ended 30 September 2023, except for the following:

On 14 August 2023, Sunway City Sdn. Bhd. ("SunCity"), a wholly-owned subsidiary of the Group, had entered into a Share Transactions Agreement with Iskandar Asset Sdn. Bhd. ("IASB") and Sunway Iskandar Development Sdn. Bhd. ("SIDSB"), a joint venture of the Group, for the following purposes:

- (i) SunCity agrees to acquire 770,450 ordinary shares held by IASB in SIDSB, representing 40% of the share capital of SIDSB, at a purchase consideration of RM770,450 ("Proposed Acquisition");
- (ii) SunCity will subscribe for 84,229,550 Non-Convertible Non-Cumulative Redeemable Preference Shares ("NCNCRPS") in SIDSB for a total consideration of RM84,229,550 ("Proposed Subscription"); and
- (iii) SIDSB will redeem 76,274,552 NCNCRPS held by IASB in the share capital of SIDSB at a redemption price of RM84,229,550.

The Proposed Acquisition and redemption of NCNCRPS were completed on 21 August 2023. Consequently, SIDSB and its subsidiaries became wholly-owned subsidiaries of the Group.

The financial effects arising from the remeasurement of the previously held equity interests in SIDSB in accordance with MFRS 3 *Business Combinations* amounted to a loss of RM0.5 million. The consolidated net assets from SIDSB mainly comprise of inventories (land held for property development) amounting to RM728.5 million.

## A12 Contingent Liabilities and Assets

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

### (a) Guarantees

	30/09/2023 RM'000	31/12/2022 RM'000
Guarantees given to third parties in respect of trade and contracts	1,004,968	807,254
Guarantees given to financial institutions for borrowings obtained by joint ventures	3,180,296	2,554,550
	<u>4,185,264</u>	<u>3,361,804</u>

### (b) Claim

	30/09/2023 RM'000	31/12/2022 RM'000
Claim by a third party	<u>164,378</u>	<u>164,378</u>

Claim by a third party represents proportionate share of contingent liability based on amount claimed 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 vigorously objecting to the amount claimed as being overly excessive and has appointed subject matter experts to dispute the quantum of claim.

## A12 Contingent Liabilities and Assets (contd.)

Details of contingent liabilities of the Group as at the date of issue of the report are as follows: (contd.)

### (b) Claim (contd.)

The trial for the said assessment was held on 4, 5, 6, 12 and 13 January 2023. 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 and 15 May 2023. After hearing oral submissions by both parties, the Judge then proceeded to fix the date for the decision to be delivered. At this stage, the financial impact cannot be determined pending the decision of the High Court, which has been adjourned to 18 January 2024.

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 30 September 2023 are as follows:

	30/09/2023 RM'000	31/12/2022 RM'000
Approved and contracted for property, plant and equipment and investment properties	38,913	35,074
Approved but not contracted for property, plant and equipment and investment properties	<u>40,025</u>	<u>57,228</u>
	<u>78,938</u>	<u>92,302</u>

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

	30/09/2023 RM'000	31/12/2022 RM'000
Approved and contracted for property, plant and equipment and investment properties	377,627	75,372
Approved but not contracted for property, plant and equipment and investment properties	<u>114,549</u>	<u>136,338</u>
	<u>492,176</u>	<u>211,710</u>

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

	30/09/2023 RM'000	31/12/2022 RM'000
Approved and contracted for property, plant and equipment and investment properties	337,343	553,325
Approved but not contracted for property, plant and equipment and investment properties	<u>964,681</u>	<u>831,517</u>
	<u>1,302,024</u>	<u>1,384,842</u>

### (b) Operating lease commitment not provided for in the financial year as at 30 September 2023 is as follows:

	30/09/2023 RM'000	31/12/2022 RM'000
Future minimum lease receipts:		
- not later than 1 year	56,287	54,658
- later than 1 year and not later than 5 years	<u>186,080</u>	<u>227,573</u>
	<u>242,367</u>	<u>282,231</u>

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

	Current Quarter Ended		Cumulative Year To Date	
	30/09/2023 RM'000	30/09/2022 RM'000	30/09/2023 RM'000	30/09/2022 RM'000
<b>(i) Sunway Real Estate Investment Trust ("Sunway REIT") (RHB Trustees Bhd) ^</b>				
Lease of Sunway Resort Hotel & Spa	(2,478)	(2,091)	(6,615)	(6,227)
Lease of Sunway Putra Hotel	(3,180)	(1,874)	(7,802)	(4,388)
Lease of Sunway Hotel Georgetown	(823)	(823)	(2,468)	(2,468)
Lease of Sunway Pyramid's ice rink	(446)	(411)	(1,270)	(1,223)
Lease/Rental of properties in respect of :				
Menara Sunway and accommodation for security staff	(1,792)	(1,946)	(5,338)	(5,584)
Rental and management of car parks and related services	(5,391)	(9,770)	(25,421)	(24,980)
Provision of property management and related services	1,219	1,444	4,030	3,652
Provision of loyalty card points	296	627	897	324
Sales of financial, human resources and IT related services	628	589	1,734	1,469
Marketing, distribution and sales of construction related products and industrial products	1,027	8	1,226	598
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	23,956	42,505	54,114	140,937
Management services	3,537	3,181	11,649	8,874
Distribution income from perpetual note	2,764	2,308	7,534	6,936
<b>(ii) Sunway Iskandar Sdn. Bhd. Group</b>				
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	252	7,729	351	32,737
Management services	1,514	1,165	4,616	9,521
Property management and related services	468	537	1,326	1,296
Lease of land for precast plant	(218)	-	(753)	(300)
<b>(iii) Sunway Healthcare Holdings Sdn. Bhd. Group</b>				
Provision of medical services	(472)	(334)	(1,143)	(1,535)
Sponsorship of nurse program	(246)	(972)	(1,233)	(2,945)
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	68,498	49,536	193,964	264,804
Rental of office space premises and related services	561	814	1,922	3,520
Provision of property management and related services	812	1,018	2,555	4,178
Sales of financial, human resources and IT related services	1,502	1,041	3,900	3,269
Management services	697	671	2,085	1,967
Provision of ticketing and tour related services	169	331	958	499
Distribution paid/payable by wholesale funds	617	2,150	3,488	5,101
<b>(iv) Sunway Velocity Hotel Sdn. Bhd.</b>				
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	25	1,499	25	1,499
Management services	334	133	842	467
<b>(v) Sunway Velocity Mall Sdn. Bhd.</b>				
Corporate guarantee commission fee	224	-	997	-
<b>(vi) GME - SE Joint Venture (SWT)</b>				
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	-	(4,086)	-	(14,217)
<b>(vii) Blacktop Lanchang Sdn. Bhd.</b>				
Distribution and sales of construction related products and industrial products	1,432	355	2,236	5,101

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

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

	Current Quarter Ended		Cumulative Year To Date	
	30/09/2023 RM'000	30/09/2022 RM'000	30/09/2023 RM'000	30/09/2022 RM'000
<b>(i) Active Equity Sdn. Bhd. Group *</b> Information systems products and consultancy fees	(1,380)	(2,382)	(5,689)	(6,927)
<b>(ii) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling</b> Distribution paid/payable in respect of Perpetual Sukuk	(7,799)	(7,763)	(23,116)	(23,037)

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

Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng is the spouse while Sarena Cheah Yean Tih, Evan Cheah Yean Shin and Adrian Cheah Yean Sun are the children of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling.

\* Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Sarena Cheah Yean Tih and Evan Cheah Yean Shin are Directors and major shareholders of Active Equity 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.

#### B1 Review of Performance

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

##### For the quarter

	Quarter ended		Increase/ (Decrease) %
	30/9/2023 RM'000	30/9/2022 RM'000 (Restated)	
<b>Revenue</b>			
Property Development	309,540	278,063	11.3
Property Investment	232,810	188,611	23.4
Construction	424,009	305,131	39.0
Trading and Manufacturing	242,619	198,821	22.0
Quarry	148,780	105,579	40.9
Others	181,378	194,319	(6.7)
	<u>1,539,136</u>	<u>1,270,524</u>	21.1
<b>Profit before tax</b>			
Property Development	70,422	35,783	96.8
Property Investment	55,189	85,687	(35.6)
Construction	51,094	35,615	43.5
Healthcare*	44,445	41,446	7.2
Trading and Manufacturing	13,433	12,379	8.5
Quarry	10,197	1,890	439.5
Others	3,020	12,367	(75.6)
	<u>247,800</u>	<u>225,167</u>	10.1

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

The Group recorded revenue of RM1,539.1 million and profit before tax of RM247.8 million for the current quarter ended 30 September 2023 compared to revenue of RM1,270.5 million and profit before tax of RM225.2 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 21.1% and profit before tax of 10.1%. Revenue was higher in the current quarter mainly due to higher contribution from most business segments except for the others segment. Most business segments also recorded higher profit before tax in the current quarter except for the property investment and others segments.

It should also be noted that due to MFRS 15, the development profit from two of the Group's Singapore property development projects will only be recognised upon completion and handover of the projects. During the current quarter, one of the Group's Singapore property development project was completed and handed over, which resulted in the recognition of development profit of RM46.3 million. As at the end of the current quarter, the accumulated progressive profit amounted to RM94.7 million, of which RM9.9 million was recorded in the current quarter, was not recognised.

The property development segment reported revenue of RM309.5 million and profit before tax of RM70.4 million in the current quarter compared to revenue of RM278.1 million and profit before tax of RM35.8 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 11.3% and profit before tax of 96.8%. Revenue was higher in the current quarter mainly due to higher sales and progress billings from new and on-going local development projects. The higher profit before tax in the current quarter was mainly attributed to the recognition of development profit of RM46.3 million as mentioned above.

## B1 Review of Performance (contd.)

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

### For the quarter (contd.)

The property investment segment reported revenue of RM232.8 million and profit before tax of RM55.2 million in the current quarter compared to revenue of RM188.6 million and profit before tax of RM85.7 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 23.4% and decrease in profit before tax of 35.6%. The higher revenue in the current quarter was mainly due to the stronger performance from the leisure and hospitality businesses with increased visitorships to the theme parks and higher occupancy rates at the Group's hotels. However, profit before tax was lower mainly due to higher operating costs and higher interest expenses. It should also be noted that the profit before tax in the corresponding quarter of the previous financial year included a one-off gain from disposal of one of its property investment assets of RM16.6 million.

The construction segment recorded revenue of RM424.0 million and profit before tax of RM51.1 million in the current quarter compared to revenue of RM305.1 million and profit before tax of RM35.6 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 39.0% and profit before tax of 43.5%. The better performance in the current quarter was due to higher progress billings from local construction projects.

The healthcare segment reported a share of net profit of RM44.4 million in the current quarter compared to the share of net profit of RM41.4 million in the corresponding quarter of the previous financial year, representing an increase of 7.2%. The improved financial performance in the current quarter was underpinned by strong operational results from Sunway Medical Centre ("SMC") Sunway City and SMC Velocity due to the increase in hospital activities, which mitigated the share of start-up operational losses from SMC Penang and Sunway Sanctuary of RM4.9 million, and higher operating costs. In addition, there was a higher share of additional tax payable of RM5.2 million following the normalisation of SMC Sunway City's tax paying status as its investment tax allowance ("ITA") was fully utilised in the previous financial year.

The trading and manufacturing segment recorded revenue of RM242.6 million and profit before tax of RM13.4 million in the current quarter compared to revenue of RM198.8 million and profit before tax of RM12.4 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 22.0% and profit before tax of 8.5%. The higher revenue and profit before tax was mainly due to stronger contribution from the domestic market.

The quarry segment reported revenue of RM148.8 million and profit before tax of RM10.2 million in the current quarter compared to revenue of RM105.6 million and profit before tax of RM1.9 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 40.9% and profit before tax of 439.5%. The better performance in the current quarter was mainly due to higher sales volumes and higher average selling prices for both aggregates and premix from increased demands from local council and highway projects.

The others segment recorded revenue of RM181.4 million and profit before tax of RM3.0 million in the current quarter compared to revenue of RM194.3 million and profit before tax of RM12.4 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 6.7% and profit before tax of 75.6%. The lower performance in the current quarter was mainly due to lower contribution from the building materials, the community pharmacy business and the other business segments, mitigated by higher contribution from the Group's treasury functions.

### For 9 months period

	For 9 months period ended		Increase/ (Decrease) %
	30/9/2023 RM'000	30/9/2022 RM'000 (Restated)	
<b>Revenue</b>			
Property Development	919,418	722,659	27.2
Property Investment	642,096	459,316	39.8
Construction	1,156,046	990,591	16.7
Trading and Manufacturing	694,532	668,659	3.9
Quarry	321,490	282,794	13.7
Others	537,463	539,339	(0.3)
	<u>4,271,045</u>	<u>3,663,358</u>	16.6
<b>Profit before tax</b>			
Property Development	142,560	84,898	67.9
Property Investment	156,287	184,135	(15.1)
Construction	135,140	127,843	5.7
Healthcare*	110,999	104,985	5.7
Trading and Manufacturing	33,138	32,364	2.4
Quarry	18,090	8,552	111.5
Others	46,634	70,049	(33.4)
	<u>642,848</u>	<u>612,826</u>	4.9

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

The Group recorded revenue of RM4,271.0 million and profit before tax of RM642.8 million for the current 9 months period ended 30 September 2023 compared to revenue of RM3,663.4 million and profit before tax of RM612.8 million in the corresponding 9 months period ended 30 September 2022, representing an increase in revenue of 16.6% and profit before tax of 4.9%. Revenue was higher in the current period due to higher contribution from most business segments except for the others segment. Profit before tax in the current period was higher underpinned by higher profit contribution from most business segments except for the property investment and others segments.

## B1 Review of Performance (contd.)

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

### For 9 months period (contd.)

The property development segment reported revenue of RM919.4 million and profit before tax of RM142.6 million for the current 9 months period ended 30 September 2023 compared to revenue of RM722.7 million and profit before tax of RM84.9 million in the corresponding 9 months period ended 30 September 2022, representing an increase in revenue of 27.2% and profit before tax of 67.9%. Revenue in the current period was higher mainly due to higher sales and progress billings from new and on-going local development projects which contributed to a higher profit before tax. Profit before tax in the current period was further boosted by the recognition of development profit of RM46.3 million upon the completion and handover of one of the Group's Singapore property development project in the current quarter.

The property investment segment reported revenue of RM642.1 million and profit before tax of RM156.3 million for the current 9 months period ended 30 September 2023 compared to revenue of RM459.3 million and profit before tax of RM184.1 million in the corresponding 9 months period ended 30 September 2022, representing an increase in revenue of 39.8% and decrease in profit before tax of 15.1%. Revenue in the current period was higher mainly due to strong performance of the leisure and hospitality businesses with increased visitorships to the theme parks and higher occupancy rates at the Group's hotels and higher revenue from operations of property investment assets. However, profit before tax for the current period was dragged down by higher operating costs from higher utility charges and manpower costs, and further impacted by higher interest rates in the current period. It should also be noted that profit in the previous corresponding period recorded net gains on disposal of property investment assets amounting to RM28.1 million.

The construction segment recorded revenue of RM1,156.0 million and profit before tax of RM135.1 million for the current 9 months period ended 30 September 2023 compared to revenue of RM990.6 million and profit before tax of RM127.8 million in the corresponding 9 months period ended 30 September 2022, representing an increase in revenue of 16.7% and profit before tax of 5.7%. The better performance in the current period was mainly due to higher progress billings from local construction projects.

The healthcare segment reported a share of net profit of RM111.0 million in the current 9 months period ended 30 September 2023 compared to RM105.0 million in the corresponding 9 months period ended 30 September 2022, representing an increase of 5.7%. The improved financial performance in the current period was mainly due to strong operational results from SMC Sunway City and SMC Velocity, which mitigated the higher operating costs, the share of start-up operational losses from SMC Penang and Sunway Sanctuary of RM12.3 million, and higher share of additional tax payable of RM21.0 million following the normalisation of SMC Sunway City's tax paying status as its ITA was fully utilised in the previous financial year.

The trading and manufacturing segment recorded revenue of RM694.5 million and profit before tax of RM33.1 million for the current 9 months period ended 30 September 2023 compared to revenue of RM668.7 million and profit before tax of RM32.4 million in the corresponding 9 months period ended 30 September 2022, representing an increase in revenue of 3.9% and profit before tax of 2.4%. The financial performance in the current period was better mainly due to higher contribution from the domestic market.

The quarry segment reported revenue of RM321.5 million and profit before tax of RM18.1 million for the current 9 months period ended 30 September 2023 compared to revenue of RM282.8 million and profit before tax of RM8.6 million in the corresponding 9 months period ended 30 September 2022, representing an increase in revenue of 13.7% and profit before tax of 111.5%. The improved performance in the current period was mainly due to increased demand from local council and highway projects which resulted in higher sales volumes and average selling prices for both aggregates and premix.

The others segment recorded revenue of RM537.5 million and profit before tax of RM46.6 million for the current 9 months period ended 30 September 2023 compared to revenue of RM539.3 million and profit before tax of RM70.0 million in the corresponding 9 months period ended 30 September 2022, representing a decrease in revenue of 0.3% and profit before tax of 33.4%. The performance in the current period was lower mainly due to lower contribution from the community pharmacy business and other businesses, partly mitigated by improved performance from the building materials segment and higher contribution from the Group's treasury functions. It should be noted that profit before tax in the previous corresponding period recorded a gain from the disposal of one of the Group's start-up investments of RM26.6 million.

## B2 Material Changes in the Quarterly Results

	Quarter ended		Increase/ (Decrease) %
	30/9/2023 RM'000	30/6/2023 RM'000	
<b>Revenue</b>			
Property Development	309,540	362,071	(14.5)
Property Investment	232,810	199,400	16.8
Construction	424,009	404,096	4.9
Trading and Manufacturing	242,619	227,833	6.5
Quarry	148,780	94,485	57.5
Others	181,378	180,286	0.6
	<u>1,539,136</u>	<u>1,468,171</u>	4.8
<b>Profit before tax</b>			
Property Development	70,422	49,066	43.5
Property Investment	55,189	33,854	63.0
Construction	51,094	44,536	14.7
Healthcare*	44,445	37,722	17.8
Trading and Manufacturing	13,433	10,106	32.9
Quarry	10,197	4,401	131.7
Others	3,020	23,333	(87.1)
	<u>247,800</u>	<u>203,018</u>	22.1

\* Please note that the healthcare segment'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 RM1,539.1 million and profit before tax of RM247.8 million for the current quarter compared to revenue of RM1,468.2 million and profit before tax of RM203.0 million in the preceding quarter, representing an increase in revenue of 4.8% and profit before tax of 22.1%. Revenue was higher in the current quarter mainly due to higher contribution from most business segments except for the property development segment. Most of the business segments recorded higher profit before tax in the current quarter except for the others segment.

The property development segment reported revenue of RM309.5 million and profit before tax of RM70.4 million for the current quarter compared to revenue of RM362.1 million and profit before tax of RM49.1 million in the preceding quarter, representing a decrease in revenue of 14.5% and increase in profit before tax of 43.5%. Excluding the development profit of RM46.3 million recognised in the current quarter, the financial performance in the current quarter was lower mainly due to lower progress billings from on-going local development projects.

The property investment segment reported revenue of RM232.8 million and profit before tax of RM55.2 million for the current quarter compared to revenue of RM199.4 million and profit before tax of RM33.9 million in the preceding quarter, representing an increase in revenue of 16.8% and profit before tax of 63.0%. The financial performance in the current quarter was higher mainly due to higher contribution from the leisure segment as the number of visitors to the theme parks usually increase towards the second half of the year. Further, the current quarter also recorded higher contribution from its associate company, Sunway REIT.

The construction segment recorded revenue of RM424.0 million and profit before tax of RM51.1 million for the current quarter compared to revenue of RM404.1 million and profit before tax of RM44.5 million in the preceding quarter, representing an increase in revenue of 4.9% and profit before tax of 14.7%. The better financial performance in the current quarter was mainly due to higher progress billings from local construction projects.

The healthcare segment reported a share of net profit of RM44.4 million in the current quarter compared to the share of net profit of RM37.7 million in the preceding quarter, representing an increase of 17.8%. The financial performance in the current quarter was higher mainly due to the strong operational results from SMC Sunway City and SMC Velocity which mitigated the share of start-up operational losses from SMC Penang and Sunway Sanctuary. It should be noted that the share of start-up losses of SMC Penang has increased from RM1.3 million in the preceding quarter to RM1.6 million in the current quarter due to higher staff cost and depreciation charges.

The trading and manufacturing segment recorded revenue of RM242.6 million and profit before tax of RM13.4 million for the current quarter compared to revenue of RM227.8 million and profit before tax of RM10.1 million in the preceding quarter, representing an increase in revenue of 6.5% and profit before tax of 32.9%. The financial performance in the current quarter is higher mainly due to improved domestic market contribution.

The quarry segment reported revenue of RM148.8 million and profit before tax of RM10.2 million for the current quarter compared to revenue of RM94.5 million and profit before tax of RM4.4 million in the preceding quarter, representing an increase in revenue of 57.5% and profit before tax of 131.7%. The financial performance in the current quarter was better mainly due to higher sales volume of premix and aggregates.

The others segment recorded revenue of RM181.4 million and profit before tax of RM3.0 million for the current quarter compared to revenue of RM180.3 million and profit before tax of RM23.3 million in the preceding quarter, representing a marginal increase in revenue of 0.6% and decrease in profit before tax of 87.1%. The financial performance in the current quarter was lower mainly due to lower contribution from the community pharmacy business and other businesses, as well as from the Group's treasury functions.

## **B3 Prospects**

Malaysia's Gross Domestic Product (GDP) grew by a moderate 3.3% in the third quarter of 2023 against 2.9% in the second quarter of 2023, underpinned by improvement in the Construction and Services sectors, with tourism activities showing recovery and continued progress in the implementation of major infrastructure projects such as the East Coast Rail Link (ECRL), Light Rail Transit 3 (LRT 3) and MyDigital 5G. Based on the current global economic landscape and the first half of the year performance, Bank Negara Malaysia ("BNM") has revised the forecast for Malaysia's economy to grow at a rate of 4% for the full year, instead of between 4% to 5% previously, indicating a modest economic performance in the fourth quarter. BNM has adopted an accommodative monetary policy stance supportive of the economy by maintaining the Overnight Policy Rate (OPR) at 3.0%. Going into 2024, the Malaysian economy is expected to record growth ranging from 4% to 5% mainly driven by resilient domestic demand expectations, while inflation is expected to remain stable.

Budget 2024 saw a few key initiatives which will benefit the Group's business units going forward especially the leisure, hospitality and healthcare segments. Among the initiatives are the healthcare sector receiving an allocation of RM41.2 billion towards raising the quality of the country's healthcare services. The proposed relaxation of the conditions of Malaysia My Second Home (MM2H) application will also encourage arrival of foreign tourists and investors to Malaysia. Further, 2026 has been set as Visit Malaysia Year, with a target arrival of 26.1 million foreign tourists and RM350 million allocated to boost tourism promotion and activities in Malaysia.

Despite the moderate growth anticipated in the fourth quarter, the group's business units are expected to remain resilient and will continue to perform satisfactorily. One of the Group's main growth drivers is the healthcare segment which continues to register strong growth and is on track in its pursuit of organic growth with several new hospitals in particular, SMC Damansara and SMC Ipoh coming on stream in the fourth quarter of 2024 and first quarter of 2025 respectively which will provide future earnings growth.

At the 10th Singapore-Malaysia Leaders' Retreat in October 2023, the joint special economic zone between Singapore and the state of Johor ("JS-SEZ") is in its planning stages, with the signing of a memorandum of understanding (MOU) targeted by early 2024. JS-SEZ will tap into the complementary strengths of both countries to foster economic connectivity by improving cross-border flows of goods, investments, and people. For the longer term, this development will augur well for the Group's flagship township development in Sunway City Iskandar Puteri which is strategically located between Puteri Harbour and the Second Link to Singapore.

Barring any unforeseen circumstances, the Board is optimistic that the Group's financial performance for the financial year 2023 will remain satisfactory.

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

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

**B5 Taxation**

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

	Current Quarter Ended		Cumulative Year To Date	
	30/09/2023 RM'000	30/09/2022 RM'000 (Restated)	30/09/2023 RM'000	30/09/2022 RM'000 (Restated)
Current taxation	(53,397)	(40,144)	(143,986)	(105,051)
Over/(Under) provision of tax in prior years	3,475	(7,570)	4,912	(5,095)
Deferred taxation	9,382	5,789	34,473	20,006
	(40,540)	(41,925)	(104,601)	(90,140)

**B6 Profit before Taxation**

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

	Current Quarter Ended 30/09/2023 RM'000	Cumulative Year To Date 30/09/2023 RM'000
Depreciation and amortisation	(40,299)	(103,905)
Net (provision)/reversal of impairment for financial assets & contract assets:		
- Trade receivables	(5,001)	(6,881)
- Other receivables	(509)	(338)
- Amounts due from associates	1	1
- Advances to joint ventures	223	119
- Contract assets	(75)	40
Net reversal/(provision) of impairment for:		
- Investment in an associate	1,544	(1,593)
- Inventories	(1,681)	(2,985)
Write off:		
- Trade receivables	(92)	(112)
- Inventories	(4,872)	(5,474)
- Property, plant and equipment	(26)	(127)
Net gain on disposal of property, plant and equipment	1,921	3,894
Net foreign exchange gain/(loss):		
- Others	2,862	1,618
- Unrealised for hedged items	(5,970)	(71,179)
Cash flow hedge reserve recycled to profit or loss	5,970	71,179
Net loss on derivatives	(1,805)	(8,529)
Net (loss)/gain on financial guarantee contracts	(1,159)	1,421
Distribution paid in respect of Perpetual Sukuk	(7,799)	(23,116)
Loss arising from remeasurements of previously held equity interests in former joint ventures	(497)	(497)

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## **B7 Status of Corporate Proposal Announced**

**B7.1 There were no new corporate proposal announced but not completed as at the date of this report, except for the following:**

**(a) 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) RM34 upon the Initial Closing;
- (ii) the 1st tranche of RM199,999,994 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 on the date falling 18 months after the date of the SSA ("2nd Closing");
- (iv) the 3rd tranche of RM168,000,000 on the date falling 18 months after the date of the 2nd Closing ("3rd Closing"); and
- (v) the 4th tranche of RM281,999,972 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 to Sunway Healthcare.

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.

The 3rd and 4th Closing of the abovementioned Subscription Amount are expected to take place in June 2024 and December 2024 respectively.

**B7.2 Completion of corporate proposals announced but not completed as at the date of previous report are as follows:**

**(a) Proposed acquisition of lands and buildings by Sunway Medical Centre Sdn. Bhd. from RHB Trustees Berhad (as trustee for Sunway Real Estate Investment Trust) ("Proposed Acquisition")**

On 29 December 2022, Sunway Medical Centre Sdn. Bhd. ("SMCSB"), a 99.99%-owned subsidiary of Sunway Healthcare Holdings Sdn. Bhd., which in turn a 84%-owned joint venture of the Group, had entered into a Conditional Sale and Purchase Agreement ("SPA") with RHB Trustees Berhad ("RHB Trustees") for the acquisition of lands and buildings known as "Tower A & B of Sunway Medical Centre", together with the plant and machinery and all fixtures and fittings affixed or located or used in the buildings ("Property") for a total purchase consideration of RM430 million. The Property was leased and used by SMCSB to operate a medical centre. Completion of the Proposed Acquisition is subject to the fulfillment of all conditions precedent of the SPA and authorities' approval.

SMCSB and RHB Trustees (collectively, "the Parties"), had on 31 March 2023, entered into a supplemental agreement to amend certain terms and conditions of the SPA. Pursuant to the supplemental agreement, the Parties have agreed to extend the cut-off date for fulfilling the conditions precedent of the SPA for another 2 months from 30 March 2023, or such other extended dates as the parties may mutually agree upon in writing.

The Parties at a later date entered into a second supplemental agreement on 30 May 2023 to extend the cut-off date to 30 June 2023 and subsequently entered into a third supplemental agreement on 30 June 2023 to further extend the cut-off date to 30 September 2023 for fulfilling the conditions precedent of the SPA, or such other extended dates as the Parties may mutually agree upon in writing.

The Proposed Acquisition has been completed on 30 August 2023 in accordance with the terms and conditions of the SPA.

**(b) Proposed acquisition of remaining stake in Sunway Subang Sdn. Bhd.**

Sunway City Sdn. Bhd. ("SunCity"), a wholly-owned subsidiary of the Group, had on 22 August 2023, entered into a Share Sale Agreement with View2pick Sdn. Bhd. ("V2P") for the purpose of acquiring 50,000 ordinary shares representing 20% of the issued and paid-up share capital of Sunway Subang Sdn. Bhd. ("SSSB") from V2P free from all encumbrances and with all rights attaching thereto for a total purchase consideration of RM49,970 ("Proposed Share Acquisition").

The Proposed Share Acquisition has been completed on 15 September 2023 and consequently, SSSB has become a wholly-owned subsidiary of the Group.

## B8 Group Borrowings and Debt Securities

The Group borrowings as at 30 September 2023 are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
<b>Secured borrowings</b>			
<u>Islamic:</u>			
Term loans	51,709	151,328	203,037
Bankers' acceptance	5,700	-	5,700
Medium term notes	1,230,000	1,159,000	2,389,000
	<b>1,287,409</b>	<b>1,310,328</b>	<b>2,597,737</b>
<u>Conventional:</u>			
Bank overdrafts	49,611	-	49,611
Term loans	279,717	1,607,458	1,887,175
Revolving credits	1,268,783	5,850	1,274,633
Medium term notes	-	500,000	500,000
Hire purchase	110	2	112
	<b>1,598,221</b>	<b>2,113,310</b>	<b>3,711,531</b>
<b>Total secured borrowings</b>	<b>2,885,630</b>	<b>3,423,638</b>	<b>6,309,268</b>
<b>Unsecured borrowings</b>			
<u>Islamic:</u>			
Revolving credits	48,000	-	48,000
Medium term notes	200,000	-	200,000
Commercial papers	720,000	-	720,000
	<b>968,000</b>	<b>-</b>	<b>968,000</b>
<u>Conventional:</u>			
Term loans	600,195	206,562	806,757
Revolving credits	808,483	-	808,483
Medium term notes	-	320,000	320,000
Bankers' acceptances	276,151	-	276,151
Bills discounting	121,402	-	121,402
	<b>1,806,231</b>	<b>526,562</b>	<b>2,332,793</b>
<b>Total unsecured borrowings</b>	<b>2,774,231</b>	<b>526,562</b>	<b>3,300,793</b>
<b>Total borrowings</b>	<b>5,659,861</b>	<b>3,950,200</b>	<b>9,610,061</b>
Islamic borrowings	2,255,409	1,310,328	3,565,737
Conventional borrowings	3,404,452	2,639,872	6,044,324
<b>Total borrowings</b>	<b>5,659,861</b>	<b>3,950,200</b>	<b>9,610,061</b>
Perpetual sukuk	-	600,000	600,000
<b>Total borrowings and perpetual sukuk</b>	<b>5,659,861</b>	<b>4,550,200</b>	<b>10,210,061</b>

Included in the Group borrowings as at 30 September 2023 are amounts denominated in foreign currency as follows:

	Foreign currency		RM'000		Total
	Current	Non-current	Current	Non-current	
<b>Secured</b>					
US Dollar (USD'000) #					
- Term loans	30,200	140,444	141,969	660,227	802,196
- Revolving credits	52,500	-	246,803	-	246,803
Singapore Dollar (SGD'000) **					
- Term loans	9,574	33,063	32,959	113,828	146,787
- Revolving credits	6,300	-	21,689	-	21,689
Australia Dollar (AUD'000) #					
- Revolving credits	83,996	-	254,022	-	254,022
- Term loans	-	6,700	-	20,262	20,262
Pound Sterling (GBP'000) **					
- Term loans	24,000	47,327	137,748	271,634	409,382
Indian Rupee (INR'000) **					
- Term loans	-	6,747,904	-	381,257	381,257

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

Included in the Group borrowings as at 30 September 2023 are amounts denominated in foreign currency as follows: (contd.)

	Foreign currency		RM'000		
	Current	Non-current	Current	Non-current	Total
<b>Unsecured</b>					
US Dollar (USD'000) *					
- Revolving credits	50,000	-	235,050	-	235,050
Singapore Dollar (SGD'000) **					
- Term loans	25,000	60,000	86,068	206,562	292,630
- Revolving credits	118,000	-	406,239	-	406,239
Chinese Renminbi (RMB'000) #					
- Revolving credits	259,376	-	167,194	-	167,194
			1,729,741	1,653,770	3,383,511

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

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

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

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

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

### 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 (excluding perpetual sukuk) of the Group has increased by RM1.32 billion, from RM8.29 billion as at 30 September 2022 to RM9.61 billion as at 30 September 2023.

The weighted average interest rate of borrowings (including perpetual sukuk) as at 30 September 2023 is 4.52%. 37% of the Group's borrowings (including perpetual sukuk) are fixed rate instruments, whereas 63% are floating rate instruments.

Out of the total borrowings (excluding perpetual sukuk) of RM9.61 billion, RM3.38 billion (Current: RM1.73 billion; Non-current: RM1.65 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 4.495, AUD borrowings is 3.030 and CNY borrowings is 0.639.

**B9 Financial Instruments - Derivatives and Financial Guarantee Contracts**

(a) The Group derivatives as at 30 September 2023 are as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gain/(Loss) for the period RM'000	Cash Flow Hedge Reserve RM'000
<b>Interest rate swap contracts</b>				
- 1 year to 2 years	34,110	193	189	-
<b>Foreign currency forward contracts</b>				
- Less than 1 year	139,010	(1,172)	636	(6,584)
<b>Cross currency swap contracts #</b>				
- Less than 1 year	1,019,793	17,791	-	(2,455)
- 1 year to 5 years	576,014	16,167	-	9,547
<b>Derivative liabilities on exit clauses in relation to the partial divestment of Sunway Healthcare Group</b>	-	(221,694)	1,626	-
<b>Put option</b>	91,350	(62,258)	(10,980)	-
<b>Total derivatives</b>		(250,973)	(8,529)	508

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

**Interest rate swap contracts**

The Group entered into interest rate swap contracts to manage its exposure in interest rate risk arising from floating rate borrowings. Borrowings with floating interest rates expose the Group to fluctuation in market interest rate and the hedging contracts minimise the impact on the Group's cash flows. The interest rate swap contracts are executed with credit-worthy financial institutions which are governed by appropriate policies and procedures.

Interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. Any changes in fair value of derivatives during the year are recognised immediately to the profit or loss.

**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.

**B9 Financial Instruments - Derivatives and Financial Guarantee Contracts (contd.)**

(b) The Group financial guarantee contracts as at 30 September 2023 are as follows:

Financial guarantee contracts	Contract/ Notional Value RM'000	Carrying Amount RM'000	Gain for the period RM'000
<b>Guarantees given to third parties in respect of trade and contracts obtained by joint ventures</b>	22,660	(155)	217
<b>Guarantees given to financial institutions in respect of credit facilities obtained by joint ventures</b>	3,180,296	(21,141)	1,204
<b>Total financial guarantee contracts</b>		(21,296)	1,421

The Group designates guarantees given to third parties and financial institutions in respect of trade contracts and credit facilities as financial liabilities as defined in MFRS 9 *Financial Instruments*. A financial guarantee contract is defined as a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

**B10 Aging Analysis of Trade Receivables**

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

	30/09/2023 RM'000	31/12/2022 RM'000
Current	1,862,592	1,145,253
1 to 30 days past due	198,835	185,615
31 to 60 days past due	105,910	114,535
61 to 90 days past due	58,993	80,318
91 to 120 days past due	29,320	67,797
More than 120 days past due	226,258	211,783
	<u>619,316</u>	<u>660,048</u>
Gross trade receivables	2,481,908	1,805,301
Impaired	(104,420)	(109,748)
Total trade receivables	2,377,488	1,695,553
Other receivables	694,963	557,508
Amounts due from associates	34,588	39,492
Amounts due from joint ventures	1,136,873	1,597,094
Total receivables	<u>4,243,912</u>	<u>3,889,647</u>
Non-current receivables	1,630,506	1,920,362
Current receivables	2,613,406	1,969,285
Total receivables	<u>4,243,912</u>	<u>3,889,647</u>

**B11 Changes in Material Litigation**

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

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

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

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

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

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

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

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

(a) (contd.)

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

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

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

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

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

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

On 20 July 2023, Srei Infrastructure Finance Ltd filed an application for release of corporate guarantee and discharge itself from all obligations under the corporate guarantee. Application was heard on 31 July 2023 and is re-notified for arguments on 29 August 2023 and adjourned to 23 November 2023.

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

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

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

The Plaintiff filed a claim for trespass and encroachment, negligence, private and public nuisance against the Defendants for the sum of RM711,367,434.46. SunCon has filed its Defence on 2 January 2020 disputing the Plaintiff's claim.

The Plaintiff has amended its Statement of Claim and reduced its claim to the sum of RM643,851,825.01 in the Amended Statement of Claim dated 21 July 2021.

On 27 July 2021, SunCon issued a Third Party Notice dated 24 July 2021 to Setia Utama LRT 3 Sdn. Bhd. ("Third Party") and claimed against the Third Party for the indemnity and/or contribution for any sum that may be due from SunCon to the Plaintiff. On 3 September 2021, the Third Party issued its Defence and Counterclaim.

Separately, on 1 April 2022, the matter was transferred to the Shah Alam High Court (Construction Division) and a new suit number of BA-22C-18-05/2022 was assigned to the matter.

The matter is currently fixed for case management on 12 December 2023 and the trial dates have been scheduled from 12 August 2024 to 15 August 2024 and 26 August 2024 to 29 August 2024.

From the evidence available, upon a review of the pleadings and documents provided and a review of the law, SunCon's solicitor's considered opinion is that the Plaintiff's claim for the sum of RM643,851,825.01 is excessively inflated and speculative and further the Third Party is to indemnify SunCon in the event SunCon is found liable towards the Plaintiff.

## **B12 Dividend**

Other than the dividend paid as disclosed in note A7, no dividend has been proposed by the Board of Directors for the financial period ended 30 September 2023.

**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 30/09/2023 RM'000	Preceding Year Corresponding Quarter 30/09/2022 RM'000	Current Year To Date 30/09/2023 RM'000	Preceding Year Corresponding Period 30/09/2022 RM'000
<b><u>Basic earnings per share</u></b>		(Restated)		(Restated)
Profit attributable to owners of the Company	180,300	165,780	471,873	463,783
Less: Preferential dividends on ICPS	(25,667)	(25,667)	(51,333)	(51,333)
	154,633	140,113	420,540	412,450
Weighted average number of ordinary shares ('000)	5,932,425	5,866,854	5,901,921	5,866,853
Earnings per share (Basic) (sen) <sup>(1)</sup>	2.61	2.39	7.13	7.03
<b><u>Diluted earnings per share</u></b>				
Profit attributable to owners of the Company	180,300	165,780	471,873	463,783
Less: Preferential dividends on ICPS	(25,667)	(25,667)	(51,333)	(51,333)
	154,633	140,113	420,540	412,450
Weighted average number of ordinary shares ('000)	6,097,960	5,925,226	6,033,393	5,970,634
Earnings per share (Diluted) (sen) <sup>(1)</sup>	2.51	2.35	6.97	6.91

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

**By Order of the Board**

**Tan Kim Aun  
Chin Lee Chin**

**Secretaries**