

# **SUNWAY<sup>®</sup>**

## **CONSTRUCTION**

SUNWAY CONSTRUCTION GROUP BERHAD

### INTERIM FINANCIAL REPORT

### SECOND QUARTER ENDED 30<sup>TH</sup> JUNE 2019

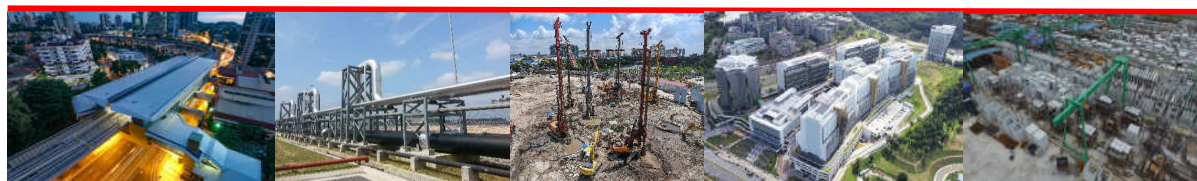


**SUNWAY CONSTRUCTION GROUP BERHAD**

(Company No. 1108506-W)  
(Incorporated in Malaysia)

Level 8, Menara Sunway  
Jalan Lagoon Timur  
Bandar Sunway  
47500 Subang Jaya  
Selangor Darul Ehsan  
Malaysia

Tel. No.: (603) 5639 9696  
Fax. No.: (603) 5639 9601  
Email: [irsuncongroup@sunway.com.my](mailto:irsuncongroup@sunway.com.my)  
Website: [www.sunwayconstruction.com.my](http://www.sunwayconstruction.com.my)



# CONTENT

Unaudited Condensed Consolidated Income Statements	.....	1
Unaudited Condensed Consolidated Statements of Comprehensive Income	.....	2
Unaudited Condensed Consolidated Statements of Financial Position	.....	3
Unaudited Condensed Consolidated Statements of Changes in Equity	.....	4
Unaudited Condensed Consolidated Statements of Cash Flows	.....	5
Notes to Financial Statements	.....	6 - 23
Appendix 1	.....	24

SUNWAY CONSTRUCTION GROUP BERHAD ( Company No : 1108506-W )

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 JUNE 2019

THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

	NOTE	<----- INDIVIDUAL QUARTER ----->				<----- CUMULATIVE QUARTER ----->			
		CURRENT	IMMEDIATE		PRECEDING YEAR	CURRENT	PRECEDING YEAR		
		YEAR	PRECEDING	CHANGES	CORRESPONDING	YEAR	CORRESPONDING	CHANGES	
	QUARTER	QUARTER		QUARTER		TO DATE	PERIOD		
		30/6/2019	31/3/2019		30/6/2018		30/6/2019	30/6/2018	
		RM'000	RM'000	%	RM'000	%	RM'000	RM'000	%
					(RESTATED)		(RESTATED)		
REVENUE		440,175	440,035	0.0%	544,275	(19.1%)	880,210	1,073,503	(18.0%)
OPERATING EXPENSES		(407,902)	(404,725)	(0.8%)	(506,981)	19.5%	(812,627)	(997,905)	18.6%
OTHER OPERATING INCOME		5,348	2,886	85.3%	4,865	9.9%	8,234	9,446	(12.8%)
PROFIT FROM OPERATIONS		37,621	38,196	(1.5%)	42,159	(10.8%)	75,817	85,044	(10.8%)
FINANCE INCOME & OTHER DISTRIBUTION INCOME		7,159	4,227	69.4%	4,852	47.5%	11,386	8,649	31.6%
FINANCE COSTS		(3,580)	(2,296)	(55.9%)	(1,927)	(85.8%)	(5,876)	(4,988)	(17.8%)
SHARE OF RESULTS OF JOINT VENTURE		-	-		-		-	-	
PROFIT BEFORE TAX	B6	41,200	40,127	2.7%	45,084	(8.6%)	81,327	88,705	(8.3%)
INCOME TAX EXPENSE	B5	(8,228)	(8,494)	3.1%	(9,290)	11.4%	(16,722)	(17,171)	2.6%
PROFIT FOR THE PERIOD		32,972	31,633	4.2%	35,794	(7.9%)	64,605	71,534	(9.7%)
ATTRIBUTABLE TO:									
- OWNERS OF THE PARENT		33,185	31,018		35,773		64,203	71,540	
- NON-CONTROLLING INTERESTS		(213)	615		21		402	(6)	
		32,972	31,633		35,794		64,605	71,534	
EARNINGS PER SHARE									
(i) BASIC ( sen )	B11	2.57	2.40		2.77		4.97	5.54	
(ii) DILUTED ( sen )		2.57	2.40		2.77		4.97	5.54	

( The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements. )

SUNWAY CONSTRUCTION GROUP BERHAD ( Company No : 1108506-W )  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 JUNE 2019  
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2019

	<----- INDIVIDUAL QUARTER ----->			<- CUMULATIVE QUARTER -->	
	CURRENT YEAR QUARTER 30/6/2019	IMMEDIATE PRECEDING QUARTER 31/3/2019	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2018	CURRENT YEAR TO DATE 30/6/2019	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2018
	RM'000	RM'000	RM'000 (RESTATED)	RM'000	RM'000 (RESTATED)
PROFIT FOR THE PERIOD	32,972	31,633	35,794	64,605	71,534
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT YEARS</b>					
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	186	(185)	920	1	(223)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	186	(185)	920	1	(223)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	33,158	31,448	36,714	64,606	71,311
ATTRIBUTABLE TO:					
- OWNERS OF THE PARENT	33,371	30,833	36,693	64,204	71,317
- NON-CONTROLLING INTERESTS	(213)	615	21	402	(6)
	33,158	31,448	36,714	64,606	71,311

( 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 2018 and the accompanying explanatory notes attached to the interim financial statements. )

SUNWAY CONSTRUCTION GROUP BERHAD ( Company No : 1108506-W )  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 JUNE 2019  
 THE FIGURES HAVE NOT BEEN AUDITED  
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2019

	NOTE	AS AT FINANCIAL PERIOD ENDED 30/6/2019 RM'000 (UNAUDITED)	AS AT FINANCIAL YEAR ENDED 31/12/2018 RM'000 (RESTATED)	AS AT FINANCIAL YEAR ENDED 1/1/2018 RM'000 (RESTATED)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant, equipment, software and right of use assets		158,307	176,956	166,559
Investment in joint ventures		44,739	44,739	-
Other investments		273	273	273
Goodwill		3,647	3,647	3,647
Deferred tax assets		5,193	5,000	2,341
		<u>212,159</u>	<u>230,615</u>	<u>172,820</u>
<b>Current assets</b>				
Inventories		28,359	29,981	24,429
Receivables, deposits and prepayments	<b>B8</b>	1,109,601	1,000,171	1,118,293
Tax recoverable		22,684	22,100	21,922
Cash and bank balances		623,788	484,869	487,240
		<u>1,784,432</u>	<u>1,537,121</u>	<u>1,651,884</u>
<b>TOTAL ASSETS</b>		<u>1,996,591</u>	<u>1,767,736</u>	<u>1,824,704</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Payables, lease liabilities and other current liabilities		988,184	939,609	1,121,115
Borrowings	<b>B7</b>	213,940	113,631	134,659
Tax payable		18,924	9,496	5,156
Derivative liabilities		-	-	469
		<u>1,221,048</u>	<u>1,062,736</u>	<u>1,261,399</u>
<b>Non-current liabilities</b>				
Other long term liabilities		151,817	96,314	-
Lease liabilities	<b>B10</b>	11,395	10,739	13,053
Deferred taxation liabilities		7,204	6,536	7,009
		<u>170,416</u>	<u>113,589</u>	<u>20,062</u>
<b>Total liabilities</b>		<u>1,391,464</u>	<u>1,176,325</u>	<u>1,281,461</u>
<b>Equity attributable to Owners of the Parent</b>				
Share capital		258,580	258,580	258,580
Treasury shares	<b>A6</b>	(6,990)	(1,295)	(1,295)
Merger reserve		(37,894)	(37,894)	(37,894)
Retained profits	<b>B10</b>	378,580	359,606	312,178
Other reserves		10,973	10,972	10,571
		<u>603,249</u>	<u>589,969</u>	<u>542,140</u>
<b>NON-CONTROLLING INTERESTS</b>		1,878	1,442	1,103
<b>Total equity</b>		<u>605,127</u>	<u>591,411</u>	<u>543,243</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,996,591</u>	<u>1,767,736</u>	<u>1,824,704</u>

**Net Assets Per Share Attributable To Owners Of  
The Parent (RM)**

**0.47                      0.46                      0.42**

( 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 2018 and the accompanying explanatory notes attached to the interim financial statements. )

SUNWAY CONSTRUCTION GROUP BERHAD ( Company No : 1108506-W )

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019

	----- ATTRIBUTABLE TO OWNERS OF THE PARENT -----									
	----- NON-DISTRIBUTABLE -----				----- DISTRIBUTABLE -----					
	SHARE CAPITAL	TREASURY SHARES	MERGER RESERVE	OTHER RESERVES TOTAL	CAPITAL CONTRIBUTION BY IMMEDIATE HOLDING COMPANY	FOREIGN EXCHANGE RESERVE	RETAINED PROFITS	TOTAL	NON- CONTROLLING INTERESTS	TOTAL EQUITY
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 JUNE 2019</b>										
At 1 January 2019	258,580	(1,295)	(37,894)	10,972	656	10,316	360,713	591,076	1,442	592,518
Effects of adopting MFRS16	-	-	-	-	-	-	(1,107)	(1,107)	-	(1,107)
At 1 January 2019 (As restated)	258,580	(1,295)	(37,894)	10,972	656	10,316	359,606	589,969	1,442	591,411
Profit for the period	-	-	-	-	-	-	64,203	64,203	402	64,605
Other comprehensive income, net of tax	-	-	-	1	-	1	-	1	-	1
Total comprehensive income	-	-	-	1	-	1	64,203	64,204	402	64,606
<b>Transactions with owners</b>										
Increase in capital by non- controlling interests	-	-	-	-	-	-	-	-	34	34
Dividends paid	-	-	-	-	-	-	(45,229)	(45,229)	-	(45,229)
Purchase of treasury shares	-	(5,695)	-	-	-	-	-	(5,695)	-	(5,695)
At 30 June 2019	258,580	(6,990)	(37,894)	10,973	656	10,317	378,580	603,249	1,878	605,127
<b>PERIOD ENDED 30 JUNE 2018</b>										
At 1 January 2018	258,580	(1,295)	(37,894)	10,571	670	9,901	312,950	542,912	1,103	544,015
Effects of adopting MFRS16	-	-	-	-	-	-	(772)	(772)	-	(772)
At January 2018 (As restated)	258,580	(1,295)	(37,894)	10,571	670	9,901	312,178	542,140	1,103	543,243
Profit for the period	-	-	-	-	-	-	71,540	71,540	(6)	71,534
Other comprehensive income, net of tax	-	-	-	(223)	-	(223)	-	(223)	-	(223)
Total comprehensive income	-	-	-	(223)	-	(223)	71,540	71,317	(6)	71,311
Disposal of subsidiary	-	-	-	(13)	(13)	-	-	(13)	-	(13)
Dividends paid	-	-	-	-	-	-	(51,690)	(51,690)	-	(51,690)
At 30 June 2018	258,580	(1,295)	(37,894)	10,335	657	9,678	332,028	561,754	1,097	562,851

( 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 2018 and the accompanying explanatory notes attached to the interim financial statements. )

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019

	NOTE	FOR THE PERIOD ENDED 30/6/2019 RM'000 (UNAUDITED)	FOR THE PERIOD ENDED 30/6/2018 RM'000 (RESTATED)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		81,327	88,705
Adjustments for:			
- non-cash items		23,053	18,354
- finance costs		5,876	4,988
- finance income and other distribution income		(11,386)	(8,649)
Operating cash flows before working capital changes		98,870	103,398
Changes in working capital		(8,806)	137,063
Cash flows generated from operations		90,064	240,461
Interest and other distribution income received		11,386	8,649
Interest paid		(5,876)	(4,988)
Tax refunded		40	903
Tax paid		(7,442)	(14,143)
Net cash generated from operating activities	<b>B7</b>	88,172	230,882
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment & software		581	1,307
Acquisitions of property, plant and equipment, ROU asset and software		(6,608)	(45,741)
Additional shares acquired by non-controlling interest		34	-
Advances from related companies		9,356	(27,376)
Investment in a jointly controlled entity		-	(2,983)
Net cash generated from/(used in) investing activities		3,363	(74,793)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net bank and other borrowings		97,345	(17,039)
Repurchases of shares		(5,695)	-
Dividends paid to shareholders		(45,229)	(51,690)
Net cash from/(used in) financing activities		46,421	(68,729)
NET INCREASE IN CASH AND CASH EQUIVALENTS		137,956	87,360
EFFECTS OF EXCHANGE RATE CHANGES		963	158
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		484,667	486,799
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD		623,586	574,317
Cash and cash equivalents at end of financial period comprise the following :			
Deposits with licensed banks and other financial institutions		584,945	529,663
Cash and bank balances		38,843	45,096
Cash and bank balances and placement in funds		623,788	574,759
Less: Deposits with other financial institutions with maturity of over 3 months		(202)	(442)
Cash and cash equivalents		623,586	574,317

( 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 2018 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 June 2019. The interim financial report is unaudited and is prepared in accordance with MFRS134 "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018. 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 financial year ended 31 December 2018.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2018 except for the adoption of the following new MFRSs, amendments to MFRSs and IC Interpretations that are effective for financial statements effective from 1 January 2019, as disclosed below:

---

#### Title

---

MFRS 16 *Leases*

IC Interpretation 23 *Uncertainty over Income Tax Treatments*

Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*

Amendments to MFRS 9 *Prepayment Features with Negative Compensation*

Amendments to MFRS 3 *Annual Improvements to MFRS Standards 2015-2018 Cycle*

Amendments to MFRS 11 *Annual Improvements to MFRS Standards 2015-2018 Cycle*

Amendments to MFRS 112 *Annual Improvements to MFRS Standards 2015 - 2018 Cycle*

Amendments to MFRS 123 *Annual Improvements to MFRS Standards 2015 - 2018 Cycle*

Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*

Amendments to References to the Conceptual Framework in MFRS Standards

The Group does not expect the adoption of the above Standards to have a significant impact on the financial statements, except for MFRS 16 as described in B10.

### A2 Report of the Auditors

The report of the auditors of preceding audited 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 period ended 30 June 2019 except for those disclosed in Note B6.

### A5 Changes in Estimates

There were no changes in estimates that have a material effect on the amounts reported for the current period ended 30 June 2019.

### A6 Repurchases of Debt and Equity Securities

We have repurchased 654,000 shares in 2017 and in this current quarter, we have purchased 2,886,900 shares at an average of price of RM 1.973 per share. The Group's debt status is as disclosed in Note B7.



A7 Dividend paid

	As at 30 June 2019 RM'000 (Unaudited)	As at 31 December 2018 RM'000 (Audited)
<u>Dividends recognised for the year (Net of tax)</u>		
2017 - 4.0 cents per share (Note 1)	-	51,690
2018 - 3.5 cents per share (Note 2)	-	45,229
2018 - 3.5 cents per share (Note 3)	45,229	-
<u>Dividends in respect of year ended (Net of tax)</u>		
3.5 cents per share -declared and paid (Note 2)	-	45,229
3.5 cents per share -declared and payable (Note 3)	-	45,229
3.5 cents per share -declared and payable (Note 4)	45,128	

**Note 1:** On 26 February 2018, the Board of Directors declared a second interim single-tier dividend of 4.0 cents per ordinary shares for the financial year ended 31 December 2017. The interim dividend of RM51,689,840 was paid on 19 April 2018.

**Note 2:** On 16 August 2018, the Board of Directors declared a first interim single-tier dividend of 3.5 cents per ordinary shares for the financial year ended 31 December 2018. The interim dividend of RM45,228,610 was paid on 27 September 2018.

**Note 3:** On 25 February 2019, the Board of Directors declared a second interim single-tier dividend of 3.5 cents per ordinary shares for the financial year ended 31 December 2018. The interim dividend of RM45,228,610 was paid on 17 April 2019.

**Note 4:** On 19 August 2019, the Board of Directors declared a first interim single-tier dividend of 3.5 cents per ordinary shares for the financial year ending 31 December 2019. The interim dividend of RM45,127,569 will be paid on 26 September 2019.

Dividend under note 1 and 2 above have been accounted for in equity as an appropriation of retained earnings in the year ended 31 December 2018. Dividend under note 3 has been accounted for in equity as appropriation of retained profits in the current quarter.

A8 Segmental Reporting

	<----- YTD JUN 2019 ----->			<----- YTD JUN 2018 ----->		
	(Unaudited)			(Restated)		
	Construction RM'000	Precast Concrete RM'000	Consolidated RM'000	Construction RM'000	Precast Concrete RM'000	Consolidated RM'000
<b>BY BUSINESS SEGMENTS</b>						
<b>REVENUE AND EXPENSES</b>						
Total revenue	1,037,974	121,479	1,159,453	1,296,171	122,759	1,418,930
Inter-segment revenue	(224,643)	(54,600)	(279,243)	(292,457)	(52,970)	(345,427)
External revenue	813,331	66,879	880,210	1,003,714	69,789	1,073,503
Results						
Operating segment results	74,720	1,097	75,817	79,121	5,923	85,044
Finance income & other distribution income	11,180	206	11,386	8,636	13	8,649
Finance costs	(4,686)	(1,190)	(5,876)	(4,875)	(113)	(4,988)
Share of results of joint venture	-	-	-	-	-	-
Profit before tax	81,214	113	81,327	82,882	5,823	88,705
Income tax expense	(16,604)	(118)	(16,722)	(16,117)	(1,054)	(17,171)
Profit/(loss) after tax	64,610	(5)	64,605	66,765	4,769	71,534
Non controlling interests	(402)	-	(402)	6	-	6
Attributable to owners of the parent	64,208	(5)	64,203	66,771	4,769	71,540
<b>TOTAL ASSETS</b>						
Unallocated assets	1,766,353	202,361	1,968,714	1,711,239	181,844	1,893,083
	-	-	27,877	-	-	25,378
	1,766,353	202,361	1,996,591	1,711,239	181,844	1,918,461
<b>TOTAL LIABILITIES</b>						
Unallocated liabilities	1,247,488	117,848	1,365,336	1,261,726	71,079	1,332,805
	-	-	26,128	-	-	17,212
	1,247,488	117,848	1,391,464	1,261,726	71,079	1,350,017

A8 Segmental Reporting (Contd.)

	<----- YTD JUN 2019 ----->				<----- YTD JUN 2018 ----->			
	(Unaudited)				(Restated)			
	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
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>GEOGRAPHICAL SEGMENTS</b>								
Malaysia	812,991	81,137	64,415	64,013	1,003,714	79,878	63,548	63,554
Singapore	66,879	410	410	410	69,789	4,819	3,978	3,978
India	-	(256)	(256)	(256)	-	(196)	(196)	(196)
United Arab Emirates	-	(127)	(127)	(127)	-	443	443	443
Trinidad & Tobago	-	-	-	-	-	3,761	3,761	3,761
Myanmar	340	163	163	163				
	880,210	81,327	64,605	64,203	1,073,503	88,705	71,534	71,540

A8 Segmental Reporting (Contd.)

Segmental results by foreign currency for the financial period ended 30 June 2019 are as follows:

**CONSTRUCTION SEGMENT:**

	FOREIGN EXCHANGE RATE	<----- FC'000 ----->				<----- 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)		812,991	80,900	64,296	63,894	812,991	80,900	64,296	63,894
United Arab Emirates (AED'000)	1.1270	-	(113)	(113)	(113)	-	(127)	(127)	(127)
India Rupee (INR'000)	0.0589	-	(4,350)	(4,350)	(4,350)	-	(256)	(256)	(256)
Singapore Dollar (SGD'000)	3.0398	-	176	176	176	-	534	534	534
Trinidad & Tobago Dollar (TT\$'000)	0.6131	-	-	-	-	-	-	-	-
Myanmar (USD'000)	4.1237	82	40	40	40	340	163	163	163
						<u>813,331</u>	<u>81,214</u>	<u>64,610</u>	<u>64,208</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		1,739,369	1,739,369	1,241,919	1,241,919
United Arab Emirates (AED'000)	1.1298	18,882	21,333	222	251
India Rupee (INR'000)	0.0601	34,752	2,089	85,675	5,149
Singapore Dollar (SGD'000)	3.0695	1,009	3,090	53	163
Trinidad & Tobago Dollar (TT\$'000)	0.6183	40	24	-	-
Myanmar (USD'000)	4.1460	108	448	2	6
			<u>1,766,353</u>		<u>1,247,488</u>

**PRECAST SEGMENT:**

	FOREIGN EXCHANGE RATE	<----- FC'000 ----->				<----- 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)		-	237	119	119	-	237	119	119
Singapore Dollar (SGD'000)	3.0398	22,001	(41)	(41)	(104)	66,879	(124)	(124)	(124)
						<u>66,879</u>	<u>113</u>	<u>(5)</u>	<u>(5)</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		70,658	70,658	28,067	28,067
Singapore Dollar (SGD'000)	3.0695	43,031	131,703	29,249	89,781
			<u>202,361</u>		<u>117,848</u>

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

A8 **Segmental Reporting (Contd.)**

Segmental results by foreign currency for the financial period ended 30 June 2018 are as follows:

**CONSTRUCTION SEGMENT:**

	FOREIGN EXCHANGE RATE	<----- FC'000 ----->				<----- RM'000 ----->			
		(Restated)				(Restated)			
		Revenue	Profit / (loss) before tax	Profit / (loss) after tax	Attributable to owners of the parent	Revenue	Profit / (loss) before tax	Profit / (loss) after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)		1,003,714	79,004	62,887	62,893	1,003,714	79,004	62,887	62,893
United Arab Emirates (AED'000)	1.0908	-	406	406	406	-	443	443	443
India Rupee (INR'000)	0.0602	-	(3,249)	(3,249)	(3,249)	-	(196)	(196)	(196)
Singapore Dollar (SGD'000)	2.9711	-	(44)	(44)	(44)	-	(130)	(130)	(130)
Trinidad & Tobago Dollar (TT\$'000)	0.5914	-	6,360	6,360	6,360	-	3,761	3,761	3,761
						<u>1,003,714</u>	<u>82,882</u>	<u>66,765</u>	<u>66,771</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS (Restated)		TOTAL LIABILITIES (Restated)	
		FC'000	RM'000	FC'000	RM'000
		Malaysia Ringgit (RM'000)		1,680,544	1,680,544
United Arab Emirates (AED'000)	1.0310	24,748	25,515	530	546
India Rupee (INR'000)	0.0588	21,071	1,239	48,675	2,862
Singapore Dollar (SGD'000)	2.9649	96	286	4	11
Trinidad & Tobago Dollar (TT\$'000)	0.6092	6,000	3,655	-	-
			<u>1,711,239</u>		<u>1,261,726</u>

**PRECAST SEGMENT:**

	FOREIGN EXCHANGE RATE	<----- FC'000 ----->				<----- RM'000 ----->			
		(Restated)				(Restated)			
		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)		-	874	661	661	-	874	661	661
Singapore Dollar (SGD'000)	2.9711	23,490	1,666	1,383	1,383	69,789	4,949	4,108	4,108
						<u>69,789</u>	<u>5,823</u>	<u>4,769</u>	<u>4,769</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS (Restated)		TOTAL LIABILITIES (Restated)	
		FC'000	RM'000	FC'000	RM'000
		Malaysia Ringgit (RM'000)		82,010	82,010
Singapore Dollar (SGD'000)	2.9649	33,672	99,834	7,726	22,907
			<u>181,844</u>		<u>71,079</u>

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

**A9 Material events**

There were no material events subsequent to the current period ended 30 June 2019.

**A10 Contingent Liabilities and Assets**

There were no change in contingent liabilities since the last financial statements for the financial year ended 31 December 2018 to 30 June 2019, except for the following:

	<b>As at 30 June 2019 RM'000 (Unaudited)</b>	<b>As at 31 December 2018 RM'000 (Audited)</b>
Guarantees given to third parties in respect of contracts and trade performance	459,529	440,332
Guarantees given to related companies in respect of contracts and trade performance	76,499	71,524
	<u>536,028</u>	<u>511,856</u>

The Group does not have any material contingent assets to be disclosed as at 30 June 2019.

**A11 Commitments**

(a) Capital commitment not provided for in the financial period ended 30 June 2019 and financial year ended 31 December 2018 are as follows:

	<b>As at 30 June 2019 RM'000 (Unaudited)</b>	<b>As at 31 December 2018 RM'000 (Audited)</b>
Approved and contracted for	40,715	-
Approved but not contracted for	151,864	198,647
	<u>192,579</u>	<u>198,647</u>

Included in commitments are investment in joint venture for the proposed Singapore Integrated Construction Precast Hub building and plant and machinery in Singapore which will be expended from 2019 to 2021.

## A12 Significant Related Party Transactions

The Group had the following transactions with related parties during the financial period ended 30 June:

	<b>Cumulative Year To Date 30 June 2019 RM'000 (Unaudited)</b>	<b>Cumulative Year To Date 30 June 2018 RM'000 (Audited)</b>
<b>Contract revenue from:</b>		
Related companies	157,751	125,924
Related parties	116,479	70,166
<b>Rental income of plant and machinery from:</b>		
Related companies	33	74
<b>Interest income from:</b>		
Related company	9	-
<b>Purchases of goods/services from:</b>		
Related companies	(30,923)	(52,551)
Related parties	(481)	(473)
<b>Rental of office space from:</b>		
Related companies	(966)	(1,446)
Related party	(606)	(828)
<b>Interest expense charge by:</b>		
Related companies	(2,139)	(2,142)
<b>Management fees charged by:</b>		
Intermediate holding company	(9,876)	(9,302)
<b>Service Level Agreement fees paid to:</b>		
Related companies	(2,336)	(2,187)

## B1 Review of Performance

### For the quarter

<u>Total Group</u>	<u>Q2 2019</u>	<u>Q2 2018</u> <u>(Restated)</u>	<u>Changes</u>
Revenue (RM'mil)	440.2	544.3	(19.1%)
PBT (RM'mil)	41.2	45.1	(8.6%)
PBT Margin (%)	9.4%	8.3%	

The Group recorded revenue of RM440.2 million and profit before tax of RM41.2 million for the current quarter ended 30 June 2019, compared to revenue of RM544.3 million and profit before tax of RM45.1 million in the corresponding quarter of the preceding financial year. The Group's revenue decreased by 19.1% due to both construction and precast segment. The Group's blended margin however increased from 8.3% to 9.4% mainly due to construction segment.

<u>Construction Segment</u>	<u>Q2 2019</u>	<u>Q2 2018</u> <u>(Restated)</u>	<u>Changes</u>
Revenue (RM'mil)	406.3	511.6	(20.6%)
PBT (RM'mil)	41.2	42.9	(4.0%)
PBT Margin (%)	10.1%	8.4%	

Construction segment reported revenue of RM406.3 million and profit before tax of RM41.2 million compared to revenue of RM511.6 million and profit before tax of RM42.9 million in the corresponding quarter of the preceding financial year. Lower revenue in the current quarter was due to Parcel F, Putrajaya which was physically substantially completed last quarter coupled with delay in LRT 3 package GS0708 due to cost optimisation by the client. Profit margin for the current quarter was higher due to recognition of final account.

<u>Precast Segment</u>	<u>Q2 2019</u>	<u>Q2 2018</u> <u>(Restated)</u>	<u>Changes</u>
Revenue (RM'mil)	33.9	32.7	3.7%
PBT (RM'mil)	0.0	2.2	(100.0%)
PBT Margin (%)	0.1%	6.7%	

Precast segment reported revenue of RM33.9 million and breakeven position in respect to profitability compared to revenue of RM32.7 million and profit before tax of RM2.2 million in the corresponding quarter of the preceding financial year. Revenue recorded for the current quarter was broadly in line with corresponding quarter. Precast's profit was lower for the current quarter as current projects are yielding lower margin.



B1 Review of Performance (Contd.)

**For the full year**

<b><u>Total Group</u></b>	<b><u>YTD 2Q19</u></b>	<b><u>YTD 2Q18 (Restated)</u></b>	<b><u>Changes</u></b>
Revenue (RM'mil)	880.2	1,073.5	(18.0%)
PBT (RM'mil)	81.3	88.7	(8.3%)
PBT Margin (%)	9.2%	8.3%	

The Group recorded revenue of RM880.2 million and profit before tax of RM81.3 million for six months ended June 2019, compared to revenue of RM1,073.5 million and profit before tax of RM88.7 million in the corresponding 6 months of the preceding financial year. Both revenue and profit saw a decline due to both construction and precast segment, however Group's overall margin for the current period ended was better margin as compared to corresponding six months of the preceding financial year.

<b><u>Construction Segment</u></b>	<b><u>YTD 2Q19</u></b>	<b><u>YTD 2Q18 (Restated)</u></b>	<b><u>Changes</u></b>
Revenue (RM'mil)	813.3	1,003.7	(19.0%)
PBT (RM'mil)	81.2	82.9	(2.1%)
PBT Margin (%)	10.0%	8.3%	

Construction segment reported revenue of RM813.3 million and profit before tax of RM81.2 million compared to revenue of RM1,003.7 million and profit before tax of RM82.9 million in the corresponding 6 months of the preceding financial year. Lower revenue by 19.0% was mainly due to Building division (completion of Parcel F, Putrajaya and International School Kuala Lumpur). However, profit margins for the current period ended was higher due to recognition of final account.

<b><u>Precast Segment</u></b>	<b><u>YTD 2Q19</u></b>	<b><u>YTD 2Q18 (Restated)</u></b>	<b><u>Changes</u></b>
Revenue (RM'mil)	66.9	69.8	(4.2%)
PBT (RM'mil)	0.1	5.8	(98.3%)
PBT Margin (%)	0.1%	8.3%	

Precast segment reported revenue of RM66.9 million and breakeven position in respect of profitability compared to revenue of RM69.8 million and profit before tax of RM5.8 million in the corresponding six months of the preceding financial year. This segment's profit margins for current year ended under review was affected due to lower margin projects secured earlier when competition was keen.

**B2 Material Changes in the Quarterly Results**

<b><u>Total Group</u></b>	<b><u>Q2 2019</u></b>	<b><u>Q1 2019</u></b>	<b><u>Changes</u></b>
Revenue (RM'mil)	440.2	440.0	0.0%
PBT (RM'mil)	41.2	40.1	2.7%
PBT Margin (%)	9.4%	9.1%	

The Group recorded revenue of RM440.2 million and profit before tax of RM41.2 million for the current quarter ended 30 June 2019, compared to revenue of RM440.0 million and profit before tax of RM40.1 million in the immediate preceding quarter. Profitability and revenue were broadly in line for both quarters under comparison.

<b><u>Construction Segment</u></b>	<b><u>Q2 2019</u></b>	<b><u>Q1 2019</u></b>	<b><u>Changes</u></b>
Revenue (RM'mil)	406.3	407.0	(0.2%)
PBT (RM'mil)	41.2	40.0	3.0%
PBT Margin (%)	10.1%	9.8%	

Construction segment reported revenue of RM406.3 million and profit before tax of RM41.2 million compared to revenue of RM407.0 million and profit before tax of RM40.0 million in the immediate preceding quarter. Profitability and revenue were broadly in line for both quarter under comparison. LRT 3 Package GS0708 is still unable to progress as planned due to on-going optimisation of design.

<b><u>Precast Segment</u></b>	<b><u>Q2 2019</u></b>	<b><u>Q1 2019</u></b>	<b><u>Changes</u></b>
Revenue (RM'mil)	33.9	33.0	2.7%
PBT (RM'mil)	0.0	0.1	(100.0%)
PBT Margin (%)	0.1%	0.3%	

Precast segment reported revenue of RM33.9 million compared to revenue of RM33.0 million in the immediate preceding quarter. Both quarters under comparison recorded breakeven in term of profitability. There were no significant variances for both quarters under comparison.

### B3 Prospects

On June 2019, we have achieved our RM1.5 billion target new order with the latest newly secured Petronas Leadership Centre, Bangi. With this new award, our outstanding order book now stands at RM5.8 billion. We are not resting on our laurels, as we are pursuing various tender locally and abroad as we hope to secure our first overseas job this year. In the meantime, SunCon will continue to focus on delivering its outstanding order.

The Malaysian economic growth has surpassed expectations, after a stronger GDP growth rate of 4.9% was announced for the second quarter of 2019 (1Q 2019 : 4.5%) with construction growth at 0.5%, a slight improvement from 0.3% registered in first quarter 2019. Malaysia's construction sector will be revived as the RM44 billion East Coast Rail Link will proceed. Some believes that the High Speed Rail ("HSR") could be revived in the next 12 months as well. There is also opportunities within the sustainable energy sector such as in the development of Large Scale Solar (LSS) Phase 3.

Over in Singapore, Fitch Solutions Macro Research said in their July 2019 report that the construction sector is likely to grow by 3 per cent in 2019, supported by an expected short-term stronger performance in the building sector. The research firm adjusted its short-term growth outlook for the construction sector, up from its previous 2.8 per cent forecast for 2019, after it had also made upward revisions of its forecasts for the residential and non-residential building sector in Singapore. Our precast unit which predominantly operates in Singapore should be resilient due to it's healthy outstanding order which stands at RM294 million (*refer to appendix 1*). The Housing and Development Board (HDB) reported that a total of 13,842 units of flats have been launched up to August 2019 (2018 : 15,811; 2017 : 17,593; 2016 : 17,891) and for FYE 2019, HDB will launch about 15,000 new flats. For year ending 2019, this segment will continue to have margin pressure due to low margin jobs secured earlier. Newer projects secured during FYE 2018 have better pricing but will only start contributing to the earnings of SunCon towards end of 2019.

SunCon is cautiously optimistic with our prospect but will still continue with our endeavour overseas in India and ASEAN region. Coupled with various in-house projects in the pipeline by both our related companies, Sunway Berhad and Sunway REIT, we are assured of our prospects going forward barring any unforeseen circumstances.

### 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

	Current Quarter Ended 30 June 2019 RM'000 (Unaudited)	Immediate Preceding Quarter Ended 31 March 2019 RM'000 (Unaudited)	Cumulative Year To Date 30 June 2019 RM'000 (Unaudited)
Current taxation	(8,121)	(8,110)	(16,231)
Deferred taxation	(107)	(384)	(491)
	<u>(8,228)</u>	<u>(8,494)</u>	<u>(16,722)</u>
Effective tax rate	20.0%	21.2%	20.6%
Statutory tax rate :			
- Malaysia	24.0%	24.0%	24.0%
- Singapore	17.0%	17.0%	17.0%

The effective tax rate for the period ended 30 June 2019 of 20.6% was lower than Malaysia's statutory tax rate of 24% mainly due to interest income which is tax free.

**B6 Profit before Taxation**

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

	Current Quarter Ended 30 June 2019 RM'000 (Unaudited)	Immediate Preceding Quarter Ended 31 March 2019 RM'000 (Unaudited)	Cumulative Year To Date 30 June 2019 RM'000 (Unaudited)
Interest income *	7,159	4,227	11,386
Interest expense	(3,580)	(2,296)	(5,876)
Depreciation and amortisation	(16,312)	(10,057)	(26,369)
Allowance for impairment losses for:			
- Receivables	-	(290)	(290)
- Others #	(2,007)	-	(2,007)
Reversal gain of impairment for:			
- Receivables	652	215	867
Write off gain/(loss) :			
- Trade receivables	(28)	-	(28)
- Property, plant and equipment, and software	(75)	(3)	(78)
Arbitration gain	844	1,962	2,806
Net gain / (loss) on disposal of:			
- Property, plant and equipment, and software	(52)	336	284
Accretion of financial assets and financial liabilities	1,191	1,041	2,232
Foreign exchange gain/(loss):			
- realised	337	(104)	233
- unrealised	-	-	-
	-	-	-

\* Included in interest income this quarter was interest income won on a litigation case.

# Being provision provided for litigation case

Material foreign currency transactions exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts.

**B7 Group Borrowings and Debt Securities**

The Group borrowings breakdown are as follows:

	As at 30 June 2019 RM'000 (Unaudited)	As at 31 December 2018 RM'000 (Audited)
Borrowings:		
Current (Unsecured)		
- Bills discounting (RM denominated)	137,202	107,544
- Revolving credits (SGD denominated)	-	6,087
Current (Secured)		
- Short term loan (SGD denominated)	76,738	-
	<u>213,940</u>	<u>113,631</u>

The weighted average interest rates that was effective as at reporting date were as follows:

- Bills discounting	3.90%	3.94%
- Revolving credits	-	3.62%
- Short term loan	2.64%	-

Net cash generated from operating activities for the period ended 30 June 2019 stood at RM88.2 million compared to RM230.9 million recorded in the corresponding preceding financial year. The higher operating cashflow for the corresponding preceding financial year was mainly from milestone payment, bullet payment and advance money collected during the said period.

**B8 Receivables, deposits and prepayments**

The ageing analysis of the Group's trade receivables and other receivables breakdown are as follows:

	As at 30 June 2019 RM'000 (Unaudited)	As at 31 December 2018 RM'000 (Audited)
Current	769,414	700,832
1 to 30 days past due	19,106	57,481
31 to 60 days past due	51,526	3,365
61 to 90 days past due	16,951	46,037
91 to 120 days past due	25,020	19,937
More than 121 days past due	103,703	85,408
	<u>216,306</u>	<u>212,228</u>
Total trade receivables	985,720	913,060
Less: Allowance for impairment	(27,127)	(28,701)
Other receivables	41,951	32,296
Amounts due from intermediate holding companies	1,253	1,711
Amount due from related companies	85,814	60,640
Amount due from an associate	20,469	21,073
Amount due from a joint venture	1,521	92
	<u>1,109,601</u>	<u>1,000,171</u>

The Group's credit term is generally for a year of 30 days to 90 days for both its related parties and external customers.

## B9 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"). The Statement of Claim was received by SunCon's office in Malaysia on 8 September 2008.

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 between the parties. The Supreme Court had appointed the late Mr H.L. Agarwal as the sole arbitrator. The Claimant then filed its Statement of Claim on 4 September 2008.

The Statement of Claim was raised in respect of various claims (including claiming the refund of the amount cashed on the Bank Guarantees) and the total amount claimed is Rs.89,14,55,047.83 in addition to interest and cost.

At the hearing on 2 February 2009, the arbitrator recorded SunCon's filing of the Statement of Defense and Counterclaim. In the counterclaim, SunCon is seeking for Rs.78,13,94,628.61 in addition to interest and cost for inter alia, additional costs incurred by SunCon to complete the works, recovery of mobilisation advance and interest charges, loss of reputation and loss of profits.

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

SunCon was notified by its solicitors that an arbitration petition has been filed by Shristi on 7 January 2016 in the Supreme Court of India for the appointment of a new arbitrator. The Supreme Court of India by an order dated 5 January 2017 appointed Hon'ble Mr Justice Vikramajit Sen (a former Judge of the Supreme Court of India) as arbitrator in place of the late Justice H.L. Agrawal (Retd.) for adjudication of the disputes and differences between the Parties. The first hearing before Mr Justice Vikramajit Sen was held on 24 February 2017.

The proceedings had advanced for final arguments on 6 March 2018 to 9 March 2018. Further final and rejoinder argument was heard on 12, 13 and 14 April 2018. Arguments stand concluded. The Arbitrator published his award on 9 April 2019 and awarded the Claimant Rs. 12,84,41,929.37.

SunCon has filed an appeal with the High Court of New Delhi in early July 2019 and our hearing is fixed on 13 September 2019.

## B9 Changes in Material Litigation (Contd.)

- (b) Sunway Creative Stones Sdn Bhd ("Sunway Creative Stones"), being the nominated sub-contractor for the stone works for the Palazzio, is claiming against Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd ("SPYTL"), being the main contractor, for the unpaid interim certificates, work done yet to be certified, unfixed materials and refund of wrongfully imposed back-charges following determination of the main contractor's employment under the main contractor.

Sunway Creative Stones has in October 2011 filed its claim against SPYTL for the sum of RM4,968,417.05 and interest and costs. SPYTL is counter-claiming for the loss and damage of RM11,600,000.00 for Sunway Creative Stones' delay and back charges of RM35,340.00 and interest and costs or alternatively for the liquidated and ascertained damages in the sum of RM33,600,000.00 at the rate of RM105,000.00 per day for 320 days and back charges of RM35,340.00 and interest and costs.

The Arbitrator published his award on 18 March 2019 and awarded Sunway Creative Stone RM4,954,584.86 plus interest and costs.

Sunway Creative Stone has filed an application to enforce the Arbitration Award and SPYTL has filed an application to set aside the Arbitration Award. Case Management for both applications was fixed on 1 August 2019 and hearing is 28 August 2019.

- (c) SunCon was awarded a contract for the execution of the rehabilitation and upgrading of km 406 to km 449.15 of highway NH-76 in the State of Rajasthan, India to four-lane configuration ("**NH-76 Highway Project**") by the National Highways Authority ("**NHA**") in 2005. SunCon commenced separate arbitration proceedings against NHA on various disputes arising from the NH-76 Highway Project (each, a "**Reference**"). The following sets out the nature of SunCon's claims and the current status of the proceedings:

- (a) Reference 1 – In November 2009, SunCon claimed against NHA for the payment of the completed construction of fly ash for the highway embankment. The Arbitral Tribunal had, via an award dated 28 June 2011, awarded SunCon a sum of Rs.43,090,350.00. NHA appealed against the Arbitral Tribunal's decision to the High Court of Delhi. In 2012, the High Court ruled in favor of NHA and set aside SunCon's award.

SunCon appealed to the Supreme Court of India and was granted leave of appeal. Next date of hearing is to be fixed. The solicitors acting for SunCon is of the view that SunCon has a good case on the merits and a correspondingly high probability of success before the Supreme Court.

- (b) Reference 2 – In April 2009, SunCon claimed against NHA for the reimbursement of the toll tax imposed on all vehicles deployed for the execution of the NH-76 Highway Project. The Arbitral Tribunal had, via an award dated 3 October 2011, awarded SunCon a sum of Rs.14,329,148.00.

On 22 January 2019, the High Court upheld the arbitral award. On 5 April 2019, the Court dismissed NHA's appeal. We have received partially the money and the balance has been placed in escrow account. NHA has filed an appeal against the Order dated 30 May 2019.

- (c) Reference 3 – In November 2012, SunCon claimed against NHA for the loss and expenses incurred during the extended project year which was due to NHA's delay. The Arbitral Tribunal had, via an award dated 29 April 2014, awarded SunCon a sum of Rs.310,347,836.00.

NHA appealed against the Arbitral Tribunal's award to the High Court. The case is now further adjourned to 2 September 2019 .

The solicitors acting for SunCon, after taking into consideration of the narrow scope of challenge to the arbitral awards as permissible under the Indian Arbitration and Conciliation Act 1996, is of the view that SunCon has a high chance of success.

**B10 Comparatives**

	As previously stated RM'000	Effects of MFRS 16 RM'000	As restated RM'000
<b>As at 1 January 2018 :</b>			
<b><u>Statement of financial position</u></b>			
Right-of-use of assets	-	14,498	14,498
Lease liabilities - current liabilities	-	2,217	2,217
Lease liabilities - non current liabilities	-	13,053	13,053
Retained earning	312,950	(772)	312,178
<b>As at 31 December 2018 :</b>			
<b><u>Statement of financial position</u></b>			
Right-of-use of assets	-	13,268	13,268
Lease liabilities - current liabilities	-	3,636	3,636
Lease liabilities - non current liabilities	-	10,739	10,739
Retained earning	360,713	(1,107)	359,606
<b><u>Income statement</u></b>			
Operating Expense	(2,102,911)	591	(2,102,320)
Interest Expense	(8,296)	(926)	(9,222)

MFRS 16: As a result of the adoption of MFRS 16, the existing requirements for a lessee to distinguish between finance leases and operating leases under the MFRS 117 are no longer required. This Standard introduces a single accounting model, requiring the lessee to recognise the right-of-use of the underlying lease asset and the future lease payments liabilities in the statements of financial position. For a lessor, MFRS 16 continues to allow the lessor to classify leases as either operating leases or finance leases and to account for these two types of leases differently.

Right-of-use assets comprise premises and equipment. Subsequent to initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The right-of-use assets are measured at an amount equal to the lease liabilities.

Lease liabilities arising from the premises and equipment are recognised and discounted using the weighted average incremental borrowing rate of the Group of 5.12% - 5.32%. Subsequent to initial recognition, the Group measure the lease liabilities by increasing the carrying amount to reflect the interest on the lease liabilities, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.



**B11 Earnings per share**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 June 2019 RM'000	Preceding Year Quarter 30 June 2018 RM'000	Current Year To Date 30 June 2019 RM'000	Preceding Year To Date 30 June 2018 RM'000
<b><u>Basic earnings per share</u></b>		(Restated)		(Restated)
Profit attributable to members of the Company	33,185	35,773	64,203	71,540
Weighted Average Number of Ordinary Shares ('000)	1,289,359	1,292,246	1,289,359	1,292,246
Earnings per share (Basic/Diluted) (sen)	2.57	2.77	4.97	5.54

**By Order of the Board**

**Tan Kim Aun**

**Soh Ke Yi**

**Secretaries**

As at Jun 2019 (RM mil)	Completion	Contract Sum	O/S Orderbook	
<b>Building</b>			<b>1,319</b>	<b>23%</b>
Putrajaya Parcel F	1Q 2019	1,610	50	
PPA1M Kota Bharu	1Q 2020	582	105	
Nippon Express	4Q 2019	70	30	
<b>TNB HQ Campus (Ph 2)</b>	<b>2Q 2021</b>	<b>781</b>	<b>756</b>	
<b>Petronas Leadership Center</b>	<b>2Q 2021</b>	<b>310</b>	<b>310</b>	
<b>Oxley Tower</b>	<b>2Q 2022</b>	<b>68</b>	<b>68</b>	
<b>Infrastructure/Piling</b>			<b>2,259</b>	<b>39%</b>
MRT V201 + S201	2Q 2021	1,213	243	
LRT 3 : Package GS07-08	2Q 2021	2,178	1,882	
Piling works	Various	128	47	
<b>Piling works - Y19</b>	<b>Various</b>	<b>99</b>	<b>88</b>	
<b>Internal</b>			<b>1,911</b>	<b>33%</b>
SMC 4	2Q 2021	512	417	
Emerald Residences	4Q 2018	175	7	
Big Box - Iskandar	4Q 2019	170	9	
Sunway Serene	4Q 2020	449	294	
Velo 2	4Q 2021	352	328	
Velocity 3C4	2Q 2021	100	88	
Sunway GEOLake	1Q 2021	223	142	
Carnival Mall Ext	4Q 2020	286	241	
SMC Seberang Jaya	4Q 2020	180	159	
Velocity Ecodeck	4Q 2018	11	9	
M&E works	4Q 2018	27	4	
<b>Big Box Hotel</b>	<b>3Q 2020</b>	<b>100</b>	<b>93</b>	
<b>Parcel CP2</b>	<b>3Q 2021</b>	<b>119</b>	<b>119</b>	
<b>Singapore</b>			<b>294</b>	<b>5%</b>
Precast	Various	331	234	
<b>New Order 2019</b>	<b>Various</b>	<b>60</b>	<b>60</b>	
<b>Grand Total</b>		<b>10,132</b>	<b>5,783</b>	
<b>Red : Secured in 2019</b>		<b>1,537</b>	<b>1,494</b>	