

# **SUNWAY<sup>®</sup>**

## **CONSTRUCTION**

SUNWAY CONSTRUCTION GROUP BERHAD

### INTERIM FINANCIAL REPORT

### THIRD QUARTER ENDED 30<sup>TH</sup> SEPTEMBER 2019

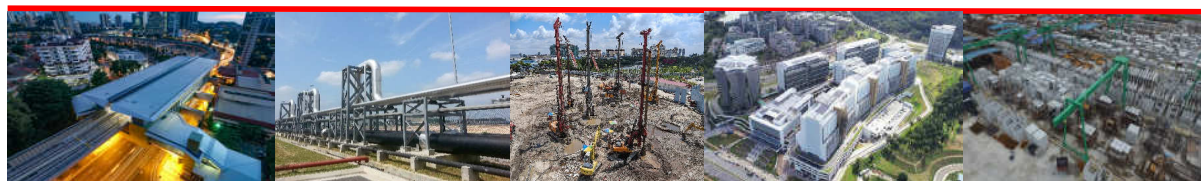


**SUNWAY CONSTRUCTION GROUP BERHAD**

Company No. 201401032422 (1108506-W)  
(Incorporated in Malaysia)

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SUNWAY CONSTRUCTION GROUP BERHAD ( Company No : 201401032422 (1108506-W) )  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2019  
 THE FIGURES HAVE NOT BEEN AUDITED

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

	NOTE	<----- INDIVIDUAL QUARTER ----->				<----- CUMULATIVE QUARTER ----->			
		CURRENT	IMMEDIATE	CHANGES	PRECEDING YEAR	CURRENT	PRECEDING YEAR	CHANGES	
		YEAR	PRECEDING		CORRESPONDING	YEAR	CORRESPONDING		
QUARTER	QUARTER	QUARTER	QUARTER	QUARTER	TO DATE	PERIOD			
30/9/2019	30/6/2019	30/9/2019	30/9/2018	30/9/2018	30/9/2019	30/9/2018			
RM'000	RM'000	%	RM'000	%	RM'000	RM'000	%		
				(RESTATED)		(RESTATED)			
REVENUE		402,582	440,175	(8.5%)	557,317	(27.8%)	1,282,792	1,630,820	(21.3%)
OPERATING EXPENSES		(371,499)	(407,902)	8.9%	(515,768)	28.0%	(1,184,126)	(1,513,673)	21.8%
OTHER OPERATING INCOME		3,294	5,348	(38.4%)	3,379	(2.5%)	11,528	12,825	(10.1%)
PROFIT FROM OPERATIONS		34,377	37,621	(8.6%)	44,928	(23.5%)	110,194	129,972	(15.2%)
FINANCE INCOME & OTHER DISTRIBUTION INCOME		5,113	7,159	(28.6%)	3,878	31.8%	16,499	12,527	31.7%
FINANCE COSTS		(3,928)	(3,580)	(9.7%)	(1,963)	(100.1%)	(9,804)	(6,951)	(41.0%)
SHARE OF RESULTS OF JOINT VENTURE		-	-		-		-	-	
PROFIT BEFORE TAX	B6	35,562	41,200	(13.7%)	46,843	(24.1%)	116,889	135,548	(13.8%)
INCOME TAX EXPENSE	B5	(2,538)	(8,228)	69.2%	(10,366)	75.5%	(19,260)	(27,537)	30.1%
PROFIT FOR THE PERIOD		33,024	32,972	0.2%	36,477	(9.5%)	97,629	108,011	(9.6%)
ATTRIBUTABLE TO:									
- OWNERS OF THE PARENT		33,482	33,185		36,389		97,685	107,929	
- NON-CONTROLLING INTERESTS		(458)	(213)		88		(56)	82	
		33,024	32,972		36,477		97,629	108,011	
EARNINGS PER SHARE									
(i) BASIC ( sen )	B11	2.60	2.57		2.82		7.56	8.36	
(ii) DILUTED ( sen )		2.60	2.57		2.82		7.56	8.36	

( 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 : 201401032422 (1108506-W) )  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2019  
 THE FIGURES HAVE NOT BEEN AUDITED

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

	<----- INDIVIDUAL QUARTER ----->			<-- CUMULATIVE QUARTER -->	
	CURRENT YEAR QUARTER 30/9/2019	IMMEDIATE PRECEDING QUARTER 30/6/2019	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2018	CURRENT YEAR TO DATE 30/9/2019	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2018
	RM'000	RM'000	RM'000 (RESTATED)	RM'000	RM'000 (RESTATED)
PROFIT FOR THE PERIOD	33,024	32,972	36,477	97,629	108,011
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT YEARS</b>					
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	(0)	204	1,909	19	1,687
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	(0)	204	1,909	19	1,687
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	33,024	33,176	38,387	97,648	109,698
ATTRIBUTABLE TO:					
- OWNERS OF THE PARENT	33,482	33,634	38,299	97,704	109,616
- NON-CONTROLLING INTERESTS	(458)	(458)	88	(56)	82
	33,024	33,176	38,387	97,648	109,698

( 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. )

	NOTE	AS AT FINANCIAL PERIOD ENDED 30/9/2019 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		148,365	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		4,044	5,266	2,526
		<u>201,068</u>	<u>230,881</u>	<u>173,005</u>
<b>Current assets</b>				
Inventories		27,149	29,981	24,429
Receivables, deposits and prepayments	<b>B8</b>	1,040,377	1,000,171	1,118,293
Tax recoverable		20,823	22,100	21,922
Cash and bank balances		523,197	484,869	487,240
		<u>1,611,546</u>	<u>1,537,121</u>	<u>1,651,884</u>
<b>TOTAL ASSETS</b>		<u>1,812,614</u>	<u>1,768,002</u>	<u>1,824,889</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Payables, lease liabilities and other current liabilities		878,417	939,609	1,121,115
Borrowings	<b>B7</b>	182,381	113,631	134,659
Tax payable		19,161	9,496	5,156
Derivative liabilities		80	-	469
		<u>1,080,039</u>	<u>1,062,736</u>	<u>1,261,399</u>
<b>Non-current liabilities</b>				
Borrowings	<b>B7</b>	40,960	-	-
Other long term liabilities		86,390	96,314	-
Lease liabilities	<b>B10</b>	9,919	10,739	13,053
Deferred taxation liabilities		1,999	6,536	7,009
		<u>139,268</u>	<u>113,589</u>	<u>20,062</u>
<b>Total liabilities</b>		<u>1,219,307</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>	367,201	359,872	312,363
Other reserves		10,991	10,972	10,571
		<u>591,888</u>	<u>590,235</u>	<u>542,325</u>
<b>NON-CONTROLLING INTERESTS</b>		1,419	1,442	1,103
<b>Total equity</b>		<u>593,307</u>	<u>591,677</u>	<u>543,428</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,812,614</u>	<u>1,768,002</u>	<u>1,824,889</u>
<b>Net Assets Per Share Attributable To Owners Of The Parent (RM)</b>				
		<b>0.46</b>	<b>0.46</b>	<b>0.42</b>

( 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. )

	----- 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	
<b>PERIOD ENDED 30 SEPT 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	-	-	-	-	-	-	(841)	(841)	-	(841)
At 1 January 2019 (As restated)	258,580	(1,295)	(37,894)	10,972	656	10,316	359,872	590,235	1,442	591,677
Profit for the period	-	-	-	-	-	-	97,685	97,685	(56)	97,629
Other comprehensive income, net of tax	-	-	-	19	-	19	-	19	0	19
Total comprehensive income	-	-	-	19	-	19	97,685	97,704	(56)	97,648
<b>Transactions with owners</b>										
Increase in capital by non-controlling interests	-	-	-	-	-	-	-	-	34	34
Dividends paid	-	-	-	-	-	-	(90,356)	(90,356)	-	(90,356)
Purchase of treasury shares	-	(5,695)	-	-	-	-	-	(5,695)	-	(5,695)
At 30 Sept 2019	258,580	(6,990)	(37,894)	10,991	656	10,335	367,201	591,888	1,419	593,307
<b>PERIOD ENDED 30 SEPT 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	-	-	-	-	-	-	(586)	(586)	-	(586)
At January 2018 (As restated)	258,580	(1,295)	(37,894)	10,571	670	9,901	312,363	542,326	1,103	543,428
Profit for the period	-	-	-	-	-	-	107,929	107,929	82	108,011
Other comprehensive income, net of tax	-	-	-	1,687	-	1,687	-	1,687	-	1,687
Total comprehensive income	-	-	-	1,687	-	1,687	107,929	109,616	82	109,698
Disposal of subsidiary	-	-	-	(14)	(14)	-	-	(14)	-	(14)
Dividends paid	-	-	-	-	-	-	(96,918)	(96,918)	-	(96,918)
At 30 Sept 2018	258,580	(1,295)	(37,894)	12,244	656	11,588	323,374	555,009	1,185	556,194

( 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 SEPTEMBER 2019

	NOTE	FOR THE PERIOD ENDED 30/9/2019 RM'000 (UNAUDITED)	FOR THE PERIOD ENDED 30/9/2018 RM'000 (RESTATED)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		116,889	135,548
Adjustments for:			
- non-cash items		33,818	31,568
- finance costs		9,804	6,951
- finance income and other distribution income		(16,499)	(12,527)
Operating cash flows before working capital changes		144,012	161,540
Changes in working capital		(47,640)	30,725
Cash flows generated from operations		96,372	192,265
Interest and other distribution income received		16,499	12,527
Interest paid		(9,804)	(6,951)
Tax refunded		(236)	118
Tax paid		(11,427)	(16,598)
Net cash generated from operating activities	<b>B7</b>	91,404	181,361
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment & software		604	1,323
Acquisitions of property, plant and equipment, ROU asset and software		(9,847)	(52,008)
Additional shares acquired by non-controlling interest		34	-
Repayment to related companies		(56,070)	(19,668)
Investment in a jointly controlled entity		-	(43,890)
Net cash used in investing activities		(65,279)	(114,243)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net bank and other borrowings		107,738	(10,062)
Repurchases of shares		(5,695)	-
Dividends paid to shareholders		(90,356)	(96,918)
Net cash from/(used in) financing activities		11,687	(106,980)
NET INCREASE IN CASH AND CASH EQUIVALENTS		37,812	(39,862)
EFFECTS OF EXCHANGE RATE CHANGES		516	1,995
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		484,667	486,798
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD		522,995	448,931
Cash and cash equivalents at end of financial period comprise the following :			
Deposits with licensed banks and other financial institutions		483,259	410,987
Cash and bank balances		39,938	38,386
Cash and bank balances and placement in funds		523,197	449,373
Less: Deposits with other financial institutions with maturity of over 3 months		(202)	(442)
Cash and cash equivalents		522,995	448,931

( 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 September 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:

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#### Title

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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 subjected 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 September 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 September 2019.

### A6 Repurchases of Debt and Equity Securities

We have repurchased 654,000 shares in 2017 and in this last quarter, we have purchased 2,886,900 shares at an average of price of RM 1.973 per share. There were no repurchase activities during the current quarter. The Group's debt status is as disclosed in Note B7.



A7 Dividend paid

	As at 30 September 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	
2019 - 3.5 cents per share (Note 4)	45,128	
<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 was 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 and 4 have been accounted for in equity as appropriation of retained profits in the current period ended 30 September 2019.

A8 Segmental Reporting

	<----- YTD SEPT'19 ----->			<----- YTD SEPT'18 ----->		
	(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	1,496,201	183,351	1,679,552	1,967,153	178,107	2,145,260
Inter-segment revenue	(317,783)	(78,977)	(396,760)	(439,385)	(75,055)	(514,440)
External revenue	1,178,418	104,374	1,282,792	1,527,768	103,052	1,630,820
<b>Results</b>						
Operating segment results	108,288	1,906	110,194	125,917	4,055	129,972
Finance income & other distribution income	16,125	374	16,499	12,511	16	12,527
Finance costs	(7,841)	(1,963)	(9,804)	(6,744)	(207)	(6,951)
Share of results of joint venture	-	-	-	-	-	-
Profit before tax	116,572	317	116,889	131,684	3,864	135,548
Income tax expense	(18,642)	(618)	(19,260)	(26,668)	(869)	(27,537)
Profit/(loss) after tax	97,930	(301)	97,629	105,016	2,995	108,011
Non controlling interests	56	-	56	(82)	-	(82)
Attributable to owners of the parent	97,986	(301)	97,685	104,934	2,995	107,929
<b>TOTAL ASSETS</b>						
Unallocated assets	-	-	24,867	-	-	25,176
	1,568,099	219,648	1,787,747	1,721,756	203,712	1,925,468
	1,568,099	219,648	1,812,614	1,721,756	203,712	1,950,644
<b>TOTAL LIABILITIES</b>						
Unallocated liabilities	-	-	21,160	-	-	24,133
	1,055,193	142,954	1,198,147	1,268,902	96,006	1,364,908
	1,055,193	142,954	1,219,307	1,268,902	96,006	1,389,041

A8 Segmental Reporting (Contd.)

	YTD SEPT'19 (Unaudited)				YTD SEPT'18 (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	1,177,615	119,380	100,182	100,238	1,527,768	126,346	99,687	99,605
Singapore	104,374	(1,194)	(1,256)	(1,256)	103,052	5,249	4,371	4,371
India	-	(1,233)	(1,233)	(1,233)	-	(235)	(235)	(235)
United Arab Emirates	-	(120)	(120)	(120)	-	379	379	379
Trinidad & Tobago	-	-	-	-	-	3,818	3,818	3,818
Myanmar	804	56	56	56	-	(9)	(9)	(9)
	1,282,792	116,889	97,629	97,685	1,630,820	135,548	108,011	107,929

A8 Segmental Reporting (Contd.)

Segmental results by foreign currency for the financial period ended 30 September 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)		1,177,614	117,514	98,934	98,990	1,177,614	117,514	98,934	98,990
United Arab Emirates (AED'000)	1.1313	-	(106)	(106)	(106)	-	(120)	(120)	(120)
India Rupee (INR'000)	0.0526	-	(16,468)	(16,468)	(16,468)	-	(1,233)	(1,233)	(1,233)
Singapore Dollar (SGD'000)	3.0383	-	117	96	96	-	355	293	293
Trinidad & Tobago Dollar (TT\$'000)	0.6162	-	-	-	-	-	-	-	-
Myanmar (USD'000)	4.1433	194	16	12	12	804	56	56	56
						<u>1,178,418</u>	<u>116,572</u>	<u>97,930</u>	<u>97,986</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		1,543,844	1,543,844	1,033,787	1,033,787
United Arab Emirates (AED'000)	1.1426	18,898	21,593	14,215	16,242
India Rupee (INR'000)	0.0589	11,241	662	77,192	4,547
Singapore Dollar (SGD'000)	3.0399	496	1,505	90	273
Trinidad & Tobago Dollar (TT\$'000)	0.6253	40	25	-	-
Myanmar (USD'000)	4.1930	112	470	82	344
			<u>1,568,099</u>		<u>1,055,193</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)		-	1,866	1,248	1,248	-	1,866	1,248	1,248
Singapore Dollar (SGD'000)	3.0383	34,352	(785)	(785)	(104)	104,374	(1,549)	(1,549)	(1,549)
						<u>104,374</u>	<u>317</u>	<u>(301)</u>	<u>(301)</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		73,190	73,190	24,851	24,851
Singapore Dollar (SGD'000)	3.0399	48,161	146,458	38,851	118,103
			<u>219,648</u>		<u>142,954</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 September 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)		1,527,768	127,877	101,209	101,127	1,527,768	127,877	101,209	101,127
United Arab Emirates (AED'000)	1.1003	-	344	344	344	-	378	378	378
India Rupee (INR'000)	0.0595	-	(3,949)	(3,948)	(3,948)	-	(235)	(235)	(235)
Singapore Dollar (SGD'000)	2.9857	-	(48)	(48)	(48)	-	(145)	(145)	(145)
Trinidad & Tobago Dollar (TT\$'000)	0.6003	-	6,360	6,360	6,360	-	3,818	3,818	3,818
Myanmar (USD'000)	3.9978	-	-	-	-	-	(9)	(9)	(9)
						<u>1,527,768</u>	<u>131,684</u>	<u>105,016</u>	<u>104,934</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS (Restated)		TOTAL LIABILITIES (Restated)	
		FC'000	RM'000	FC'000	RM'000
		Malaysia Ringgit (RM'000)		1,688,727	1,688,727
United Arab Emirates (AED'000)	1.1306	24,664	27,885	379	428
India Rupee (INR'000)	0.0572	2,846	163	45,793	2,619
Singapore Dollar (SGD'000)	3.0389	338	1,027	44	134
Trinidad & Tobago Dollar (TT\$'000)	0.6244	6,000	3,747	-	-
Myanmar (USD'000)	4.1490	50	207	-	-
			<u>1,721,756</u>		<u>1,268,902</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)		-	(1,530)	(1,521)	(1,521)	-	(1,530)	(1,521)	(1,521)
Singapore Dollar (SGD'000)	2.9857	23,490	1,807	1,513	1,513	<u>103,052</u>	<u>5,394</u>	<u>4,516</u>	<u>4,516</u>
						<u>103,052</u>	<u>3,864</u>	<u>2,995</u>	<u>2,995</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS (Restated)		TOTAL LIABILITIES (Restated)	
		FC'000	RM'000	FC'000	RM'000
		Malaysia Ringgit (RM'000)		72,188	72,188
Singapore Dollar (SGD'000)	3.0389	43,280	131,524	17,533	53,280
			<u>203,712</u>		<u>96,006</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 September 2019, except the legal proceeding instituted by PNSB Acmar Sdn Bhd againsts Prasarana Malaysia Berhad and Sunway Construction Sdn Bhd on 14 November 2019. SunCon is currently seeking the professional advice on the matter and will make further announcement on the developments in due course.

**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 September 2019, except for the following:

	<b>As at 30 September 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	458,969	440,332
Guarantees given to related companies in respect of contracts and trade performance	90,091	71,524
	<u>549,060</u>	<u>511,856</u>

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

**A11 Commitments**

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

	<b>As at 30 September 2019 RM'000 (Unaudited)</b>	<b>As at 31 December 2018 RM'000 (Audited)</b>
Approved and contracted for	38,100	-
Approved but not contracted for	152,242	198,647
	<u>190,342</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 September:

	<b>Cumulative Year To Date 30 September 2019 RM'000 (Unaudited)</b>	<b>Cumulative Year To Date 30 September 2018 RM'000 (Audited)</b>
<b>Contract revenue from:</b>		
Related companies	252,559	194,447
Related parties	148,635	109,912
<b>Rental income of plant and machinery from:</b>		
Related companies	49	101
<b>Interest income from:</b>		
Related company	9	-
<b>Purchases of goods/services from:</b>		
Related companies	(46,050)	(72,627)
Related parties	(1,749)	(903)
<b>Rental of office space from:</b>		
Related companies	(1,291)	(2,193)
Related party	(1,105)	(1,134)
<b>Interest expense charge by:</b>		
Related companies	(3,277)	(3,132)
<b>Management fees charged by:</b>		
Intermediate holding company	(14,908)	(14,111)
<b>Service Level Agreement fees paid to:</b>		
Related companies	(4,290)	(3,669)

## B1 Review of Performance

### For the quarter

<u>Total Group</u>	<u>Q3 2019</u>	<u>Q3 2018</u> <u>(Restated)</u>	<u>Changes</u>
Revenue (RM'mil)	402.6	557.3	(27.8%)
PBT (RM'mil)	35.6	46.8	(24.1%)
PBT Margin (%)	8.8%	8.4%	

The Group recorded revenue of RM402.6 million and profit before tax of RM35.6 million for the current quarter ended 30 Sept 2019, compared to revenue of RM557.3 million and profit before tax of RM46.8 million in the corresponding quarter of the preceding financial year. The Group's revenue decreased by 27.8% due to construction segment. The Group's blended margin remained relatively the same for both quarters under comparison.

<u>Construction Segment</u>	<u>Q3 2019</u>	<u>Q3 2018</u> <u>(Restated)</u>	<u>Changes</u>
Revenue (RM'mil)	365.1	524.1	(30.3%)
PBT (RM'mil)	35.4	48.7	(27.3%)
PBT Margin (%)	9.7%	9.3%	

Construction segment reported revenue of RM365.1 million and profit before tax of RM35.4 million compared to revenue of RM524.1 million and profit before tax of RM48.7 million in the corresponding quarter of the preceding financial year. Lower revenue in the current quarter was due to majority of existing projects which are at its initial stages coupled with delay in LRT 3 package GS0708 due to cost optimisation by the client. Profit margin for both quarters under comparison were broadly the same.

<u>Precast Segment</u>	<u>Q3 2019</u>	<u>Q3 2018</u> <u>(Restated)</u>	<u>Changes</u>
Revenue (RM'mil)	37.5	33.2	13.0%
PBT/(LBT) (RM'mil)	0.2	(1.9)	>100%
PBT Margin (%)	0.5%	-5.7%	

Precast segment reported revenue of RM37.5 million and breakeven position in respect to profitability compared to revenue of RM33.2 million and loss before tax of RM1.9 million in the corresponding quarter of the preceding financial year. Revenue recorded for the current quarter was higher by 13.0% due to present order book. On profitability side, precast reversed its situation from loss as old projects with slimmer margins are almost completed.



B1 Review of Performance (Contd.)

For the full year

<u>Total Group</u>	<u>YTD 3Q19</u>	<u>YTD 3Q18</u> <u>(Restated)</u>	<u>Changes</u>
Revenue (RM'mil)	1,282.8	1,630.8	(21.3%)
PBT (RM'mil)	116.9	135.5	(13.8%)
PBT Margin (%)	9.1%	8.3%	

The Group recorded revenue of RM1,282.8 million and profit before tax of RM116.9 million for nine months ended Sept 2019, compared to revenue of RM1,630.8 million and profit before tax of RM135.5 million in the corresponding 9 months of the preceding financial year. Both revenue and profit saw a decline due to both construction and precast segment, however, the Group's overall margin for the current period ended was better as compared to corresponding nine months of the preceding financial year.

<u>Construction Segment</u>	<u>YTD 3Q19</u>	<u>YTD 3Q18</u> <u>(Restated)</u>	<u>Changes</u>
Revenue (RM'mil)	1,178.4	1,527.7	(22.9%)
PBT (RM'mil)	116.6	131.6	(11.4%)
PBT Margin (%)	9.9%	8.6%	

Construction segment reported revenue of RM1,178.4 million and profit before tax of RM116.6 million compared to revenue of RM1,527.7 million and profit before tax of RM131.6 million in the corresponding 9 months of the preceding financial year. Lower revenue by 22.9% was mainly due to Civil and Building division as existing jobs are mostly at their early stages. However, profit margins for the current period ended was higher due to recognition of final account.

<u>Precast Segment</u>	<u>YTD 3Q19</u>	<u>YTD 3Q18</u> <u>(Restated)</u>	<u>Changes</u>
Revenue (RM'mil)	104.4	103.1	1.3%
PBT (RM'mil)	0.3	3.9	(92.3%)
PBT Margin (%)	0.3%	3.8%	

Precast segment reported revenue of RM104.4 million and breakeven position in respect of profitability compared to revenue of RM103.1 million and profit before tax of RM3.9 million in the corresponding nine 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

<u>Total Group</u>	<u>Q3 2019</u>	<u>Q2 2019</u>	<u>Changes</u>
Revenue (RM'mil)	402.6	440.2	(8.5%)
PBT (RM'mil)	35.6	41.2	(13.7%)
PBT Margin (%)	8.8%	9.4%	

The Group recorded revenue of RM402.6 million and profit before tax of RM35.6 million for the current quarter ended 30 Sept 2019, compared to revenue of RM440.2 million and profit before tax of RM41.2 million in the immediate preceding quarter. Both revenue and profitability recorded a decline due to construction segment.

<u>Construction Segment</u>	<u>Q3 2019</u>	<u>Q2 2019</u>	<u>Changes</u>
Revenue (RM'mil)	365.1	406.3	(10.1%)
PBT (RM'mil)	35.4	41.2	(14.1%)
PBT Margin (%)	9.7%	10.1%	

Construction segment reported revenue of RM365.1 million and profit before tax of RM35.4 million compared to revenue of RM406.3 million and profit before tax of RM41.2 million in the immediate preceding quarter. Both revenue and profitability saw a decline as the immediate preceding quarter saw an initial recognition for a project that has reached the threshold for recognition.

<u>Precast Segment</u>	<u>Q3 2019</u>	<u>Q2 2019</u>	<u>Changes</u>
Revenue (RM'mil)	37.5	33.9	10.6%
PBT (RM'mil)	0.2	0.0	>100%
PBT Margin (%)	0.5%	0.1%	

Precast segment reported revenue of RM37.5 million compared to revenue of RM33.9 million in the immediate preceding quarter. Both quarters under comparison recorded breakeven in terms of profitability. Revenue recorded for the current quarter was higher due to present order book.

**B3 Prospects**

On Sept 2019, our new order came up to RM1.7 billion compared to RM1.5 billion on June 2019. Our outstanding order book now stands at RM5.6 billion. In our last quarterly report, we mentioned on targeting to secure our first overseas project this year but this is likely to be deferred to next financial year as the tenders for overseas have been delayed by the project owners.

The Malaysian economic growth has moderated to 4.4% in third quarter 2019 (2Q 2019 : 4.9%) with construction sector having a negative growth of 0.5% (2Q 2019 : 0.5%). For the entire year, the forecast GDP is expected to be at 4.7% as per the latest Budget 2020 speech. SunCon will continue to expand overseas and rely on its in-house pipeline projects by its ultimate holding company, Sunway Group for its sustained growth.

Singapore has narrowly avoided a technical recession, according to the Ministry of Trade and Industry (MTI). Flash estimates by the ministry showed the Singapore economy grew by 0.1 per cent on a year-on-year basis in the third quarter of 2019, the same pace of growth as in the previous quarter. However, the construction sector grew by 2.7 per cent on a year-on-year basis in the third quarter, extending the 2.8 per cent expansion in the previous quarter. Growth in the sector was supported by a pick-up in both public and private sector construction activities. The Housing and Development Board (HDB) reported that a total of 17,931 units of flats have been launched up to Sept 2019 (2018 : 15,811; 2017 : 17,593; 2016 : 17,891). Newer projects secured during FYE 2018 have better pricing but will only start contributing to the earnings of SunCon towards end of 2019.

Based on the above, barring any unforeseen circumstances, the Group will continue to deliver satisfactory performance for the last quarter of this year.

**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 September 2019 RM'000 (Unaudited)	Immediate Preceding Quarter Ended 30 June 2019 RM'000 (Unaudited)	Cumulative Year To Date 30 September 2019 RM'000 (Unaudited)
Current taxation	(11,037)	(8,121)	(27,268)
Over provision in prior years	5,746	-	5,746
Deferred taxation	2,753	(107)	2,262
	(2,538)	(8,228)	(19,260)
Effective tax rate	7.1%	20.0%	16.5%
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 Sept 2019 of 16.5% was lower than Malaysia's statutory tax rate of 24% mainly due to interest income which is tax exempted and over provision of tax in 2018.

**B6 Profit before Taxation**

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

	Current Quarter Ended 30 September 2019 RM'000 (Unaudited)	Immediate Preceding Quarter Ended 30 June 2019 RM'000 (Unaudited)	Cumulative Year To Date 30 September 2019 RM'000 (Unaudited)
Interest income	5,113	7,159 *	16,499
Interest expense	(3,927)	(3,580)	(9,804)
Depreciation and amortisation	(9,995)	(16,312)	(36,364)
Allowance for impairment losses for:			
- Receivables	(788)	-	(1,078)
- Others	214	(2,007) #	(1,793)
Reversal gain of impairment for:			
- Receivables	1,726	652	2,593
Write off gain/(loss) :			
- Trade receivables	(212)	(28)	(240)
- Property, plant and equipment, and software	(1,118)	(75)	(1,197)
Arbitration gain	(2,052)	844	754
Net gain / (loss) on disposal of:			
- Property, plant and equipment, and software	70	(52)	355
Accretion of financial assets and financial liabilities	(763)	1,191	1,469
Foreign exchange gain/(loss):			
- realised	(50)	337	183
- unrealised	(3)	-	(3)
	(3)	-	(3)

\* Included in interest income 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 September 2019 RM'000 (Unaudited)	As at 31 December 2018 RM'000 (Audited)
Borrowings:		
Current (Unsecured)		
- Bills discounting (RM denominated)	106,383	107,544
- Revolving credits (SGD denominated)	-	6,087
Current (Secured)		
- Short term loan (SGD denominated)	75,998	-
	<u>182,381</u>	<u>113,631</u>
Non Current (Secured)		
- Long term loan (SGD denominated)	<u>40,960</u>	<u>-</u>

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

- Bills discounting	3.87%	3.94%
- Revolving credits	-	3.62%
- Short term loan	2.66%	-
- Long term loan	2.29%	-

Net cash generated from operating activities for the period ended 30 Sept 2019 stood at RM91.4 million compared to RM181.4 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 September 2019 RM'000 (Unaudited)	As at 31 December 2018 RM'000 (Audited)
Current	762,173	700,832
1 to 30 days past due	49,819	57,481
31 to 60 days past due	8,786	3,365
61 to 90 days past due	34,674	46,037
91 to 120 days past due	2,224	19,937
More than 121 days past due	85,117	85,408
	<u>180,620</u>	<u>212,228</u>
Total trade receivables	942,793	913,060
Less: Allowance for impairment	(24,397)	(28,701)
Other receivables	33,612	32,296
Amounts due from intermediate holding companies	398	1,711
Amount due from related companies	63,312	60,640
Amount due from an associate	20,701	21,073
Amount due from a joint venture	3,958	92
	<u>1,040,377</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 to set aside the arbitral award. Shristi has also filed an execution application against SunCon for enforcement of the arbitral award. The hearing fixed on 31 October 2019 is postponed to 10 February 2020.

## 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 Palazzo, 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. On 22 October 2019 the Arbitrator determined that SPYTL pays Sunway Creative Stones RM420,737.23 plus cost in the arbitration and interest.

Sunway Creative Stone has filed an application to enforce the Arbitration Award and SPYTL has filed an application to set aside the Arbitration Award. On 7 November 2019, the High Court dismissed SPYTL's application to set aside the Arbitration Award and allowed Sunway Creative Stones' application to enforce the Arbitration Award.

- (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 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 11 December 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
Deferred tax assets	2,341	185	2,526
Lease liabilities - current liabilities	-	2,217	2,217
Lease liabilities - non current liabilities	-	13,053	13,053
Retained earning	312,950	(586)	312,363
<b>As at 31 December 2018 :</b>			
<b><u>Statement of financial position</u></b>			
Right-of-use of assets	-	13,268	13,268
Deferred tax assets	5,000	266	5,266
Lease liabilities - current liabilities	-	3,636	3,636
Lease liabilities - non current liabilities	-	10,739	10,739
Retained earning	360,713	(841)	359,872
<b><u>Income statement</u></b>			
Operating Expense	(2,102,911)	591	(2,102,320)
Interest Expense	(8,296)	(926)	(9,222)
Income Tax Expense	(38,046)	80	(37,966)

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 September 2019 RM'000	Preceding Year Quarter 30 September 2018 RM'000	Current Year To Date 30 September 2019 RM'000	Preceding Year To Date 30 September 2018 RM'000
<b>Basic earnings per share</b>		(Restated)		(Restated)
Profit attributable to members of the Company	33,482	36,389	97,685	107,929
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)	2.60	2.82	7.56	8.36

**By Order of the Board**  
**Tan Kim Aun**  
**Soh Ke Yi**  
**Secretaries**

As at Sept 2019 (RM mil)	Completion	Contract Sum	O/S Orderbook	
<b>Building</b>			<b>1,341</b>	<b>24%</b>
Putrajaya Parcel F	1Q 2019	1,610	34	
PPA1M Kota Bharu	1Q 2020	582	107	
Nippon Express	4Q 2019	70	17	
<b>TNB HQ Campus (Ph 2)</b>	<b>2Q 2021</b>	<b>781</b>	<b>739</b>	
<b>PLC</b>	<b>2Q 2021</b>	<b>310</b>	<b>307</b>	
<b>Oxley Tower (MEP)</b>	<b>2Q 2022</b>	<b>68</b>	<b>68</b>	
<b>IOI Mall (MEP)</b>	<b>2Q 2021</b>	<b>68</b>	<b>68</b>	
<b>Infrastructure/Piling</b>			<b>2,165</b>	<b>39%</b>
MRT V201 + S201	2Q 2021	1,213	205	
LRT 3 : Package GS07-08	2Q 2021	2,178	1,817	
Piling works	Various	128	30	
<b>Piling works - Y19</b>	<b>Various</b>	<b>99</b>	<b>56</b>	
<b>Sentul West Station (MEP)</b>	<b>1Q 2021</b>	<b>57</b>	<b>57</b>	
<b>Internal</b>			<b>1,792</b>	<b>32%</b>
SMC 4	4Q 2019	512	401	
Sunway Serene	4Q 2020	449	281	
Velo 2	4Q 2021	352	312	
Velocity 3C4	2Q 2021	100	83	
Sunway GEOLake	1Q 2021	223	118	
Carnival Mall Ext	4Q 2020	286	234	
SMC Seberang Jaya	4Q 2020	180	154	
<b>BB Solar</b>	<b>4Q 2019</b>	<b>8</b>	<b>8</b>	
<b>Big Box Hotel</b>	<b>3Q 2020</b>	<b>100</b>	<b>87</b>	
<b>Parcel CP2 (piling)</b>	<b>3Q 2021</b>	<b>119</b>	<b>114</b>	
<b>Singapore</b>			<b>321</b>	<b>5%</b>
Precast	Various	331	201	
<b>New Order 2019</b>	<b>Various</b>	<b>120</b>	<b>120</b>	
<b>Grand Total</b>		<b>9,942</b>	<b>5,619</b>	
<b>Red : Secured in 2019</b>		<b>1,730</b>	<b>1,624</b>	