

# **SUNWAY<sup>®</sup>**

## **CONSTRUCTION**

SUNWAY CONSTRUCTION GROUP BERHAD

### INTERIM FINANCIAL REPORT

### SECOND QUARTER ENDED 30<sup>TH</sup> JUNE 2020



**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 JUNE 2020

THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020

	NOTE	----- INDIVIDUAL QUARTER -----				----- CUMULATIVE QUARTER -----			
		CURRENT PERIOD QUARTER	IMMEDIATE PRECEDING QUARTER	CHANGES	PRECEDING PERIOD CORRESPONDING QUARTER	CHANGES	CURRENT PERIOD TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	CHANGES
		30/6/2020	30/3/2020	%	30/6/2019	%	30/6/2020	30/6/2019	%
		RM'000	RM'000	%	RM'000	%	RM'000	RM'000	%
REVENUE		140,181	365,826	(61.7%)	440,175	(68.2%)	506,007	880,210	(42.5%)
OPERATING EXPENSES		(141,302)	(349,353)	59.6%	(407,902)	65.4%	(490,655)	(812,627)	39.6%
OTHER OPERATING INCOME		1,191	2,212	(46.2%)	5,348	(77.7%)	3,403	8,234	(58.7%)
PROFIT FROM OPERATIONS		70	18,685	(99.6%)	37,621	(99.8%)	18,755	75,817	(75.3%)
FINANCE INCOME & OTHER DISTRIBUTION INCOME		4,513	5,245	(14.0%)	7,159	(37.0%)	9,758	11,386	(14.3%)
FINANCE COSTS		(2,307)	(2,705)	14.7%	(3,580)	35.6%	(5,012)	(5,876)	14.7%
SHARE OF RESULTS OF JOINT VENTURE		64	-		-		64	-	
PROFIT BEFORE TAX	B6	2,340	21,225	(89.0%)	41,200	(94.3%)	23,565	81,327	(71.0%)
INCOME TAX EXPENSE	B5	(215)	(4,313)	95.0%	(8,228)	97.4%	(4,528)	(16,722)	72.9%
PROFIT FOR THE PERIOD		2,125	16,912	(87.4%)	32,972	(93.6%)	19,037	64,605	(70.5%)
ATTRIBUTABLE TO:									
- OWNERS OF THE PARENT		2,193	16,350		33,185		18,543	64,203	
- NON-CONTROLLING INTERESTS		(68)	562		(213)		494	402	
		2,125	16,912		32,972		19,037	64,605	
EARNINGS PER SHARE									
(i) BASIC ( sen )	B11	0.17	1.27		2.57		1.44	4.97	
(ii) DILUTED ( sen )		0.17	1.27		2.57		1.44	4.97	

( The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2019 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 JUNE 2020

THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2020

	<----- INDIVIDUAL QUARTER ----->			<-- CUMULATIVE QUARTER -->	
	CURRENT PERIOD QUARTER 30/6/2020	IMMEDIATE PRECEDING QUARTER 30/3/2020	PRECEDING PERIOD CORRESPONDING QUARTER 30/6/2019	CURRENT PERIOD TO DATE 30/6/2020	PRECEDING PERIOD CORRESPONDING PERIOD 30/6/2019
	RM'000	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	2,125	16,912	32,972	19,037	64,605
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIOD</b>					
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	1,021	242	186	1,263	1
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	1,021	242	186	1,263	1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,146	17,154	33,158	20,300	64,606
ATTRIBUTABLE TO:					
- OWNERS OF THE PARENT	3,214	16,592	33,371	19,806	64,204
- NON-CONTROLLING INTERESTS	(68)	562	(213)	494	402
	3,146	17,154	33,158	20,300	64,606

( 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 2019 and the accompanying explanatory notes attached to the interim financial statements. )

	NOTE	AS AT FINANCIAL PERIOD ENDED 30/6/2020 RM'000 (UNAUDITED)	AS AT FINANCIAL YEAR ENDED 31/12/2019 RM'000 (AUDITED)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant, equipment, software and right of use assets		121,834	138,713
Investment in associate		4,124	4,124
Investment in joint ventures		44,759	44,261
Other investments		273	273
Goodwill		3,647	3,647
Deferred tax assets		4,381	4,161
		<u>179,018</u>	<u>195,179</u>
<b>Current assets</b>			
Inventories		35,370	25,094
Receivables, deposits and prepayments	B9	777,773	970,392
Tax recoverable		23,601	21,721
Cash and bank balances		674,204	692,638
Derivative assets	B8	2	-
		<u>1,510,950</u>	<u>1,709,845</u>
<b>TOTAL ASSETS</b>		<u>1,689,968</u>	<u>1,905,024</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Payables, lease liabilities and other current liabilities		789,384	885,237
Borrowings	B7	219,101	233,394
Tax payable		1,933	1,376
Derivative liabilities	B8	1,980	187
		<u>1,012,398</u>	<u>1,120,194</u>
<b>Non-current liabilities</b>			
Borrowings	B7	67,861	52,656
Other long term liabilities		-	95,833
Lease liabilities		8,316	8,897
Deferred taxation liabilities		2,100	2,273
		<u>78,277</u>	<u>159,659</u>
<b>Total liabilities</b>		<u>1,090,675</u>	<u>1,279,853</u>
<b>Equity attributable to owners of the parent</b>			
Share capital		258,580	258,580
Treasury shares		(6,990)	(6,990)
Merger reserve		(37,894)	(37,894)
Retained profits		371,654	398,838
Other reserves		12,284	10,421
		<u>597,634</u>	<u>622,955</u>
<b>NON-CONTROLLING INTERESTS</b>		<u>1,659</u>	<u>2,216</u>
<b>Total equity</b>		<u>599,293</u>	<u>625,171</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,689,968</u>	<u>1,905,024</u>
<b>Net Assets Per Share Attributable To Owners Of The Parent (RM)</b>			
		<b>0.46</b>	<b>0.48</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 2019 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	OTHER CAPITAL RESERVE	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	RM'000
<b>PERIOD ENDED 30 JUNE 2020</b>											
At 1 January 2020	258,580	(6,990)	(37,894)	10,421	656	-	9,765	398,838	622,955	2,216	625,171
Profit for the period	-	-	-	-	-	-	-	18,543	18,543	494	19,037
Other comprehensive income, net of tax	-	-	-	1,263	-	-	1,263	-	1,263	-	1,263
<b>Total comprehensive income</b>	-	-	-	1,263	-	-	1,263	18,543	19,806	494	20,300
<b>Transactions with owners</b>											
Bonus issue by a subsidiary	-	-	-	600	-	600	-	(600)	-	-	-
Dividends paid to non controlling interests	-	-	-	-	-	-	-	-	-	(1,050)	(1,050)
Dividends paid	-	-	-	-	-	-	-	(45,128)	(45,128)	-	(45,128)
<b>At 30 June 2020</b>	<b>258,580</b>	<b>(6,990)</b>	<b>(37,894)</b>	<b>12,284</b>	<b>656</b>	<b>600</b>	<b>11,028</b>	<b>371,654</b>	<b>597,634</b>	<b>1,659</b>	<b>599,293</b>
<b>PERIOD ENDED 30 JUNE 2019</b>											
At 1 January 2019, as restated	258,580	(1,295)	(37,894)	10,972	656	-	10,316	359,871	590,234	1,442	591,676
Profit for the period	-	-	-	-	-	-	-	64,203	64,203	402	64,605
Other comprehensive income, net of tax	-	-	-	1	-	-	1	-	1	-	1
<b>Total comprehensive income</b>	-	-	-	1	-	-	1	64,203	64,204	402	64,606
controlling interests	-	-	-	-	-	-	-	-	-	34	34
Dividends paid	-	-	-	-	-	-	-	(45,229)	(45,229)	-	(45,229)
Purchase of treasury shares	-	(5,695)	-	-	-	-	-	-	(5,695)	-	(5,695)
<b>At 30 June 2019</b>	<b>258,580</b>	<b>(6,990)</b>	<b>(37,894)</b>	<b>10,973</b>	<b>656</b>	<b>-</b>	<b>10,317</b>	<b>378,845</b>	<b>603,514</b>	<b>1,878</b>	<b>605,392</b>

( 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 2019 and the accompanying explanatory notes attached to the interim financial statements. )

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2020

	NOTE	FOR THE PERIOD ENDED 30/6/2020 RM'000	FOR THE PERIOD ENDED 30/6/2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		23,565	81,327
Adjustments for:			
- non-cash items		21,219	23,053
- finance costs		5,012	5,876
- finance income and other distribution income		(9,758)	(11,386)
Operating cash flows before working capital changes		40,038	98,870
Changes in working capital		85,037	(8,806)
Cash flows generated from operations		125,075	90,064
Interest and other distribution income received		9,758	11,386
Interest paid		(5,012)	(5,876)
Tax refunded		(180)	40
Tax paid		(6,062)	(7,442)
Net cash generated from operating activities	<b>B7</b>	123,579	88,172
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment & software		143	581
Acquisitions of property, plant and equipment and software		(496)	(6,608)
Additional shares acquired by non-controlling interest		-	34
Drawdown/(Placement) of deposits pledged to other financial institutions		181,858	(270,386)
Net cash from/(used in) investing activities		181,505	(276,379)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net bank and other borrowings		(2,046)	97,345
Repurchases of shares		-	(5,695)
Dividends paid to shareholders		(45,128)	(45,229)
Dividend paid to non-controlling interests of subsidiaries		(1,050)	-
(Repayment)/Advances to related companies		(95,833)	9,356
Net cash (used in)/from financing activities		(144,057)	55,777
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		161,027	(132,430)
EFFECTS OF EXCHANGE RATE CHANGES		2,397	963
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		428,652	484,667
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD		592,076	353,200
Cash and cash equivalents at end of financial year comprise the following :			
Deposits with licensed banks and other financial institutions		637,022	584,945
Cash and bank balances		37,182	38,843
Cash and bank balances and placement in funds		674,204	623,788
Less: Deposits with other financial institutions with maturity of over 3 months		(202)	(202)
Less: Placement of deposits pledged to other financial institutions		(81,926)	(270,386)
Cash and cash equivalents		592,076	353,200

( 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 2019 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 period ended 30 June 2020. 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 2019. 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 2019.

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 2019 except for the following which standards, if applicable. At present, there is no impact of implementing these Standards.

Title	Effective Date
Amendments to <i>References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020

### 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

The results for the current quarter under review was affected by the Movement Control Order and Conditional Movement Control Order declared by the Government of Malaysia from 18 March 2020 till 9 June 2020 including the Covid-19 Circuit Breaker announced by the Government of Singapore from 7 April 2020 till 1 June 2020.

### 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 2020.

### A6 Repurchases of Debt and Equity Securities

There were no repurchase activities during the current quarter. The Group's debt status is as disclosed in Note B7.



A7 Dividend paid / payable

	As at 30 June 2020 RM'000 (Unaudited)	As at 31 December 2019 RM'000 (Audited)
<u>Dividends recognised for the year (Net of tax)</u>		
2018 - 3.5 cents per share (Note 1)		45,229
2019 - 3.5 cents per share (Note 2)		45,128
2019 - 3.5 cents per share (Note 3)	45,128	
<u>Dividends in respect of year ended (Net of tax)</u>		
3.5 cents per share -declared and paid (Note 2)		45,128
3.5 cents per share -declared and paid (Note 3)		45,128
1.25 cents per share -declared and payable (Note 4)	16,117	

**Note 1:** 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 2:** 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 ended 31 December 2019. The interim dividend of RM45,127,569 was paid on 26 September 2019.

**Note 3:** On 20 February 2020, 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 2019. The interim dividend of RM45,127,587 was paid on 8 April 2020.

**Note 4:** On 18 August 2020, the Board of Directors declared a first interim single-tier dividend of 1.25 cents per ordinary shares for the financial year ending 31 December 2020. The interim dividend of RM16,116,989 is payable on 24 September 2020.

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 2019. Dividend under note 3 is accounted for in equity as appropriation of retained profits in the current quarter ended June 2020. Dividend under note 4, will be accounted for in equity in the subsequent quarter ending September 2020.

A8 Segmental Reporting

	YTD JUNE'20 (Unaudited)			YTD JUNE'19 (Unaudited)		
	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	641,089	53,005	694,094	1,037,974	121,479	1,159,453
Inter-segment revenue	(174,333)	(13,754)	(188,087)	(224,643)	(54,600)	(279,243)
External revenue	466,756	39,251	506,007	813,331	66,879	880,210
<b>Results</b>						
Operating segment results	20,694	(1,939)	18,755	74,720	1,097	75,817
Finance income & other distribution income	9,494	264	9,758	11,180	206	11,386
Finance costs	(3,933)	(1,079)	(5,012)	(4,686)	(1,190)	(5,876)
Share of results of joint venture	64	-	64	-	-	-
Profit before tax	26,319	(2,754)	23,565	81,214	113	81,327
Income tax expense	(4,304)	(224)	(4,528)	(16,604)	(118)	(16,722)
Profit after tax	22,015	(2,978)	19,037	64,610	(5)	64,605
Non controlling interests	(494)	-	(494)	(402)	-	(402)
Attributable to owners of the parent	21,521	(2,978)	18,543	64,208	(5)	64,203
<b>TOTAL ASSETS</b>						
Unallocated assets	1,411,026	250,960	1,661,986	1,766,353	202,361	1,968,714
	-	-	27,982	-	-	27,877
	1,411,026	250,960	1,689,968	1,766,353	202,361	1,996,591
<b>TOTAL LIABILITIES</b>						
Unallocated liabilities	907,645	178,997	1,086,642	1,247,488	117,848	1,365,336
	-	-	4,033	-	-	26,128
	907,645	178,997	1,090,675	1,247,488	117,848	1,391,464

A8 Segmental Reporting (Contd.)

	YTD JUNE'20				YTD JUNE'19			
	(Unaudited)				(Unaudited)			
	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	466,303	28,194	23,624	23,131	812,991	81,137	64,415	64,013
Singapore	39,251	(4,062)	(4,020)	(4,021)	66,879	410	410	410
India	-	(460)	(460)	(460)	-	(256)	(256)	(256)
United Arab Emirates	-	(50)	(50)	(50)	-	(127)	(127)	(127)
Trinidad & Tobago	-	-	-	-	-	-	-	-
Myanmar	453	(57)	(57)	(57)	340	163	163	163
	506,007	23,565	19,037	18,543	880,210	81,327	64,605	64,203

A8 Segmental Reporting (Contd.)

Segmental results by foreign currency for the financial period ended 30 June 2020 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)		466,303	26,897	22,552	22,059	466,303	26,897	22,552	22,059
United Arab Emirates (AED'000)	1.2205	-	(41)	(41)	(41)	-	(50)	(50)	(50)
India Rupee (INR'000)	0.0576	-	(7,979)	(7,979)	(7,979)	-	(460)	(460)	(460)
Singapore Dollar (SGD'000)	3.0556	-	(4)	10	10	-	(11)	30	29
Trinidad & Tobago Dollar (TT\$'000)	0.6393	-	-	-	-	-	-	-	-
Myanmar (USD'000)	4.2726	106	(13)	(13)	(13)	453	(57)	(57)	(57)
						<u>466,756</u>	<u>26,319</u>	<u>22,015</u>	<u>21,521</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		1,391,422	1,391,422	890,554	890,554
United Arab Emirates (AED'000)	1.1693	15,190	17,762	13,386	15,653
India Rupee (INR'000)	0.0569	11,824	673	22,620	1,287
Singapore Dollar (SGD'000)	3.0846	288	881	20	61
Trinidad & Tobago Dollar (TT\$'000)	0.6436	40	25	-	-
Myanmar (USD'000)	4.2910	61	263	21	90
			<u>1,411,026</u>		<u>907,645</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 before tax	Profit after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)		-	1,297	1,073	1,073	-	1,297	1,073	1,073
Singapore Dollar (SGD'000)	3.0556	12,846	(1,326)	(1,326)	(1,326)	39,251	(4,051)	(4,051)	(4,051)
						<u>39,251</u>	<u>(2,754)</u>	<u>(2,978)</u>	<u>(2,978)</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		97,733	97,733	18,358	18,358
Singapore Dollar (SGD'000)	3.0846	49,675	153,227	52,078	160,639
			<u>250,960</u>		<u>178,997</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 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	(Loss) / profit before tax	(Loss) / profit 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)	(41)	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.

**A9 Material events**

There were no material events subsequent to the current quarter ended 30 June 2020.

**A10 Contingent Liabilities and Assets**

There were no change in contingent liabilities since the last financial statements for the financial year ended 31 December 2019 to 30 June 2020, except for the following:

	As at 30 June 2020 RM'000 (Unaudited)	As at 31 December 2019 RM'000 (Audited)
Guarantees given to third parties in respect of contracts and trade performance	503,905	491,737
Guarantees given to related companies in respect of contracts and trade performance	96,140	90,091
	<u>600,045</u>	<u>581,828</u>

The Group does not have any material contingent assets to be disclosed as at 30 June 2020.

**A11 Commitments**

(a) Capital commitment not provided for in the financial period ended 30 June 2020 and financial year ended 31 December 2019 are as follows:

	As at 30 June 2020 RM'000 (Unaudited)	As at 31 December 2019 RM'000 (Audited)
Approved and contracted for	195,339	193,091
Approved but not contracted for	176	491
	<u>195,515</u>	<u>193,582</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 2020 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 2020 RM'000 (Unaudited)</b>	<b>Cumulative Year To Date 30 June 2019 RM'000 (Unaudited)</b>
<b>Contract revenue from:</b>		
Related companies	129,017	157,751
Related parties	55,061	116,479
<b>Rental income of plant and machinery from:</b>		
Related companies	(204)	33
<b>Interest income from:</b>		
Related company	-	9
<b>Purchases of goods/services from:</b>		
Related companies	(25,299)	(30,923)
Related parties	(1,075)	(481)
<b>Rental of office space from:</b>		
Related companies	(912)	(966)
Related party	(636)	(606)
<b>Interest expense charge by:</b>		
Related companies	(692)	(2,139)
<b>Management fees charged by:</b>		
Intermediate holding company	(5,078)	(9,876)
<b>Service Level Agreement fees paid to:</b>		
Related companies	(1,464)	(2,336)

## B1 Review of Performance

### For the quarter

<u>Total Group</u>	<u>Q2 2020</u>	<u>Q2 2019</u>	<u>Changes</u>
Revenue (RM'mil)	140.2	440.2	(68.2%)
PBT (RM'mil)	2.3	41.2	(94.3%)
PBT Margin (%)	1.7%	9.4%	

The Group recorded revenue of RM140.2 million and profit before tax of RM2.3 million for the current quarter ended 30 June 2020, compared to revenue of RM440.2 million and profit before tax of RM41.2 million in the corresponding quarter of the preceding financial year. The Group's revenue decreased by 68.2% due to both construction and precast segment. In tandem, Group's blended margin for the current quarter also saw a decline.

<u>Construction Segment</u>	<u>Q2 2020</u>	<u>Q2 2019</u>	<u>Changes</u>
Revenue (RM'mil)	137.2	406.3	(66.2%)
PBT (RM'mil)	5.8	41.2	(85.9%)
PBT Margin (%)	4.2%	10.1%	

Construction segment reported revenue of RM137.2 million and profit before tax of RM5.8 million compared to revenue of RM406.3 million and profit before tax of RM41.2 million in the corresponding quarter of the preceding financial year. Lower revenue in the current quarter was due to the impact of 2.5 months of Movement Control Order ("MCO") and Conditional Movement Control Order ("CMCO") that was effective from 18 March 2020 to 9 June 2020. Despite construction being able to initiate work earlier, we were hampered by inability of test lab to cope with the amount of testing as it was compulsory to have all our foreign workers including our business partners' tested and confirmed negative for COVID-19 before commencing. Full site operations were only restated in early June 2020. Despite the decline in turnover, this segment managed to reduce its fixed overheads to maintain a profit making position.

<u>Precast Segment</u>	<u>Q2 2020</u>	<u>Q2 2019</u>	<u>Changes</u>
Revenue (RM'mil)	3.0	33.9	(91.2%)
(LBT)/PBT (RM'mil)	(3.5)	0.0	> (100%)
(LBT)/PBT Margin (%)	(116.7%)	0.1%	

Precast segment reported revenue of RM3.0 million with loss before tax of RM3.5 million compared to revenue of RM33.9 million and profit before tax of RM0.0 million in the corresponding quarter of the preceding financial year. Revenue recorded for the current quarter was lower by 91.2% as precast segment practically could not operate this current quarter due to MCO in Malaysia and Circuit Breaker in Singapore. As at June 2020, only 19% of our jobs were given the green light to commence work by the Singapore government. As a result, precast segment registered a loss before tax for this current quarter. Included in the loss is the fair value loss of interest rate swap of RM0.9 million due to the unexpected lower SOR (Singapore Offer Rate) as a result of the COVID-19 pandemic.



## B1 Review of Performance (Contd.)

### For the full year

<u>Total Group</u>	<u>YTD 2Q20</u>	<u>YTD 2Q19</u>	<u>Changes</u>
Revenue (RM'mil)	506.0	880.2	(42.5%)
PBT (RM'mil)	23.6	81.3	(71.0%)
PBT Margin (%)	4.7%	9.2%	

The Group recorded revenue of RM506.0 million and profit before tax of RM23.6 million for the six months period ended June 2020, compared to revenue of RM880.2 million and profit before tax of RM81.3 million in the corresponding preceding financial period ended. Both revenue and profit saw a decline due to both construction and precast segment.

<u>Construction Segment</u>	<u>YTD 2Q20</u>	<u>YTD 2Q19</u>	<u>Changes</u>
Revenue (RM'mil)	466.8	813.3	(42.6%)
PBT (RM'mil)	26.3	81.2	(67.6%)
PBT Margin (%)	5.6%	10.0%	

Construction segment reported revenue of RM466.8 million and profit before tax of RM26.3 million compared to revenue of RM813.3 million and profit before tax of RM81.2 million in the corresponding preceding financial year ended. Lower revenue by 42.6% and profit before tax by 67.6% was solely attributed to the more than 2.5 months inability to commence work due to COVID-19 pandemic.

<u>Precast Segment</u>	<u>YTD 2Q20</u>	<u>YTD 2Q19</u>	<u>Changes</u>
Revenue (RM'mil)	39.2	66.9	(41.4%)
(LBT)/PBT (RM'mil)	(2.7)	0.1	> (100%)
(LBT)/PBT Margin (%)	-7.0%	0.1%	

Precast segment reported revenue of RM39.2 million and loss before tax of RM2.7 million compared to revenue of RM66.9 million and profit before tax of RM0.1 million in the corresponding preceding financial year ended. This segment's revenue and profit margin for current year ended under review were impacted due to COVID-19 pandemic which saw our operations hampered due to inability to operate for most of the 2nd quarter of 2020. Included in the loss is the fair value loss of interest rate swap of RM1.8 million due to the unexpected lower SOR (Singapore Offer Rate) as a result of the COVID-19 pandemic.

## B2 Material Changes in the Quarterly Results

<u>Total Group</u>	<u>Q2 2020</u>	<u>Q1 2020</u>	<u>Changes</u>
Revenue (RM'mil)	140.2	365.8	(61.7%)
PBT (RM'mil)	2.3	21.3	(89.0%)
PBT Margin (%)	1.7%	5.8%	

The Group recorded revenue of RM140.2 million and profit before tax of RM2.3 million for the current quarter ended 30 June 2020, compared to revenue of RM365.8 million and profit before tax of RM21.3 million in the immediate preceding quarter. Both revenue and profitability recorded a decrease due to both construction and precast segment.

<u>Construction Segment</u>	<u>Q2 2020</u>	<u>Q1 2020</u>	<u>Changes</u>
Revenue (RM'mil)	137.2	329.6	(58.4%)
PBT (RM'mil)	5.8	20.5	(71.7%)
PBT Margin (%)	4.2%	6.2%	

Construction segment reported revenue of RM137.2 million and profit before tax of RM5.8 million compared to revenue of RM329.6 million and profit before tax of RM20.5 million in the immediate preceding quarter. Both revenue and profitability saw a decline as a result of 2.5 months of non activity from the MCO and CMCO imposed by the Government of Malaysia. This segment managed to aggressively reduce its fixed overhead to maintain a profit making position.

<u>Precast Segment</u>	<u>Q2 2020</u>	<u>Q1 2020</u>	<u>Changes</u>
Revenue (RM'mil)	3.0	36.2	(91.7%)
PBT (RM'mil)	(3.5)	0.8	> (100%)
PBT Margin (%)	(116.7%)	2.1%	

Precast segment reported revenue of RM3.0 million with loss before tax of RM3.5 million compared to revenue of RM36.2 million with profit before tax of RM0.8 million in the immediate preceding quarter. Both revenue and profitability saw a decline as our production has to be stopped and there were delivery restriction of precast components out from Malaysia due to the MCO/CMCO imposed by the Government of Malaysia as well as the Circuit Breaker imposed by the Government of Singapore. Although Singapore's Circuit Breaker ended on 1 June 2020, the Singapore's Building and Construction Authority (BCA) only allows construction work to resume in phases under a controlled manner after the COVID-19 circuit breaker period ended on 1 June 2020. Like in Malaysia, migrant workers in the construction industry must be tested negative before they are allowed to return to work. In addition, construction projects must also put in place adequate safe management measures.

### **B3 Prospects**

SunCon's outstanding order book now stands at RM5.4 billion (Mar 2020 : RM5.4 billion) with RM725 million new order secured up to June 2020.

Malaysia's economy shrank 17.1% in the second quarter ended 2020 as it was seriously impacted by the movement control orders (1Q 2020 : 0.7%; 4Q 2019 : 3.6%) with construction sector having a negative growth of 44.5% (1Q 2020 : -7.9%; 4Q 2019 : 1.0%). Bank Negara Malaysia lowered its forecast for the economy this year due to the impact of the Covid-19 pandemic and it expected negative growth of between 3.5% and 5.5% this year before rebounding 5.5% to 8% next year. SunCon will continue to expand overseas and focus on its in-house pipeline projects by its intermediate holding company, Sunway Group for its sustained growth.

Over in Singapore, the GDP has a negative growth of -42.9% in second quarter of 2020 (1Q 2020 : -3.3%; 4Q 2019 : 0.6%), dragged down by weak external demand and COVID-19 "circuit breaker" measures. The construction sector was the worst hit in the second quarter, contracting 59.3% year-on-year after the first quarter's 1.1% fall. On a quarter-on-quarter basis, the construction sector plunged 95.6 per cent. The authorities have flagged that they expect Singapore's gross domestic product (GDP) to shrink between 5% and 7% (2019 0.7%; 2018 : 3.4%) this year, as the coronavirus outbreak continues to pose severe strains on the economy. Around 16,000 to 17,000 Build-To-Order (2019 : 14,591; 2018 : 15,811)(BTO) flats will be launched in 2020. In August 2020 a total of 10,957 (August launched: 7,862, February launched: 3,095) BTO flats have been launched to meet the additional demand following key policy changes. Singapore HDB flats comprised of more than 90% of our precast segment sales and our prospect is largely dependent on these launches.

Based on the above, barring any further unforeseen circumstances, the Group is hoping to minimise construction delays due to non-work activity of more than 2.5 months during the MCO and CMCO period, and recover project progress. Precautionary measures will be strictly adhered to prevent the spread of the coronavirus and to ensure the physical safety of our workers at the construction site. In addition to the Group's strong cash reserve and stringent cost control measures, we are optimistic of overcoming this difficult period.

### **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**

	<b>Current Quarter Ended 30 June 2020 RM'000 (Unaudited)</b>	<b>Immediate Preceding Quarter Ended 31 March 2020 RM'000 (Unaudited)</b>	<b>Cumulative Year To Date 30 June 2020 RM'000 (Unaudited)</b>
Current taxation	(280)	(4,517)	(4,797)
Over provision in prior years	(124)	-	(124)
Deferred taxation	189	204	393
	<u>(215)</u>	<u>(4,313)</u>	<u>(4,528)</u>
Effective tax rate	9.2%	20.3%	19.2%
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 2020 of 19.2% was lower than Malaysia's statutory tax rate of 24% mainly due to interest income which is tax exempted.

**B6 Profit before Taxation**

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

	<b>Current Quarter Ended 30 June 2020 RM'000 (Unaudited)</b>	<b>Immediate Preceding Quarter Ended 31 March 2020 RM'000 (Unaudited)</b>	<b>Cumulative Year To Date 30 June 2020 RM'000 (Unaudited)</b>
Interest income	4,513	5,245	9,758
Interest expense	(2,307)	(2,705)	(5,012)
Depreciation and amortisation	(8,514)	(9,019)	(17,534)
Allowance for impairment losses for:		-	
- Receivables	(1,399)	(500)	(1,899)
Reversal gain of impairment for:		-	
- Receivables	-	48	48
Write off gain/(loss) :		-	
- Property, plant and equipment, and software	(11)	-	(11)
Net gain on disposal of:		-	
- Property, plant and equipment, and software	70	2	72
Accretion of financial assets and financial liabilities	(160)	(12)	(171)
Fair value loss on derivative assets and liabilities	(926)	(870)	(1,796)
Foreign exchange gain/(loss):		-	
- realised	(27)	122	95
- unrealised	7	-	7
	<u>7</u>	<u>-</u>	<u>7</u>

Material foreign currency transactions exposures are hedged.

## B7 Group Borrowings and Debt Securities

The borrowings breakdown of the Group are as follows:

	As at 30 June 2020 RM'000 (Unaudited)	As at 31 December 2019 RM'000 (Audited)
Current liabilities:		
Unsecured		
- Bills discounting (RM denominated)	96,186	157,124
- Short term loan (RM denominated)	45,800	-
- Short term loan (SGD denominated)	77,115	-
Secured		
- Short term loan (SGD denominated)	-	76,270
	<u>219,101</u>	<u>233,394</u>
Non current liabilities		
Secured		
- Long term loan (SGD denominated)	<u>67,861</u>	<u>52,656</u>

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

- Bills discounting (RM denominated)	3.42%	3.81%
- Short term loan (RM denominated)	3.11%	-
- Short term loan (SGD denominated)	1.11%	2.62%
- Long term loan (SGD denominated)	1.32%	2.25%

Net cash generated from operating activities for the period ended 30 June 2020 stood at RM123.6 million compared to RM88.2 million recorded in the preceding financial year.

## B8 Derivative Financial Instruments

The Group's outstanding derivatives as at 30 June 2020 were as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gains/(Losses) for the period RM'000
<b>Interest rate swap contracts</b>			
- Less than 1 year	-	-	-
- 1 year to 3 years (SGD denominated)	61,016	(1,980)	(1,796)
- More than 3 years	-	-	-
<b>Foreign currency forward contracts</b>			
- Less than 1 year	213	2	2
- 1 year to 3 years			
<b>Total derivatives</b>		<b>(1,978)</b>	<b>(1,794)</b>

### Interest rate swap contracts

The Group entered into interest rate swap contracts to manage its interest rate risk arising primarily from interest-bearing borrowings. Borrowings at floating rate expose the Group to the fluctuation of market interest rate and the hedging contract minimises its impact on the cash flow. The above interest rate hedging contracts are executed with credit-worthy financial institutions which are governed by appropriate policies and procedures.

The derivatives arising from the interest rate swap contracts are computed using the present value of the difference between the floating rates and fixed rates applied to the principal amounts over the duration of swap expiring subsequent to period end. Any changes in fair value of derivatives during the year are taken directly to the income statement.

## B9 Receivables, deposits and prepayments

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

	<b>As at 30 June 2020 RM'000 (Unaudited)</b>	<b>As at 31 December 2019 RM'000 (Audited)</b>
Current	545,298	731,494
1 to 30 days past due	31,827	23,875
31 to 60 days past due	4,159	17,045
61 to 90 days past due	47,442	20,028
91 to 120 days past due	8,032	13,286
More than 121 days past due	69,548	35,651
	<u>161,008</u>	<u>109,885</u>
Total trade receivables	706,306	841,379
Less: Allowance for impairment	(25,310)	(23,443)
Other receivables	20,647	29,266
Amounts due from intermediate holding company	379	415
Amount due from related companies	58,048	102,159
Amount due from an associate	16,221	15,539
Amount due from a joint venture	1,482	5,077
	<u>777,773</u>	<u>970,392</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.

## **B10 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 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 and cross examination has been completed on 7 October 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.

On 10 February 2020, the Honorable Court has directed SunCon to deposit, on a without prejudice basis, the decretal amount with up to date interest with the Registrar General of the High Court of Delhi within 6 weeks from 10 February 2020. SunCon has deposited Rs 13,56,77,784.64 on 26 February 2020. Subject to compliance of the said direction, the Honorable Court has stayed the Arbitral Award dated 9 April 2019. In light of the above order, the Honorable Court was pleased to dispose of the enforcement petition filed by Shristi as non maintainable at this stage in as much as the Arbitral Award has been stayed. The matter has now been postponed until further notice due to "COVID-19" pandemic.

Subsequently, the Claimant filed an application in the High Court of Delhi to permit the Claimant to withdraw the decretal amount deposited by SunCon on 4 March 2020, or pass an order directing the release of Rs. 67,289,597 from the deposited Award Amount. There were several hearings and the next hearing is adjourned to 18 August 2020.

## B10 Changes in Material Litigation (Contd.)

(b) 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 date fixed on 27 March 2020. The scheduled hearing was subsequently postponed until further notice due to the "COVID-19" pandemic. The solicitors acting for SunCon is of the view that SunCon has a good case on the merits and would depend on the perceptions of the Supreme Court.

- (b) Reference 4 – 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 20 August 2020.

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.

On 3 June 2020, SunCon has issued a letter to NHA with the intention to explore the possibility of an amicable resolution of the disputes with NHA through the mechanism of Conciliation Committee of Independent Experts.



## B10 Changes in Material Litigation (Contd.)

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

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

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

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

- a) Special damages of RM711,367,434.46 and/or to be determined by the Senior Assistant Registrar or Deputy Registrar of the High Court of Malaya;
- b) The costs between the solicitor and client amounts to RM400,000.00 or cost to be determined by the Honorable Court;
- c) Interest rate of 5% per year from the date of trespass i.e. 30 April 2018 until the date of filing of the writ and from the date of the Honorable Court's order until the full settlement; and
- d) Court's declarations, injunctions, orders and other reliefs that the Honorable Court deems fit and proper.

The Court had scheduled a further case management on 23 January 2020 to provide further pre-trial on case management directions. On the case management on 5 March 2020, the Court had directed SunCon to file the application to strike out the case by 19 March 2020. The Court had scheduled a further case management on 21 May 2020 and will provide further directions. On 29 May 2020, SCSB filed an application to strike out the Plaintiff's claim. During case management on 17 July 2020, the Court has scheduled a further case management on 17 Aug 2020 and the hearing of both ours and Prasarana's application to strike out the suit on 22 September 2020.

The solicitors acting for SunCon, after taking into consideration the evidence available, a review of the Statement of Claim, documents with client and a review of the law, are of the considered opinion that the Plaintiff's claim for the sum of RM711,367,434.46 is likely to be dismissed.

**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 2020 RM'000	Preceding Period Quarter 30 June 2019 RM'000	Current Year To Date 30 June 2020 RM'000	Preceding Year To Date 30 June 2019 RM'000
<b><u>Basic earnings per share</u></b>				
Profit attributable to members of the Company	2,193	33,185	18,543	64,203
Weighted Average Number of Ordinary Shares ('000)	1,289,359	1,289,359	1,289,359	1,289,359
Earnings per share (sen)	0.17	2.57	1.44	4.97

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

As at June-2020 (RM mil)	Completion	Contract Sum	O/S Orderbook	
<b>Building</b>			<b>1,159</b>	<b>22%</b>
Putrajaya Parcel F	Maintenance	1,610	20	
PPA1M Kota Bharu	2Q 2021	582	64	
TNB HQ Campus (Ph 2)	2Q 2021	781	666	
PLC	2Q 2021	310	283	
Oxley Tower (MEP)	2Q 2022	68	66	
IOI Mall (MEP)	2Q 2021	68	59	
<b>Infrastructure/Piling</b>			<b>1,853</b>	<b>34%</b>
MRT V201 + S201	4Q 2020	1,213	123	
LRT 3 : Package GS07-08	4Q 2022	2,178	1,589	
Piling works	Various	99	19	
GS06,09 + GS10	Various	60	13	
Sentul West Station (MEP)	1Q 2021	57	57	
<b>Chan Sow Lin KVMRT UG St (MEP)</b>	<b>4Q 2021</b>	<b>54</b>	<b>54</b>	
<b>India</b>			<b>508</b>	<b>9%</b>
<b>Thorapalli Agraharam - Jittandahalli</b>	<b>4Q 2022</b>	<b>508</b>	<b>508</b>	
<b>Internal</b>			<b>1,569</b>	<b>29%</b>
SMC 4	4Q 2021	450	351	
Sunway Serene	4Q 2021	413	240	
Velo 2	4Q 2021	352	265	
Velocity 3C4	2Q 2021	100	64	
Sunway GEOLake	1Q 2021	223	50	
Carnival Mall Ext	1Q 2021	286	214	
SMC Seberang Jaya	1Q 2021	180	136	
Big Box Hotel	3Q 2020	100	58	
Parcel CP2 (piling)	3Q 2021	119	70	
<b>SIS</b>	<b>4Q 2022</b>	<b>121</b>	<b>121</b>	
<b>Renewable Energy (Internal)</b>			<b>4</b>	<b>0%</b>
<b>New Order 2020</b>	<b>2Q 2020</b>	<b>5</b>	<b>4</b>	
<b>Singapore</b>			<b>320</b>	<b>6%</b>
Precast	Various	331	282	
<b>New Order 2020</b>	<b>Various</b>	<b>37</b>	<b>38</b>	
<b>Grand Total</b>		<b>10,303</b>	<b>5,414</b>	
<b>Red : Secured YTD June 2020</b>		<b>725</b>	<b>725</b>	