

SUNWAY[®]

CONSTRUCTION

SUNWAY CONSTRUCTION GROUP BERHAD

INTERIM FINANCIAL REPORT

SECOND QUARTER ENDED 30TH JUNE 2021



SUNWAY CONSTRUCTION GROUP BERHAD

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CONTENT



Unaudited Condensed Consolidated Income Statements	1
Unaudited Condensed Consolidated Statements of Comprehensive Income	2
Unaudited Condensed Consolidated Statements of Financial Position	.....	3
Unaudited Condensed Consolidated Statements of Changes in Equity	.....	4
Unaudited Condensed Consolidated Statements of Cash Flows	.....	5
Notes to Financial Statements	.....	6 - 24
Appendix 1	.....	25

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

	<----- INDIVIDUAL QUARTER ----->					<----- CUMULATIVE QUARTER ----->			
	NOTE	CURRENT PERIOD	IMMEDIATE PRECEDING PERIOD	CHANGES	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES	CURRENT PERIOD TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	CHANGES
		QUARTER 30/6/2021	QUARTER 31/3/2021	%	QUARTER 30/6/2020	%	30/6/2021	30/6/2020	%
		RM'000	RM'000	%	RM'000	%	RM'000	RM'000	%
					Restated		Restated		
REVENUE		375,265	455,202	(17.6%)	140,181	>100%	830,467	506,007	64.1%
OPERATING EXPENSES		(370,127)	(432,268)	14.4%	(141,302)	>(100%)	(802,395)	(490,655)	(63.5%)
OTHER OPERATING INCOME		1,245	3,169	(60.7%)	1,191	4.5%	4,414	3,403	29.7%
PROFIT FROM OPERATIONS		6,383	26,103	(75.5%)	70	>100%	32,486	18,755	73.2%
FINANCE INCOME & OTHER DISTRIBUTION INCOME		1,374	755	82.0%	1,063	29.3%	2,129	5,646	(62.3%)
FINANCE COSTS		(994)	(1,585)	37.3%	(2,307)	56.9%	(2,579)	(5,034)	48.8%
SHARE OF RESULTS FROM AN ASSOCIATE		2,752	1,976	39.3%	3,450	(20.2%)	4,728	4,536	4.3%
SHARE OF RESULTS OF JOINT VENTURE		-	-		64		-	64	
PROFIT BEFORE TAX	B6	9,515	27,249	(65.1%)	2,340	>100%	36,764	23,967	53.4%
INCOME TAX EXPENSE	B5	(3,588)	(6,935)	48.3%	(215)	>(100%)	(10,523)	(4,528)	>(100%)
PROFIT AFTER TAX		5,927	20,314	(70.8%)	2,125	>100%	26,241	19,439	35.0%
ATTRIBUTABLE TO:									
- OWNERS OF THE PARENT		8,324	20,241		2,193		28,565	18,543	
- NON-CONTROLLING INTERESTS		(2,397)	73		(68)		(2,324)	896	
		5,927	20,314		2,125		26,241	19,439	
EARNINGS PER SHARE									
(i) BASIC (sen)	B11	0.65	1.57		0.17		2.22	1.44	
(ii) DILUTED (sen)		0.65	1.57		0.17		2.22	1.44	

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2021

	<----- INDIVIDUAL QUARTER ----->			<-- CUMULATIVE QUARTER -->	
	CURRENT PERIOD	IMMEDIATE PRECEDING QUARTER	PRECEDING PERIOD CORRESPONDING QUARTER	CURRENT PERIOD TO DATE	PRECEDING PERIOD CORRESPONDING PERIOD
	QUARTER	QUARTER	QUARTER	TO DATE	PERIOD
	30/6/2021	31/3/2021	30/6/2020	30/6/2021	30/6/2020
	RM'000	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	5,927	20,314	2,125	26,241	19,439
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT YEAR					
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	(114)	1,112	1,021	998	1,264
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	(114)	1,112	1,021	998	1,264
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5,813	21,426	3,146	27,239	20,703
ATTRIBUTABLE TO:					
- OWNERS OF THE PARENT	8,318	21,337	3,214	29,655	19,807
- NON-CONTROLLING INTERESTS	(2,505)	89	(68)	(2,416)	896
	5,813	21,426	3,146	27,239	20,703

(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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021

	NOTE	AS AT FINANCIAL PERIOD ENDED 30/6/2021 RM'000 (UNAUDITED)	AS AT FINANCIAL YEAR ENDED 31/12/2020 RM'000 (AUDITED)
ASSETS			
Non-current assets			
Property, plant, equipment, software and right of use assets		104,484	107,415
Investment in associate		209,859	444,137
Investment in joint ventures		45,281	44,805
Other investments		273	273
Long term receivable		40,359	-
Deferred tax assets		7,031	7,133
		<u>407,287</u>	<u>603,763</u>
Current assets			
Inventories		38,976	34,256
Receivables, deposits and prepayments	B9	963,202	1,048,253
Tax recoverable		23,298	19,720
Cash and bank balances		212,938	200,071
Other Investment		47,856	-
Derivative assets	B8	8	-
		<u>1,286,278</u>	<u>1,302,300</u>
TOTAL ASSETS		<u>1,693,565</u>	<u>1,906,063</u>
EQUITY AND LIABILITIES			
Current liabilities			
Payables, lease liabilities and other current liabilities		831,752	955,231
Borrowings	B7	18,000	233,712
Tax payable		4,549	4,110
Derivative liabilities	B8	801	941
		<u>855,102</u>	<u>1,193,994</u>
Non-current liabilities			
Borrowings	B7	187,437	67,203
Derivative liabilities	B8	460	730
Lease liabilities		7,235	5,526
		<u>195,132</u>	<u>73,459</u>
Total liabilities		<u>1,050,234</u>	<u>1,267,453</u>
Equity attributable to owners of the parent			
Share capital		258,580	258,580
Treasury shares		(6,990)	(6,990)
Merger reserve		(37,894)	(37,894)
Retained profits		402,887	409,779
Other reserves		14,512	13,421
		<u>631,095</u>	<u>636,896</u>
NON-CONTROLLING INTERESTS		12,236	1,714
Total equity		<u>643,331</u>	<u>638,610</u>
TOTAL EQUITY AND LIABILITIES		<u>1,693,565</u>	<u>1,906,063</u>
Net Assets Per Share Attributable To Owners Of The Parent (RM)		0.49	0.49

(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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2021

	-----> 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
PERIOD ENDED 30 JUNE 2021											
At 1 January 2021	258,580	(6,990)	(37,894)	13,421	641	600	12,180	409,779	636,896	1,714	638,610
Profit for the period	-	-	-	-	-	-	-	28,565	28,565	(2,324)	26,241
Other comprehensive income, net of tax	-	-	-	1,091	-	-	1,091	(1)	1,090	(92)	998
Total comprehensive income	-	-	-	1,091	-	-	1,091	28,564	29,655	(2,416)	27,239
Transactions with owners											
Acquisition equity interest from subsidiary	-	-	-	-	-	-	-	-	-	13,139	13,139
Dividends paid to non controlling interests	-	-	-	-	-	-	-	-	-	(201)	(201)
Dividends paid	-	-	-	-	-	-	-	(35,457)	(35,457)	-	(35,457)
At 30 June 2021	258,580	(6,990)	(37,894)	14,512	641	600	13,271	402,887	631,095	12,236	643,331
PERIOD ENDED 30 JUNE 2020											
At 1 January 2020 (Restated)	258,580	(6,990)	(37,894)	10,421	656	-	9,765	398,838	622,955	99,510	722,465
Profit for the period	-	-	-	-	-	-	-	18,543	18,543	896	19,439
Other comprehensive income, net of tax	-	-	-	1,264	-	-	1,264	-	1,264	-	1,264
Total comprehensive income	-	-	-	1,264	-	-	1,264	18,543	19,807	896	20,703
Transactions with owners											
Bonus issue by a subsidiary	-	-	-	600	-	600	-	(600)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(45,128)	(45,128)	-	(45,128)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,050)	(1,050)
Effect of loss of control upon redemption of units in a structured entity	-	-	-	-	-	-	-	-	-	(97,697)	(97,697)
At 30 June 2020 (Restated)	258,580	(6,990)	(37,894)	12,285	656	600	11,029	371,653	597,634	1,659	599,293

(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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2021

	FOR THE PERIOD ENDED 30/6/2021	FOR THE PERIOD ENDED 30/6/2020
	RM'000 (UNAUDITED)	RM'000 (RESTATED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	36,764	23,967
Adjustments for:		
- non-cash items	8,168	16,683
- finance costs	2,579	5,034
- finance income and other distribution income	(2,129)	(5,646)
Operating cash flows before working capital changes	45,382	40,038
Changes in working capital	(69,876)	87,201
Cash flows (used in)/generated from operations	(24,494)	127,239
Interest and other distribution income received	2,129	5,020
Interest paid	(2,246)	(4,046)
Tax refunded	457	-
Tax paid	(14,016)	(6,242)
Net cash (used in)/generated from operating activities	(38,170)	121,971
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment & software	1,470	143
Proceeds from disposal of an associate	-	46,902
Acquisitions of property, plant and equipment and software	(773)	(496)
Additional shares acquired by non-controlling interest	13,139	-
Reduce/(addition) of interest in associates	191,151	(470,600)
Net cash outflow from loss of control of structured entity	-	(5,890)
Net cash flow from equity contribution of non-controlling interest	-	10,633
Advance to joint venture	(20,194)	-
(Placement)/Withdrawal of deposits pledged to other financial institutions	(106)	181,858
Net cash from/(used in) investing activities	184,687	(237,450)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net bank and other borrowings	(100,379)	(2,046)
Interest paid to related co and lease liabilities	(333)	(988)
Dividends paid to shareholders	(35,457)	(45,128)
Dividend paid to non-controlling interests of subsidiaries	(201)	(1,050)
Repayment to related companies	(0)	(95,833)
Net cash used in financing activities	(136,370)	(145,045)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	10,147	(260,524)
EFFECTS OF EXCHANGE RATE CHANGES	2,614	2,397
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	117,838	350,618
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	130,599	92,491
Cash and cash equivalents at end of financial year comprise the following :		
Deposits with licensed banks and other financial institutions	139,531	137,437
Cash and bank balances	73,407	37,182
Cash and bank balances and placement in funds	212,938	174,619
Less: Deposits with other financial institutions with maturity of over 3 months	(202)	(202)
Less: Placement of deposits pledged to other financial institutions	(82,137)	(81,926)
Cash and cash equivalents	130,599	92,491

(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 2020 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 2021. 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 2020. 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 2020.

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 2020 except for the adoption of the following new MFRSs and Amendments to MFRSs that are effective for the financial statements effective from 1 January 2021, as disclosed below:

Title	Effective Date
Amendments to MFRS 9 Financial Instruments , MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases - <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
Amendment to MFRS 16 <i>Covid-19 - Related Rent Concessions beyond 30 June 2021</i>	1 April 2021

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 period ended 30 June 2021 except for those disclosed in Note B6 and the effect as a result of the Movement Control Order 3.0 declared by the Government of Malaysia whereby from 25 May 2021 to 1 June 2021, our site were only allowed to operate at 60% capacity. Subsequent to that, Full Movement Control Order 3.0 was declared from 1 June 2021 to 28 June 2021 whereby only critical projects were allowed to operate subject to MITI's approval.

A5 Changes in Estimates

During current period ended 30 June 2021, the Group conducted an operational efficiency review on its piling rigs. Most of the piling rigs, which management previously expected to remain in use for 7 years, is now expected to be able to remain in use for 10 years from the date of purchase after we compared with industry average. As a result, the expected useful lives of these assets increased and their estimated residual values decreased. The effect of these changes on depreciation expense, in current and future periods is as follows:

	As at 30 June 2021 RM'000	Financial year ending 2021 RM'000	Financial year ending 2022 RM'000	Later years RM'000
(Decrease)/Increase in depreciation expense	(2,209)	(4,418)	(2,823)	7,240

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 2021 RM'000 (Unaudited)	As at 31 December 2020 RM'000 (Audited)
<u>Dividends recognised for the year (Net of tax)</u>		
2019 - 3.5 cents per share (Note 1)		45,128
2020 - 1.25 cents per share (Note 2)		16,117
2021 - 2.75 cents per share (Note 3)	35,457	
<u>Dividends in respect of year ended (Net of tax)</u>		
1.25 cents per share -declared and paid (Note 2)		16,117
2.75 cents per share -declared and paid (Note 3)		35,457
1.25 cents per share -declared and payable (Note 4)	16,117	

Note 1: 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 2: 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 ended 31 December 2020. The interim dividend of RM16,116,989 was paid on 24 September 2020.

Note 3: On 23 February 2021, the Board of Directors declared a second interim single-tier dividend of 2.75 cents per ordinary shares for the financial year ended 31 December 2020. The interim dividend of RM35,457,376 was paid on 7 April 2021.

Note 4: On 19 August 2021, 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 2021. The interim dividend of RM16,116,989 will be paid on 29 September 2021.

Dividend under Note 1 and Note 2, have been accounted for in equity in the year ended December 2020. Dividend under Note 3 has been accounted for in equity in second quarter of 2021 and dividend under Note 4 will be accounted for in equity in the following quarter after payment.

A8 Segmental Reporting

	<----- YTD JUNE'21 ----->			<----- YTD JUNE'20 ----->		
	(Unaudited)			(Restated)		
	Construction RM'000	Precast Concrete RM'000	Consolidated RM'000	Construction RM'000	Precast Concrete RM'000	Consolidated RM'000
BY BUSINESS SEGMENTS						
REVENUE AND EXPENSES						
Total revenue	949,473	107,765	1,057,238	641,089	53,005	694,094
Inter-segment revenue	(178,953)	(47,818)	(226,771)	(174,333)	(13,754)	(188,087)
External revenue	770,520	59,947	830,467	466,756	39,251	506,007
Results						
Operating segment results	28,519	3,967	32,486	20,694	(1,939)	18,755
Finance income & other distribution income	1,907	222	2,129	5,382	264	5,646
Finance costs	(2,003)	(576)	(2,579)	(3,955)	(1,079)	(5,034)
Share of profit from associate	4,728	-	4,728	4,536	-	4,536
Share of results of joint venture	-	-	-	64	-	64
Profit/(loss) before tax	33,151	3,613	36,764	26,721	(2,754)	23,967
Income tax expense	(9,978)	(545)	(10,523)	(4,304)	(224)	(4,528)
Profit/(loss) after tax	23,173	3,068	26,241	22,417	(2,978)	19,439
Non controlling interests	2,324	-	2,324	(896)	-	(896)
Attributable to owners of the parent	25,497	3,068	28,565	21,521	(2,978)	18,543
TOTAL ASSETS	1,399,800	263,436	1,663,236	1,411,026	250,960	1,661,986
Unallocated assets	-	-	30,329	-	-	27,982
	1,399,800	263,436	1,693,565	1,411,026	250,960	1,689,968
TOTAL LIABILITIES	865,341	180,344	1,045,685	907,645	178,997	1,086,642
Unallocated liabilities	-	-	4,549	-	-	4,033
	865,341	180,344	1,050,234	907,645	178,997	1,090,675

A8 Segmental Reporting (Contd.)

	YTD JUNE'21				YTD JUNE'20			
	(Unaudited)				(Restated)			
	Revenue	Profit / (loss) before tax	Profit / (loss) after tax	Attributable to owners of the parent	Revenue	Profit / (loss) before tax	Profit / (loss) after tax	Attributable to owners of the parent
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
GEOGRAPHICAL SEGMENTS								
Malaysia	770,520	43,696	33,488	33,345	466,303	28,596	24,026	23,131
Singapore	59,947	237	237	233	39,251	(4,062)	(4,020)	(4,021)
India	-	(6,997)	(7,312)	(4,841)	-	(460)	(460)	(460)
United Arab Emirates	-	(170)	(170)	(170)	-	(50)	(50)	(50)
Trinidad & Tobago	-	-	-	-	-	-	-	-
Myanmar	-	(2)	(2)	(2)	453	(57)	(57)	(57)
	830,467	36,764	26,241	28,565	506,007	23,967	19,439	18,543

A8 Segmental Reporting (Contd.)

Segmental results by foreign currency for the financial period ended 30 June 2021 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)		770,520	40,327	30,664	30,521	770,520	40,327	30,664	30,521
United Arab Emirates (AED'000)	1.1217	-	(152)	(152)	(152)	-	(170)	(170)	(170)
India Rupee (INR'000)	0.0562	-	(124,619)	(130,220)	(86,223)	-	(6,997)	(7,312)	(4,841)
Singapore Dollar (SGD'000)	3.0912	-	(2)	(2)	(3)	-	(7)	(7)	(11)
Trinidad & Tobago Dollar (TT\$'000)	0.6091	-	-	-	-	-	-	-	-
Myanmar (USD'000)	4.1165	-	(0)	(0)	(0)	-	(2)	(2)	(2)
						<u>770,520</u>	<u>33,151</u>	<u>23,173</u>	<u>25,497</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		1,360,267	1,360,267	850,646	850,646
United Arab Emirates (AED'000)	1.1330	9,002	10,199	9,930	11,251
India Rupee (INR'000)	0.0560	501,552	28,087	58,042	3,250
Singapore Dollar (SGD'000)	3.0944	387	1,189	62	193
Trinidad & Tobago Dollar (TT\$'000)	0.6153	40	24	-	-
Myanmar (USD'000)	4.1590	8	34	0	1
			<u>1,399,800</u>		<u>865,341</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)		-	3,369	2,824	2,824	-	3,369	2,824	2,824
Singapore Dollar (SGD'000)	3.0912	19,393	79	79	79	59,947	244	244	244
						<u>59,947</u>	<u>3,613</u>	<u>3,068</u>	<u>3,068</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		71,889	71,889	21,806	21,806
Singapore Dollar (SGD'000)	3.0944	61,901	191,547	51,234	158,538
			<u>263,436</u>		<u>180,344</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 2020 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)		466,303	27,299	22,954	22,059	466,303	27,299	22,954	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>26,721</u>	<u>22,417</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 / (loss) before tax	Profit / (loss) 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.

A9 Material events

There were no material events subsequent to the current period ended 30 June 2021 except for EMCO that was enforced on entire Selangor and certain place in Kuala Lumpur from 3 July 2021 till 16 July 2021. As majority of our projects are in Selangor, our operations were halted. Although the EMCO was lifted on 17 July 2021, as per guidelines, only essential construction including those with CLQ and on-site accommodation were permitted to operate.

A10 Contingent Liabilities and Assets

There were no change in contingent liabilities since the last financial statements for the financial year ended 31 December 2020 to 30 June 2021, except for the following:

	As at 30 June 2021 RM'000 (Unaudited)	As at 31 December 2020 RM'000 (Audited)
Guarantees given to third parties in respect of contracts and trade performance	396,326	442,473
Guarantees given to related companies in respect of contracts and trade performance	131,527	128,961
	<u>527,853</u>	<u>571,434</u>

The Group does not have any material contingent assets to be disclosed as at 30 June 2021.

A11 Commitments

(a) Capital commitment not provided for in the financial period ended 30 June 2021 and financial year ended 31 December 2020 are as follows:

	As at 30 June 2021 RM'000 (Unaudited)	As at 31 December 2020 RM'000 (Audited)
Approved and contracted for		
- Construction	37,559	59,000
- Precast	158,796	176,833
Approved but not contracted for	126	126
	<u>196,481</u>	<u>235,959</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 2021 to 2022 and our equity portion for India projects.

A12 Significant Related Party Transactions

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

	Cumulative Year To Date 30 June 2021 RM'000 (Unaudited)	Cumulative Year To Date 30 June 2020 RM'000 (Restated)
Contract revenue from:		
Related companies	262,110	129,017
Related parties	73,846	55,061
Rental income of plant and machinery from:		
Related companies	26	(204)
Interest income from:		
Structured entities controlled by its intermediate holding company	4,728	4,536
Purchases of goods/services from:		
Related companies	(47,535)	(25,299)
Related parties	(885)	(1,075)
Rental of office space from:		
Related companies	(1,384)	(912)
Related party	62	(636)
Interest expense charge by:		
Related companies	0	(692)
Management fees charged by:		
Intermediate holding company	(8,784)	(5,078)
Service Level Agreement fees paid to:		
Related companies	(1,442)	(1,464)

B1 Review of Performance

For the quarter

<u>Total Group</u>	<u>Q2 2021</u>	<u>Q2 2020</u> <u>(Restated)</u>	<u>Changes</u>
Revenue (RM'mil)	375.3	140.2	>100%
PBT (RM'mil)	9.5	2.3	>100%
PBT Margin (%)	2.5%	1.6%	

The Group recorded revenue of RM375.3 million and profit before tax of RM9.5 million for the current quarter ended 30 June 2021, compared to revenue of RM140.2 million and profit before tax of RM2.3 million in the corresponding quarter of the preceding financial year. The Group's revenue and profit before tax saw an increased due to both construction and precast segment.

<u>Construction Segment</u>	<u>Q2 2021</u>	<u>Q2 2020</u> <u>(Restated)</u>	<u>Changes</u>
Revenue (RM'mil)	349.2	137.2	>100%
PBT (RM'mil)	9.5	5.8	63.8%
PBT Margin (%)	2.7%	4.2%	

Construction segment reported revenue of RM349.2 million and profit before tax of RM9.5 million compared to revenue of RM137.2 million and profit before tax of RM5.8 million in the corresponding quarter of the preceding financial year. Higher revenue recorded in the current quarter as the Full MCO 3.0 only affected month of June's productivity compared to the corresponding quarter of the preceding financial period which saw approximately 2 months of complete non activity from MCO 1.0. The higher margin in corresponding quarter of the preceding financial year was mainly due to lower overhead from removal of bonus provision and certain cost rationalisation.

<u>Precast Segment</u>	<u>Q2 2021</u>	<u>Q2 2020</u>	<u>Changes</u>
Revenue (RM'mil)	26.1	3.0	>100%
PBT/(LBT) (RM'mil)	0.0	(3.5)	>100%
PBT/(LBT) Margin (%)	0.0%	>(100%)	

Precast segment reported revenue of RM26.1 million with profit before tax of RM0 million compared to revenue of RM3.0 million and loss before tax of RM3.5 million in the corresponding quarter of the preceding financial year. Higher revenue recorded in the current quarter as the Full MCO 3.0 only affected month of June's productivity compared to the corresponding quarter of the preceding financial period which saw approximately 2 months of complete non activity from MCO 1.0.

B1 Review of Performance (Contd.)

For the full period

<u>Total Group</u>	<u>YTD Q2 2021</u>	<u>YTD Q2 2020</u> <u>(Restated)</u>	<u>Changes</u>
Revenue (RM'mil)	830.5	506.0	64.1%
PBT (RM'mil)	36.8	24.0	53.4%
PBT Margin (%)	4.4%	4.7%	

The Group recorded revenue of RM830.5 million and profit before tax of RM36.8 million for the six months period ended 30 June 2021, compared to revenue of RM506.0 million and profit before tax of RM24.0 million in the corresponding quarter of the preceding financial period. Both revenue and profit before tax saw an improvement this 6 months ended 30 June 2021 due to construction and precast segment.

<u>Construction Segment</u>	<u>YTD Q2 2021</u>	<u>YTD Q2 2020</u> <u>(Restated)</u>	<u>Changes</u>
Revenue (RM'mil)	770.5	466.8	65.1%
PBT (RM'mil)	33.2	26.7	24.3%
PBT Margin (%)	4.3%	5.7%	

Construction segment reported revenue of RM770.5 million and profit before tax of RM33.2 million compared to revenue of RM466.8 million and profit before tax of RM26.7 million in the corresponding quarter of the preceding financial period. Revenue recorded for the corresponding preceding 6 months ended 2020 was lower due to MCO 1.0 which lasted from 18 March 2020 till 9 June 2020 whereby we had almost 2.5 months of inactivity compared to current 6 months ended June 2021 whereby we only had 1 month of low productivity as only a handful of our project sites were allowed to operate by MITI at 60% efficiency. Despite this, progress for these critical projects given approval to operate during Full MCO 3.0 were hampered with supply chain issues resulting in suboptimal efficiency. Despite registering higher turnover, we recorded lower profitability due to extensive cost rationalisation in last corresponding quarter.

<u>Precast Segment</u>	<u>YTD Q2 2021</u>	<u>YTD Q2 2020</u>	<u>Changes</u>
Revenue (RM'mil)	60.0	39.2	53.1%
PBT/(LBT) (RM'mil)	3.6	(2.7)	>100%
PBT/(LBT) Margin (%)	6.0%	-6.9%	

Precast segment reported revenue of RM60.0 million with profit before tax of RM3.6 million compared to revenue of RM39.2 million and loss before tax of RM2.7 million in the corresponding quarter of the preceding financial period. Revenue recorded for the corresponding preceding 6 months period ended June 2020 was lower due to MCO 1.0 which lasted from 18 March 2020 till 9 June 2020 whereby we had almost 2.5 months of inactivity compared to current 6 months ended June 2021 whereby our 2 factories were not deemed as essential and were not permitted to operate by MITI during month of June 2021. Despite this, we were able to deliver our finished good/inventories to our clients in Singapore.

B2 Material Changes in the Quarterly Results

<u>Total Group</u>	<u>Q2 2021</u>	<u>Q1 2021</u>	<u>Changes</u>
Revenue (RM'mil)	375.3	455.2	(17.6%)
PBT (RM'mil)	9.5	27.3	(65.2%)
PBT Margin (%)	2.5%	6.0%	

The Group recorded revenue of RM375.3million and profit before tax of RM9.5 million for the current quarter ended 30 June 2021, compared to revenue of RM455.2 million and profit before tax of RM27.3 million in the immediate preceding quarter. Both revenue and profit saw a decline attributed to both construction and precast segment.

<u>Construction Segment</u>	<u>Q2 2021</u>	<u>Q1 2021</u>	<u>Changes</u>
Revenue (RM'mil)	349.2	421.3	(17.1%)
PBT (RM'mil)	9.5	23.7	(59.9%)
PBT Margin (%)	2.7%	5.6%	

Construction segment reported revenue of RM349.2 million and profit before tax of RM9.5 million compared to revenue of RM421.3 million and profit before tax of RM23.7 million in the immediate preceding quarter. Lower turnover in current quarter was mainly contributed by Full MCO 3.0 from 1 June 2021 to 28 June 2021 whereby only critical projects approved by MITI were able to proceed with 60% productivity.

<u>Precast Segment</u>	<u>Q2 2021</u>	<u>Q1 2021</u>	<u>Changes</u>
Revenue (RM'mil)	26.1	33.9	(23.0%)
PBT (RM'mil)	0.0	3.6	>100%
PBT Margin (%)	0.0%	10.6%	

Precast segment reported revenue of RM26.1 million with profit before tax of RM0 million compared to revenue of RM33.9 million with profit before tax of RM3.6 million in the immediate preceding quarter. The current quarter turnover was lower compared to immediate preceding quarter as both our factories in Johor were not operating during the month of June 2021 as a result of the Full MCO 3.0 from 1 June 2021 to 28 June 2021. Culminating from this non activity in June 2021, our profit also declined as a result of fixed cost.

B3 Prospects

SunCon's outstanding order book now stands at RM4.8 billion (March 2021 : RM5.0 billion) with RM620 million new order secured up to June 2021. After obtaining financial close for both our India project in May 2021, we have been given the commencement of work for roadworks in Meensurutti Chidambaram, Tamil Nadu on 9 August 2021.

Malaysia started the MCO 3.0 on the 6 May 2021 to 20 May 2021 in several states namely Selangor, Wilayah Persekutuan Kuala Lumpur and Johor as measures to curb the infection of Covid-19. Subsequent to this, nationwide lockdown was imposed on 12 May 2021. During these periods, selected industries were permitted to operate with MITI's approval albeit at only 60% productivity. On 1 June 2021 to 28 June 2021, Malaysia entered a nationwide total lockdown where only essential industry were permitted to operate with MITI's stringent approval. Through these MCOs, we continue to prioritized the safety and wellbeing of our employees while adhering to the law and doing our part to flatten the curve. The industry was hit again in July when EMCO was enforced from 3 July 2021 till 16 July 2021, resulting in total closure of all of our sites.

The Malaysian economy grew by 16.1% in the second quarter of 2021 (1Q 21: -0.5%). Bank Negara Malaysia (BNM) has revised Malaysia's full year GDP to 3% to 4% from previous forecast of 6% to 7.5%. The Central Bank highlighted that the revision in the annual growth forecast was made after taking into consideration the reimposition of nationwide containment measures. BNM reassures that they will continue to support growth in the second half of the year under Phase 1 of the National Recovery Plan via various stimulus programmes. The Central Bank also projected two different scenarios covering a faster and slower economic recovery. The faster recovery scenario, which could result in GDP growth to be above 4% this year takes into assumption that the majority of population is to be fully vaccinated by end of October 2021 and that the vaccines are effective against the prevailing variants and a quicker transition to Phase 4 in September 2021 where all industries are operate. The slower recovery, on the other hand, assumes delayed opening of economy on the account of delayed resolution of the pandemic.

The construction sector grew by 40.3% (1Q 21: -10.4%, FY 20: -19.4%) due to low base in 2Q 2020 where the MCO 1.0 were implemented. The news on the revival of mass infrastructure project such as MRT3 sets as a strong catalyst for the local construction sector. SunCon will continue to secure more projects overseas and focus on the in-house pipeline projects by its immediate holding company, Sunway Group as well as expanding the sustainable energy segment. On a separate note, the industry has also placed great emphasis in the mass vaccination drive for the construction sites across the whole country as vaccination is key to the reopening of economy. Through initiatives by CIDB under Construction Industry Vaccination Program (CIVac) and MITI's Program Imunisasi Industri Covid-19 Kerjasama Awam-Swasta (PIKAS), 88% workers have already received their first dose with approximately 55% already fully vaccinated. The announcement made on the 15 August 2021 to enable construction industry players under Phase 1 of the NRP to begin operations based on percentage of fully vaccinated workers comes in well with us.

Singapore's economy grew by 14.7% year-on-year in the second quarter of 2021, faster than the 1.5% growth in the previous quarter as announced by Ministry of Trade and Industry (MTI) on 11 August 2021. The MTI also upgraded the Singapore's GDP forecast for 2021 to 6% to 7% from 4% to 6% announced previously. The construction sector grew by 106.2% (1Q 21: -23.2%, FY20: -35.9%), a sharp recovery from the previous quarter as both public and private sector construction works expanded. The Housing and Development Board (HDB) has launched a total of 4,989 flats for sale in August 2021 Build-to-Order (BTO) exercise. This stacks up to about 12,529 units of BTO flats launched to date in 2021. Additionally, HDB is also expecting to offer another 3,100 to 3,600 BTO flats in November 2021. This is in line with HDB's BTO launched target of about 17,000 units in 2021 (2020: 16,752 units, 2019: 15,491 units, 2018: 15,811 units). Singapore HDB flats comprised of more than 90% of our precast segment sales and our prospect is largely dependent on these launches. With the ICPH plant scheduled to be in operations by 2H 2022, SunCon foresees that our precast segment will contribute more to the group's financials in the near future.

Based on the above, barring any further unforeseen circumstances, the Group is optimistic in sustaining our performance for the financial year ending 2021 supported by positive and encouraging vaccination rates and with the rejuvenation of construction activities once lockdown measures are eased.

B4 Variance of Actual Profit from Profit Forecast

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

B5 Taxation

	Current Quarter Ended 30 June 2021 RM'000 (Unaudited)	Immediate Preceding Quarter Ended 31 March 2021 RM'000 (Unaudited)	Cumulative Year To Date 30 June 2021 RM'000 (Unaudited)
Current taxation	(3,699)	(6,343)	(10,042)
Under provision in prior year	(368)	(10)	(378)
Deferred taxation	479	(582)	(103)
	<u>(3,588)</u>	<u>(6,935)</u>	<u>(10,523)</u>
Effective tax rate	37.7%	25.5%	28.6%
Statutory tax rate :			
- Malaysia	24.0%	24.0%	24.0%
- Singapore	17.0%	17.0%	17.0%

The effective tax rate for the period ended June 2021 was higher than Malaysia's statutory tax rate of 24% as we were not able to offset the tax against our loss making entities.

B6 Profit before Taxation

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

	Current Quarter Ended 30 June 2021 RM'000 (Unaudited)	Immediate Preceding Quarter Ended 31 March 2021 RM'000 (Unaudited)	Cumulative Year To Date 30 June 2021 RM'000 (Unaudited)
Interest income and other distributable income	1,374	755	2,129
Interest expense	(994)	(1,585)	(2,579)
Depreciation and amortisation	(5,792)	(8,121)	(13,913)
Allowance for impairment losses for:			
- Receivables	24	(388)	(364)
Write off (loss) :			
- Property, plant and equipment, and software	-	(7)	(7)
Net gain on disposal of:			
- Property, plant and equipment, and software	180	1,207	1,387
Accretion of financial assets and financial liabilities	251	(899)	(648)
Fair value gain on derivative assets and liabilities	34	-	34
Foreign exchange gain/(loss):			
- realised	2	(51)	(49)
- unrealised	(41)	34	(7)
	<u>(41)</u>	<u>34</u>	<u>(7)</u>

B7 Group Borrowings and Debt Securities

The borrowings breakdown of the Group are as follows:

	As at 30 June 2021 RM'000 (Unaudited)	As at 31 December 2020 RM'000 (Audited)
Current liabilities:		
Unsecured		
- Bills discounting (RM denominated)	18,000	107,344
- Revolving credit (RM denominated)	-	50,000
- Short term loan (SGD denominated)	-	76,368
	18,000	233,712
Non current liabilities		
Secured		
- Term loan (SGD denominated)	68,077	67,203
Unsecured		
- Term loan(SGD denominated)	77,360	-
- Revolving credit (RM denominated)	42,000	-
	187,437	67,203

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

- Bills discounting (RM denominated)	2.21%	3.01%
- Revolving credit (RM denominated)	2.33%	2.72%
- Short term loan (SGD denominated)	-	0.92%
- Long term loan (SGD denominated)	0.80%	1.08%

B8 Derivative Financial Instruments

The Group's outstanding derivatives as at 30 June 2021 were as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gains/(Losses) RM'000
Interest rate swap contracts			
- 1 year to 2 years (SGD denominated)	61,016	(1,261)	-
Foreign currency forward contracts			
- Less than 1 year	823	8	8
Total derivatives		(1,253)	8

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:

	As at 30 June 2021 RM'000 (Unaudited)	As at 31 December 2020 RM'000 (Audited)
Current	647,670	781,594
1 to 30 days past due	27,306	55,771
31 to 60 days past due	26,059	4,829
61 to 90 days past due	44,711	1,630
91 to 120 days past due	12,509	2,278
More than 121 days past due	53,063	51,244
	<u>163,648</u>	<u>115,752</u>
Total trade receivables	811,318	897,346
Less: Allowance for impairment	(31,370)	(30,949)
Other receivables	59,535	38,461
Amount due from intermediate holding company	360	361
Amount due from related companies	111,912	111,032
Amount due from an associate	9,303	9,130
Amount due from a joint venture	2,144	22,872
	<u><u>963,202</u></u>	<u><u>1,048,253</u></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").

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

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

The Statement of Claim was raised in respect of various claims and the total amount claimed is Rs.89,14,55,047.83 in addition to interest and cost.

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. The first hearing before Mr Justice Vikramajit Sen was held on 24 February 2017 and cross examination has been completed on 7 October 2017.

The Arbitrator published his award on 9 April 2019 and awarded the Claimant Rs. 12,84,41,929.37.

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

On 10 February 2020, the Honorable Court has directed SunCon to deposit, on a without prejudice basis, the decretal amount with interest with the Registrar General of the High Court of Delhi. SunCon has deposited Rs 13,56,77,784.64 on 26 February 2020 and the amount has been fully provided in the accounts on prudence grounds. Subject to compliance of the said direction, the Honorable Court has stayed the Arbitral Award dated 9 April 2019. Case is further adjourned to 8 September 2021.

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

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

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.4,30,90,350.00. 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.31,03,47,836.00.

NHA appealed against the Arbitral Tribunal's award to the High Court. The case is further adjourned to 30 September 2021.

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 ("CCIE"). In a virtual meeting between NHA officials and SunCon officials with Justice LP. Vasishth (Retd.), Sh.A.K Uoadhyay, IAS (Retd) and Sh. V.V. Ranganathan on 29 June 2021 ("Committee"). In the Committee's opinion it is best that the Parties discuss the matter thoroughly to narrow down their differences. Next meeting to be held on hearing of the progress of discussion between the Parties.

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
- b) The costs between the solicitor and client amounts to RM400,000.00
- c) Interest rate of 5% per year from the date of trespass i.e. 30 April 2018 until the full settlement; and
- d) Court's declarations, injunctions, orders and other reliefs that the Honorable Court deems fit and proper.

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

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

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 year.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 June 2021 RM'000	Preceding Period Quarter 30 June 2020 RM'000	Current Year To Date 30 June 2021 RM'000	Preceding Year To Date 30 June 2020 RM'000
<u>Basic earnings per share</u>				
Profit attributable to members of the Company	8,324	2,193	28,565	18,543
Weighted Average Number of Ordinary Shares ('000)	1,289,359	1,289,359	1,289,359	1,289,359
Earnings per share (Basic) (sen)	0.65	0.17	2.22	1.44

By Order of the Board

Tan Kim Aun

Chin Lee Chin

Secretaries

AS AT JUNE-2021 (RM MIL)	COMPLETION	CONTRACT SUM	O/S ORDERBOOK	
BUILDING			642	14%
PUTRAJAYA PARCEL F	Maintenance	1,610	17	
TNB HQ CAMPUS (PH 2)	3Q 2022	781	404	
PETRONAS LEADERSHIP CENTRE (PLC)	4Q 2021	305	148	
IOI MALL (MEP)	4Q 2021	68	22	
OXLEY TOWER (MEP)	2Q 2022	68	51	
INFRASTRUCTURE/PILING			450	9%
LRT 3 : PACKAGE GS07-08	2Q 2022	1,295	368	
SENTUL WEST MRTUG ST. (MEP)	4Q 2021	57	30	
CHAN SOW LIN MRTUG ST. (MEP)	4Q 2021	54	33	
JALAN TAMBUN, IPOH	4Q 2022	14	14	
BANGSAR RISING - PILING	4Q 2021	5	5	
INDIA			823	17%
THORAPALLI - JITTANDAHALLI (TJ)	TBA	508	508	
MEENSURUTTI - CHIDAMBARAN (MC)	3Q 2023	315	315	
SUSTAINABLE ENERGY			33	1%
SOLAR - EXTERNAL	2021	26	26	
SOLAR - INTERNAL	2021	12	7	
SINGAPORE			401	8%
PRECAST	Various	331	216	
NEW ORDER 2021 - EXTERNAL	Various	185	185	
INTERNAL - SUNWAY GROUP			2,446	51%
SMC 4 + VO	2Q 2022	612	401	
SUNWAY SERENE	3Q 2022	413	137	
SUNWAY BELFIELD	4Q 2024	403	379	
SUNWAY VELOCITY 2	2Q 2022	352	149	
SOUTH QUAY CP2 - SUPERSTRUCTURE	4Q 2023	344	344	
SUNWAY CARNIVAL MALL EXT.	1Q 2022	286	96	
SUNWAY VELOCITY 2B	4Q 2023	253	241	
SMC DAMANSARA	1Q 2023	180	179	
SMC SEBERANG JAYA	1Q 2022	180	91	
SMC SEBERANG JAYA - VO	1Q 2022	16	16	
SMC IPOH		150	150	
SW INTERNATIONAL SCHOOL (SIS)	3Q 2022	121	95	
SIS - VO	3Q 2022	19	19	
SOUTH QUAY CP2 - PILING	2Q 2021	119	11	
SUNWAY VELOCITY 3C4	3Q 2022	100	47	
SUNWAY HOTEL RENOVATION	2Q 2021	81	38	
BIG BOX OFFICE	2Q 2022	51	48	
BUTTERWORTH-KULIM EXPRESSWAY	2Q 2021	4	4	
GRAND TOTAL @ JUNE 2021		9,317	4,796	
RED : SECURED IN 2021		620	616	