

# **SUNWAY<sup>®</sup>**

## **CONSTRUCTION**

**SUNWAY CONSTRUCTION GROUP BERHAD**

### **INTERIM FINANCIAL REPORT**

### **SECOND QUARTER ENDED 30<sup>th</sup> JUNE 2022**



**SUNWAY CONSTRUCTION GROUP BERHAD**

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(Incorporated in Malaysia)

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## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

	NOTE	<----- INDIVIDUAL QUARTER ----->				<----- CUMULATIVE QUARTER ----->			
		CURRENT PERIOD QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES	IMMEDIATE PRECEDING QUARTER	CHANGES	CURRENT PERIOD TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	CHANGES
		30/06/2022	30/06/2021	%	31/03/2022	%	30/06/2022	30/06/2021	%
		RM'000	RM'000	%	RM'000	%	RM'000	RM'000	%
REVENUE		557,887	375,265	48.7%	624,662	(10.7%)	1,182,549	830,467	42.4%
OPERATING EXPENSES		(517,599)	(370,127)	(39.8%)	(583,109)	11.2%	(1,100,708)	(802,395)	(37.2%)
OTHER OPERATING INCOME		2,064	1,245	65.8%	1,384	49.1%	3,448	4,414	(21.9%)
PROFIT FROM OPERATIONS		42,352	6,383	>100%	42,937	(1.4%)	85,289	32,486	>100%
FINANCE INCOME & OTHER DISTRIBUTION INCOME		3,174	1,374	>100%	2,222	42.9%	5,396	2,129	>100%
FINANCE COSTS		(3,178)	(994)	(>100%)	(1,152)	(>100%)	(4,330)	(2,579)	(67.9%)
SHARE OF RESULTS FROM AN ASSOCIATE		629	2,752	(77.1%)	3,163	(80.1%)	3,792	4,728	(19.8%)
PROFIT BEFORE TAX	B6	42,977	9,515	>100%	47,170	(8.9%)	90,147	36,764	>100%
INCOME TAX EXPENSE	B5	(9,344)	(3,588)	(>100%)	(11,531)	19.0%	(20,875)	(10,523)	(98.4%)
PROFIT AFTER TAX		33,633	5,927	>100%	35,639	(5.6%)	69,272	26,241	>100%
ATTRIBUTABLE TO:									
- OWNERS OF THE PARENT		32,303	8,324		34,518		66,821	28,565	
- NON-CONTROLLING INTERESTS		1,330	(2,397)		1,121		2,451	(2,324)	
		33,633	5,927		35,639		69,272	26,241	
EARNINGS PER SHARE									
(i) BASIC ( sen )	B11	2.51	0.65		2.68		5.19	2.22	
(ii) DILUTED ( sen )		2.51	0.65		2.68		5.19	2.22	

( The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements. )

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2022

	<----- INDIVIDUAL QUARTER ----->			<-- CUMULATIVE QUARTER -->	
	CURRENT	PRECEDING YEAR	IMMEDIATE	CURRENT	PRECEDING YEAR
	PERIOD	CORRESPONDING	PRECEDING	PERIOD	CORRESPONDING
	QUARTER	QUARTER	QUARTER	TO DATE	PERIOD
	30/06/2022	30/06/2021	31/03/2022	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	33,633	5,927	35,639	69,272	26,241
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT YEAR</b>					
FOREIGN CURRENCY TRANSLATION	(1,113)	(114)	(1,454)	(2,567)	998
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	<u>(1,113)</u>	<u>(114)</u>	<u>(1,454)</u>	<u>(2,567)</u>	<u>998</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>32,520</u>	<u>5,813</u>	<u>34,185</u>	<u>66,705</u>	<u>27,239</u>
ATTRIBUTABLE TO:					
- OWNERS OF THE PARENT	31,145	8,318	33,500	64,645	29,655
- NON-CONTROLLING INTERESTS	<u>1,375</u>	<u>(2,505)</u>	<u>685</u>	<u>2,060</u>	<u>(2,416)</u>
	<u>32,520</u>	<u>5,813</u>	<u>34,185</u>	<u>66,705</u>	<u>27,239</u>

( 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 2021 and the accompanying explanatory notes attached to the interim financial statements. )

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

	NOTE	AS AT FINANCIAL PERIOD ENDED 30/06/2022 RM'000 (UNAUDITED)	AS AT FINANCIAL YEAR ENDED 31/12/2021 RM'000 (AUDITED)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant, equipment, software and right of use assets		114,923	124,750
Investment in associate		0	596,917
Investment in joint ventures		161,168	126,601
Other investments		273	273
Long term receivable		113,135	-
Deferred tax assets		885	878
		<u>390,384</u>	<u>849,419</u>
<b>Current assets</b>			
Inventories		56,031	46,164
Receivables, deposits and prepayments	B9	1,051,698	850,077
Tax recoverable		19,599	19,710
Cash and bank balances		677,850	98,845
Other Investment		115,577	-
Derivative assets	B8	39	(0)
		<u>1,920,794</u>	<u>1,014,796</u>
<b>TOTAL ASSETS</b>		<u>2,311,178</u>	<u>1,864,215</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Payables, lease liabilities and other current liabilities		1,048,655	891,416
Borrowings	B7	192,326	92,524
Tax payable		10,993	7,285
Derivative liabilities	B8	-	786
		<u>1,251,974</u>	<u>992,011</u>
<b>Non-current liabilities</b>			
Borrowings	B7	158,972	145,390
Lease liabilities		6,208	7,157
Deferred taxation liabilities		2,079	2,886
		<u>167,259</u>	<u>155,433</u>
<b>Total liabilities</b>		<u>1,419,233</u>	<u>1,147,444</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		486,038	470,791
Other reserves		12,470	14,646
		<u>712,204</u>	<u>699,133</u>
<b>NON-CONTROLLING INTERESTS</b>		<u>179,741</u>	<u>17,638</u>
<b>Total equity</b>		<u>891,945</u>	<u>716,771</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,311,178</u>	<u>1,864,215</u>
<b>Net Assets Per Share Attributable To Owners Of The Parent (RM)</b>			
		<b>0.55</b>	<b>0.54</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 2021 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 2022

	----- 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 2022</b>											
At 1 January 2022	258,580	(6,990)	(37,894)	14,646	641	600	13,405	470,791	699,133	17,638	716,771
Profit for the period	-	-	-	-	-	-	-	66,821	66,821	2,451	69,272
Other comprehensive income, net of tax	-	-	-	(2,176)	-	-	(2,176)	-	(2,176)	(391)	(2,567)
Total comprehensive income	-	-	-	(2,176)	-	-	(2,176)	66,821	64,645	2,060	66,705
<b>Transactions with owners</b>											
Acquisition equity interest from subsidiary	-	-	-	-	-	-	-	-	-	20,050	20,050
Effects of subscriptions and redemptions of units in a structured entity by unitholders	-	-	-	-	-	-	-	-	-	140,035	140,035
Dividends paid to non controlling interests	-	-	-	-	-	-	-	-	-	(42)	(42)
Dividends paid	-	-	-	-	-	-	-	(51,574)	(51,574)	-	(51,574)
At 30 June 2022	258,580	(6,990)	(37,894)	12,470	641	600	11,229	486,038	712,204	179,741	891,945
<b>PERIOD ENDED 30 JUNE 2021</b>											
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
<b>Transactions with owners</b>											
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	402,886	631,094	12,236	643,330

( 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 2021 and the accompanying explanatory notes attached to the interim financial statements. )

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2022

	FOR THE PERIOD ENDED 30/06/2022	FOR THE PERIOD ENDED 30/06/2021
	RM'000 (UNAUDITED)	RM'000 (UNAUDITED)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	90,147	36,764
Adjustments for:		
- non-cash items	14,510	8,168
- finance costs	4,330	2,579
- finance income and other distribution income	(5,396)	(2,129)
Operating cash flows before working capital changes	103,591	45,382
Changes in working capital	(93,787)	(69,876)
Cash flows generated from/(used in) operations	9,804	(24,494)
Interest and other distribution income received	5,396	2,129
Interest paid	(4,122)	(2,246)
Tax refunded	813	457
Tax paid	(18,683)	(14,016)
Net cash used in operating activities	(6,792)	(38,170)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment and software	463	1,470
Acquisitions of property, plant and equipment and software	(1,504)	(773)
Additional shares acquired by non-controlling interest	20,050	13,139
Withdrawal of interest in associates	600,709	191,151
Net subscription of units in a structured entity by unitholders	140,035	-
Advance to joint venture	-	(20,194)
Acquisition of other investment	(115,577)	-
Addition of interests in a joint venture	(34,872)	-
Addition of deposits pledged to other financial institutions	(11,477)	(106)
Other investing activities	(78,457)	-
Net cash generated from investing activities	519,370	184,687
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net bank and other borrowings	107,369	(100,379)
Interest paid to related co and lease liabilities	(208)	(333)
Dividends paid to shareholders	(51,574)	(35,457)
Dividends paid to non-controlling interests of subsidiaries	(42)	(201)
Net cash generated from/(used in) financing activities	55,545	(136,370)
NET INCREASE IN CASH AND CASH EQUIVALENTS	568,123	10,147
EFFECTS OF EXCHANGE RATE CHANGES	(596)	2,614
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	60,598	117,838
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	628,125	130,599
Cash and cash equivalents at end of financial year comprise the following :		
Deposits with licensed banks and other financial institutions	569,180	139,531
Cash and bank balances	108,670	73,407
Cash and bank balances and placement in funds	677,850	212,938
Less: Deposits with other financial institutions with maturity of over 3 months	(202)	(202)
Less: Placement of deposits pledged to other financial institutions	(49,523)	(82,137)
Cash and cash equivalents	628,125	130,599

( 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 2021 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 year ending 31 December 2022. 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 2021. 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 2021.

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 2021 except for the adoption of the following new MFRSs and Amendments to MFRSs that are effective for the financial statements from 1 January 2022, as disclosed below:

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022

### 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 2022 except for those disclosed in Note B6.

### A5 Changes in Estimates

There were no changes in estimates that have a material effect on the amounts reported for the current period ended 30 June 2022.

### 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 Changes in Composition of the Group

There were no material changes in the composition of the Group for the current quarter ended 30 June 2022, except for the following:

#### (i) Maybank Shariah Institutional Income Fund ("MSIIF")

On 13 April 2022, non-controlling interest redeemed units in MSIIF amounting to RM20,000,000, resulting to an increase in proportion of ownership interest of the Group in the fund from 49.32% to 51.35%. On 29 April 2022, MSIIF became an associate of the Group subsequent to the additional units placed in the fund by non-controlling interest amounting to RM112,618,629, resulting to a decrease in proportion of ownership interest of the Group to 45.93%.

On 13 May 2022, non-controlling interest redeemed units in MSIIF amounting to RM114,500,000, resulting to an increase in proportion of ownership interest of the Group in the fund from 47.64% to 57.05%. Consequently, MSIIF became a subsidiary of the Group.

The financial effects arising from the remeasurement of existing stakes in MSIIF in accordance with *MFRS 3 Business Combinations*, amounted to an increase in profit before tax of RM0.37 million. The consolidated net assets from MSIIF mainly comprises of short term deposits and corporate bonds, amounting to RM514.4 million.



A7 **Changes in Composition of the Group (con't)**

(ii) Kenanga MoneyExtra Fund ("KEM2")

On 22 April 2022, the Group has redeemed units amounting to RM24,300,000 from KEM2, resulting to a decrease in proportion of ownership interest in the fund from 21.05% to 17.25%. There is no gain no loss arising from the redemption. The Group has classified the investment in KEM2 under other investment in balance sheet.

A8 **Dividend paid / payable**

	<b>As at 30 June 2022 RM'000 (Unaudited)</b>	<b>As at 31 December 2021 RM'000 (Audited)</b>
<u>Dividends recognised for the year (Net of tax)</u>		
2020 - 2.75 cents per share (Note 1)		35,457
2021 - 1.25 cents per share (Note 2)		16,117
2021 - 4.00 cents per share (Note 3)	51,574	
<u>Dividends in respect of year ended (Net of tax)</u>		
1.25 cents per share -declared and paid (Note 2)		16,117
4.00 cents per share - declared and paid (Note 3)		51,574
3.00 cents per share - declared and payable (Note 4)	38,681	

**Note 1:** 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 2:** 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 ended 31 December 2021. The interim dividend of RM16,116,989 was paid on 29 September 2021.

**Note 3:** On 23 February 2022, the Board of Directors declared a second interim single-tier dividend of 4.00 cents per ordinary shares for the financial year ended 31 December 2021. The interim dividend of RM51,574,364 was paid on 7 April 2022.

**Note 4:** On 23 August 2022, the Board of Directors declared a first interim single-tier dividend of 3.00 cents per ordinary shares for the financial year ending 31 December 2022. The interim dividend of RM38,680,773 will be paid on 29 September 2022.

Dividend under Note 1 and Note 2 have been accounted for in equity in the year ended 31 December 2021. Dividend under Note 3 has been accounted for in equity in the second quarter of 2022 and dividend under Note 4 will be accounted for in equity in the third quarter of 2022.

**A9 Segmental Reporting**

	<----- YTD JUNE'22 ----->			<----- YTD JUNE'21 ----->		
	(Unaudited)			(Unaudited)		
	Construction RM'000	Precast Concrete RM'000	Consolidated RM'000	Construction RM'000	Precast Concrete RM'000	Consolidated RM'000
<b><u>BY BUSINESS SEGMENTS</u></b>						
<b>REVENUE AND EXPENSES</b>						
Total revenue	1,440,798	134,764	1,575,562	949,473	107,765	1,057,238
Inter-segment revenue	(330,052)	(62,961)	(393,013)	(178,953)	(47,818)	(226,771)
External revenue	1,110,746	71,803	1,182,549	770,520	59,947	830,467
Results						
Operating segment results	81,425	3,864	85,289	28,519	3,967	32,486
Finance income & other distribution income	5,388	8	5,396	1,907	222	2,129
Finance costs	(3,345)	(985)	(4,330)	(2,003)	(576)	(2,579)
Share of profit from associate	3,792	-	3,792	4,728	-	4,728
Profit before tax	87,260	2,887	90,147	33,151	3,613	36,764
Income tax expense	(20,190)	(685)	(20,875)	(9,978)	(545)	(10,523)
Profit after tax	67,070	2,202	69,272	23,173	3,068	26,241
Non controlling interests	(2,451)	-	(2,451)	2,324	-	2,324
Attributable to owners of the parent	64,619	2,202	66,821	25,497	3,068	28,565
<b>TOTAL ASSETS</b>	1,901,124	389,570	2,290,694	1,399,800	263,436	1,663,236
Unallocated assets	-	-	20,484	-	-	30,329
	1,901,124	389,570	2,311,178	1,399,800	263,436	1,693,565
<b>TOTAL LIABILITIES</b>	1,168,895	237,266	1,406,161	865,341	180,344	1,045,685
Unallocated liabilities	-	-	13,072	-	-	4,549
	1,168,895	237,266	1,419,233	865,341	180,344	1,050,234

A9 Segmental Reporting (Contd.)

	<----- YTD JUNE'22 ----->				<----- YTD JUNE'21 ----->			
	(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><u>GEOGRAPHICAL SEGMENTS</u></b>								
Malaysia	983,218	72,062	55,642	55,232	770,520	43,696	33,488	33,345
Singapore	71,803	338	338	339	59,947	237	237	233
India	127,528	17,802	13,347	11,305	-	(6,997)	(7,312)	(4,841)
United Arab Emirates	-	(42)	(42)	(42)	-	(170)	(170)	(170)
Myanmar	-	(13)	(13)	(13)	-	(2)	(2)	(2)
	1,182,549	90,147	69,272	66,821	830,467	36,764	26,241	28,565

**A9 Segmental Reporting (Contd.)**

Segmental results by foreign currency for the financial period ended 30 June 2022 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)		983,218	69,535	53,800	53,390	983,218	69,535	53,800	53,390
United Arab Emirates (AED'000)	1.1758	-	(35)	(35)	(35)	-	(42)	(42)	(42)
India Rupee (INR'000)	0.0561	2,273,897	317,419	237,982	201,578	127,528	17,802	13,347	11,305
Singapore Dollar (SGD'000)	3.1390	-	(7)	(7)	(7)	-	(22)	(22)	(21)
Myanmar (USD'000)	4.2938	-	(3)	(3)	(3)	-	(13)	(13)	(13)
						<u>1,110,746</u>	<u>87,260</u>	<u>67,070</u>	<u>64,619</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		1,637,967	1,637,967	1,013,358	1,013,358
United Arab Emirates (AED'000)	1.2023	93	111	15	18
India Rupee (INR'000)	0.0558	4,702,712	262,411	2,785,782	155,447
Singapore Dollar (SGD'000)	3.1667	192	598	23	72
Trinidad & Tobago Dollar (TT\$'000)	0.6529	40	26	-	-
Myanmar (USD'000)	4.4080	2	11	-	-
		<u>1,901,124</u>	<u>1,901,124</u>	<u>1,168,895</u>	<u>1,168,895</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)		-	2,527	1,842	1,842	-	2,527	1,842	1,842
Singapore Dollar (SGD'000)	3.1390	22,874	115	115	115	71,803	360	360	360
						<u>71,803</u>	<u>2,887</u>	<u>2,202</u>	<u>2,202</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		85,856	85,856	46,518	46,518
Singapore Dollar (SGD'000)	3.1667	95,909	303,714	60,236	190,748
			<u>389,570</u>		<u>237,266</u>

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

**A9 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)
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 / (loss) before tax	Profit / (loss) 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.

#### A10 Material events

There were no material events subsequent to the current period ended 30 June 2022.

#### A11 Contingent Liabilities and Assets

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

	As at 30 June 2022 RM'000 (Unaudited)	As at 31 December 2021 RM'000 (Audited)
Guarantees given to third parties in respect of contracts and trade performance	355,513	315,095
Guarantees given to related companies in respect of contracts and trade performance	185,222	131,527
	<u>540,735</u>	<u>446,622</u>

The Group does not have any material contingent assets to be disclosed as at 30 June 2022.

#### A12 Commitments

(a) Capital commitment not provided for in the financial period ended 30 June 2022 and financial year ended 31 December 2021 are as follows:

	As at 30 June 2022 RM'000 (Unaudited)	As at 31 December 2021 RM'000 (Audited)
Approved and contracted for		
- Construction	2,043	30,116
- Precast	59,085	108,222
Approved but not contracted for	-	100
	<u>61,128</u>	<u>138,438</u>

Included in commitments are investment in joint venture for the proposed Singapore Integrated Construction Precast Hub building and plant and machinery in Singapore and our equity portion for India projects.

**A13 Significant Related Party Transactions**

The Group had the following transactions with related parties during the financial period ended 30 June 2022:

	<b>Cumulative Period To Date 30 June 2022 RM'000 (Unaudited)</b>	<b>Cumulative Period To Date 30 June 2021 RM'000 (Unaudited)</b>
<b>Contract revenue from:</b>		
Related companies	234,690	262,110
Related parties	300,528	73,846
<b>Rental income of plant and machinery from:</b>		
Related companies	39	26
Related party	2	-
<b>Interest income from:</b>		
Structured entities controlled by its intermediate holding company	5,932	4,728
<b>Purchases of goods/services from:</b>		
Related companies	(39,627)	(47,535)
Related parties	(1,080)	(885)
<b>Rental of office space from:</b>		
Related companies	(1,951)	(1,384)
Related parties	(682)	62
<b>Management fees charged by:</b>		
Intermediate holding company	(8,099)	(8,784)
<b>Service Level Agreement fees paid to:</b>		
Related companies	(1,668)	(1,442)

## B1 Review of Performance

### For the quarter (YoY)

<u>Total Group</u>	<u>Q2 2022</u>	<u>Q2 2021</u>	<u>Changes</u>
Revenue (RM'mil)	557.9	375.3	48.7%
PBT (RM'mil)	43.0	9.5	>100%
PBT Margin (%)	7.7%	2.5%	

The Group recorded revenue of RM557.9 million and profit before tax of RM43.0 million for the current quarter ended 30 June 2022, compared to revenue of RM375.3 million and profit before tax of RM9.5 million in the corresponding quarter of the preceding financial year. Group's revenue and profit before tax improved on all segments.

<u>Construction Segment</u>	<u>Q2 2022</u>	<u>Q2 2021</u>	<u>Changes</u>
Revenue (RM'mil)	523.0	349.3	49.7%
PBT (RM'mil)	41.1	9.5	>100%
PBT Margin (%)	7.9%	2.7%	

Construction segment reported revenue of RM523.0 million and profit before tax of RM41.1 million compared to revenue of RM349.3 million and profit before tax of RM9.5 million in the corresponding quarter of the preceding financial year. Higher revenue was due to normalisation of works to full capacity as the corresponding quarter of the preceding financial year was affected by MCO 3.0 lockdown where there were inactivity in June 2021 and subsequently only essential projects approved by MITI were allowed to operate at 60% productivity. As a results of the lockdown coupled with extensive costs rationalisation, lower profitability were recorded in the corresponding quarter of the preceding financial year.

<u>Precast Segment</u>	<u>Q2 2022</u>	<u>Q2 2021</u>	<u>Changes</u>
Revenue (RM'mil)	34.9	26.0	34.2%
PBT (RM'mil)	1.9	(0.0)	>100%
PBT Margin (%)	5.4%	-0.1%	

Precast segment reported revenue of RM34.9 million with profit before tax of RM1.9 million compared to revenue of RM26.0 million and breakeven in the corresponding quarter of the preceding financial year. Turnover for current quarter was higher as the corresponding quarter of preceding financial year was also affected by total lockdown in the month of June 2021 where our 2 precast plants were not permitted to operate by MITI. Hence, the profitability in the corresponding quarter of the preceding financial year was at breakeven due to the fixed overheads incurred.



## B1 Review of Performance (Contd.)

### For the full period

<u>Total Group</u>	<u>YTD Q2 2022</u>	<u>YTD Q2 2021</u>	<u>Changes</u>
Revenue (RM'mil)	1,182.5	830.5	42.4%
PBT (RM'mil)	90.1	36.8	>100%
PBT Margin (%)	7.6%	4.4%	

The Group recorded revenue of RM1,182.5 million and profit before tax of RM90.1 million for the six months period ended 30 June 2022, compared to revenue of RM830.5 million and profit before tax of RM36.8 million in the corresponding preceding financial period. Group's revenue saw an improvement in this period ended 30 June 2022 on all segments, and profit before tax improved from the construction segment.

<u>Construction Segment</u>	<u>YTD Q2 2022</u>	<u>YTD Q2 2021</u>	<u>Changes</u>
Revenue (RM'mil)	1,110.7	770.6	44.1%
PBT (RM'mil)	87.2	33.2	>100%
PBT Margin (%)	7.9%	4.3%	

Construction segment reported revenue of RM1,110.7 million and profit before tax of RM87.2 million compared to revenue of RM770.6 million and profit before tax of RM33.2 million in the corresponding quarter of the preceding financial period. Revenue improved in this current financial period due to contribution from India division as well as resumption of economic activities in full as compared to corresponding quarter of preceding financial period where productivity was affected by various EMCO / MCO across various states from 11 January 2021 and full lockdown in the month of June 2021. With that, profitability in the corresponding preceding financial period was also lower.

<u>Precast Segment</u>	<u>YTD Q2 2022</u>	<u>YTD Q2 2021</u>	<u>Changes</u>
Revenue (RM'mil)	71.8	59.9	19.9%
PBT (RM'mil)	2.9	3.6	(19.5%)
PBT Margin (%)	4.0%	6.0%	

Precast segment reported revenue of RM71.8 million with profit before tax of RM2.9 million compared to revenue of RM59.9 million and profit before tax of RM3.6 million in the corresponding quarter of preceding financial period. Revenue recorded for current period improved as the previous corresponding period was affected by both the MCO in Malaysia and Circuit Breaker in Singapore. However, profitability reduced despite the resumption of economic activities due to the impact of steel bar prices which has already been accounted for in the earlier quarter.

## B2 Material Changes in the Quarterly Results (QoQ)

<u>Total Group</u>	<u>Q2 2022</u>	<u>Q1 2022</u>	<u>Changes</u>
Revenue (RM'mil)	557.9	624.7	(10.7%)
PBT (RM'mil)	43.0	47.2	(8.9%)
PBT Margin (%)	7.7%	7.6%	

The Group recorded revenue of RM557.9 million and profit before tax of RM43.0 million for the current quarter ended 30 June 2022, compared to revenue of RM624.7 million and profit before tax of RM47.2 million in the immediate preceding quarter. Group's revenue saw a decline in current quarter due to both segments. Profitability was also reduced in current quarter due to construction segment.

<u>Construction Segment</u>	<u>Q2 2022</u>	<u>Q1 2022</u>	<u>Changes</u>
Revenue (RM'mil)	523.0	587.8	(11.0%)
PBT (RM'mil)	41.1	46.2	(11.0%)
PBT Margin (%)	7.9%	7.9%	

Construction segment reported revenue of RM523.0 million and profit before tax of RM41.1 million compared to revenue of RM587.8 million and profit before tax of RM46.2 million in the immediate preceding quarter. Higher turnover in previous quarter was mainly contributed by higher billings in some of the projects nearing completion. Profit margin for immediate preceding quarter was better due to finalisation of accounts for completed project.

<u>Precast Segment</u>	<u>Q2 2022</u>	<u>Q1 2022</u>	<u>Changes</u>
Revenue (RM'mil)	34.9	36.9	(5.4%)
PBT (RM'mil)	1.9	1.0	90.0%
PBT Margin (%)	5.4%	2.7%	

Precast segment reported revenue of RM34.9 million with profit before tax of RM1.9 million compared to revenue of RM36.9 million with profit before tax of RM1.0 million in the immediate preceding quarter. Revenue for both quarters remained relatively the same. Profitability was lower in the immediate preceding quarter due to the impact of higher steel bar prices.

### **B3 Prospects**

SunCon's outstanding order book now stands at RM4.2 billion (Dec 2021 : RM4.8 billion) with RM563.1 million new order secured up to June 2022.

The Malaysian economy grew by 8.9% in the second quarter of 2022 (1Q 2022: 5.0%), boosted by expansion in domestic demand and resilient exports. The construction sector grew by 2.4% in the second quarter of 2022 (1Q 2022: -6.2%), its first positive growth since the second quarter of 2021. Bank Negara Malaysia (BNM) forecasted the full year growth for 2022 would likely be at the upper end of the previously forecast range of 5.3% to 6.3%, as the Malaysian economy is projected to continue to recover in the second half of 2022 albeit at a more moderate pace amid global headwinds. As we ease into the endemic phase with the relaxation of social restrictions, pent up demand in domestic activities as well as resumption of international travel, we see an improvement in the outlook of the construction sector. On the domestic front, Mass Rapid Transit Corporation Sdn Bhd (MRT Corp) has released the much-awaited tender for MRT Line 3 on the 8th June 2022. The tender for Civil Main Contractor (CMC) 1 will close on 30 August 2022 while the CMC 2 and 3 will close on 30 September 2022. On top of that, the pre-qualification tender is currently on-going for the Bayan Lepas LRT as part of the Penang Transport Master Plan. Apart from the mega infrastructure projects, the increased demand in e-commerce, cloud computing and microchips has given rise to the need for more semi-conductor factories, warehouses and data centres. These news flows have presented a positive sentiment within the construction sector in Malaysia despite earlier news on lack of foreign workers as well as escalation in raw material prices. On foreign workers, SunCon has managed to obtain a quota for 400 Indonesian workers from the Ministry of Human Resources in June 2022 and we expect the first group of workers of about 100 workers to arrive by early September. As for the commodity prices, steel bar prices have also tapered down to approximately RM 2,700/MT in July 2022 from the high of approximately RM 3,500/MT in March 2022 along with other commodities such as copper.

The Singapore economy contracted slightly by 0.2% on a quarter on quarter basis in the second quarter of 2022 after posting an expansion of 0.8% in the first quarter. The construction sector grew by 0.9% quarter on quarter in second quarter of 2022, moderating from the 3.5% growth in the first quarter. The Housing and Development Board (HDB) launched 3,953 and 4,583 flats for sale on February 2022 and May 2022 respectively, and is estimated to launch another 4,900 new flats in August 2022. HDB plans to launch up to 23,000 new Build-to-Order (BTO) flats each year for 2022-2023 as it ramps up supply to meet strong housing demand from Singaporeans. This mark a 35% increase from 2021's figure (2021 : 17,109 units, 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 including the possibility of another wave of Covid-19 restrictions and any further adverse fluctuations in building materials prices, the Group is cautiously optimistic of registering positive growth for the financial year ending 2022.

### **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**

	<b>Current Quarter Ended 30 June 2022 RM'000 (Unaudited)</b>	<b>Immediate Preceding Quarter Ended 31 March 2022 RM'000 (Unaudited)</b>	<b>Cumulative Year To Date 30 June 2022 RM'000 (Unaudited)</b>
Current taxation	(9,895)	(11,729)	(21,624)
Under provision in prior year	(0)	(65)	(65)
Deferred taxation	551	263	814
	<u>(9,344)</u>	<u>(11,531)</u>	<u>(20,875)</u>
Effective tax rate	21.7%	24.4%	23.2%
Statutory tax rate :			
- Malaysia	24.0%	24.0%	24.0%
- Singapore	17.0%	17.0%	17.0%
- India	25.0%	25.0%	25.0%

The effective tax rate for the period ended June 2022 is at 23.2%.

**B6 Profit before Taxation**

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

	<b>Current Quarter Ended 30 June 2022 RM'000 (Unaudited)</b>	<b>Immediate Preceding Quarter Ended 31 March 2022 RM'000 (Unaudited)</b>	<b>Cumulative Year To Date 30 June 2022 RM'000 (Unaudited)</b>
Interest income and other distributable income	3,174	2,222	5,396
Interest expense	(3,178)	(1,152)	(4,330)
Depreciation and amortisation	(6,109)	(6,229)	(12,338)
Allowance for impairment losses for:			
- Receivables	(6,299)	(600)	(6,899)
Write off gain/(loss) :			
- Property, plant and equipment, and software	3	-	3
Net gain on disposal of:			
- Property, plant and equipment, and software	241	193	434
Accretion of financial assets and financial liabilities	(34)	(468)	(502)
Fair value gain on derivative assets and liabilities	479	-	479
Foreign exchange gain/(loss):			
- realised	268	(70)	198
- unrealised	51	10	61
	<u>51</u>	<u>10</u>	<u>61</u>

## B7 Group Borrowings and Debt Securities

The borrowings breakdown of the Group are as follows:

	As at 30 June 2022 RM'000 (Unaudited)	As at 31 December 2021 RM'000 (Audited)
Current liabilities:		
Unsecured		
- Bills discounting (RM denominated)	88,158	65,524
- Revolving credit (RM denominated)	25,000	27,000
- Short term loan (SGD denominated)	79,168	-
	<u>192,326</u>	<u>92,524</u>
Non current liabilities:		
Secured		
- Term loan (SGD denominated)	89,445	68,055
- Term loan (INR denominated)	69,527	-
Unsecured		
- Term loan(SGD denominated)	-	77,335
	<u>158,972</u>	<u>145,390</u>

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

- Bills discounting (RM denominated)	2.15%	2.18%
- Revolving credit (RM denominated)	2.41%	2.33%
- Short term loan (SGD denominated)	1.16%	
- Secured long term loan (SGD denominated)	1.70%	0.95%
- Secured long term loan (INR denominated)	8.02%	-
- Unsecured long term loan (SGD denominated)	-	0.70%

## B8 Derivative Financial Instruments

The Group's outstanding derivatives as at 30 June 2022 were as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gains/(Losses) RM'000
<b>Interest rate swap contracts</b>			
- Less than 1 year (SGD denominated)	61,016	39	479
<b>Total derivatives</b>		<u>39</u>	<u>479</u>

### 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 periods 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 2022 RM'000 (Unaudited)</b>	<b>As at 31 December 2021 RM'000 (Audited)</b>
Current	754,692	555,357
1 to 30 days past due	1,851	799
31 to 60 days past due	2,855	2,728
61 to 90 days past due	800	2,019
91 to 120 days past due	3,646	4,140
More than 121 days past due	70,825	81,736
	<u>79,977</u>	<u>91,422</u>
Total trade receivables	834,669	646,779
Less: Allowance for impairment	(53,102)	(46,172)
Other receivables	150,129	60,227
Amount due from intermediate holding company	17	16
Amount due from related companies	117,940	187,968
Amount due from a joint venture	2,045	1,259
	<u><u>1,051,698</u></u>	<u><u>850,077</u></u>

## 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.

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 be furnished by Srei Infrastructure Finance Ltd. The balance to be released upon Shristi provides 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.

Matter was adjourned a few times due to the Covid-19 pandemic and the next date of hearing is on 6 September 2022.

## 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 has not been fixed 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. Next hearing is on 30 November 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"). After a series of discussion, no amicable settlement ensued between the parties. The next hearing is scheduled for 12 September 2022.



## 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 Setia Utama LRT3 Sdn Bhd ("SULRT3") (formerly known as "MRCB George Kent Sdn Bhd") as co-defendant and third party to the suit.

On 21 July 2021, the Court has allowed SunCon's Application for Leave to issue Third Party Notice to SULRT3. The Court has further directed for SunCon to file and serve its Statement of Claim on SULRT3 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 SULRT3 as co-defendant with cost of RM4,000.00.

On 18 April 2022, the Court has granted order in terms for the Plaintiff's Application to transfer the Proceedings to Construction Court with no order as to costs. On 14 June 2022, the Court has scheduled the next case management on 5 October 2022.

**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 Period Quarter 30 June 2022 RM'000	Preceding Period Quarter 30 June 2021 RM'000	Current Period To Date 30 June 2022 RM'000	Preceding Period To Date 30 June 2021 RM'000
<b><u>Basic earnings per share</u></b>				
Profit attributable to members of the Company	32,303	8,324	66,821	28,565
Weighted Average Number of Ordinary Shares ('000)	1,289,359	1,289,359	1,289,359	1,289,359
Earnings per share (Basic) (sen)	2.51	0.65	5.19	2.22

**By Order of the Board**

**Tan Kim Aun**

**Chang Mei Yee**

**Secretaries**

AS AT JUNE-22 (RM MIL)	COMPLETION	CONTRACT SUM	O/S ORDERBOOK	
<b>BUILDING</b>			211	5%
PUTRAJAYA PARCEL F	Maintenance	1,610	5	
TNB HQ CAMPUS (PH 2)	3Q 2022	781	116	
PETRONAS LEADERSHIP CENTRE (PLC)	Completed	305	25	
IOI MALL (MEP)	3Q 2022	68	7	
OXLEY TOWER (MEP)	4Q 2024	68	52	
<b>PNB118 PKG A&amp;B (MEP)</b>	<b>3Q 2022</b>	<b>8</b>	<b>6</b>	
<b>INFRASTRUCTURE/PILING</b>			405	10%
LRT 3 : PACKAGE GS07-08	4Q 2022	1,295	87	
SENTUL WEST MRTUG ST. (MEP)	3Q 2022	57	3	
CHAN SOW LIN MRTUG ST. (MEP)	3Q 2022	54	2	
JALAN TAMBUN, IPOH	4Q 2022	14	12	
BANGSAR RISING - PILING	3Q 2022	5	4	
<b>TASCO</b>	<b>3Q 2022</b>	<b>9</b>		#
<b>LRT 3 : GS06 (Piling)</b>	<b>2Q 2022</b>	<b>1</b>		#
<b>RTS LINK PACKAGE P2A</b>	<b>2Q 2025</b>	<b>112</b>	<b>104</b>	
<b>KB - Kuala Krai BR1-BR7 (Piling)</b>	<b>4Q 2022</b>	<b>2</b>	<b>2</b>	
<b>LRT 3 : GS06</b>	<b>3Q 2023</b>	<b>191</b>	<b>191</b>	
<b>INDIA</b>			687	16%
THORAPALLI - JITTANDAHALLI (TJ)	4Q 2023	508	458	
MEENSURUTTI - CHIDAMBARAN (MC)	3Q 2023	315	228	
<b>SUSTAINABLE ENERGY</b>			438	10%
SOLAR - EXTERNAL	Various	414	392	
<b>NEW ORDER 2022 - EXTERNAL</b>	<b>Various</b>	<b>38</b>	<b>38</b>	
<b>NEW ORDER 2022 - INTERNAL</b>	<b>Various</b>	<b>8</b>	<b>8</b>	
<b>SINGAPORE</b>			530	13%
PRECAST	Various	531	402	
<b>NEW ORDER 2022 - EXTERNAL</b>	<b>Various</b>	<b>128</b>	<b>128</b>	
<b>INTERNAL - SUNWAY GROUP</b>			1,959	46%
SMC 4 + VO	3Q 2023	612	205	
SUNWAY SERENE	4Q 2022	413	41	
SUNWAY BELFIELD	4Q 2024	403	332	
SUNWAY VELOCITY 2	4Q 2022	352	51	
SOUTH QUAY CP2 - SUPERSTRUCTURE	3Q 2024	557	551	
SUNWAY CARNIVAL MALL EXT.	3Q 2022	286	23	
SUNWAY VELOCITY 2B	4Q 2023	253	208	
SMC DAMANSARA	3Q 2023	240	213	
SMC SEBERANG JAYA	3Q 2022	196	9	
SMC IPOH	1Q 2024	150	136	
SW INTERNATIONAL SCHOOL (SIS)	4Q 2022	140	20	
SOUTH QUAY CP2 - PILING	4Q 2022	198	19	
SUNWAY VELOCITY 3C4	3Q 2022	100	55	
SUNWAY HOTEL RENOVATION	3Q 2022	81	11	
BIG BOX OFFICE	3Q 2022	51	14	
BUTTERWORTH-KULIM EXPRESSWAY	3Q 2022	4	2	
DRAINAGE WORKS	4Q 2022	1	1	
<b>WELLNESS ROAD &amp; DRAIN</b>	<b>3Q 2022</b>	<b>1</b>	<b>1</b>	
<b>SMC IPOH VO</b>	<b>1Q 2024</b>	<b>67</b>	<b>67</b>	
<b>GRAND TOTAL @ JUN 2022</b>		<b>10,628</b>	<b>4,229</b>	
<b>RED : SECURED IN 2022</b>		<b>563</b>	<b>544</b>	

# Completion during the year