

SUNWAY®

CONSTRUCTION

SUNWAY CONSTRUCTION GROUP BERHAD

INTERIM FINANCIAL REPORT

SECOND QUARTER ENDED 30th JUNE 2023



SUNWAY CONSTRUCTION GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

	NOTE	<----- INDIVIDUAL QUARTER ----->				<----- CUMULATIVE QUARTER ----->			
		CURRENT PERIOD	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES	IMMEDIATE PRECEDING QUARTER	CHANGES	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE	CHANGES
		QUARTER 30/06/2023	QUARTER 30/06/2022	%	QUARTER 31/03/2023	%	30/06/2023	30/06/2022	%
		RM'000	RM'000	%	RM'000	%	RM'000	RM'000	%
REVENUE		604,095	557,887	8.3%	522,128	15.7%	1,126,223	1,182,549	(4.8%)
OPERATING EXPENSES		(562,258)	(511,299)	(10.0%)	(484,330)	(16.1%)	(1,046,588)	(1,093,808)	4.3%
OTHER OPERATING INCOME		5,041	2,064	>100%	4,871	3.5%	9,912	3,448	>100%
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS		(199)	(6,300)	96.8%	(990)	79.9%	(1,189)	(6,900)	82.8%
PROFIT FROM OPERATIONS		46,679	42,352	10.2%	41,679	12.0%	88,358	85,289	3.6%
FINANCE INCOME & OTHER DISTRIBUTION INCOME		6,721	3,174	>100%	4,103	63.8%	10,824	5,396	>100%
FINANCE COSTS		(11,452)	(3,178)	(>100%)	(8,267)	(38.5%)	(19,719)	(4,330)	(>100%)
SHARE OF RESULTS FROM AN ASSOCIATE		315	629	(49.9%)	-	>100%	315	3,792	(91.7%)
PROFIT BEFORE TAX	B6	42,263	42,977	(1.7%)	37,515	12.7%	79,778	90,147	(11.5%)
INCOME TAX EXPENSE	B5	(8,993)	(9,344)	3.8%	(8,874)	(1.3%)	(17,867)	(20,875)	14.4%
PROFIT AFTER TAX		33,270	33,633	(1.1%)	28,641	16.2%	61,911	69,272	(10.6%)
ATTRIBUTABLE TO:									
- OWNERS OF THE PARENT		33,003	32,303		27,828		60,831	66,821	
- NON-CONTROLLING INTERESTS		267	1,330		813		1,080	2,451	
		33,270	33,633		28,641		61,911	69,272	
EARNINGS PER SHARE									
(i) BASIC (sen)	B11	2.56	2.51		2.16		4.72	5.19	
(ii) DILUTED (sen)		2.56	2.51		2.16		4.72	5.19	

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2023

	<----- INDIVIDUAL QUARTER ----->			<-- CUMULATIVE QUARTER -->	
	CURRENT	PRECEDING YEAR	IMMEDIATE	CURRENT	PRECEDING
	PERIOD	CORRESPONDING	PRECEDING	YEAR	YEAR
	QUARTER	QUARTER	QUARTER	TO DATE	TO DATE
	30/06/2023	30/06/2022	31/03/2023	30/06/2023	30/06/2022
	RM'000	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	33,270	33,633	28,641	61,911	69,272
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT YEAR					
FOREIGN CURRENCY TRANSLATION	9,971	(1,113)	1,322	11,293	(2,567)
SHARE OF OTHER COMPREHENSIVE INCOME OF ASSOCIATES AND JOINT VENTURES	-	-	-	-	-
NET CHANGE IN FAIR VALUE OF CASH FLOW HEDGES	3,128	-	3,956	7,084	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	<u>13,099</u>	<u>(1,113)</u>	<u>5,278</u>	<u>18,377</u>	<u>(2,567)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>46,369</u>	<u>32,520</u>	<u>33,919</u>	<u>80,288</u>	<u>66,705</u>
ATTRIBUTABLE TO:					
- OWNERS OF THE PARENT	43,634	31,145	32,966	76,600	64,645
- NON-CONTROLLING INTERESTS	<u>2,735</u>	<u>1,375</u>	<u>953</u>	<u>3,688</u>	<u>2,060</u>
	<u>46,369</u>	<u>32,520</u>	<u>33,919</u>	<u>80,288</u>	<u>66,705</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 2022 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 2023

	NOTE	AS AT FINANCIAL PERIOD ENDED 30/06/2023 RM'000 (UNAUDITED)	AS AT FINANCIAL YEAR ENDED 31/12/2022 RM'000 (AUDITED)
ASSETS			
Non-current assets			
Property, plant, equipment, software and right of use assets		100,264	107,617
Investment in associate		183,017	-
Investment in joint ventures		262,660	223,131
Other investments		266	266
Long term receivables	B9	396,911	264,291
Derivative assets	B8	203	-
Deferred tax assets		5,429	3,381
		<u>948,750</u>	<u>598,686</u>
Current assets			
Inventories		66,289	53,422
Receivables, deposits and prepayments	B9	1,148,792	988,721
Tax recoverable		19,624	18,897
Cash and bank balances		343,681	491,628
Placement in funds		-	43,687
Other Investment		41,341	41,007
		<u>1,619,727</u>	<u>1,637,362</u>
TOTAL ASSETS		<u>2,568,477</u>	<u>2,236,048</u>
EQUITY AND LIABILITIES			
Current liabilities			
Payables, lease liabilities and other current liabilities		1,073,736	916,785
Borrowings	B7	177,112	172,179
Tax payable		16,979	6,749
Derivative liabilities	B8	532	7,616
		<u>1,268,359</u>	<u>1,103,329</u>
Non-current liabilities			
Borrowings	B7	444,509	308,541
Lease liabilities		3,414	3,384
		<u>447,923</u>	<u>311,925</u>
Total liabilities		<u>1,716,282</u>	<u>1,415,254</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)
Cash flow hedge reserve		(532)	(7,616)
Retained profits		544,437	515,856
Other reserves		23,888	15,203
		<u>781,489</u>	<u>737,139</u>
NON-CONTROLLING INTERESTS		<u>70,706</u>	<u>83,655</u>
Total equity		<u>852,195</u>	<u>820,794</u>
TOTAL EQUITY AND LIABILITIES		<u>2,568,477</u>	<u>2,236,048</u>
Net Assets Per Share Attributable To Owners Of The Parent (RM)			
		0.61	0.57

(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 2022 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 2023

	←----- 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	CASH FLOW HEDGE 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	RM'000
PERIOD ENDED 30 JUNE 2023												
At 1 January 2023	258,580	(6,990)	(37,894)	7,587	641	471	(7,616)	14,091	515,856	737,139	83,655	820,794
Profit for the period	-	-	-	-	-	-	-	-	60,831	60,831	1,080	61,911
Other comprehensive income, net of tax	-	-	-	15,769	-	-	7,084	8,685	0	15,769	2,608	18,377
Total comprehensive income	-	-	-	15,769	-	-	7,084	8,685	60,831	76,600	3,688	80,288
Transactions with owners												
Effects of subscriptions and redemptions of units in a structured entity by unitholders	-	-	-	-	-	-	-	-	-	-	(16,607)	(16,607)
Disposal of subsidiary	-	-	-	-	-	-	-	-	(16)	(16)	(30)	(46)
Dividends paid	-	-	-	-	-	-	-	-	(32,234)	(32,234)	-	(32,234)
At 30 JUNE 2023	258,580	(6,990)	(37,894)	23,356	641	471	(532)	22,776	544,437	781,489	70,706	852,195
PERIOD ENDED 30 JUNE 2022												
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
Transactions with owners												
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

(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 2022 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2023

	NOTE	FOR THE PERIOD ENDED 30/06/2023	FOR THE PERIOD ENDED 30/06/2022
		RM'000 (UNAUDITED)	RM'000 (UNAUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		79,778	90,147
Adjustments for:			
- non-cash items		8,984	14,510
- finance costs		19,719	4,330
- finance income and other distribution income		(10,824)	(5,396)
Operating cash flows before working capital changes		97,657	103,591
Changes in working capital		(114,465)	(93,787)
Cash flows (used in)/generated from operations		(16,808)	9,804
Interest and other distribution income received		10,824	5,396
Interest paid		(19,570)	(4,122)
Tax refunded		36	813
Tax paid		(10,448)	(18,683)
Net cash used in operating activities	B7	(35,966)	(6,792)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment and software		2,068	463
Acquisitions of property, plant and equipment and software		(9,631)	(1,504)
Additional shares acquired by non-controlling interest		-	20,050
(Addition) / Withdrawal of interest in associates		(182,702)	600,709
Net subscription of units in a structured entity by unitholders		(14,031)	140,035
Withdrawal / (Acquisition) of other investment		43,353	(115,577)
Addition of interests in a joint venture		(37,601)	(34,872)
Placement of deposits pledged to other financial institutions		(1,512)	(11,477)
Other investing activities		(16)	(78,457)
Net cash (used in)/generated from investing activities		(200,072)	519,370
CASH FLOWS FROM FINANCING ACTIVITIES			
Net bank and other borrowings		115,498	107,369
Interest paid to related co and lease liabilities		(148)	(208)
Dividends paid to shareholders		(32,234)	(51,574)
Dividends paid to non-controlling interests of subsidiaries		-	(42)
Net cash generated from financing activities		83,116	55,545
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(152,922)	568,123
EFFECTS OF EXCHANGE RATE CHANGES		3,463	(596)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		407,686	60,598
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD		258,227	628,125
Cash and cash equivalents at end of financial period comprise the following :			
Deposits with licensed banks and other financial institutions		286,381	569,180
Cash and bank balances		57,300	108,670
Cash and bank balances and placement in funds		343,681	677,850
Less: Deposits with other financial institutions with maturity of over 3 months		(202)	(202)
Less: Placement of deposits pledged to other financial institutions		(85,252)	(49,523)
Cash and cash equivalents		258,227	628,125

(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 2022 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 2023. 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 2022. 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 2022.

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 2022 except for the adoption of the following new MFRSs and Amendments to MFRSs that are effective for the financial statements from 1 January 2023, as disclosed below:

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Insurance Contracts</i> (Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</i>)	1 January 2023
Amendments to MFRS 101 <i>Disclosures of Accounting policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	1 January 2023*

* An entity is not required to disclose the information required by paragraphs 88B-88D for any interim period ending on or before 31 December 2023.

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 2023 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 2023.

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 period ended 30 June 2023, except for the following:

(i) Kenanga MoneyExtra Fund ("KEM2")

On 7 June 2023, the Group has placed additional units in KEM2 amounting to RM17,500,000, resulting to an increase in proportion of ownership interest of the Group in the fund from 19.53% to 21.61%. Consequently, KEM2 became an associate of the Group.

A8 Dividend paid / payable

	As at 30 June 2023 RM'000 (Unaudited)	As at 31 December 2022 RM'000 (Audited)
<u>Dividends recognised for the year (Net of tax)</u>		
2021 - 4.00 cents per share (Note 1)		51,574
2022 - 3.00 cents per share (Note 2)		38,681
2022 - 2.50 cents per share (Note 3)	32,234	
<u>Dividends in respect of year ended (Net of tax)</u>		
3.00 cents per share - declared and paid (Note 2)		38,681
2.50 cents per share - declared and paid (Note 3)		32,234
3.00 cents per share - declared and payable (Note 4)	38,681	

Note 1: 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 2: 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 ended 31 December 2022. The interim dividend of RM38,680,773 was paid on 29 September 2022.

Note 3: On 21 February 2023, the Board of Directors declared a second interim single-tier dividend of 2.50 cents per ordinary shares for the financial year ended 31 December 2022. The interim dividend of RM32,233,978 was paid on 6 April 2023.

Note 4: On 23 August 2023, the Board of Directors declared a first interim single-tier dividend of 3.00 cents per ordinary shares for the financial year ended 31 December 2023. The interim dividend of RM38,680,773 is payable on 27 September 2023.

Dividend under Note 1 and Note 2 have been accounted for in equity in the year ended 31 December 2022. Dividend under Note 3 has been accounted for in equity in the second quarter of 2023. Dividend under Note 4 will be accounted for in equity in the third quarter of 2023.

A9 Segmental Reporting

	<----- YTD JUN'23 ----->			<----- YTD JUN'22 ----->		
	(Unaudited)			(Unaudited)		
	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	1,305,212	222,012	1,527,224	1,440,798	134,764	1,575,562
Inter-segment revenue	(300,525)	(100,476)	(401,001)	(330,052)	(62,961)	(393,013)
External revenue	1,004,687	121,536	1,126,223	1,110,746	71,803	1,182,549
Results						
Operating segment results	78,029	10,329	88,358	81,425	3,864	85,289
Finance income & other distribution income	10,820	4	10,824	5,388	8	5,396
Finance costs	(13,899)	(5,820)	(19,719)	(3,345)	(985)	(4,330)
Share of profit from associate	315	-	315	3,792	-	3,792
Profit before tax	75,265	4,513	79,778	87,260	2,887	90,147
Income tax expense	(16,953)	(914)	(17,867)	(20,190)	(685)	(20,875)
Profit after tax	58,312	3,599	61,911	67,070	2,202	69,272
Non controlling interests	(1,080)	-	(1,080)	(2,451)	-	(2,451)
Attributable to owners of the parent	57,232	3,599	60,831	64,619	2,202	66,821
TOTAL ASSETS	2,033,129	510,295	2,543,424	1,901,124	389,570	2,290,694
Unallocated assets	-	-	25,053	-	-	20,484
	2,033,129	510,295	2,568,477	1,901,124	389,570	2,311,178
TOTAL LIABILITIES	1,352,343	346,960	1,699,303	1,168,895	237,266	1,406,161
Unallocated liabilities	-	-	16,979	-	-	13,072
	1,352,343	346,960	1,716,282	1,168,895	237,266	1,419,233

A9 Segmental Reporting (Contd.)

	<----- YTD JUN'23 ----->				<----- YTD JUN'22 ----->			
	(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
<u>GEOGRAPHICAL SEGMENTS</u>								
Malaysia	821,613	74,278	59,419	58,770	983,218	72,062	55,642	55,232
Singapore	121,536	(7,840)	(7,840)	(7,837)	71,803	338	338	339
India	183,074	13,342	10,334	9,900	127,528	17,802	13,347	11,305
United Arab Emirates	-	-	-	-	-	(42)	(42)	(42)
Myanmar	-	(2)	(2)	(2)	-	(13)	(13)	(13)
	1,126,223	79,778	61,911	60,831	1,182,549	90,147	69,272	66,821

A9 Segmental Reporting (Contd.)

Segmental results by foreign currency for the financial period ended 30 June 2023 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)		821,613	61,945	48,000	47,351	821,613	61,945	48,000	47,351
India Rupee (INR'000)	0.0546	3,356,076	244,586	189,450	181,481	183,074	13,342	10,334	9,900
Singapore Dollar (SGD'000)	3.3518	-	(6)	(6)	(5)	-	(20)	(20)	(17)
Myanmar (USD'000)	4.4835	-	(1)	(1)	(1)	-	(2)	(2)	(2)
						<u>1,004,687</u>	<u>75,265</u>	<u>58,312</u>	<u>57,232</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		1,504,277	1,504,277	972,972	972,972
United Arab Emirates (AED'000)	1.2791	96	122	5	6
India Rupee (INR'000)	0.0572	9,234,280	528,200	6,631,027	379,295
Singapore Dollar (SGD'000)	3.4622	148	502	20	70
Trinidad & Tobago Dollar (TT\$'000)	0.6952	40	28	-	-
Myanmar (USD'000)	4.6940	0	0	-	-
			<u>2,033,129</u>		<u>1,352,343</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)		-	12,333	11,419	11,419	-	12,333	11,419	11,419
Singapore Dollar (SGD'000)	3.3518	36,260	(2,333)	(2,333)	(2,333)	121,536	(7,820)	(7,820)	(7,820)
						<u>121,536</u>	<u>4,513</u>	<u>3,599</u>	<u>3,599</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		75,395	75,395	76,324	76,324
Singapore Dollar (SGD'000)	3.4622	125,614	434,900	78,169	270,636
			<u>510,295</u>		<u>346,960</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 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 / (loss) before tax	Profit / (loss) 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.

A10 Material events

There were no material events subsequent to the current period ended 30 June 2023.

A11 Contingent Liabilities and Assets

There were no changes in contingent liabilities since the last financial statements for the financial year ended 31 December 2022, except for the following:

	As at 30 June 2023 RM'000 (Unaudited)	As at 31 December 2022 RM'000 (Audited)
Guarantees given to third parties in respect of contracts and trade performance	631,302	405,608
Guarantees given to related companies in respect of contracts and trade performance	215,222	196,072
	<u>846,524</u>	<u>601,680</u>

The Group does not have any material contingent assets to be disclosed as at 30 June 2023.

A12 Commitments

(a) Capital commitment not provided for in the financial period ended 30 June 2023 and financial year ended 31 December 2022 are as follows:

	As at 30 June 2023 RM'000 (Unaudited)	As at 31 December 2022 RM'000 (Audited)
Approved and contracted for		
- Construction	43	-
- Precast	3,234	14,814
Approved but not contracted for	5	98
	<u>3,282</u>	<u>14,912</u>

Included in commitments are balance of investment in joint venture for the building and plant and machinery for Integrated Construction Precast Hub in Singapore.

A13 Significant Related Party Transactions

The Group had the following transactions with related parties during the financial period ended 30 June 2023:

	Cumulative Period To Date 30 June 2023 RM'000 (Unaudited)	Cumulative Period To Date 30 June 2022 RM'000 (Unaudited)
Contract revenue from:		
Related companies	276,369	234,690
Related parties	199,104	300,528
Rental income of plant and machinery from:		
Related companies	49	39
Related party	2	2
Interest income from:		
Structured entities controlled by its intermediate holding company	5,000	5,932
Purchases of goods/services from:		
Related companies	(52,328)	(39,627)
Related parties	(895)	(1,080)
Rental of office space from:		
Related companies	(1,770)	(1,951)
Related parties	(676)	(682)
Management fees charged by:		
Intermediate holding company	(9,321)	(8,099)
Service Level Agreement fees paid to:		
Related companies	(1,861)	(1,668)

B1 Review of Performance

For the quarter (YoY)

<u>Total Group</u>	<u>Q2 2023</u>	<u>Q2 2022</u>	<u>Changes</u>
Revenue (RM'mil)	604.1	557.9	8.3%
PBT (RM'mil)	42.3	43.0	(1.7%)
PBT Margin (%)	7.0%	7.7%	

The Group recorded revenue of RM604.1 million and profit before tax of RM42.3 million for the current quarter ended 30 June 2023, compared to revenue of RM557.9 million and profit before tax of RM43.0 million in the corresponding quarter of the preceding financial year. Group's revenue improved for all segments, but profitability saw a decline in construction segment.

<u>Construction Segment</u>	<u>Q2 2023</u>	<u>Q2 2022</u>	<u>Changes</u>
Revenue (RM'mil)	535.6	523.0	2.4%
PBT (RM'mil)	39.1	41.1	(4.9%)
PBT Margin (%)	7.3%	7.9%	

Construction segment reported revenue of RM535.6 million and profit before tax of RM39.1 million compared to revenue of RM523.0 million and profit before tax of RM41.1 million in the corresponding quarter of the preceding financial year. The higher turnover recorded in the current quarter was due to improved progress for newer projects. However, profit margin for corresponding quarter of the preceding financial year was higher due to finalisation of accounts for completed projects.

<u>Precast Segment</u>	<u>Q2 2023</u>	<u>Q2 2022</u>	<u>Changes</u>
Revenue (RM'mil)	68.5	34.9	96.3%
PBT (RM'mil)	3.2	1.9	68.4%
PBT Margin (%)	4.7%	5.4%	

Precast segment reported revenue of RM68.5 million and profit before tax of RM3.2 million compared to revenue of RM34.9 million and profit before tax of RM1.9 million in the corresponding quarter of the preceding financial year. Revenue improved in the current quarter largely due to the increased progress in ICPH projects, and as a result, the profit before tax also rose in line with the revenue increased.

B1 Review of Performance (Contd.)

For the full year

<u>Total Group</u>	<u>YTD Q2 2023</u>	<u>YTD Q2 2022</u>	<u>Changes</u>
Revenue (RM'mil)	1,126.2	1,182.5	(4.8%)
PBT (RM'mil)	79.8	90.1	(11.5%)
PBT Margin (%)	7.1%	7.6%	

The Group recorded revenue of RM1,126.2 million and profit before tax of RM79.8 million for the six months period ended 30 June 2023, compared to revenue of RM1,182.5 million and profit before tax of RM90.1 million in the corresponding preceding financial period. Group revenue and profit before tax saw a decline due to construction segment.

<u>Construction Segment</u>	<u>YTD Q2 2023</u>	<u>YTD Q2 2022</u>	<u>Changes</u>
Revenue (RM'mil)	1,004.7	1,110.7	(9.5%)
PBT (RM'mil)	75.3	87.2	(13.6%)
PBT Margin (%)	7.5%	7.9%	

Construction segment reported revenue of RM1,004.7 million and profit before tax of RM75.3 million compared to revenue of RM1,110.7 million and profit before tax of RM87.2 million in the preceding financial year. The higher turnover in the preceding financial year was largely attributed to the expedited construction progress to ensure the completion of projects in central and northern regions in the first half of 2022. Profit margin in the preceding year was higher due to finalisation of accounts for completed projects.

<u>Precast Segment</u>	<u>YTD Q2 2023</u>	<u>YTD Q2 2022</u>	<u>Changes</u>
Revenue (RM'mil)	121.5	71.8	69.2%
PBT (RM'mil)	4.5	2.9	55.2%
PBT Margin (%)	3.7%	4.0%	

Precast segment reported revenue of RM121.5 million and profit before tax of RM4.5 million compared to revenue of RM71.8 million and profit before tax of RM2.9 million in the preceding financial year. Higher turnover recorded for the six months period ending 30 June 2023 was primarily due to contribution from ICPH projects. However, profit before tax margin remained fairly consistent, given the increased depreciation costs associated with the ICPH plant.

B2 Material Changes in the Quarterly Results (QoQ)

<u>Total Group</u>	<u>Q2 2023</u>	<u>Q1 2023</u>	<u>Changes</u>
Revenue (RM'mil)	604.1	522.1	15.7%
PBT (RM'mil)	42.3	37.5	12.7%
PBT Margin (%)	7.0%	7.2%	

The Group recorded a revenue of RM604.1 million with profit before tax of RM42.3 million for the current quarter ended 30 June 2023, compared to revenue of RM522.1 million with profit before tax of RM37.5 million in the immediate preceding quarter. Group's revenue and profit before tax improved in all segments.

<u>Construction Segment</u>	<u>Q2 2023</u>	<u>Q1 2023</u>	<u>Changes</u>
Revenue (RM'mil)	535.6	469.1	14.2%
PBT (RM'mil)	39.1	36.2	8.0%
PBT Margin (%)	7.3%	7.7%	

Construction segment reported revenue of RM535.6 million with profit before tax of RM39.1 million compared to revenue of RM469.1 million with profit before tax of RM36.2 million in the immediate preceding quarter. Higher turnover recorded in current quarter resulted from an enhanced contribution from sustainable energy projects and the acceleration of newer projects. Consistent with the higher turnover, the profit before tax also saw an increase.

<u>Precast Segment</u>	<u>Q2 2023</u>	<u>Q1 2023</u>	<u>Changes</u>
Revenue (RM'mil)	68.5	53.0	29.2%
PBT (RM'mil)	3.2	1.3	>100%
PBT Margin (%)	4.7%	2.5%	

Precast segment reported revenue of RM68.5 million with profit before tax of RM3.2 million compared to revenue of RM53.0 million with profit before tax of RM1.3 million in the immediate preceding quarter. The uptick in revenue for the current quarter is attributed to the improving productivity of the ICPH plant. As a result, the segment saw increased profitability in line with the higher turnover.

B3 Prospects

SunCon's outstanding order book now stands at RM5.8 billion (Dec 2022 : RM5.3 billion) with RM1.594 billion new order secured up to June 2023.

The Malaysian economy grew by 2.9% in the second quarter of 2023 (1Q 2023: 5.7%) mainly driven by continued increase in domestic demand, improving labour market conditions and higher tourism activities. The construction sector expanded by 6.2% in the second quarter of 2023 (1Q 2023: 7.4%), due to continued progress of large infrastructure projects and support from higher special trade activities. On the domestic front, SunCon secured a 29.9MW quota under the Corporate Green Power Programme. Concurrently, SunCon is participating in the tender process initiated by Malaysia Rapid Transit System Sdn Bhd for the RTS ICQC Packages 2A and 2B. In addition, Tenaga Nasional Berhad introduced the Green Lane Pathway, a dedicated route providing efficient and environmentally responsible solutions for data centre operators. This initiative streamlines the approval and setup processes for data centres in Malaysia, likely drawing more data centre investors to the nation. Beyond data centre, Malaysia is experiencing a surge in foreign direct investments, particularly in warehouse and semiconductor manufacturing. SunCon, through strategic partnerships, has actively participated in several tenders within these domains and is currently awaiting the outcomes of these tender bids. The Ministry of Economy Malaysia has on 27 July 2023 unveiled the National Energy Transition Roadmap ("NETR"), outlining the steps to expedite the nation's energy transition. The roadmap's first phase features 10 flagship catalyst projects valued at RM25 billion, involving private sector collaboration. This strategy not only promises a swift energy transition but also increase growth opportunities, potentially boosting demand for solar power installations. This will be added advantage to the Renewable Energy sector. Internationally, SunCon formalized the EPC agreement for the Song Hau 2 thermal power plant in Vietnam in March 2023 and is awaiting the client's financial close.

Singapore's economy witnessed a growth of 0.1% on a quarter-on-quarter basis in the second quarter of 2023, a shift from the 0.4% decline in the first quarter. The construction sector saw a 2.7% growth on a quarter-on-quarter basis in the second quarter of 2023, up from the modest 0.3% in the prior quarter. The Housing and Development Board (HDB) released 4,428 and 5,480 flats for purchase in February and May 2023, respectively, and plans to introduce an additional 6,700 flats in September 2023. Between 2021 and 2025, the HDB aims to launch up to 100,000 flats, adjusting based on housing demand. Since over 90% of our precast segment sales are from Singapore HDB flats, our prospects are closely tied to these launches. On 21 July 2023, the HL-Sunway JV inaugurated the HL-Sunway Prefab Hub ("ICPH plant"), graced by Singapore's Minister for National Development, Desmond Lee. As the ICPH plant commences operations, SunCon anticipates a more significant contribution from our precast segment to the group's financials in the upcoming years.

Based on the above and barring any further unforeseen circumstances including the possibility of any further adverse fluctuations in building materials prices, the Group is cautiously optimistic of registering positive growth for the financial year ending 2023 based on our existing order book.

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 2023 RM'000 (Unaudited)	Immediate Preceding Quarter Ended 31 March 2023 RM'000 (Unaudited)	Cumulative Year To Date 30 June 2023 RM'000 (Unaudited)
Current taxation	(11,814)	(9,490)	(21,304)
Under provision in prior year	1,118	319	1,437
Deferred taxation	1,703	297	2,000
	<u>(8,993)</u>	<u>(8,874)</u>	<u>(17,867)</u>
Effective tax rate	21.3%	23.7%	22.4%
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 30 June is at 22.4%.

B6 Profit before Taxation

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

	Current Quarter Ended 30 June 2023 RM'000 (Unaudited)	Immediate Preceding Quarter Ended 31 March 2023 RM'000 (Unaudited)	Cumulative Year To Date 30 June 2023 RM'000 (Unaudited)
Interest income and other distributable income	6,721	4,103	10,824
Interest expense	(11,452)	(8,267)	(19,719)
Depreciation and amortisation	(5,327)	(5,258)	(10,585)
Allowance for impairment losses for:			
- Receivables	(199)	(990)	(1,189)
Write off gain/(loss) :			
- Property, plant and equipment, and software	0	0	0
Net gain on disposal of:			
- Property, plant and equipment, and software	-	1,605	1,605
Accretion of financial assets and financial liabilities	99	430	529
Fair value loss on derivative assets and liabilities	196	-	196
Fair value gain on hire purchase receivables	-	720	720
Foreign exchange gain/(loss):			
- realised	472	243	715
- unrealised	147	(6)	141
	<u>147</u>	<u>(6)</u>	<u>141</u>

B7 Group Borrowings and Debt Securities

The borrowings breakdown of the Group are as follows:

	As at 30 June 2023 RM'000 (Unaudited)	As at 31 December 2022 RM'000 (Audited)
Current liabilities:		
Unsecured		
- Bills discounting (RM denominated)	56,658	74,549
- Bills discounting (SGD denominated)	-	3,278
- Revolving credit (RM denominated)	15,000	12,000
- Term loan (SGD denominated)	86,555	82,352
Secured		
- Short term loan (SGD denominated)	18,899	-
	<u>177,112</u>	<u>172,179</u>
Non current liabilities:		
Secured		
- Term loan (SGD denominated)	133,289	146,632
- Term loan (INR denominated)	311,220	161,909
	<u>444,509</u>	<u>308,541</u>

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

- Bills discounting (RM denominated)	3.22%	2.44%
- Bills discounting (SGD denominated)	-	5.03%
- Revolving credit (RM denominated)	3.54%	2.67%
- Unsecured short term loan (SGD denominated)	4.96%	2.32%
- Secured short term loan (SGD denominated)	4.81%	-
- Secured long term loan (SGD denominated)	4.81%	2.93%
- Secured long term loan (INR denominated)	10.04%	8.74%

Net cash used in operating activities for the period ended 30 June 2023 stood at RM36.0m mainly due to the 2 HAM (Hybrid Annuity Model) projects in India, whereby 60% of the receivable will only be paid after the project completion over 15 years on annuity basis.

B8 Derivative Financial Instruments

The Group's outstanding derivatives as at 30 June 2023 were as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gains/(Losses) RM'000
Interest rate swap contracts			
- 1 to 3 year (SGD denominated)	34,110	203	196
Foreign currency forward contracts			
- Less than 1 year	215,493	(532)	(181)
Total derivatives		(329)	15

Interest rate swap contracts

The Group entered into interest rate swap contracts to manage its exposure in interest rate risk arising from floating rate borrowings. Borrowings with floating interest rates expose the Group to fluctuation in market interest rate and the hedging contracts minimise the impact on the Group's cash flows. The interest rate swap contracts are executed with credit-worthy financial institutions which are governed by appropriate policies and procedures.

Interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. Any changes in fair value of derivatives during the year are taken directly to the income statement.

Foreign currency forward contracts

The Group enters into foreign currency forward contracts to manage some of the transaction exposure. These contracts are entered into for periods consistent with currency transaction exposure and fair value changes exposure. The Group also uses foreign currency forward contracts as cash flow hedges to hedge the exposure to foreign currency exchange risks arising from forecasted expenditure.

Forward currency contracts are valued using a valuation technique with market observable inputs. The derivatives arising from the forward currency contracts are stated at fair value using the prevailing market rate. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

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 2023 RM'000 (Unaudited)	As at 31 December 2022 RM'000 (Audited)
Current	1,230,046	880,409
1 to 30 days past due	21,832	15,569
31 to 60 days past due	6,147	12,029
61 to 90 days past due	11,612	7,404
91 to 120 days past due	2,391	4,066
More than 121 days past due	85,042	81,770
	127,024	120,838
Total trade receivables	1,357,070	1,001,247
Less: Allowance for impairment	(60,374)	(59,230)
Other receivables	108,218	135,536
Amount due from intermediate holding company	33	33
Amount due from related companies	140,223	154,495
Amount due from a joint venture	533	20,931
	1,545,703	1,253,012

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.

On 20 July 2023 Srei Infrastructure Finance Ltd filed an application for release of corporate guarantee and discharge itself from all obligations under the corporate guarantee. Application was heard on 31 July 2023 and is re-notified for arguments on 29 August 2023.

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. Matter was briefly heard on 24 July 2023 and next hearing date has not been fixed. 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 3 November 2023.

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 16 May 2023, the Court directed the Plaintiff to schedule an appointment with the Klang District and Land Office, in the presence of SunCon's solicitors, to address the issue of the documents provided by the Plaintiff not meeting the requested specifications. The purpose of the appointment is to clarify and confirm the availability and existence of the requested documents. The Plaintiff's solicitors have sent a letter to the Klang Land Office to arrange the meeting with the relevant officer, but the date for the meeting has not been determined yet.

The next case management has been scheduled on 5 September 2023.

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 2023 RM'000	Preceding Year Quarter 30 June 2022 RM'000	Current Year To Date 30 June 2023 RM'000	Preceding Year To Date 30 June 2022 RM'000
<u>Basic earnings per share</u>				
Profit attributable to members of the Company	33,003	32,303	60,831	66,821
Weighted Average Number of Ordinary Shares ('000)	1,289,359	1,289,359	1,289,359	1,289,359
Earnings per share (Basic) (sen)	2.56	2.51	4.72	5.19

By Order of the Board

Tan Kim Aun

Chang Mei Yee

Secretaries

AS AT JUN-23 (RM MIL)	COMPLETION	CONTRACT SUM	O/S ORDERBOOK
BUILDING			1,637 28%
OXLEY TOWER (MEP)	4Q 2024	68	38
OXLEY TOWER VO (MEP)	1Q 2024	9	9
JHB1X0 - DATA CENTRE	3Q 2024	1,700	1,593
INFRASTRUCTURE/PILING			653 11%
LRT 3 : PACKAGE GS07-08	3Q 2023	1,295	15
RTS LINK PACKAGE 1B AND PACKAGE 5	2Q 2025	605	587
LRT 3 : GS06	3Q 2023	191	52
INDIA			403 7%
THORAPALLI - JITTANDAHALLI (TJ)	4Q 2023	508	305
MEENSURUTTI - CHIDAMBARAM (MC)	3Q 2023	315	98
SUSTAINABLE ENERGY			346 6%
SOLAR - EXTERNAL	Various	35	12
SOLAR - INTERNAL	Various	12	4
LSS4 GOPENG	4Q 2023	200	126
LSS4 SHARP VENTURES	4Q 2023	185	126
SOUTH QUAY SQUARE DCS	2Q 2025	35	32
NEW ORDER 2023 - EXTERNAL	Various	45	45
SINGAPORE			451 8%
PRECAST	Various	676	376
NEW ORDER 2023 - EXTERNAL	Various	76	75
INTERNAL - SUNWAY GROUP			2,285 40%
SMC 4 + VO	3Q 2023	612	77
SUNWAY BELFIELD	4Q 2024	403	202
SUNWAY VELOCITY 2	3Q 2023	352	8
SOUTH QUAY SQUARE - SUPERSTRUCTURE	3Q 2024	756	417
SOUTH QUAY SQUARE - SUPERSTRUCTURE (VO)	4Q 2025	607	607
SW CARNIVAL MALL - REFURBISHMENT	2Q 2025	253	253
SUNWAY VELOCITY 2B	4Q 2023	253	112
SMC DAMANSARA	2Q 2024	240	153
SMC IPOH + VO	1Q 2024	217	165
SW INTERNATIONAL SCHOOL (SIS)	3Q 2023	140	12
SUNWAY VELOCITY 3C4	3Q 2023	100	9
BIG BOX OFFICE	COMPLETED	51	5
SW FLORA	4Q 2025	278	266
GRAND TOTAL @ JUN 2023		10,214	5,776
RED : SECURED IN 2023		1,594	1,574