

SUNWAY[®]

CONSTRUCTION

SUNWAY CONSTRUCTION GROUP BERHAD

INTERIM FINANCIAL REPORT

THIRD QUARTER ENDED 30th SEPTEMBER 2023



SUNWAY CONSTRUCTION GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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 30/09/2023	QUARTER 30/09/2022	%	QUARTER 30/06/2023	%	QUARTER 30/09/2023	QUARTER 30/09/2022	%
		RM'000	RM'000	%	RM'000	%	RM'000	RM'000	%
REVENUE		673,507	469,253	43.5%	604,095	11.5%	1,799,730	1,651,802	9.0%
OPERATING EXPENSES		(619,980)	(436,485)	(42.0%)	(562,258)	(10.3%)	(1,666,568)	(1,530,293)	(8.9%)
OTHER OPERATING INCOME		3,381	8,473	(60.1%)	5,041	(32.9%)	13,293	11,920	11.5%
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS		(2,788)	(4,352)	35.9%	(199)	(>100%)	(3,977)	(11,251)	64.7%
PROFIT FROM OPERATIONS		54,120	36,889	46.7%	46,679	15.9%	142,478	122,178	16.6%
FINANCE INCOME & OTHER DISTRIBUTION INCOME		7,022	4,066	72.7%	6,721	4.5%	17,845	9,463	88.6%
FINANCE COSTS		(13,031)	(3,222)	(>100%)	(11,452)	(13.8%)	(32,748)	(7,553)	(>100%)
SHARE OF RESULTS FROM AN ASSOCIATE		-	(129)	>100%	315	(>100%)	315	3,663	(91.4%)
PROFIT BEFORE TAX	B6	48,111	37,604	27.9%	42,263	13.8%	127,890	127,751	0.1%
INCOME TAX EXPENSE	B5	(12,595)	(13,645)	7.7%	(8,993)	(40.1%)	(30,462)	(34,520)	11.8%
PROFIT AFTER TAX		35,516	23,959	48.2%	33,270	6.8%	97,428	93,231	4.5%
ATTRIBUTABLE TO:									
- OWNERS OF THE PARENT		35,013	22,715		33,003		95,844	89,535	
- NON-CONTROLLING INTERESTS		503	1,244		267		1,584	3,696	
		35,516	23,959		33,270		97,428	93,231	
EARNINGS PER SHARE									
(i) BASIC (sen)	B11	2.72	1.76		2.56		7.43	6.95	
(ii) DILUTED (sen)		2.72	1.76		2.56		7.43	6.95	

(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 SEPTEMBER 2023

	<----- INDIVIDUAL QUARTER ----->			<-- CUMULATIVE QUARTER -->	
	CURRENT PERIOD QUARTER 30/09/2023	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2022	IMMEDIATE PRECEDING QUARTER 30/06/2023	CURRENT YEAR TO DATE 30/09/2023	PRECEDING YEAR TO DATE 30/09/2022
	RM'000	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	35,516	23,959	33,270	97,428	93,231
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT YEAR					
FOREIGN CURRENCY TRANSLATION	(1,724)	(523)	9,971	9,568	(3,091)
NET CHANGE IN FAIR VALUE OF CASH FLOW HEDGES	(500)	-	3,128	6,584	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	<u>(2,224)</u>	<u>(523)</u>	<u>13,099</u>	<u>16,152</u>	<u>(3,091)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>33,292</u>	<u>23,436</u>	<u>46,369</u>	<u>113,580</u>	<u>90,140</u>
ATTRIBUTABLE TO:					
- OWNERS OF THE PARENT	33,242	21,577	43,634	109,841	86,221
- NON-CONTROLLING INTERESTS	<u>50</u>	<u>1,859</u>	<u>2,735</u>	<u>3,739</u>	<u>3,919</u>
	<u>33,292</u>	<u>23,436</u>	<u>46,369</u>	<u>113,580</u>	<u>90,140</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.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	NOTE	AS AT FINANCIAL PERIOD ENDED 30/09/2023 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		96,551	107,617
Investment in associate		-	-
Investment in joint ventures		266,030	223,131
Other investments		265	266
Long term receivables	B9	445,574	264,291
Derivative assets	B8	193	-
Deferred tax assets		4,284	3,381
		<u>812,897</u>	<u>598,686</u>
Current assets			
Inventories		61,848	53,422
Receivables, deposits and prepayments	B9	1,359,099	988,721
Tax recoverable		19,424	18,897
Cash and bank balances		469,803	491,628
Placement in funds		47,662	43,687
Other Investment		40,911	41,007
		<u>1,998,747</u>	<u>1,637,362</u>
TOTAL ASSETS		<u>2,811,644</u>	<u>2,236,048</u>
EQUITY AND LIABILITIES			
Current liabilities			
Payables, lease liabilities and other current liabilities		1,152,285	916,785
Borrowings	B7	288,429	172,179
Tax payable		24,951	6,749
Derivative liabilities	B8	1,032	7,616
		<u>1,466,697</u>	<u>1,103,329</u>
Non-current liabilities			
Borrowings	B7	495,084	308,541
Lease liabilities		917	3,384
		<u>496,001</u>	<u>311,925</u>
Total liabilities		<u>1,962,698</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		(1,032)	(7,616)
Retained profits		540,769	515,856
Other reserves		22,616	15,203
		<u>776,049</u>	<u>737,139</u>
NON-CONTROLLING INTERESTS		<u>72,897</u>	<u>83,655</u>
Total equity		<u>848,946</u>	<u>820,794</u>
TOTAL EQUITY AND LIABILITIES		<u>2,811,644</u>	<u>2,236,048</u>
Net Assets Per Share Attributable To Owners Of The Parent (RM)			
		0.60	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.)

	←----- 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	
PERIOD ENDED 30 SEPTEMBER 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	-	-	-	-	-	-	-	-	95,844	95,844	1,584	97,428
Other comprehensive income, net of tax	-	-	-	13,997	-	-	6,584	7,413	(0)	13,997	2,155	16,152
Total comprehensive income	-	-	-	13,997	-	-	6,584	7,413	95,844	109,841	3,739	113,580
Transactions with owners												
Acquisition equity interest from subsidiary	-	-	-	-	-	-	-	-	-	-	3,402	3,402
Effects of subscriptions and redemptions of units in a structured entity by unitholders	-	-	-	-	-	-	-	-	-	-	(17,182)	(17,182)
Disposal of subsidiary	-	-	-	-	-	-	-	-	(16)	(16)	(30)	(46)
Dividends paid to non controlling interests	-	-	-	-	-	-	-	-	-	-	(687)	(687)
Dividends paid	-	-	-	-	-	-	-	-	(70,915)	(70,915)	-	(70,915)
At 30 SEPTEMBER 2023	258,580	(6,990)	(37,894)	21,584	641	471	(1,032)	21,504	540,769	776,049	72,897	848,946
PERIOD ENDED 30 SEPTEMBER 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	-	-	-	-	-	-	-	-	89,535	89,535	3,696	93,231
Other comprehensive income, net of tax	-	-	-	(3,314)	-	-	-	(3,314)	(0)	(3,314)	223	(3,091)
Total comprehensive income	-	-	-	(3,314)	-	-	-	(3,314)	89,535	86,221	3,919	90,140
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	-	-	-	-	-	-	-	-	-	-	46,516	46,516
Dividends paid to non controlling interests	-	-	-	-	-	-	-	-	-	-	(42)	(42)
Dividends paid	-	-	-	-	-	-	-	-	(90,255)	(90,255)	-	(90,255)
At 30 SEPTEMBER 2022	258,580	(6,990)	(37,894)	11,332	641	600	-	10,091	470,071	695,099	88,081	783,180

(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 SEPTEMBER 2023

	NOTE	FOR THE PERIOD ENDED 30/09/2023	FOR THE PERIOD ENDED 30/09/2022
		RM'000 (UNAUDITED)	RM'000 (UNAUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		127,890	127,751
Adjustments for:			
- non-cash items		16,405	23,960
- finance costs		32,748	7,553
- finance income and other distribution income		(17,845)	(9,463)
Operating cash flows before working capital changes		159,198	149,801
Changes in working capital		(297,799)	(234,049)
Cash flows used in operations		(138,601)	(84,248)
Interest and other distribution income received		17,845	9,463
Interest paid		(32,490)	(7,240)
Tax refunded		94	811
Tax paid		(13,784)	(26,863)
Net cash used in operating activities	B7	(166,936)	(108,077)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment and software		2,459	592
Acquisitions of property, plant and equipment and software		(11,116)	(3,492)
Additional shares acquired by non-controlling interest		3,402	20,050
Withdrawal of interest in associates		315	600,580
Net subscription of units in a structured entity by unitholders		(12,344)	46,516
Acquisition of other investment		(3,879)	(71,609)
Addition of interests in a joint venture		(32,249)	(53,180)
Placement of deposits pledged to other financial institutions		(1,946)	(32,072)
Other investing activities		(16)	(87,780)
Net cash (used in)/generated from investing activities		(55,374)	419,605
CASH FLOWS FROM FINANCING ACTIVITIES			
Net bank and other borrowings		273,168	118,609
Interest paid to related co and lease liabilities		(258)	(312)
Dividends paid to shareholders		(70,915)	(90,255)
Dividends paid to non-controlling interests of subsidiaries		(687)	(42)
Net cash generated from financing activities		201,308	28,000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(21,002)	339,528
EFFECTS OF EXCHANGE RATE CHANGES		(2,769)	3,257
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		407,686	60,598
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD		383,915	403,383
Cash and cash equivalents at end of financial period comprise the following :			
Deposits with licensed banks and other financial institutions		369,631	433,490
Cash and bank balances		100,172	40,215
Cash and bank balances and placement in funds		469,803	473,705
Less: Deposits with other financial institutions with maturity of over 3 months		(202)	(202)
Less: Placement of deposits pledged to other financial institutions		(85,686)	(70,120)
Cash and cash equivalents		383,915	403,383

(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 September 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 September 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 September 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.

On 5 July 2023, non-controlling interest placed additional units in KEM2 amounting to RM78,094,471, resulting to a decrease in proportion of ownership interest of the Group in the fund from 21.84% to 19.98%. Pursuant to that, the Group has classified the investment in KEM2 as other investment in statements of financial position as the Group has lost significant influence over KEM2. There is no gain no loss arising from the reclassification.

A8 Dividend paid / payable

	As at 30 September 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	
2023 - 3.00 cents per share (Note 4)	38,681	
<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 paid (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 ending 31 December 2023. The interim dividend of RM38,680,773 was paid 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 and Note 4 have been accounted for in equity in the second and third quarter of 2023 respectively.

A9 Segmental Reporting

	<----- YTD SEP'23 ----->			<----- YTD SEP'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	2,036,331	359,378	2,395,709	1,994,806	230,255	2,225,061
Inter-segment revenue	(441,089)	(154,890)	(595,979)	(465,150)	(108,109)	(573,259)
External revenue	1,595,242	204,488	1,799,730	1,529,656	122,146	1,651,802
Results						
Operating segment results	122,698	19,780	142,478	114,563	7,615	122,178
Finance income & other distribution income	17,839	6	17,845	9,446	17	9,463
Finance costs	(23,964)	(8,784)	(32,748)	(5,340)	(2,213)	(7,553)
Share of profit from associate	315	-	315	3,663	-	3,663
Profit before tax	116,888	11,002	127,890	122,332	5,419	127,751
Income tax expense	(26,396)	(4,066)	(30,462)	(33,528)	(992)	(34,520)
Profit after tax	90,492	6,936	97,428	88,804	4,427	93,231
Non controlling interests	(1,584)	-	(1,584)	(3,696)	-	(3,696)
Attributable to owners of the parent	88,908	6,936	95,844	85,108	4,427	89,535
TOTAL ASSETS	2,251,681	536,255	2,787,936	1,749,267	428,406	2,177,673
Unallocated assets	-	-	23,708	-	-	22,463
	2,251,681	536,255	2,811,644	1,749,267	428,406	2,200,136
TOTAL LIABILITIES	1,573,338	364,409	1,937,747	1,124,465	271,976	1,396,441
Unallocated liabilities	-	-	24,951	-	-	20,515
	1,573,338	364,409	1,962,698	1,124,465	271,976	1,416,956

A9 Segmental Reporting (Contd.)

	<----- YTD SEP'23 ----->				<----- YTD SEP'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	1,311,786	118,923	93,648	92,696	1,320,665	102,595	73,657	72,793
Singapore	204,488	(12,010)	(12,010)	(12,010)	122,146	575	575	582
India	283,456	20,981	15,794	15,162	208,991	24,637	19,055	16,216
United Arab Emirates	-	(2)	(2)	(2)	-	(42)	(42)	(42)
Myanmar	-	(2)	(2)	(2)	-	(14)	(14)	(14)
	1,799,730	127,890	97,428	95,844	1,651,802	127,751	93,231	89,535

A9 Segmental Reporting (Contd.)

Segmental results by foreign currency for the financial period ended 30 September 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)		1,311,786	95,929	74,720	73,769	1,311,786	95,929	74,720	73,769
United Arab Emirates (AED'000)	1.2347	-	(2)	(2)	(2)	-	(2)	(2)	(2)
India Rupee (INR'000)	0.0550	5,151,665	381,324	287,048	275,561	283,456	20,981	15,794	15,162
Singapore Dollar (SGD'000)	3.3795	-	(5)	(5)	(6)	-	(18)	(18)	(19)
Myanmar (USD'000)	4.5328	-	(1)	(1)	(1)	-	(2)	(2)	(2)
						<u>1,595,242</u>	<u>116,888</u>	<u>90,492</u>	<u>88,908</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		1,624,674	1,624,674	1,111,193	1,111,193
United Arab Emirates (AED'000)	1.2776	96	122	5	6
India Rupee (INR'000)	0.0565	11,086,209	626,371	8,178,421	462,081
Singapore Dollar (SGD'000)	3.4427	145	486	17	58
Trinidad & Tobago Dollar (TT\$'000)	0.6973	40	28	-	-
Myanmar (USD'000)	4.7010	0	0	-	-
		<u>2,251,681</u>	<u>2,251,681</u>	<u>1,573,338</u>	<u>1,573,338</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)		-	22,993	18,927	18,927	-	22,993	18,927	18,927
Singapore Dollar (SGD'000)	3.3795	60,508	(3,548)	(3,548)	(3,548)	204,488	(11,991)	(11,991)	(11,991)
						<u>204,488</u>	<u>11,002</u>	<u>6,936</u>	<u>6,936</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		56,112	56,112	82,260	82,260
Singapore Dollar (SGD'000)	3.4427	139,467	480,143	81,956	282,149
			<u>536,255</u>		<u>364,409</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 September 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)		1,320,665	97,784	69,838	68,974	1,320,665	97,784	69,838	68,974
United Arab Emirates (AED'000)	1.1914	-	(35)	(35)	(35)	-	(42)	(42)	(42)
India Rupee (INR'000)	0.0561	3,723,123	438,906	339,456	288,885	208,991	24,637	19,055	16,216
Singapore Dollar (SGD'000)	3.1695	-	(10)	(10)	(8)	-	(33)	(33)	(26)
Myanmar (USD'000)	4.3722	-	(3)	(3)	(3)	-	(14)	(14)	(14)
						<u>1,529,656</u>	<u>122,332</u>	<u>88,804</u>	<u>85,108</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		1,404,704	1,404,704	912,414	912,414
United Arab Emirates (AED'000)	1.2652	93	117	14	18
India Rupee (INR'000)	0.0567	6,065,793	343,930	3,738,877	211,994
Singapore Dollar (SGD'000)	3.2407	151	478	12	39
Trinidad & Tobago Dollar (TT\$'000)	0.6889	40	27	-	-
Myanmar (USD'000)	4.6430	2	11	-	-
		<u>1,749,267</u>	<u>1,749,267</u>	<u>1,124,465</u>	<u>1,124,465</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)		-	4,811	3,819	3,819	-	4,811	3,819	3,819
Singapore Dollar (SGD'000)	3.1695	38,538	192	192	192	122,146	608	608	608
						<u>122,146</u>	<u>5,419</u>	<u>4,427</u>	<u>4,427</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		80,736	80,736	49,005	49,005
Singapore Dollar (SGD'000)	3.2407	107,282	347,670	68,803	222,971
		<u>428,406</u>	<u>428,406</u>	<u>271,976</u>	<u>271,976</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 September 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 September 2023 RM'000 (Unaudited)	As at 31 December 2022 RM'000 (Audited)
Guarantees given to third parties in respect of contracts and trade performance	616,611	405,608
Guarantees given to related companies in respect of contracts and trade performance	<u>215,222</u>	<u>196,072</u>
	<u><u>831,833</u></u>	<u><u>601,680</u></u>

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

A12 Commitments

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

	As at 30 September 2023 RM'000 (Unaudited)	As at 31 December 2022 RM'000 (Audited)
Approved and contracted for		
- Construction	484	-
- Precast	2,017	14,814
Approved but not contracted for	<u>729</u>	<u>98</u>
	<u><u>3,230</u></u>	<u><u>14,912</u></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 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 September 2023:

	Cumulative Period To Date 30 September 2023 RM'000 (Unaudited)	Cumulative Period To Date 30 September 2022 RM'000 (Unaudited)
Contract revenue from:		
Related companies	423,131	346,883
Related parties	326,095	374,446
Rental income of plant and machinery from:		
Related companies	72	77
Related party	4	13
Interest income from:		
Structured entities controlled by its intermediate holding company	7,300	8,548
Other income from:		
Related company	-	81
Related party	-	25
Purchases of goods/services from:		
Related companies	(73,403)	(63,100)
Related parties	(1,632)	(7,202)
Rental of office space from:		
Related companies	(2,674)	(2,725)
Related parties	(1,065)	(853)
Management fees charged by:		
Intermediate holding company	(13,982)	(12,148)
Service Level Agreement fees paid to:		
Related companies	(2,873)	(2,700)

B1 Review of Performance

For the quarter (YoY)

<u>Total Group</u>	<u>Q3 2023</u>	<u>Q3 2022</u>	<u>Changes</u>
Revenue (RM'mil)	673.5	469.3	43.5%
PBT (RM'mil)	48.1	37.6	27.9%
PBT Margin (%)	7.1%	8.0%	

The Group recorded revenue of RM673.5 million and profit before tax of RM48.1 million for the current quarter ended 30 September 2023, compared to revenue of RM469.3 million and profit before tax of RM37.6 million in the corresponding quarter of the preceding financial year. Group's revenue and profit before tax improved for all segments.

<u>Construction Segment</u>	<u>Q3 2023</u>	<u>Q3 2022</u>	<u>Changes</u>
Revenue (RM'mil)	590.5	419.0	40.9%
PBT (RM'mil)	41.6	35.0	18.9%
PBT Margin (%)	7.0%	8.4%	

Construction segment reported revenue of RM590.5 million and profit before tax of RM41.6 million compared to revenue of RM419.0 million and profit before tax of RM35.0 million in the corresponding quarter of the preceding financial year. The higher turnover recorded in the current quarter is attributed to the accelerated progress in the newer projects. However, profit margin for corresponding quarter of the preceding financial year was higher due to reversal of provision for a legal case.

<u>Precast Segment</u>	<u>Q3 2023</u>	<u>Q3 2022</u>	<u>Changes</u>
Revenue (RM'mil)	83.0	50.3	65.0%
PBT (RM'mil)	6.5	2.6	>100%
PBT Margin (%)	7.8%	5.2%	

Precast segment reported revenue of RM83.0 million and profit before tax of RM6.5 million compared to revenue of RM50.3 million and profit before tax of RM2.6 million in the corresponding quarter of the preceding financial year. Revenue improved in the current quarter driven by contributions from both the ICPH projects and several newer projects. This uptick in revenue has led to an increase in profit before tax. Additionally, the precast segment has reversal of provisions for completed projects in the current quarter, further bolstering the financial performance.

B1 Review of Performance (Contd.)

For the full year

<u>Total Group</u>	<u>YTD Q3 2023</u>	<u>YTD Q3 2022</u>	<u>Changes</u>
Revenue (RM'mil)	1,799.7	1,651.8	9.0%
PBT (RM'mil)	127.9	127.8	0.1%
PBT Margin (%)	7.1%	7.7%	

The Group recorded revenue of RM1,799.7 million and profit before tax of RM127.9 million for the nine months period ended 30 September 2023, compared to revenue of RM1,651.8 million and profit before tax of RM127.8 million in the corresponding preceding financial period. Group revenue improved in both segments but increased in profit before tax in precast segment balanced out the drop in construction segment.

<u>Construction Segment</u>	<u>YTD Q3 2023</u>	<u>YTD Q3 2022</u>	<u>Changes</u>
Revenue (RM'mil)	1,595.2	1,529.7	4.3%
PBT (RM'mil)	116.9	122.3	(4.4%)
PBT Margin (%)	7.3%	8.0%	

Construction segment reported revenue of RM1,595.2 million and profit before tax of RM116.9 million compared to revenue of RM1,529.7 million and profit before tax of RM122.3 million in the preceding financial year. The modest enhancement in turnover for the current financial period is attributed to the peak construction progress in India and higher contribution in sustainable energy projects. Profit margin in the preceding year was higher due to finalisation of accounts for completed projects.

<u>Precast Segment</u>	<u>YTD Q3 2023</u>	<u>YTD Q3 2022</u>	<u>Changes</u>
Revenue (RM'mil)	204.5	122.1	67.5%
PBT (RM'mil)	11.0	5.5	100.0%
PBT Margin (%)	5.4%	4.5%	

Precast segment reported revenue of RM204.5 million and profit before tax of RM11.0 million compared to revenue of RM122.1 million and profit before tax of RM5.5 million in the preceding financial year. The upsurge in turnover recorded for the nine months period ended 30 September 2023 was due to contribution from both ICPH and the newer projects. As a result, the segment saw increased profitability in line with the higher turnover.

B2 Material Changes in the Quarterly Results (QoQ)

<u>Total Group</u>	<u>Q3 2023</u>	<u>Q2 2023</u>	<u>Changes</u>
Revenue (RM'mil)	673.5	604.1	11.5%
PBT (RM'mil)	48.1	42.3	13.8%
PBT Margin (%)	7.1%	7.0%	

The Group recorded a revenue of RM673.5 million with profit before tax of RM48.1 million for the current quarter ended 30 September 2023, compared to revenue of RM604.1 million with profit before tax of RM42.3 million in the immediate preceding quarter. Group's revenue and profit before tax improved in all segments.

<u>Construction Segment</u>	<u>Q3 2023</u>	<u>Q2 2023</u>	<u>Changes</u>
Revenue (RM'mil)	590.5	535.6	10.3%
PBT (RM'mil)	41.6	39.1	6.4%
PBT Margin (%)	7.0%	7.3%	

Construction segment reported revenue of RM590.5 million with profit before tax of RM41.6 million compared to revenue of RM535.6 million with profit before tax of RM39.1 million in the immediate preceding quarter. Higher turnover recorded in current quarter resulted from an enhanced contribution from sustainable energy projects and higher progress from newer projects. Profit margin for both quarters under comparison were broadly the same.

<u>Precast Segment</u>	<u>Q3 2023</u>	<u>Q2 2023</u>	<u>Changes</u>
Revenue (RM'mil)	83.0	68.5	21.2%
PBT (RM'mil)	6.5	3.2	>100%
PBT Margin (%)	7.8%	4.7%	

Precast segment reported revenue of RM83.0 million with profit before tax of RM6.5 million compared to revenue of RM68.5 million with profit before tax of RM3.2 million in the immediate preceding quarter. The uptick in revenue for the current quarter is attributed to the higher contribution in both ICPH and the newer projects. Profitability increased in line with the higher turnover and in addition, there is reversal of provision for completed projects.

B3 Prospects

SunCon's outstanding order book now stands at RM5.8 billion (Dec 2022 : RM5.3 billion) with RM2.231 billion new order secured up to September 2023.

The Malaysian economy grew by 3.3% in the third quarter of 2023 (2Q 2023: 2.9%) driven mainly by expansion in domestic spending, continued improvement in labour market conditions, further recovery in tourism activities, and higher construction activities. The construction sector expanded by 7.2% in the third quarter of 2023 (2Q 2023: 6.2%), due to higher support from on-going large infrastructure projects and small-scale projects. On the domestic front, SunCon has formed strategic partnerships and actively participates in various tenders, particularly in warehousing and semiconductor manufacturing. A notable achievement is the joint venture with Kajima (M) Sdn Bhd for the Daiso global distribution center warehouse project. Additionally, SunCon remains actively involved in data center initiatives, securing its second data center project in Johor and actively pursuing more opportunities in this sector. SunCon is also closely monitoring the National Energy Transition Roadmap ("NETR") for potential opportunities. Apart from that, SunCon view the recently unveiled Federal Budget 2024 with optimism. Despite the absence of substantial catalysts, such as new major infrastructure projects, the budget reaffirms its commitment to previously announced initiatives, ensuring the continuity of ongoing projects. The revival of five stations for the Light Rail Transit Line 3 (LRT3), Bayan Lepas LRT, MRT Line 3 and other infrastructure projects will serve as catalysts for the construction sector. However, the proposed diesel subsidy rationalisation and changes in the sales and services tax, as outlined in Federal Budget 2024, may have an impact on earnings and potentially lead to higher operational costs. On the international front, the Meensurutti-Chidambaram Highway project is expected to achieve commercial operations in December 2023.

Based on the Ministry of Trade and Industry Singapore's advance estimates, Singapore's economy witnessed a growth of 1.0% on a quarter-on-quarter basis in the third quarter of 2023, faster than the 0.1% growth in the preceding quarter. The construction sector saw a 0.6% growth on a quarter-on-quarter basis in the third quarter of 2023, moderating from the 2.7% growth in the prior quarter. The Housing and Development Board (HDB) remains on track to launch 23,000 flats in 2023 and a total of 100,000 flats from 2021 to 2025. As of October 2023, HDB released 4,428, 5,480 and 6,800 flats for purchase in February, May and October 2023, respectively, with plans to introduce an additional 6,000 flats in December 2023. Given that over 90% of our precast segment sales are tied to Singapore HDB flats, our prospects are closely linked to these launches. Furthermore, our ICPH plant's productivity has been progressively improving to meet the increasing demand of precast components.

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 September 2023 RM'000 (Unaudited)	Immediate Preceding Quarter Ended 30 June 2023 RM'000 (Unaudited)	Cumulative Year To Date 30 September 2023 RM'000 (Unaudited)
Current taxation	(11,977)	(11,814)	(33,281)
Under provision in prior year	502	1,118	1,939
Deferred taxation	(1,120)	1,703	880
	<u>(12,595)</u>	<u>(8,993)</u>	<u>(30,462)</u>
Effective tax rate	26.2%	21.3%	23.8%
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 September is at 23.8%.

B6 Profit before Taxation

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

	Current Quarter Ended 30 September 2023 RM'000 (Unaudited)	Immediate Preceding Quarter Ended 30 June 2023 RM'000 (Unaudited)	Cumulative Year To Date 30 September 2023 RM'000 (Unaudited)
Interest income and other distributable income	7,022	6,721	17,845
Interest expense	(13,031)	(11,452)	(32,748)
Depreciation and amortisation	(5,209)	(5,327)	(15,794)
Allowance for impairment losses for:			
- Receivables	(2,788)	(199)	(3,977)
Write off gain/(loss) :			
- Property, plant and equipment, and software	1	0	1
Net gain on disposal of:			
- Property, plant and equipment, and software	379	-	1,984
Accretion of financial assets and financial liabilities	399	99	929
Fair value gain/(loss) on derivative assets and liabilities	(7)	196	189
Fair value gain on hire purchase receivables	-	-	720
Foreign exchange gain/(loss):			
- realised	(743)	472	(28)
- unrealised	(149)	147	(7)
	<u>(149)</u>	<u>147</u>	<u>(7)</u>

B7 Group Borrowings and Debt Securities

The borrowings breakdown of the Group are as follows:

	As at 30 September 2023 RM'000 (Unaudited)	As at 31 December 2022 RM'000 (Audited)
Current liabilities:		
Unsecured		
- Bills discounting (RM denominated)	121,402	74,549
- Bills discounting (SGD denominated)	-	3,278
- Revolving credit (RM denominated)	48,000	12,000
- Term loan (SGD denominated)	86,068	82,352
Secured		
- Short term loan (SGD denominated)	32,959	-
	<u>288,429</u>	<u>172,179</u>
Non current liabilities:		
Secured		
- Term loan (SGD denominated)	113,827	146,632
- Term loan (INR denominated)	381,257	161,909
	<u>495,084</u>	<u>308,541</u>

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

- Bills discounting (RM denominated)	3.34%	2.44%
- Bills discounting (SGD denominated)	-	5.03%
- Revolving credit (RM denominated)	3.69%	2.67%
- Unsecured short term loan (SGD denominated)	5.03%	2.32%
- Secured short term loan (SGD denominated)	4.84%	-
- Secured long term loan (SGD denominated)	4.84%	2.93%
- Secured long term loan (INR denominated)	10.09%	8.74%

Net cash used in operating activities for the period ended 30 September 2023 stood at RM166.9m 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 September 2023 were as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gains/(Losses) RM'000
Interest rate swap contracts - 3 years (SGD denominated)	34,110	193	189
Foreign currency forward contracts - Less than 1 year	112,295	(1,032)	(738)
Total derivatives		(839)	(549)

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 September 2023 RM'000 (Unaudited)	As at 31 December 2022 RM'000 (Audited)
Current	1,432,502	880,409
1 to 30 days past due	39,581	15,569
31 to 60 days past due	20,758	12,029
61 to 90 days past due	8,700	7,404
91 to 120 days past due	4,056	4,066
More than 121 days past due	81,962	81,770
	155,057	120,838
Total trade receivables	1,587,559	1,001,247
Less: Allowance for impairment	(63,236)	(59,230)
Other receivables	144,308	135,536
Amount due from intermediate holding company	33	33
Amount due from related companies	136,009	154,495
Amount due from a joint venture	-	20,931
	1,804,673	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 and adjourned to 23 November 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. By order and judgement dated 23 May 2012, the Single Bench of the High Court dismissed the petition filed by NHA.

NHA filed an appeal challenging the judgement of the Single Bench. By order and judgement dated 22 November 2012, the Division Bench of the High Court ruled in favour of NHA and set the Tribunal's award.

SunCon appealed to the Supreme Court of India and was granted leave of appeal. Matter was briefly heard on 24 July 2023. By order and judgment dated 24 August 2023, the Supreme Court inter alia allowed SunCon's appeal, set aside the judgment of the Division Bench of the High Court and restore the Arbitral Award with a slight modification as regards as to future interest.

(b) Reference 4 – In November 2012, SunCon claimed against NHA for the loss and expenses incurred during the extended project year which was due to NHA's delay. The Arbitral Tribunal had, via an award dated 29 April 2014, awarded SunCon a sum of Rs.31,03,47,836.00.

NHA appealed against the Arbitral Tribunal's award to the High Court.

The 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 21 February 2024.

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 files a claim trespass and encroachment, negligence, private and public nuisance against the Defendants for the sum for RM711,367,434.46. The 2nd Defendant's filed its Defence on 02 January 2020 disputing the Plaintiff's claim.

The Plaintiff amend its Statement of Claim and reduced its claim to the sum of RM643,851,825.01 in the Amended Statement of Claim dated 21 July 2021.

On 27 July 2021, the Company issued a Third Party Notice dated 24 July 2021 to Setia Utama LRT 3 Sdn Bhd ("the Third Party") and claimed against the Third Party for the indemnity and/or contribution for any sum that may be due from the Company to the Plaintiff. On 03 September 2021, the Third Party issued its Defence and Counterclaim.

Separately, on 01 April 2022, the matter was transferred to the Shah Alam High Court (Construction Division) and a new suit number of BA-22C-18-05/2022 was assigned to the matter.

The matter is currently fixed for case management on 12 December 2023 and the trial dates have been scheduled from 12 August 2024 to 15 August 2024 and 26 August 2024 to 29 August 2024.

From the evidence available, upon a review of the pleadings and documents provided and a review of the law, SunCon's solicitor's considered opinion is that the Plaintiff's claim for the sum of RM643,851,825.01 is excessively inflated and speculative and further the Third Party is to indemnify SunCon in the event SunCon is found liable towards the Plaintiff.

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 September 2023 RM'000	Preceding Year Quarter 30 September 2022 RM'000	Current Year To Date 30 September 2023 RM'000	Preceding Year To Date 30 September 2022 RM'000
<u>Basic earnings per share</u>				
Profit attributable to members of the Company	35,013	22,715	95,844	89,535
Weighted Average Number of Ordinary Shares ('000)	1,289,359	1,289,359	1,289,359	1,289,359
Earnings per share (Basic) (sen)	2.72	1.76	7.43	6.95

By Order of the Board

Tan Kim Aun

Chang Mei Yee

Secretaries

AS AT SEPT-23 (RM MIL)	COMPLETION	CONTRACT SUM	O/S ORDERBOOK	
BUILDING			2,024	35%
OXLEY TOWER (MEP)	4Q 2024	68	31	
OXLEY TOWER VO (MEP)	1Q 2024	9	9	
JHB1X0 - DATA CENTRE	3Q 2024	1,700	1,500	
K2 - DATA CENTRE	4Q 2024	190	190	
DAISO	Q2 2026	298	298	
INFRASTRUCTURE/PILING			599	10%
LRT 3 : PACKAGE GS07-08	2Q 2024	1,295	14	
RTS LINK PACKAGE 1B AND PACKAGE 5	2Q 2025	605	551	
LRT 3 : GS06	2Q 2024	191	35	
INDIA			318	6%
THORAPALLI - JITTANDAHALLI (TJ)	4Q 2023	508	255	
MEENSURUTTI - CHIDAMBARAN (MC)	3Q 2023	315	63	
SUSTAINABLE ENERGY			300	5%
SOLAR - EXTERNAL	Various	35	8	
SOLAR - INTERNAL	Various	12	4	
LSS4 GOPENG	4Q 2023	200	88	
LSS4 SHARP VENTURES	4Q 2023	185	88	
SOUTH QUAY SQUARE DCS	2Q 2025	35	29	
CGPP - GREEN*	4Q 2025	46	46	
NEW ORDER 2023 - EXTERNAL	Various	45	38	
SINGAPORE			486	8%
PRECAST	Various	613	310	
NEW ORDER 2023 - EXTERNAL	Various	180	177	
INTERNAL - SUNWAY GROUP			2,061	36%
SMC 4 + VO	4Q 2023	612	62	
SUNWAY BELFIELD	4Q 2024	412	162	
SUNWAY VELOCITY 2	4Q 2023	352	7	
SOUTH QUAY SQUARE - SUPERSTRUCTURE	3Q 2024	756	357	
SOUTH QUAY SQUARE - SUPERSTRUCTURE (VO)	4Q 2025	607	607	
SW CARNIVAL MALL - REFURBISHMENT	2Q 2025	253	239	
SUNWAY VELOCITY 2B	4Q 2023	253	91	
SMC DAMANSARA	2Q 2024	240	126	
SMC IPOH + VO	1Q 2024	217	141	
SW INTERNATIONAL SCHOOL (SIS)	4Q 2023	140	6	
SUNWAY VELOCITY 3C4	4Q 2023	100	5	
BIG BOX OFFICE	COMPLETED	51	5	
SW FLORA	4Q 2025	278	250	
GRAND TOTAL @ SEPT 2023		10,798	5,789	
RED : SECURED IN 2023		2,231	2,153	

*CGPP has reduced to 11.8MW from 29.9MW due to interconnection capacity