

SUNWAY[®]

CONSTRUCTION

SUNWAY CONSTRUCTION GROUP BERHAD

INTERIM FINANCIAL REPORT

THIRD QUARTER ENDED 30TH SEPTEMBER 2020



SUNWAY CONSTRUCTION GROUP BERHAD

Company No. 201401032422 (1108506-W)
(Incorporated in Malaysia)

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SUNWAY CONSTRUCTION GROUP BERHAD (Company No : 201401032422 (1108506-W))
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2020
 THE FIGURES HAVE NOT BEEN AUDITED

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

	NOTE	<----- INDIVIDUAL QUARTER ----->				<----- CUMULATIVE QUARTER ----->			
		CURRENT PERIOD QUARTER	IMMEDIATE PRECEDING QUARTER	CHANGES	PRECEDING PERIOD CORRESPONDING QUARTER	CHANGES	CURRENT PERIOD TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	CHANGES
		30/9/2020	30/6/2020	%	30/9/2019	%	30/9/2020	30/9/2019	%
		RM'000	RM'000	%	RM'000	%	RM'000	RM'000	%
REVENUE		419,409	140,181	> 100%	402,582	4.2%	925,416	1,282,792	(27.9%)
OPERATING EXPENSES		(393,292)	(141,302)	> (100%)	(371,499)	(5.9%)	(883,947)	(1,184,126)	25.4%
OTHER OPERATING INCOME		6,829	1,191	> 100%	3,294	> 100%	10,232	11,528	(11.2%)
PROFIT FROM OPERATIONS		32,946	70	> 100%	34,377	(4.2%)	51,701	110,194	(53.1%)
FINANCE INCOME & OTHER DISTRIBUTION INCOME		4,588	4,513	1.7%	5,113	(10.3%)	14,346	16,499	(13.1%)
FINANCE COSTS		(1,574)	(2,307)	31.8%	(3,928)	59.9%	(6,586)	(9,804)	32.8%
SHARE OF RESULTS OF JOINT VENTURE		(0)	64		-		64	-	
PROFIT BEFORE TAX	B6	35,960	2,340	> 100%	35,562	1.1%	59,525	116,889	(49.1%)
INCOME TAX EXPENSE	B5	(11,730)	(215)	> (100%)	(2,538)	> (100%)	(16,258)	(19,260)	15.6%
PROFIT FOR THE PERIOD		24,230	2,125	> 100%	33,024	(26.6%)	43,267	97,629	(55.7%)
ATTRIBUTABLE TO:									
- OWNERS OF THE PARENT		24,043	2,193		33,482		42,586	97,685	
- NON-CONTROLLING INTERESTS		187	(68)		(458)		681	(56)	
		24,230	2,125		33,024		43,267	97,629	
EARNINGS PER SHARE									
(i) BASIC (sen)	B11	1.86	0.17		2.60		3.30	7.57	
(ii) DILUTED (sen)		1.86	0.17		2.60		3.30	7.57	

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY CONSTRUCTION GROUP BERHAD (Company No : 201401032422 (1108506-W))
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2020
 THE FIGURES HAVE NOT BEEN AUDITED

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

	<----- INDIVIDUAL QUARTER ----->			<-- CUMULATIVE QUARTER -->	
	CURRENT PERIOD QUARTER 30/9/2020	IMMEDIATE PRECEDING QUARTER 30/6/2020	PRECEDING PERIOD CORRESPONDING QUARTER 30/9/2019	CURRENT PERIOD TO DATE 30/9/2020	PRECEDING PERIOD CORRESPONDING PERIOD 30/9/2019
	RM'000	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	24,230	2,125	33,024	43,267	97,629
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIOD					
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION RECLASSIFICATION OF FOREIGN CURRENCY TRANSLATION RESERVE TO PROFIT AND LOSS ON DEREGISTRATION OF FOREIGN BRANCHES AND SUBSIDIARIES	(473)	1,021	(0)	790	19
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,835</u>	<u>1,021</u>	<u>(0)</u>	<u>3,098</u>	<u>19</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>26,065</u>	<u>3,146</u>	<u>33,024</u>	<u>46,365</u>	<u>97,648</u>
ATTRIBUTABLE TO:					
- OWNERS OF THE PARENT	25,877	3,214	33,482	45,684	97,704
- NON-CONTROLLING INTERESTS	<u>187</u>	<u>(68)</u>	<u>(458)</u>	<u>681</u>	<u>(56)</u>
	<u>26,065</u>	<u>3,146</u>	<u>33,024</u>	<u>46,365</u>	<u>97,648</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 2019 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY CONSTRUCTION GROUP BERHAD (Company No : 201401032422 (1108506-W))
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2020
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	NOTE	AS AT FINANCIAL PERIOD ENDED 30/9/2020 RM'000 (UNAUDITED)	AS AT FINANCIAL YEAR ENDED 31/12/2019 RM'000 (AUDITED)
ASSETS			
Non-current assets			
Property, plant, equipment, software and right of use assets		115,532	138,713
Investment in associate		4,124	4,124
Investment in joint ventures		44,759	44,261
Other investments		273	273
Goodwill		-	3,647
Deferred tax assets		5,806	4,161
		<u>170,494</u>	<u>195,179</u>
Current assets			
Inventories		36,499	25,094
Receivables, deposits and prepayments	B9	899,979	970,392
Tax recoverable		18,705	21,721
Cash and bank balances		603,186	692,638
Derivative assets	B8	2	-
		<u>1,558,370</u>	<u>1,709,845</u>
TOTAL ASSETS		<u>1,728,864</u>	<u>1,905,024</u>
EQUITY AND LIABILITIES			
Current liabilities			
Payables, lease liabilities and other current liabilities		812,231	885,237
Borrowings	B7	218,289	233,394
Tax payable		12,332	1,376
Derivative liabilities	B8	1,909	187
		<u>1,044,761</u>	<u>1,120,194</u>
Non-current liabilities			
Borrowings	B7	66,970	52,656
Other long term liabilities		-	95,833
Lease liabilities		7,892	8,897
Deferred taxation liabilities		-	2,273
		<u>74,862</u>	<u>159,659</u>
Total liabilities		<u>1,119,623</u>	<u>1,279,853</u>
Equity attributable to owners of the parent			
Share capital		258,580	258,580
Treasury shares		(6,990)	(6,990)
Merger reserve		(37,894)	(37,894)
Retained profits		379,579	398,838
Other reserves		14,119	10,421
		<u>607,394</u>	<u>622,955</u>
NON-CONTROLLING INTERESTS		<u>1,847</u>	<u>2,216</u>
Total equity		<u>609,241</u>	<u>625,171</u>
TOTAL EQUITY AND LIABILITIES		<u>1,728,864</u>	<u>1,905,024</u>
Net Assets Per Share Attributable To Owners Of The Parent (RM)			
		0.47	0.48
(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)			

	←----- ATTRIBUTABLE TO OWNERS OF THE PARENT ----->										
	←----- NON-DISTRIBUTABLE ----->				DISTRIBUTABLE						
	SHARE CAPITAL	TREASURY SHARES	MERGER RESERVE	OTHER RESERVES TOTAL	CAPITAL CONTRIBUTION BY IMMEDIATE HOLDING COMPANY	OTHER CAPITAL RESERVE	FOREIGN EXCHANGE RESERVE	RETAINED PROFITS	TOTAL	NON- CONTROLLING INTERESTS	TOTAL EQUITY
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
PERIOD ENDED 30 SEPTEMBER 2020											
At 1 January 2020	258,580	(6,990)	(37,894)	10,421	656	-	9,765	398,838	622,955	2,216	625,171
Profit for the period	-	-	-	-	-	-	-	42,586	42,586	681	43,267
Other comprehensive income, net of tax	-	-	-	3,098	(16)	-	3,114	-	3,098	-	3,098
Total comprehensive income	-	-	-	3,098	(16)	-	3,114	42,586	45,684	681	46,365
Transactions with owners											
Dividends paid to non controlling interests	-	-	-	-	-	-	-	-	-	(1,050)	(1,050)
Dividends paid	-	-	-	-	-	-	-	(61,245)	(61,245)	-	(61,245)
At 30 September 2020	258,580	(6,990)	(37,894)	13,519	640	-	12,879	380,179	607,394	1,847	609,241
PERIOD ENDED 30 SEPTEMBER 2019											
At 1 January 2019, as restated	258,580	(1,295)	(37,894)	10,972	656	-	10,316	359,872	590,235	1,442	591,677
Profit for the period	-	-	-	-	-	-	-	97,685	97,685	(56)	97,629
Other comprehensive income, net of tax	-	-	-	19	-	-	19	-	19	0	19
Total comprehensive income	-	-	-	19	-	-	19	97,685	97,704	(56)	97,648
Non controlling interests	-	-	-	-	-	-	-	-	-	34	34
Dividends paid	-	-	-	-	-	-	-	(90,356)	(90,356)	-	(90,356)
Purchase of treasury shares	-	(5,695)	-	-	-	-	-	-	(5,695)	-	(5,695)
At 30 September 2019	258,580	(6,990)	(37,894)	10,991	656	-	10,335	367,201	591,888	1,419	593,307

(The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)

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

	NOTE	FOR THE PERIOD ENDED 30/9/2020 RM'000	FOR THE PERIOD ENDED 30/9/2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		59,525	116,889
Adjustments for:			
- non-cash items		32,114	33,818
- finance costs		6,586	9,804
- finance income and other distribution income		(14,346)	(16,499)
Operating cash flows before working capital changes		83,879	144,012
Changes in working capital		(16,892)	(47,640)
Cash flows generated from operations		66,987	96,372
Interest and other distribution income received		14,346	16,499
Interest paid		(6,586)	(9,804)
Tax refunded		315	-
Tax paid		(6,517)	(11,663)
Net cash generated from operating activities	B7	68,545	91,404
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment & software		2,675	604
Acquisitions of property, plant and equipment and software		(2,538)	(9,847)
Additional shares acquired by non-controlling interest		-	34
Withdrawal/(Placement) of deposits pledged to other financial institutions		181,807	(95,144)
Net cash from/(used in) investing activities		181,944	(104,353)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net bank and other borrowings		(2,131)	107,738
Repurchases of shares		-	(5,695)
Dividends paid to shareholders		(61,245)	(90,356)
Dividend paid to non-controlling interests of subsidiaries		(1,050)	-
Repayment to related companies		(95,833)	(56,070)
Net cash used in financing activities		(160,259)	(44,383)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		90,229	(57,332)
EFFECTS OF EXCHANGE RATE CHANGES		2,125	516
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		428,652	484,667
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD		521,006	427,851
Cash and cash equivalents at end of financial year comprise the following :			
Deposits with licensed banks and other financial institutions		564,160	483,259
Cash and bank balances		39,026	39,938
Cash and bank balances and placement in funds		603,186	523,197
Less: Deposits with other financial institutions with maturity of over 3 months		(202)	(202)
Less: Placement of deposits pledged to other financial institutions		(81,978)	(95,144)
Cash and cash equivalents		521,006	427,851

(The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)

NOTES TO FINANCIAL STATEMENTS

A1 Accounting Policies and Basis of Preparation

The Group has prepared its financial statements using the Malaysian Financial Reporting Standards ("MFRS") for the period ended 30 September 2020. The interim financial report is unaudited and is prepared in accordance with MFRS134 *Interim Financial Reporting* and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2019.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2019 except for the following which standards, if applicable. At present, there is no impact of implementing these Standards.

Title	Effective Date
Amendments to <i>References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
Amendment to MFRS16 COVID-19-Related Rent Concessions	1 June 2020

A2 Report of the Auditors

The report of the auditors of preceding audited financial statements was not subjected to any qualification.

A3 Seasonal or Cyclical Factors

The results for the current quarter under review were not materially affected by seasonal or cyclical factors.

A4 Unusual Items

There were no material unusual items affecting the amounts reported for the period ended 30 September 2020 except for those disclosed in Note B6 and the effect as a result of the Movement Control Order and Recovery Movement Control Order declared by the Government of Malaysia from 18 March 2020 till 9 June 2020 including the Covid-19 Circuit Breaker announced by the Government of Singapore from 7 April 2020 till 1 June 2020.

A5 Changes in Estimates

There were no changes in estimates that have a material effect on the amounts reported for the current period ended 30 September 2020.

A6 Repurchases of Debt and Equity Securities

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

A7 Dividend paid / payable

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

Note 1: On 25 February 2019, the Board of Directors declared a second interim single-tier dividend of 3.5 cents per ordinary shares for the financial year ended 31 December 2018. The interim dividend of RM45,228,610 was paid on 17 April 2019.

Note 2: On 19 August 2019, the Board of Directors declared a first interim single-tier dividend of 3.5 cents per ordinary shares for the financial year ended 31 December 2019. The interim dividend of RM45,127,569 was paid on 26 September 2019.

Note 3: On 20 February 2020, the Board of Directors declared a second interim single-tier dividend of 3.5 cents per ordinary shares for the financial year ended 31 December 2019. The interim dividend of RM45,127,587 was paid on 8 April 2020.

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

Dividend under Note 1 and Note 2 above have been accounted for in equity as an appropriation of retained earnings in the year ended 31 December 2019. Dividend under Note 3 and Note 4, have been accounted for in equity in the period quarter ended September 2020.

A8 Segmental Reporting

	<----- YTD SEP'20 ----->			<----- YTD SEP'19 ----->		
	(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	1,145,255	103,831	1,249,086	1,496,201	183,351	1,679,552
Inter-segment revenue	(275,069)	(48,601)	(323,670)	(317,783)	(78,977)	(396,760)
External revenue	870,186	55,230	925,416	1,178,418	104,374	1,282,792
Results						
Operating segment results	52,352	(651)	51,701	108,288	1,906	110,194
Finance income & other distribution income	13,876	470	14,346	16,125	374	16,499
Finance costs	(5,213)	(1,373)	(6,586)	(7,841)	(1,963)	(9,804)
Share of results of joint venture	64	-	64	-	-	-
Profit before tax	61,079	(1,554)	59,525	116,572	317	116,889
Income tax expense	(15,701)	(557)	(16,258)	(18,642)	(618)	(19,260)
Profit after tax	45,378	(2,111)	43,267	97,930	(301)	97,629
Non controlling interests	(681)	-	(681)	56	-	56
Attributable to owners of the parent	44,697	(2,111)	42,586	97,986	(301)	97,685
TOTAL ASSETS						
Unallocated assets	1,445,416	258,937	1,704,353	1,568,099	219,648	1,787,747
	-	-	24,511	-	-	24,867
	1,445,416	258,937	1,728,864	1,568,099	219,648	1,812,614
TOTAL LIABILITIES						
Unallocated liabilities	926,447	180,844	1,107,291	1,055,193	142,954	1,198,147
	-	-	12,332	-	-	21,160
	926,447	180,844	1,119,623	1,055,193	142,954	1,219,307

A8 Segmental Reporting (Contd.)

	<----- YTD SEP'20 ----->				<----- YTD SEP'19 ----->			
	(Unaudited)				(Unaudited)			
	Revenue	Profit / (loss) before tax	Profit / (loss) after tax	Attributable to owners of the parent	Revenue	Profit / (loss) before tax	Profit / (loss) after tax	Attributable to owners of the parent
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
GEOGRAPHICAL SEGMENTS								
Malaysia	869,658	67,117	50,817	50,136	1,177,615	119,380	100,182	100,238
Singapore	55,230	(4,764)	(4,722)	(4,722)	104,374	(1,194)	(1,256)	(1,256)
India	-	(2,744)	(2,744)	(2,744)	-	(1,233)	(1,233)	(1,233)
United Arab Emirates	-	(67)	(67)	(67)	-	(120)	(120)	(120)
Trinidad & Tobago	-	-	-	-	-	-	-	-
Myanmar	528	(17)	(17)	(17)	804	56	56	56
	925,416	59,525	43,267	42,586	1,282,792	116,889	97,629	97,685

A8 Segmental Reporting (Contd.)

Segmental results by foreign currency for the financial period ended 30 September 2020 are as follows:

CONSTRUCTION SEGMENT:

	FOREIGN EXCHANGE RATE	<----- FC'000 ----->				<----- RM'000 ----->			
		Revenue	Profit / (loss) before tax	Profit / (loss) after tax	Attributable to owners of the parent	Revenue	Profit / (loss) before tax	Profit / (loss) after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)		869,658	63,925	48,182	47,501	869,658	63,925	48,182	47,501
United Arab Emirates (AED'000)	1.1947	-	(56)	(56)	(56)	-	(67)	(67)	(67)
India Rupee (INR'000)	0.0572	-	(47,943)	(47,943)	(47,943)	-	(2,744)	(2,744)	(2,744)
Singapore Dollar (SGD'000)	3.0594	-	(6)	8	8	-	(18)	24	24
Trinidad & Tobago Dollar (TT\$'000)	0.6341	-	-	-	-	-	-	-	-
Myanmar (USD'000)	4.2466	124	(4)	(4)	(4)	528	(17)	(17)	(17)
						<u>870,186</u>	<u>61,079</u>	<u>45,378</u>	<u>44,697</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		1,426,927	1,426,927	908,163	908,163
United Arab Emirates (AED'000)	1.1330	14,592	16,533	13,222	14,981
India Rupee (INR'000)	0.0564	8,827	498	56,584	3,191
Singapore Dollar (SGD'000)	3.0441	396	1,202	21	65
Trinidad & Tobago Dollar (TT\$'000)	0.6156	40	24	-	-
Myanmar (USD'000)	4.1580	56	232	11	47
			<u>1,445,416</u>		<u>926,447</u>

PRECAST SEGMENT:

	FOREIGN EXCHANGE RATE	<----- FC'000 ----->				<----- RM'000 ----->			
		Revenue	Profit / (Loss) before tax	Profit / (Loss) after tax	Attributable to owners of the parent	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)		-	3,192	2,635	2,635	-	3,192	2,635	2,635
Singapore Dollar (SGD'000)	3.0594	18,052	(1,551)	(1,551)	(1,551)	55,230	(4,746)	(4,746)	(4,746)
						<u>55,230</u>	<u>(1,554)</u>	<u>(2,111)</u>	<u>(2,111)</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		104,446	104,446	22,744	22,744
Singapore Dollar (SGD'000)	3.0441	50,751	154,491	51,937	158,100
			<u>258,937</u>		<u>180,844</u>

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

A8 Segmental Reporting (Contd.)

Segmental results by foreign currency for the financial period ended 30 September 2019 are as follows:

CONSTRUCTION SEGMENT:

	FOREIGN EXCHANGE RATE	<----- FC'000 ----->				<----- RM'000 ----->			
		Revenue	Profit / (loss) before tax	Profit / (loss) after tax	Attributable to owners of the parent	Revenue	Profit / (loss) before tax	Profit / (loss) after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)		1,177,614	117,514	98,934	98,990	1,177,614	117,514	98,934	98,990
United Arab Emirates (AED'000)	1.1313	-	(106)	(106)	(106)	-	(120)	(120)	(120)
India Rupee (INR'000)	0.0526	-	(16,468)	(16,468)	(16,468)	-	(1,233)	(1,233)	(1,233)
Singapore Dollar (SGD'000)	3.0383	-	117	96	96	-	355	293	293
Trinidad & Tobago Dollar (TT\$'000)	0.6162	-	-	-	-	-	-	-	-
Myanmar (USD'000)	4.1433	194	16	12	12	804	56	56	56
						<u>1,178,418</u>	<u>116,572</u>	<u>97,930</u>	<u>97,986</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		1,543,844	1,543,844	1,033,787	1,033,787
United Arab Emirates (AED'000)	1.1426	18,898	21,593	14,215	16,242
India Rupee (INR'000)	0.0589	11,241	662	77,192	4,547
Singapore Dollar (SGD'000)	3.0399	496	1,505	90	273
Trinidad & Tobago Dollar (TT\$'000)	0.6253	40	25	-	-
Myanmar (USD'000)	4.1930	112	470	82	344
			<u>1,568,099</u>		<u>1,055,193</u>

PRECAST SEGMENT:

	FOREIGN EXCHANGE RATE	<----- FC'000 ----->				<----- RM'000 ----->			
		Revenue	Profit / (Loss) before tax	Profit / (Loss) after tax	Attributable to owners of the parent	Revenue	(Loss) / profit before tax	(Loss) / profit after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)		-	1,866	1,248	1,248	-	1,866	1,248	1,248
Singapore Dollar (SGD'000)	3.0383	34,352	(785)	(785)	(104)	104,374	(1,549)	(1,549)	(1,549)
						<u>104,374</u>	<u>317</u>	<u>(301)</u>	<u>(301)</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		73,190	73,190	24,851	24,851
Singapore Dollar (SGD'000)	3.0399	48,161	146,458	38,851	118,103
			<u>219,648</u>		<u>142,954</u>

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

A9 Material events

There were no material events subsequent to the current quarter ended 30 September 2020 except that on 9 October 2020, Klang area was identified as a targeted Conditional Movement Control Order (CMCO) area for 2 weeks. In addition, on 14 October 2020 till 9 November 2020, the entire Selangor, Kuala Lumpur and Putrajaya was also under CMCO. On 6 November 2020, it was further announced that all states except Perlis, Pahang and Kelantan are on CMCO till 6 December 2020. However despite that, our project sites were in operation with strict adherence to SOP.

A10 Contingent Liabilities and Assets

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

	As at 30 September 2020 RM'000 (Unaudited)	As at 31 December 2019 RM'000 (Audited)
Guarantees given to third parties in respect of contracts and trade performance	498,190	491,737
Guarantees given to related companies in respect of contracts and trade performance	116,283	90,091
	<u>614,473</u>	<u>581,828</u>

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

A11 Commitments

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

	As at 30 September 2020 RM'000 (Unaudited)	As at 31 December 2019 RM'000 (Audited)
Approved and contracted for		
- Construction	67	451
- Precast	170,995	192,640
Approved but not contracted for	59,147	491
	<u>230,209</u>	<u>193,582</u>

Included in commitments are investment in joint venture for the proposed Singapore Integrated Construction Precast Hub building and plant and machinery in Singapore which will be expended from 2020 to 2021 and our equity portion for the newly secured India projects.

A12 Significant Related Party Transactions

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

	Cumulative Year To Date 30 September 2020 RM'000 (Unaudited)	Cumulative Year To Date 30 September 2019 RM'000 (Unaudited)
Contract revenue from:		
Related companies	296,229	252,559
Related parties	75,459	148,635
Rental income of plant and machinery from:		
Related companies	38	49
Interest income from:		
Related company	-	9
Purchases of goods/services from:		
Related companies	(39,000)	(46,050)
Related parties	(3,282)	(1,749)
Rental of office space from:		
Related companies	(1,384)	(1,291)
Related party	(1,193)	(1,105)
Interest expense charge by:		
Related companies	(692)	(3,277)
Management fees charged by:		
Intermediate holding company	(6,959)	(14,908)
Service Level Agreement fees paid to:		
Related companies	(3,334)	(4,290)

B1 Review of Performance

For the quarter

<u>Total Group</u>	<u>Q3 2020</u>	<u>Q3 2019</u>	<u>Changes</u>
Revenue (RM'mil)	419.4	402.6	4.2%
PBT (RM'mil)	36.0	35.6	1.1%
PBT Margin (%)	8.6%	8.8%	

The Group recorded revenue of RM419.4 million and profit before tax of RM36 million for the current quarter ended 30 September 2020, compared to revenue of RM402.6 million and profit before tax of RM35.6 million in the corresponding quarter of the preceding financial year. The Group's revenue increased by 4.2% due to construction segment and Group's blended margin for the current quarter declined slightly due to construction segment.

<u>Construction Segment</u>	<u>Q3 2020</u>	<u>Q3 2019</u>	<u>Changes</u>
Revenue (RM'mil)	403.4	365.1	10.5%
PBT (RM'mil)	34.8	35.4	(1.7%)
PBT Margin (%)	8.6%	9.7%	

Construction segment reported revenue of RM403.4 million and profit before tax of RM34.8 million compared to revenue of RM365.1 million and profit before tax of RM35.4 million in the corresponding quarter of the preceding financial year. Higher turnover in current quarter was mainly contributed by building division in central region from the ramping up of progress in our TNB Bangsar project. Higher PBT margin in corresponding quarter of preceding year was attributed by finalisation of construction project.

<u>Precast Segment</u>	<u>Q3 2020</u>	<u>Q3 2019</u>	<u>Changes</u>
Revenue (RM'mil)	16.0	37.5	(57.3%)
PBT (RM'mil)	1.2	0.2	> 100%
PBT Margin (%)	7.5%	0.5%	

Precast segment reported revenue of RM16.0 million with profit before tax of RM1.2 million compared to revenue of RM37.5 million and profit before tax of RM0.2 million in the corresponding quarter of the preceding financial year. Revenue recorded for the current quarter was lower by 57.3% as precast segment was still affected by the Circuit Breaker and movement restriction in the foreign workers' dormitories. As at 30 September 2020, all of our jobs were given green light to commence work by the Singapore government (June 2020 : 19%). Despite lower turnover, precast segment registered a profit due to recognition of higher margin projects. Our precast segment is expected to gradually resume operations to pre-pandemic level in the coming fourth quarter of 2020.

B1 Review of Performance (Contd.)

For the full year

<u>Total Group</u>	<u>YTD 3Q20</u>	<u>YTD 3Q19</u>	<u>Changes</u>
Revenue (RM'mil)	925.4	1,282.8	(27.9%)
PBT (RM'mil)	59.5	116.9	(49.1%)
PBT Margin (%)	6.4%	9.1%	

The Group recorded revenue of RM925.4 million and profit before tax of RM59.5 million for the nine months period ended September 2020, compared to revenue of RM1,282.8 million and profit before tax of RM116.9 million in the corresponding preceding financial period ended. Both revenue and profit saw a decline due to both construction and precast segment.

<u>Construction Segment</u>	<u>YTD 3Q20</u>	<u>YTD 3Q19</u>	<u>Changes</u>
Revenue (RM'mil)	870.2	1,178.4	(26.2%)
PBT (RM'mil)	61.1	116.6	(47.6%)
PBT Margin (%)	7.0%	9.9%	

Construction segment reported revenue of RM870.2 million and profit before tax of RM61.1 million compared to revenue of RM1,178.4 million and profit before tax of RM116.6 million in the corresponding preceding financial year ended. Lower revenue by 26.2% and profit before tax by 47.6% was solely attributed to the more than 2.5 months of non activity period (18 Mar 2020 to 31 May 2020) due to COVID-19 pandemic.

<u>Precast Segment</u>	<u>YTD 3Q20</u>	<u>YTD 3Q19</u>	<u>Changes</u>
Revenue (RM'mil)	55.2	104.4	(47.1%)
(LBT)/PBT (RM'mil)	(1.6)	0.3	> (100%)
(LBT)/PBT Margin (%)	(2.8%)	0.3%	

Precast segment reported revenue of RM55.2 million and loss before tax of RM1.6 million compared to revenue of RM104.4 million and profit before tax of RM0.3 million in the corresponding preceding financial period ended. This segment's revenue and profit margin for current period ended under review were impacted due to COVID-19 pandemic which saw our operations hampered due to inability to operate for most of the 2nd quarter of 2020 and less than 50% efficiency in 3rd quarter 2020 as Ministry of Manpower only allowed gradual reopening of projects. Included in the loss is the fair value loss of interest rate swap of RM1.9 million due to the unexpected lower SOR (Singapore Offer Rate) as a result of the COVID-19 pandemic.

B2 Material Changes in the Quarterly Results

<u>Total Group</u>	<u>Q3 2020</u>	<u>Q2 2020</u>	<u>Changes</u>
Revenue (RM'mil)	419.4	140.2	> 100%
PBT (RM'mil)	36.0	2.3	> 100%
PBT Margin (%)	8.6%	1.6%	

The Group recorded revenue of RM419.4 million and profit before tax of RM36.0 million for the current quarter ended 30 September 2020, compared to revenue of RM140.2 million and profit before tax of RM2.3 million in the immediate preceding quarter. Both revenue and profit recorded an increase due to both construction and precast segment.

<u>Construction Segment</u>	<u>Q3 2020</u>	<u>Q2 2020</u>	<u>Changes</u>
Revenue (RM'mil)	403.4	137.2	> 100%
PBT (RM'mil)	34.8	5.8	> 100%
PBT Margin (%)	8.6%	4.2%	

Construction segment reported revenue of RM403.4 million and profit before tax of RM34.8 million compared to revenue of RM137.2 million and profit before tax of RM5.8 million in the immediate preceding quarter. Both revenue and profit saw an increase this current quarter compared to immediate preceding quarter as the immediate preceding quarter saw 2.5 months of non activity period from the MCO and RMCO imposed by the Government of Malaysia.

<u>Precast Segment</u>	<u>Q3 2020</u>	<u>Q2 2020</u>	<u>Changes</u>
Revenue (RM'mil)	16.0	3.0	> 100%
PBT/(LBT) (RM'mil)	1.2	(3.5)	> 100%
PBT/(LBT) Margin (%)	7.5%	> (100%)	

Precast segment reported revenue of RM16.0 million with profit before tax of RM1.2 million compared to revenue of RM3.0 million with loss before tax of RM3.5 million in the immediate preceding quarter. There was significant improvement in current quarter result compared to immediate preceding quarter as more projects were allowed to commence operations in Singapore during this current quarter. As at 30 September 2020, all of our jobs were given green light to commence work by the Singapore government (June 2020 : 19%). Profitability also improved as preceding quarter included a one-off mark to market effect of our interest rate swap. During the current quarter, we saw recognition of better yielding margin projects.

B3 Prospects

SunCon's outstanding order book now stands at RM5.3 billion (June 2020 : RM5.4 billion) with RM2.0 billion new order secured up to September 2020. On 28 October 2020, we announced our second new project in India under the Hybrid Annuity Mode of RM315 million in the state of Tamilnadu including RM18.1 million rooftop solar award from F&N Group of Companies.

Malaysia's economy recorded a smaller contraction of 2.7% in the third quarter ended 2020 (2Q 2020 : -17.1%; 1Q 2020 : 0.7%; 4Q 2019 : 3.6%) with construction sector having a lower negative growth of 12.4% (2Q 2020 : -44.5%; 1Q 2020 : -7.9%; 4Q 2019 : 1.0%). With the continuing movement control restrictions in place, the GDP in 2020 is expected to contract by 4.5% with the economy projected to rebound between 6.5% and 7.5% in 2021. During the recent tabling of Malaysia's Budget 2021, RM15 billion has been allocated to fund several large transport infrastructure projects and the reaffirmation of some key projects such as High-Speed Rail (HSR), Rapid Transit System Link from Johor Bahru to Woodlands, Singapore (RTS) and Mass Rapid Transit 3 (MRT3) in Klang Valley bodes well for the construction sector. SunCon will continue to expand overseas and focus on its in-house pipeline projects by its intermediate holding company, Sunway Group for its sustained growth.

Over in Singapore, the overall economy expanded by 7.9% in third quarter of 2020 (2Q 2020 : -42.9%; 1Q 2020 : -3.3%; 4Q 2019 : 0.6%). The construction sector shrank by 44.7% year on year basis in the third quarter, extending the 59.3% year on year shrink in the second quarter of 2020. On a quarter-to-quarter basis, the construction sector grew by 38.7 per cent, a rebound from the sharp contraction of 59.4 percent recorded in the second quarter when most construction activities had to come to a stop due to the Circuit Breaker and movement restriction in the foreign workers dormitories. A total of 16,752 Build-To-Order (2019 : 14,591; 2018 : 15,811) flats has been launched in 2020 (November launched: 5,795, August launched: 7,862, February launched: 3,095) to meet the additional demand following key policy changes. Singapore HDB flats comprised of more than 90% of our precast segment sales and our prospect is largely dependent on these launches.

Based on the above, barring any further unforeseen circumstances, the Group is optimistic with the recovery of the industry after the MCO in Malaysia based on our achievement to date. Nevertheless, we will not rest on our laurel and precautionary measures will be strictly adhered to prevent the spread of the coronavirus and to ensure the physical safety of our workers at the construction site. In addition to the Group's strong cash reserve and stringent cost control measures, we are optimistic of overcoming this difficult period.

B4 Variance of Actual Profit from Profit Forecast

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

B5 Taxation

	Current Quarter Ended 30 September 2020 RM'000 (Unaudited)	Immediate Preceding Quarter Ended 30 June 2020 RM'000 (Unaudited)	Cumulative Year To Date 30 September 2020 RM'000 (Unaudited)
Current taxation	(4,244)	(280)	(9,041)
Under provision in prior year	(2,196)	(124)	(2,319)
Deferred taxation	(5,290)	189	(4,897)
	<u>(11,730)</u>	<u>(215)</u>	<u>(16,258)</u>
Effective tax rate	26.5%	3.9%	23.4%
Statutory tax rate :			
- Malaysia	24.0%	24.0%	24.0%
- Singapore	17.0%	17.0%	17.0%

The effective tax rate for the period ended 30 September 2020 is at 23.4%.

B6 Profit before Taxation

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

	Current Quarter Ended 30 September 2020 RM'000 (Unaudited)	Immediate Preceding Quarter Ended 30 June 2020 RM'000 (Unaudited)	Cumulative Year To Date 30 September 2020 RM'000 (Unaudited)
Interest income	4,587	4,513	14,346
Interest expense	(1,573)	(2,307)	(6,586)
Depreciation and amortisation	(8,066)	(8,514)	(25,600)
Allowance for impairment losses for:			
- Receivables	(5,025)	(1,399)	(6,924)
- Goodwill	(3,643)	-	(3,643)
Reversal gain of impairment for:			
- Receivables	-	-	48
Write off (loss) :			
- Property, plant and equipment, and software	-	(11)	(11)
Net gain on disposal of:			
- Inventory	1,157	-	1,157
- Property, plant and equipment, and software	2,532	70	2,604
Reclassification of foreign currency translation reserve to profit and loss on deregistration of foreign branches and subsidiaries	(2,308)	-	(2,308)
Accretion of financial assets and financial liabilities	(233)	(160)	(404)
Fair value loss on derivative assets and liabilities	(131)	(926)	(1,927)
Foreign exchange gain/(loss):			
- realised	(205)	(27)	(110)
- unrealised	14	7	21
	<u>14</u>	<u>7</u>	<u>21</u>

Material foreign currency transactions exposures are hedged.

B7 Group Borrowings and Debt Securities

The borrowings breakdown of the Group are as follows:

	As at 30 September 2020 RM'000 (Unaudited)	As at 31 December 2019 RM'000 (Audited)
Current liabilities:		
Unsecured		
- Bills discounting (RM denominated)	92,186	157,124
- Revolving credit (RM denominated)	50,000	-
- Short term loan (SGD denominated)	76,103	-
Secured		
- Short term loan (SGD denominated)	-	76,270
	<u>218,289</u>	<u>233,394</u>
Non current liabilities		
Secured		
- Long term loan (SGD denominated)	<u>66,970</u>	<u>52,656</u>
The weighted average interest rates that were effective as at reporting date were as follows:		
- Bills discounting (RM denominated)	3.22%	3.81%
- Revolving credit (RM denominated)	2.84%	-
- Short term loan (SGD denominated)	0.99%	2.62%
- Long term loan (SGD denominated)	1.14%	2.25%

B8 Derivative Financial Instruments

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

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gains/(Losses) RM'000
Interest rate swap contracts			
- Less than 1 year	-	-	-
- 1 year to 3 years (SGD denominated)	61,016	(1,909)	(1,927)
- More than 3 years	-	-	-
Foreign currency forward contracts			
- Less than 1 year	213	2	2
- 1 year to 3 years	-	-	-
Total derivatives		(1,906)	(1,925)

Interest rate swap contracts

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

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

B9 Receivables, deposits and prepayments

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

	As at 30 September 2020 RM'000 (Unaudited)	As at 31 December 2019 RM'000 (Audited)
Current	740,426	731,494
1 to 30 days past due	11,401	23,875
31 to 60 days past due	5,875	17,045
61 to 90 days past due	1,705	20,028
91 to 120 days past due	2,774	13,286
More than 121 days past due	57,760	35,651
	<u>79,515</u>	<u>109,885</u>
Total trade receivables	819,941	841,379
Less: Allowance for impairment	(30,224)	(23,443)
Other receivables	18,960	29,266
Amount due from intermediate holding company	367	415
Amount due from related companies	72,265	102,159
Amount due from an associate	15,717	15,539
Amount due from a joint venture	2,953	5,077
	<u>899,979</u>	<u>970,392</u>

The Group's credit term is generally for a year of 30 days to 90 days for both its related parties and external customers.

B10 Changes in Material Litigation

Except for the following claims, there was no pending material litigation.

- (a) On 4 September 2008, the solicitors of Sunway Construction Sdn Bhd ("SunCon") had been served with a Statement of Claim ("Statement of Claim") by Shristi Infrastructure Development Corporation Ltd ("Claimant"). The Statement of Claim was received by SunCon's office in Malaysia on 8 September 2008.

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

The Claimant has failed to carry out its obligations under the work order and SunCon has terminated the work order and cashed the Bank Guarantees. The Claimant had filed an application in the Supreme Court of India for the appointment of an arbitrator to arbitrate upon the disputes between the parties. The Supreme Court had appointed the late Mr H.L. Agarwal as the sole arbitrator. The Claimant then filed its Statement of Claim on 4 September 2008.

The Statement of Claim was raised in respect of various claims (including claiming the refund of the amount cashed on the Bank Guarantees) and the total amount claimed is Rs.89.14.55.047.83 in addition to interest and cost.

At the hearing on 2 February 2009, the arbitrator recorded SunCon's filing of the Statement of Defense and Counterclaim. In the counterclaim, SunCon is seeking for Rs.78,13,94,628.61 for inter alia, additional costs incurred by SunCon to complete the works, recovery of mobilisation advance and interest charges, loss of reputation and loss of profits.

On 11 January 2013, the arbitrator that presided over the case passed away and 75 hearings had been held.

SunCon was notified by its solicitors that an arbitration petition has been filed by Shristi on 7 January 2016 in the Supreme Court of India for the appointment of a new arbitrator. The Supreme Court of India by an order dated 5 January 2017 appointed Hon'ble Mr Justice Vikramajit Sen (a former Judge of the Supreme Court of India) as arbitrator in place of the late Justice H.L. Agrawal (Retd.) for adjudication of the disputes and differences between the Parties. The first hearing before Mr Justice Vikramajit Sen was held on 24 February 2017 and cross examination has been completed on 7 October 2017.

The proceedings had advanced for final arguments on 6 March 2018 to 9 March 2018. Further final and rejoinder argument was heard on 12, 13 and 14 April 2018. Arguments stand concluded. The Arbitrator published his award on 9 April 2019 and awarded the Claimant Rs. 12,84,41,929.37.

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

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

B10 Changes in Material Litigation (Contd.)

(a) (Contd.)

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

On 27 August 2020, the Court directed the release of Rs.6,71,95,972 on the basis of a corporate guarantee to the furnished by Srei Infrastructure Finance Ltd. The balance Rs.6,12,46,957 to be released subject to furnishing of a bank guarantee. Matter is listed on 25 September 2020 for verification of corporate guarantee from SIFC and bank guarantee. Matter did not get listed on 5 October 2020. Matter came up on 9 October and adjourned to 3 December 2020.

(b) SunCon was awarded a contract for the execution of the rehabilitation and upgrading of km 406 to km 449.15 of highway NH-76 in the State of Rajasthan, India to four-lane configuration ("**NH-76 Highway Project**") by the National Highways Authority ("**NHA**") in 2005. SunCon commenced separate arbitration proceedings against NHA on various disputes arising from the NH-76 Highway Project (each, a "**Reference**"). The following sets out the nature of SunCon's claims and the current status of the proceedings:

(a) Reference 1 – In November 2009, SunCon claimed against NHA for the payment of the completed construction of fly ash for the highway embankment. The Arbitral Tribunal had, via an award dated 28 June 2011, awarded SunCon a sum of Rs.43,090,350.00. NHA appealed against the Arbitral Tribunal's decision to the High Court of Delhi. In 2012, the High Court ruled in favor of NHA and set aside SunCon's award.

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

(b) Reference 4 – In November 2012, SunCon claimed against NHA for the loss and expenses incurred during the extended project year which was due to NHA's delay. The Arbitral Tribunal had, via an award dated 29 April 2014, awarded SunCon a sum of Rs.310,347,836.00.

NHA appealed against the Arbitral Tribunal's award to the High Court. The case is now further adjourned to 14 October 2020 and due to "COVID-19" pandemic it was further adjourned to a later date.

The solicitors acting for SunCon, after taking into consideration of the narrow scope of challenge to the arbitral awards as permissible under the Indian Arbitration and Conciliation Act 1996, is of the view that SunCon has a high chance of success.

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

B10 Changes in Material Litigation (Contd.)

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

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

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

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

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

The Court had scheduled a further case management on 23 January 2020 to provide further pre-trial on case management directions. On the case management on 5 March 2020, the Court had directed SunCon to file the application to strike out the case by 19 March 2020. The Court had scheduled a further case management on 21 May 2020 and will provide further directions. On 29 May 2020, SCSB filed an application to strike out the Plaintiff's claim. During case management on 17 July 2020, the Court has scheduled a further case management on 17 Aug 2020 and the hearing of both ours and Prasarana's application to strike out the suit was on 22 September 2020. On 30 October 2020, the striking out application by Prasarana and SunCon is dismissed and matter is to proceed for full trial. The next case management hearing is fixed on 16 December 2020.

B11 Earnings per share

The calculation of the earnings per share for the Group is based on profit after taxation and non-controlling interests on the weighted average number of ordinary shares in issue during the period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 September 2020 RM'000	Preceding Period Quarter 30 September 2019 RM'000	Current Year To Date 30 September 2020 RM'000	Preceding Year To Date 30 September 2019 RM'000
<u>Basic earnings per share</u>				
Profit attributable to members of the Company	24,043	33,482	42,586	97,685
Weighted Average Number of Ordinary Shares ('000)	1,289,359	1,289,359	1,289,359	1,289,359
Earnings per share (sen)	1.86	2.60	3.30	7.57

By Order of the Board

Tan Kim Aun

Soh Ke Yi

Secretaries

As at Sep-2020 (RM mil)	Completion	Contract Sum	O/S Orderbook	
Building			1,048	20%
Putrajaya Parcel F	Maintenance	1,610	20	
PPA1M Kota Bharu	2Q 2021	582	58	
TNB HQ Campus (Ph 2)	2Q 2021	781	614	
PLC	2Q 2021	310	248	
Oxley Tower (MEP)	2Q 2022	68	63	
IOI Mall (MEP)	2Q 2021	68	45	
Infrastructure/Piling			800	15%
MRT V201 + S201	4Q 2020	1,213	36	
LRT 3 : Package GS07-08	4Q 2022	1,295	655	
Piling works	Various	99	7	
GS06,09 + GS10	Various	60	-	
Sentul West Station (MEP)	1Q 2021	57	50	
Chan Sow Lin KVMRT UG St (MEP)	4Q 2021	54	52	
India			508	10%
Thorapalli Agraharam - Jittandahalli	4Q 2022	508	508	
Internal			2,658	50%
SMC 4	4Q 2021	450	327	
Sunway Serene	4Q 2021	413	218	
Velo 2	4Q 2021	352	231	
Velocity 3C4	2Q 2021	100	58	
Sunway GEOLake	1Q 2021	223	36	
Carnival Mall Ext	1Q 2021	286	196	
SMC Seberang Jaya	1Q 2021	180	129	
Big Box Hotel	3Q 2020	100	42	
Parcel CP - Piling	4Q 2023	119	49	
Parcel CP2 (piling+super)	3Q 2021	344	344	
Belfield	2Q 2024	403	403	
SIS	4Q 2022	121	117	
Hotel Guestroom Reno	2Q 2021	81	78	
Velo 2B	3Q 2023	254	254	
SMC4 + SIS (VO)	Various	177	177	
Renewable Energy (Internal)			7	0%
New Order 2020	2Q 2020	7	7	
Singapore			285	5%
Precast	Various	331	247	
New Order 2020	Various	37	38	
Grand Total @ Sep 2020		10,681	5,306	
<i>Red : Secured as at Sept 2020</i>		<i>1,986</i>	<i>1,978</i>	