

# **SUNWAY<sup>®</sup>**

## **CONSTRUCTION**

SUNWAY CONSTRUCTION GROUP BERHAD

### INTERIM FINANCIAL REPORT

### FOURTH QUARTER ENDED 31<sup>ST</sup> DECEMBER 2020



**SUNWAY CONSTRUCTION GROUP BERHAD**

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(Incorporated in Malaysia)

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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTE	<----- INDIVIDUAL QUARTER ----->				<----- CUMULATIVE QUARTER ----->			
		CURRENT YEAR	IMMEDIATE PRECEDING QUARTER	CHANGES	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR	CHANGES
		31/12/2020	30/9/2020	%	31/12/2019	%	31/12/2020	31/12/2019	%
		RM'000	RM'000	%	RM'000	%	RM'000	RM'000	%
REVENUE		627,236	419,409	49.6%	485,935	29.1%	1,552,652	1,768,727	(12.2%)
OPERATING EXPENSES		(600,661)	(393,292)	(52.7%)	(463,713)	(29.5%)	(1,484,608)	(1,647,839)	9.9%
OTHER OPERATING INCOME		12,242	6,829	79.3%	8,608	(42.2%)	22,474	20,136	11.6%
PROFIT FROM OPERATIONS		38,817	32,946	17.8%	30,830	25.9%	90,518	141,024	(35.8%)
FINANCE INCOME & OTHER DISTRIBUTION INCOME		3,049	4,588	(33.5%)	8,661	(64.8%)	17,395	25,160	(30.9%)
FINANCE COSTS		(335)	(1,574)	78.7%	(3,399)	90.1%	(6,921)	(13,203)	47.6%
SHARE OF PROFIT FROM AN ASSOCIATE		-	-		4,316	100.0%	-	4,316	100.0%
SHARE OF RESULTS OF JOINT VENTURE		46	(0)		99	53.2%	110	99	(11.1%)
PROFIT BEFORE TAX	B6	41,577	35,960	15.6%	40,507	2.6%	101,102	157,396	(35.8%)
INCOME TAX EXPENSE	B5	(11,519)	(11,730)	1.8%	(7,806)	47.6%	(27,777)	(27,066)	(2.6%)
PROFIT AFTER TAX		30,058	24,230	24.1%	32,701	(8.1%)	73,325	130,330	(43.7%)
ATTRIBUTABLE TO:									
- OWNERS OF THE PARENT		30,200	24,043		31,639		72,786	129,324	
- NON-CONTROLLING INTERESTS		(142)	187		1,062		539	1,006	
		30,058	24,230		32,701		73,325	130,330	
EARNINGS PER SHARE									
(i) BASIC ( sen )	B11	2.34	1.86		2.45		5.64	10.02	
(ii) DILUTED ( sen )		2.34	1.86		2.45		5.64	10.02	

( 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. )

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	<----- INDIVIDUAL QUARTER ----->			<-- CUMULATIVE QUARTER -->	
	CURRENT	IMMEDIATE	PRECEDING PERIOD	CURRENT	PRECEDING PERIOD
	PERIOD	PRECEDING	CORRESPONDING	PERIOD	CORRESPONDING
	QUARTER	QUARTER	QUARTER	TO DATE	PERIOD
	31/12/2020	30/9/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE YEAR	30,058	24,230	32,701	73,325	130,330
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT YEAR</b>					
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION RECLASSIFICATION OF FOREIGN CURRENCY TRANSLATION RESERVE TO PROFIT AND LOSS ON DEREGISTRATION OF FOREIGN BRANCHES AND SUBSIDIARIES	(1,498)	(473)	(570)	(708)	(551)
OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	<u>(698)</u>	<u>1,835</u>	<u>(570)</u>	<u>2,400</u>	<u>(551)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	<u>29,360</u>	<u>26,065</u>	<u>32,131</u>	<u>75,725</u>	<u>129,779</u>
ATTRIBUTABLE TO:					
- OWNERS OF THE PARENT	29,502	25,878	31,069	75,186	128,773
- NON-CONTROLLING INTERESTS	<u>(142)</u>	<u>187</u>	<u>1,062</u>	<u>539</u>	<u>1,006</u>
	<u>29,360</u>	<u>26,065</u>	<u>32,131</u>	<u>75,725</u>	<u>129,779</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. )

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	NOTE	AS AT FINANCIAL YEAR ENDED 31/12/2020 RM'000 (UNAUDITED)	AS AT FINANCIAL YEAR ENDED 31/12/2019 RM'000 (AUDITED)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant, equipment, software and right of use assets		107,415	138,713
Investment in associate		4,124	4,124
Investment in joint ventures		44,805	44,261
Other investments		273	273
Goodwill		-	3,647
Deferred tax assets		7,133	4,161
		<u>163,750</u>	<u>195,179</u>
<b>Current assets</b>			
Inventories		34,256	25,094
Receivables, deposits and prepayments	<b>B9</b>	1,048,253	970,392
Tax recoverable		19,720	21,721
Cash and bank balances		640,084	692,638
Derivative assets		-	-
		<u>1,742,313</u>	<u>1,709,845</u>
<b>TOTAL ASSETS</b>		<u>1,906,063</u>	<u>1,905,024</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Payables, lease liabilities and other current liabilities		955,231	885,237
Borrowings	<b>B7</b>	233,712	233,394
Tax payable		4,110	1,376
Derivative liabilities	<b>B8</b>	1,671	187
		<u>1,194,724</u>	<u>1,120,194</u>
<b>Non-current liabilities</b>			
Borrowings	<b>B7</b>	67,203	52,656
Other long term liabilities		-	95,833
Lease liabilities		5,526	8,897
Deferred taxation liabilities		-	2,273
		<u>72,729</u>	<u>159,659</u>
<b>Total liabilities</b>		<u>1,267,453</u>	<u>1,279,853</u>
<b>Equity attributable to owners of the parent</b>			
Share capital		258,580	258,580
Treasury shares		(6,990)	(6,990)
Merger reserve		(37,894)	(37,894)
Retained profits		409,779	398,838
Other reserves		13,421	10,421
		<u>636,896</u>	<u>622,955</u>
<b>NON-CONTROLLING INTERESTS</b>		<u>1,714</u>	<u>2,216</u>
<b>Total equity</b>		<u>638,610</u>	<u>625,171</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,906,063</u>	<u>1,905,024</u>
<b>Net Assets Per Share Attributable To Owners Of The Parent (RM)</b>			
		<b>0.49</b>	<b>0.48</b>

( The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 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
<b>YEAR ENDED 31 DECEMBER 2020</b>											
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 year	-	-	-	-	-	-	-	72,786	72,786	539	73,325
Other comprehensive income, net of tax	-	-	-	2,400	(16)	-	2,416	-	2,400	(0)	2,400
<b>Total comprehensive income</b>	-	-	-	2,400	(16)	-	2,416	72,786	75,186	539	75,725
<b>Transactions with owners</b>											
Acquisition equity interest from subsidiary	-	-	-	-	-	-	-	-	-	9	9
Effect on arising of bonus issue	-	-	-	600	-	600	-	(600)	-	-	-
Dividends paid to non controlling interests	-	-	-	-	-	-	-	-	-	(1,050)	(1,050)
Dividends paid	-	-	-	-	-	-	-	(61,245)	(61,245)	-	(61,245)
<b>At 31 December 2020</b>	<b>258,580</b>	<b>(6,990)</b>	<b>(37,894)</b>	<b>13,421</b>	<b>640</b>	<b>600</b>	<b>12,181</b>	<b>409,779</b>	<b>636,896</b>	<b>1,714</b>	<b>638,610</b>
<b>YEAR ENDED 31 DECEMBER 2019</b>											
At 1 January 2019, as restated	258,580	(1,295)	(37,894)	10,972	656	-	10,316	359,871	590,234	1,442	591,676
Profit for the year	-	-	-	-	-	-	-	129,324	129,324	1,006	130,330
Other comprehensive income, net of tax	-	-	-	(551)	-	-	(551)	-	(551)	-	(551)
<b>Total comprehensive income</b>	-	-	-	(551)	-	-	(551)	129,324	128,773	1,006	129,779
<b>Transactions with owners</b>											
Acquisition equity interest from subsidiary	-	-	-	-	-	-	-	-	-	38	38
Dividends paid	-	-	-	-	-	-	-	(90,357)	(90,357)	-	(90,357)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(270)	(270)
Purchase of treasury shares	-	(5,695)	-	-	-	-	-	-	(5,695)	-	(5,695)
<b>At 31 December 2019</b>	<b>258,580</b>	<b>(6,990)</b>	<b>(37,894)</b>	<b>10,421</b>	<b>656</b>	<b>-</b>	<b>9,765</b>	<b>398,838</b>	<b>622,955</b>	<b>2,216</b>	<b>625,171</b>

( 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 YEAR ENDED 31 DECEMBER 2020

NOTE	FOR THE	FOR THE
	YEAR ENDED 31/12/2020	YEAR ENDED 31/12/2019
	RM'000 (UNAUDITED)	RM'000 (AUDITED)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	101,102	157,396
Adjustments for:		
- non-cash items	48,819	35,558
- finance costs	6,921	13,203
- finance income and other distribution income	(17,395)	(25,160)
Operating cash flows before working capital changes	139,447	180,997
Changes in working capital	(29,068)	32,690
Cash flows generated from operations	110,379	213,687
Interest and other distribution income received	17,395	25,160
Interest paid	(5,750)	(7,729)
Dividend received from a jointly controlled entity	110	790
Tax refunded	1,116	6,396
Tax paid	(29,953)	(44,765)
Net cash generated from operating activities	93,297	193,539
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment & software	1,537	3,564
Proceeds from disposal of inventory stocks	1,200	
Acquisitions of property, plant and equipment and software	(3,393)	(8,312)
Additional shares acquired by non-controlling interest	9	38
Withdrawal/(Placement) of deposits pledged to other financial institutions	181,753	(263,784)
Investment in a jointly controlled entity	(378)	-
Net cash from/(used in) investing activities	180,728	(268,494)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net bank and other borrowings	12,005	167,897
Interest paid to related co and lease liabilities	(1,171)	(5,474)
Repurchases of shares	-	(5,695)
Dividends paid to shareholders	(61,245)	(90,357)
Dividend paid to non-controlling interests of subsidiaries	(1,050)	(270)
Repayment to related companies	(95,833)	(46,617)
Net cash (used in)/from financing activities	(147,294)	19,484
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	126,731	(55,471)
EFFECTS OF EXCHANGE RATE CHANGES	2,468	(544)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	428,652	484,667
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	557,851	428,652
Cash and cash equivalents at end of financial year comprise the following :		
Deposits with licensed banks and other financial institutions	572,392	514,446
Cash and bank balances	67,692	178,192
Cash and bank balances and placement in funds	640,084	692,638
Less: Deposits with other financial institutions with maturity of over 3 months	(202)	(202)
Less: Placement of deposits pledged to other financial institutions	(82,031)	(263,784)
Cash and cash equivalents	557,851	428,652

( 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 year ended 31 December 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 in 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 MFRS 16 <i>COVID-19-Related Rent Concessions</i>	1 June 2020
Amendments to MFRS 4 <i>Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 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 year ended 31 December 2020 except for those disclosed in Note B6 and the effect as a result of the Movement Control Order/Recovery Movement Control Order declared by the Government of Malaysia from 18 March 2020 till 9 June 2020 and Conditional Movement Control Order from 14 October 2020 till 31 December 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 year ended 31 December 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 31 December 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	
2.75 cents per share -declared and payable (Note 5)	35,457	

**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 ended 31 December 2020. The interim dividend of RM16,116,989 was paid on 24 September 2020.

**Note 5:** On 23 February 2021, the Board of Directors declared a second interim single-tier dividend of 2.75 cents per ordinary shares for the financial year ended 31 December 2020. The interim dividend of RM35,457,376 is payable on 7 April 2021.

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 year ended December 2020.

A8 Segmental Reporting

	<----- YTD DEC'20 ----->			<----- YTD DEC'19 ----->		
	(Unaudited)			(Audited)		
	Construction RM'000	Precast Concrete RM'000	Consolidated RM'000	Construction RM'000	Precast Concrete RM'000	Consolidated RM'000
<b>BY BUSINESS SEGMENTS</b>						
<b>REVENUE AND EXPENSES</b>						
Total revenue	1,877,939	179,500	2,057,439	2,395,926	272,149	2,668,075
Inter-segment revenue	(422,713)	(82,074)	(504,787)	(777,012)	(122,336)	(899,348)
External revenue	1,455,226	97,426	1,552,652	1,618,914	149,813	1,768,727
Results						
Operating segment results	87,174	3,344	90,518	135,259	5,765	141,024
Finance income & other distribution income	16,741	654	17,395	24,703	457	25,160
Finance costs	(5,652)	(1,269)	(6,921)	(10,425)	(2,778)	(13,203)
Share of profit from associate	-	-	-	4,316	-	4,316
Share of results of joint venture	110	-	110	790	(691)	99
Profit before tax	98,373	2,729	101,102	154,643	2,753	157,396
Income tax expense	(26,874)	(903)	(27,777)	(27,693)	627	(27,066)
Profit after tax	71,499	1,826	73,325	126,950	3,380	130,330
Non controlling interests	(539)	-	(539)	(1,006)	-	(1,006)
Attributable to owners of the parent	70,960	1,826	72,786	125,944	3,380	129,324
<b>TOTAL ASSETS</b>						
Unallocated assets	-	-	26,853	-	-	25,882
	1,623,716	255,494	1,879,210	1,625,032	254,110	1,879,142
	1,623,716	255,494	1,906,063	1,625,032	254,110	1,905,024
<b>TOTAL LIABILITIES</b>						
Unallocated liabilities	-	-	4,110	-	-	3,649
	1,100,514	162,829	1,263,343	1,101,791	174,413	1,276,204
	1,100,514	162,829	1,267,453	1,101,791	174,413	1,279,853

A8 Segmental Reporting (Contd.)

	<----- YTD DEC'20 ----->				<----- YTD DEC'19 ----->			
	(Unaudited)				(Audited)			
	Revenue	Profit / (loss) before tax	Profit / (loss) after tax	Attributable to owners of the parent	Revenue	Profit / (loss) before tax	Profit / (loss) after tax	Attributable to owners of the parent
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>GEOGRAPHICAL SEGMENTS</b>								
Malaysia	1,412,611	97,238	69,922	69,370	1,616,918	159,245	131,291	130,218
Singapore	97,426	(3,672)	(3,630)	(3,623)	149,813	(660)	414	481
India	42,092	2,492	2,013	2,019	843	(6,289)	(6,458)	(6,458)
United Arab Emirates	-	5,074	5,074	5,074	-	5,093	5,093	5,093
Trinidad & Tobago	-	-	-	-	-	-	-	-
Myanmar	523	(30)	(54)	(54)	1,153	7	(10)	(10)
	1,552,652	101,102	73,325	72,786	1,768,727	157,396	130,330	129,324

A8 Segmental Reporting (Contd.)

Segmental results by foreign currency for the financial year ended 31 December 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)		1,412,611	90,858	64,445	63,893	1,412,611	90,858	64,445	63,893
United Arab Emirates (AED'000)	1.1756	-	4,316	4,316	4,316	-	5,074	5,074	5,074
India Rupee (INR'000)	0.0568	741,161	43,886	35,452	35,560	42,092	2,492	2,013	2,019
Singapore Dollar (SGD'000)	3.0580	-	(7)	7	9	-	(21)	21	28
Trinidad & Tobago Dollar (TT\$'000)	0.6274	-	-	-	-	-	-	-	-
Myanmar (USD'000)	4.2076	124	(7)	(13)	(13)	523	(30)	(54)	(54)
						<u>1,455,226</u>	<u>98,373</u>	<u>71,499</u>	<u>70,960</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		1,610,348	1,610,348	1,088,082	1,088,082
United Arab Emirates (AED'000)	1.1098	8,412	9,336	9,171	10,178
India Rupee (INR'000)	0.0551	48,533	2,674	39,970	2,202
Singapore Dollar (SGD'000)	3.0547	391	1,190	15	47
Trinidad & Tobago Dollar (TT\$'000)	0.6023	40	24	-	-
Myanmar (USD'000)	4.0310	36	144	1	5
		<u>1,623,716</u>	<u>1,623,716</u>	<u>1,100,514</u>	<u>1,100,514</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)		-	6,380	5,477	5,477	-	6,380	5,477	5,477
Singapore Dollar (SGD'000)	3.0580	31,860	(1,194)	(1,194)	(1,194)	97,426	(3,651)	(3,651)	(3,651)
						<u>97,426</u>	<u>2,729</u>	<u>1,826</u>	<u>1,826</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		93,171	93,171	11,454	11,454
Singapore Dollar (SGD'000)	3.0547	53,139	162,323	49,555	151,375
			<u>255,494</u>		<u>162,829</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 year ended 31 December 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)		1,616,918	155,616	128,174	127,101	1,616,918	155,616	128,174	127,101
United Arab Emirates (AED'000)	1.1316	-	4,501	4,501	4,501	-	5,093	5,093	5,093
India Rupee (INR'000)	0.0589	14,312	(106,774)	(109,643)	(109,643)	843	(6,289)	(6,458)	(6,458)
Singapore Dollar (SGD'000)	3.0449	-	71	50	72	-	216	151	218
Trinidad & Tobago Dollar (TT\$'000)	0.6172	-	-	-	-	-	-	-	-
Myanmar (USD'000)	4.1465	278	2	(2)	(2)	1,153	7	(10)	(10)
						<u>1,618,914</u>	<u>154,643</u>	<u>126,950</u>	<u>125,944</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		1,622,405	1,622,405	1,078,468	1,078,468
United Arab Emirates (AED'000)	1.1191	169	189	12,806	14,330
India Rupee (INR'000)	0.0576	8,275	477	154,572	8,903
Singapore Dollar (SGD'000)	3.0508	441	1,340	(16)	(49)
Trinidad & Tobago Dollar (TT\$'000)	0.6137	40	24	-	-
Myanmar (USD'000)	4.1070	145	597	34	139
			<u>1,625,032</u>		<u>1,101,791</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)		-	3,629	3,117	3,117	-	3,629	3,117	3,117
Singapore Dollar (SGD'000)	3.0449	49,201	(288)	86	86	149,813	(876)	263	263
						<u>149,813</u>	<u>2,753</u>	<u>3,380</u>	<u>3,380</u>

	FOREIGN EXCHANGE RATE	TOTAL ASSETS		TOTAL LIABILITIES	
		FC'000	RM'000	FC'000	RM'000
Malaysia Ringgit (RM'000)		69,326	69,326	32,136	32,136
Singapore Dollar (SGD'000)	3.0508	60,569	184,784	46,636	142,277
			<u>254,110</u>		<u>174,413</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 year ended 31 December 2020 except that on 13 January 2021 to 4 March 2021, most of the state where our projects are located are under the state of Movement Control Order 2.0. As a result of that, our project sites were operating at below optimum efficiency in accordance to the guidelines set by the relevant ministry.

#### 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 31 December 2020, except for the following:

	As at 31 December 2020 RM'000 (Unaudited)	As at 31 December 2019 RM'000 (Audited)
Guarantees given to third parties in respect of contracts and trade performance	442,045	491,737
Guarantees given to related companies in respect of contracts and trade performance	128,961	90,091
	<u>571,006</u>	<u>581,828</u>

The Group does not have any material contingent assets to be disclosed as at 31 December 2020.

#### A11 Commitments

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

	As at 31 December 2020 RM'000 (Unaudited)	As at 31 December 2019 RM'000 (Audited)
Approved and contracted for		
- Construction	59,000	451
- Precast	176,833	192,640
Approved but not contracted for	126	491
	<u>235,959</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 2021 to 2022 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 year ended 31 December:

	<b>Cumulative Year To Date 31 December 2020 RM'000 (Unaudited)</b>	<b>Cumulative Year To Date 31 December 2019 RM'000 (Audited)</b>
<b>Contract revenue from:</b>		
Related companies	383,974	363,199
Related parties	245,061	241,104
<b>Rental income of plant and machinery from:</b>		
Related companies	57	45
Related parties	-	24
<b>Purchases of goods/services from:</b>		
Related companies	(56,680)	(78,418)
Related parties	(3,101)	(1,575)
<b>Rental of office space from:</b>		
Related companies	(1,000)	(1,824)
Related party	(1,449)	(2,037)
<b>Interest expense charge by:</b>		
Related companies	(686)	(4,662)
<b>Management fees charged by:</b>		
Intermediate holding company	(9,305)	(19,941)
<b>Service Level Agreement fees paid to:</b>		
Related companies	(3,325)	(4,953)

## B1 Review of Performance

### For the quarter

<u>Total Group</u>	<u>Q4 2020</u>	<u>Q4 2019</u>	<u>Changes</u>
Revenue (RM'mil)	627.2	485.9	29.1%
PBT (RM'mil)	41.6	40.5	2.6%
PBT Margin (%)	6.6%	8.3%	

The Group recorded revenue of RM627.2 million and profit before tax of RM41.6 million for the current quarter ended 31 December 2020, compared to revenue of RM485.9 million and profit before tax of RM40.5 million in the corresponding quarter of the preceding financial year. The Group's revenue increased by 29.1% due to construction segment and the Group's blended margin for the current quarter declined due to construction segment.

<u>Construction Segment</u>	<u>Q4 2020</u>	<u>Q4 2019</u>	<u>Changes</u>
Revenue (RM'mil)	585.0	440.5	32.8%
PBT (RM'mil)	37.3	38.0	(1.8%)
PBT Margin (%)	6.4%	8.6%	

Construction segment reported revenue of RM585.0 million and profit before tax of RM37.3 million compared to revenue of RM440.5 million and profit before tax of RM38.0 million in the corresponding quarter of the preceding financial year. Higher turnover in current quarter was mainly contributed by the final settlement for our Uttar Pradesh project in India through a conciliatory process and building division in northern region from the ramping up of progress for both the Sunway Carnival Mall Extension and the Sunway Medical Centre Seberang Jaya projects. The lower PBT % in this current quarter was mainly due to provision made for one of our debtor.

<u>Precast Segment</u>	<u>Q4 2020</u>	<u>Q4 2019</u>	<u>Changes</u>
Revenue (RM'mil)	42.2	45.4	(7.0%)
PBT (RM'mil)	4.3	2.5	72.0%
PBT Margin (%)	10.2%	5.5%	

Precast segment reported revenue of RM42.2 million with profit before tax of RM4.3 million compared to revenue of RM45.4 million and profit before tax of RM2.5 million in the corresponding quarter of the preceding financial year. Revenue recorded for the current quarter was lower by 7.0% as precast segment was still affected by the Circuit Breaker and movement restriction in the foreign workers' dormitories at the early stage of this current quarter. Despite lower turnover, precast segment registered a higher profit margin due to recognition of higher yielding projects bringing us back to normalised margin range.



## B1 Review of Performance (Contd.)

### For the full year

<u>Total Group</u>	<u>YTD 4Q20</u>	<u>YTD 4Q19</u>	<u>Changes</u>
Revenue (RM'mil)	1,552.6	1,768.7	(12.2%)
PBT (RM'mil)	101.1	157.4	(35.8%)
PBT Margin (%)	6.5%	8.9%	

The Group recorded revenue of RM1,552.6 million and profit before tax of RM101.1 million for the year ended 31 December 2020, compared to revenue of RM1,768.7 million and profit before tax of RM157.4 million in the corresponding preceding financial year ended. Both revenue and profit saw a decline due to both construction and precast segment.

<u>Construction Segment</u>	<u>YTD 4Q20</u>	<u>YTD 4Q19</u>	<u>Changes</u>
Revenue (RM'mil)	1,455.2	1,618.9	(10.1%)
PBT (RM'mil)	98.4	154.6	(36.4%)
PBT Margin (%)	6.8%	9.5%	

Construction segment reported revenue of RM1,455.2 million and profit before tax of RM98.4 million compared to revenue of RM1,618.9 million and profit before tax of RM154.6 million in the corresponding preceding financial year ended. Lower revenue by 10.1% and profit before tax by 36.4% 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 4Q20</u>	<u>YTD 4Q19</u>	<u>Changes</u>
Revenue (RM'mil)	97.4	149.8	(35.0%)
PBT (RM'mil)	2.7	2.8	(3.6%)
PBT Margin (%)	2.8%	1.9%	

Precast segment reported revenue of RM97.4 million and profit before tax of RM2.7 million compared to revenue of RM149.8 million and profit before tax of RM2.8 million in the corresponding preceding financial year ended. This segment's revenue and profit margin for current year 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. Current year ended profitability would have been better if not for the fair value loss of interest rate swap of RM1.9 million due to the unexpected lower SOR (Singapore Offer Rate).

## B2 Material Changes in the Quarterly Results

<u>Total Group</u>	<u>Q4 2020</u>	<u>Q3 2020</u>	<u>Changes</u>
Revenue (RM'mil)	627.2	419.4	49.6%
PBT (RM'mil)	41.6	36.0	15.6%
PBT Margin (%)	6.6%	8.6%	

The Group recorded revenue of RM627.2 million and profit before tax of RM41.6 million for the current quarter ended 31 December 2020, compared to revenue of RM419.4 million and profit before tax of RM36.0 million in the immediate preceding quarter. Revenue recorded an increase due to both construction and precast segment whereas the declined in profit margin was attributed to construction segment.

<u>Construction Segment</u>	<u>Q4 2020</u>	<u>Q3 2020</u>	<u>Changes</u>
Revenue (RM'mil)	585.0	403.4	45.0%
PBT (RM'mil)	37.3	34.8	7.2%
PBT Margin (%)	6.4%	8.6%	

Construction segment reported revenue of RM585.0 million and profit before tax of RM37.3 million compared to revenue of RM403.4 million and profit before tax of RM34.8 million in the immediate preceding quarter. Higher turnover in current quarter was mainly contributed by the final settlement for our Uttar Pradesh project in India through a conciliatory process and building division in northern region from the ramping up of progress for both the Sunway Carnival Mall Extension and the Sunway Medical Centre Seberang Jaya projects. The lower PBT % in this current quarter was mainly due to higher provision made for one of our debtor.

<u>Precast Segment</u>	<u>Q4 2020</u>	<u>Q3 2020</u>	<u>Changes</u>
Revenue (RM'mil)	42.2	16.0	> 100%
PBT (RM'mil)	4.3	1.2	> 100%
PBT Margin (%)	10.2%	7.5%	

Precast segment reported revenue of RM42.2 million with profit before tax of RM4.3 million compared to revenue of RM16.0 million with profit before tax of RM1.2 million in the immediate preceding quarter. There was significant improvement in current quarter result compared to immediate preceding quarter as all projects were allowed to commence operations in Singapore during this current quarter. Profitability also improved as we saw recognition of better yielding margin projects.

### **B3 Prospects**

SunCon's outstanding order book now stands at RM5.1 billion (Sept 2020 : RM5.3 billion) with RM2.3 billion new order secured up to December 2020. As at to-date, we have secured new order of RM366 million for financial year ending 2021.

The Malaysian economy contracted by 3.4% in the fourth quarter (3Q 2020 : -2.6%; 2Q 2020 : -17.1%; 1Q 2020 : 0.7%) due to the restrictions imposed to curb the spread of the COVID-19 pandemic. For 2020 as a whole, the economy contracted by 5.6%. This was the first time the economy was in a recession since 2009 when GDP contracted by 1.5% during the Global Financial Crisis. It was also the worst contraction since 1998 during the Asian Financial Crisis when it contracted by 7.4%. The construction sector contracted by 13.9%, worsening from the contraction of 12.4% in third quarter. This was in line with average of value work done per project decreased in the fourth quarter of 2020. Malaysia is maintaining its GDP growth target of between 6.5% and 7.5% for 2021 despite the emergency declaration and the second round of the movement control order (MCO 2.0) enforcement. The state of emergency and MCO 2.0 might have dampened construction sector's road to recovery but the catalyst remains positive backed by the allocation of RM 15 billion on large infrastructure project during recent Budget 2021 and reaffirmation of large infrastructure projects such as Mass Rapid Transit 3 (MRT3) in Klang Valley. 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.

Singapore's economy shrank by 5.4% in 2020 (2019 : 1.3%) and this marks Singapore's first annual contraction since 2001 and the worst recession since independence in 1965 due to the COVID-19 pandemic which has largely erupted all sectors including construction and services. Singapore expects GDP to grow 4% to 6% in 2021. Data from the Ministry of Trade and Industry shows construction contracted 35.9% (2019: 1.6%). HDB has just launched 3,740 new BTO units and community care apartments spread over 7 locations across Singapore for its February 2021 sales exercise. The Housing and Development Board (HDB) plans to offer about 17,000 Build-To-Order (BTO) flats in 2021 (2020 : 16,752; 2019 : 14,591; 2018 : 15,811), said Minister for National Development Desmond Lee. 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 cautiously optimistic for the financial year ending 2021 considering the anticipated vaccine roll out in Malaysia despite the recent MCO 2.0. In addition, with the Group's strong cash reserve and stringent cost control measures, we are optimistic of overcoming the new norm of being extra vigilant, adhering to SOP to minimise the impact of COVID-19 to our operations.

### **B4 Variance of Actual Profit from Profit Forecast**

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

**B5 Taxation**

	<b>Current Quarter Ended 31 December 2020 RM'000 (Unaudited)</b>	<b>Immediate Preceding Quarter Ended 30 Sept 2020 RM'000 (Unaudited)</b>	<b>Cumulative Year To Date 31 December 2020 RM'000 (Unaudited)</b>
Current taxation	(12,842)	(4,244)	(21,884)
Under provision in prior year	489	(2,196)	(1,830)
Deferred taxation	834	(5,290)	(4,063)
	<u>(11,519)</u>	<u>(11,730)</u>	<u>(27,777)</u>
Effective tax rate	27.7%	32.6%	27.5%
Statutory tax rate :			
- Malaysia	24.0%	24.0%	24.0%
- Singapore	17.0%	17.0%	17.0%

The effective tax rate for FYE 2020 of 27.5% was higher than Malaysia's statutory tax rate of 24% mainly due to non deductibility of expense with regards to goodwill write off and aggressive provision for MFRS 9.

**B6 Profit before Taxation**

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

	<b>Current Quarter Ended 31 December 2020 RM'000 (Unaudited)</b>	<b>Immediate Preceding Quarter Ended 30 Sept 2020 RM'000 (Unaudited)</b>	<b>Cumulative Year To Date 31 December 2020 RM'000 (Unaudited)</b>
Interest income	3,049	4,588	17,395
Interest expense	(335)	(1,573)	(6,921)
Depreciation and amortisation	(7,843)	(8,066)	(33,442)
Allowance for impairment losses for:			
- Receivables	(7,405)	(5,025)	(14,329)
- Goodwill	-	(3,643)	(3,643)
Reversal gain of impairment for receivables	1,950	-	1,998
Write off (loss) :			
- Property, plant and equipment, and software	(5)	-	(16)
Net gain/(loss) on disposal of:			
- Inventory stocks	-	1,157	1,157
- Property, plant and equipment, and software	(1,142)	2,532	1,463
Reclassification of foreign currency translation reserve to profit and loss on deregistration of foreign branches and subsidiaries	(800)	(2,308)	(3,108)
Accretion of financial assets and financial liabilities	(584)	(233)	(989)
Fair value gain/(loss) on derivative assets and liabilities	442	(131)	(1,485)
Settlement loss on derivative assets and liabilities	(408)	-	(408)
Foreign exchange gain/(loss):			
- realised	279	(205)	169
- unrealised	(8)	14	12
	<u>(8)</u>	<u>14</u>	<u>12</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 31 December 2020 RM'000 (Unaudited)	As at 31 December 2019 RM'000 (Audited)
Current liabilities:		
Unsecured		
- Bills discounting (RM denominated)	107,344	157,124
- Revolving credit (RM denominated)	50,000	-
- Short term loan (SGD denominated)	76,368	-
Secured		
- Short term loan (SGD denominated)	-	76,270
	<u>233,712</u>	<u>233,394</u>
Non current liabilities		
Secured		
- Long term loan (SGD denominated)	67,203	52,656
	<u>67,203</u>	<u>52,656</u>

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

- Bills discounting (RM denominated)	3.01%	3.81%
- Revolving credit (RM denominated)	2.72%	-
- Short term loan (SGD denominated)	0.92%	2.62%
- Long term loan (SGD denominated)	1.08%	2.25%

## B8 Derivative Financial Instruments

The Group's outstanding derivatives as at 31 December 2020 were as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gains/(Losses) RM'000
<b>Interest rate swap contracts</b>			
- 1 year to 3 years (SGD denominated)	61,016	(1,644)	(1,866)
<b>Foreign currency forward contracts</b>			
- Less than 1 year	1,236	(26)	(26)
<b>Total derivatives</b>		<u>(1,671)</u>	<u>(1,893)</u>

### Interest rate swap contracts

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

The derivatives arising from the interest rate swap contracts are computed using the present value of the difference between the floating rates and fixed rates applied to the principal amounts over the duration of swap expiring subsequent to 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:

	<b>As at 31 December 2020 RM'000 (Unaudited)</b>	<b>As at 31 December 2019 RM'000 (Audited)</b>
Current	781,594	731,494
1 to 30 days past due	55,771	23,875
31 to 60 days past due	4,829	17,045
61 to 90 days past due	1,630	20,028
91 to 120 days past due	2,278	13,286
More than 121 days past due	51,244	35,651
	<u>115,752</u>	<u>109,885</u>
Total trade receivables	897,346	841,379
Less: Allowance for impairment	(30,949)	(23,443)
Other receivables	38,460	29,266
Amount due from intermediate holding company	360	415
Amount due from related companies	111,033	102,159
Amount due from an associate	9,130	15,539
Amount due from a joint venture	22,873	5,077
	<u><u>1,048,253</u></u>	<u><u>970,392</u></u>

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

## B10 Changes in Material Litigation

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

- (a) On 4 September 2008, the solicitors of Sunway Construction Sdn Bhd ("SunCon") had been served with a Statement of Claim ("Statement of Claim") by Shristi Infrastructure Development Corporation Ltd ("Claimant"). 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. Aarwal 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. 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. The 3 December 2020 date is vacated. On 18 November 2020, Shristi withdrew their application for withdrawal without a bank guarantee and it has been dismissed accordingly.

(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 18 February 2021.

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

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



## 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. On 19 February 2021, SunCon filed applications to include MRCBGK as co-defendant and third party to the suit and case management is on 11 March 2021.

## 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 31 December 2020 RM'000	Preceding Period Quarter 31 December 2019 RM'000	Current Year To Date 31 December 2020 RM'000	Preceding Year To Date 31 December 2019 RM'000
<b><u>Basic earnings per share</u></b>				
Profit attributable to members of the Company	30,200	31,639	72,786	129,324
Weighted Average Number of Ordinary Shares ('000)	1,289,359	1,289,359	1,289,359	1,290,536
Earnings per share (Basic) (sen)	2.34	2.45	5.64	10.02

**By Order of the Board**  
**Tan Kim Aun**  
**Soh Ke Yi**  
**Secretaries**

As at Dec-2020 (RM mil)	Completion	Contract Sum	O/S Orderbook	
<b>Building</b>			<b>883</b>	<b>18%</b>
Putrajaya Parcel F	Maintenance	1,610	18	
PPA1M Kota Bharu	2Q 2021	582	54	
TNB HQ Campus (Ph 2)	2Q 2022	781	508	
PLC	4Q 2021	305	211	
Oxley Tower (MEP)	2Q 2022	68	58	
IOI Mall (MEP)	4Q 2021	68	34	
<b>Infrastructure/Piling</b>			<b>664</b>	<b>13%</b>
MRT V201 + S201	Finalisation stage	1,213	7	
LRT 3 : Package GS07-08	2Q 2022	1,295	573	
Sentul West Station (MEP)	4Q 2021	57	39	
Chan Sow Lin KVMRT UG St (MEP)	4Q 2021	54	46	
<b>India</b>			<b>823</b>	<b>16%</b>
Thorapalli Agraharam - Jittandahalli	3Q 2023	508	508	
Meensurutti - Chidambaram	3Q 2023	315	315	
<b>Internal</b>			<b>2,391</b>	<b>47%</b>
SMC 4	3Q 2022	450	293	
Sunway Serene	2Q 2022	413	188	
Velo 2	4Q 2021	352	196	
Velocity 3C4	2Q 2021	100	53	
Sunway GEOLake	2Q 2021	223	19	
Carnival Mall Ext	4Q 2021	286	151	
SMC Seberang Jaya	4Q 2021	180	109	
Big Box Hotel	1Q 2021	100	32	
Parcel CP - Pilling	2Q 2021	119	27	
BKE (Seberang Jaya)	2Q 2021	4	4	
Parcel CP2 (superstructure)	3Q 2021	344	344	
Belfield	1Q 2024	403	396	
SIS	4Q 2022	121	110	
Hotel Guestroom Reno	2Q 2021	81	58	
Velo 2B	3Q 2023	253	251	
SMC4 - VO	3Q 2022	162	162	
<b>Renewable Energy</b>			<b>38</b>	<b>1%</b>
New Order 2020 - Internal	2021	6	6	
New Order 2020 - External (USM + F&N)	4Q 2021	32	31	
<b>Singapore</b>			<b>259</b>	<b>5%</b>
Precast	Various	331	207	
New Order 2020	Various	51	52	
<b>Grand Total @ Dec 2020</b>		<b>10,865</b>	<b>5,059</b>	
<i>Red : Secured in 2020</i>		<i>2,334</i>	<i>2,285</i>	