

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	NOTE	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		CURRENT YEAR	PRECEDING YEAR	INCREASE/ (DECREASE)	CURRENT YEAR	PRECEDING YEAR	INCREASE/ (DECREASE)
		QUARTER 30/9/2018	QUARTER 30/9/2017		TO DATE 30/9/2018	PERIOD 30/9/2017	
		RM'000	RM'000 (RESTATED)	%	RM'000	RM'000 (RESTATED)	%
REVENUE		1,444,573	1,282,957	13%	4,040,083	3,612,212	12%
OPERATING EXPENSES		(1,308,363)	(1,162,907)	13%	(3,683,576)	(3,226,158)	14%
OTHER OPERATING INCOME		23,516	25,943	(9%)	99,258	67,977	46%
PROFIT FROM OPERATIONS		159,726	145,993	9%	455,765	454,031	0%
FINANCE INCOME		66,520	56,198	18%	177,714	142,735	25%
FINANCE COSTS		(69,959)	(62,492)	12%	(201,576)	(174,503)	16%
SHARE OF PROFIT FROM ASSOCIATES		29,858	29,908	(0%)	142,327	139,851	2%
SHARE OF PROFIT FROM JOINT VENTURES		7,808	19,332	(60%)	22,831	48,574	(53%)
PROFIT BEFORE TAX		193,953	188,939	3%	597,061	610,688	(2%)
INCOME TAX EXPENSE	B5	(27,056)	(27,387)	(1%)	(76,912)	(92,744)	(17%)
PROFIT FOR THE PERIOD		166,897	161,552	3%	520,149	517,944	0%
ATTRIBUTABLE TO:							
- OWNERS OF THE PARENT		145,308	145,008	0%	466,669	447,949	4%
- NON-CONTROLLING INTERESTS		21,589	16,544	30%	53,480	69,995	(24%)
		166,897	161,552	3%	520,149	517,944	0%
EARNINGS PER SHARE							
(i) BASIC (sen)		2.99	3.04	(2%)	9.57	9.36	2%
(ii) DILUTED (sen)		2.99	3.02	(1%)	9.56	9.29	3%

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/9/2018	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2017	CURRENT YEAR TO DATE 30/9/2018	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2017
	RM'000	RM'000 (RESTATED)	RM'000	RM'000 (RESTATED)
PROFIT FOR THE PERIOD	166,897	161,552	520,149	517,944
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS				
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	(5,191)	(6,668)	(62,437)	7,492
CASH FLOW HEDGE RESERVE - FAIR VALUE GAINS				
- FAIR VALUE OF DERIVATIVES	(37,723)	32,792	(41,436)	111,193
- AMOUNT RECYCLED TO PROFIT OR LOSS	<u>35,274</u>	<u>(32,919)</u>	<u>39,296</u>	<u>(107,956)</u>
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS	(7,640)	(6,795)	(64,577)	10,729
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>159,257</u>	<u>154,757</u>	<u>455,572</u>	<u>528,673</u>
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	136,646	138,510	401,491	451,919
- NON-CONTROLLING INTERESTS	22,611	16,247	54,081	76,754
	<u>159,257</u>	<u>154,757</u>	<u>455,572</u>	<u>528,673</u>

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD (Company No : 921551-D)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018
THE FIGURES HAVE NOT BEEN AUDITED

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER 30/9/2018	IMMEDIATE PRECEDING QUARTER 30/6/2018	INCREASE/ (DECREASE)
	RM'000	RM'000	%
REVENUE	1,444,573	1,287,062	12%
OPERATING EXPENSES	(1,308,363)	(1,175,284)	11%
OTHER OPERATING INCOME	23,516	54,224	(57%)
PROFIT FROM OPERATIONS	<u>159,726</u>	<u>166,002</u>	(4%)
FINANCE INCOME	66,520	56,259	18%
FINANCE COSTS	(69,959)	(69,054)	1%
SHARE OF PROFIT FROM ASSOCIATES	29,858	84,964	(65%)
SHARE OF PROFIT FROM JOINT VENTURES	7,808	4,048	93%
PROFIT BEFORE TAX	<u>193,953</u>	<u>242,219</u>	(20%)
INCOME TAX EXPENSE	(27,056)	(26,453)	2%
PROFIT FOR THE PERIOD	<u>166,897</u>	<u>215,766</u>	(23%)
ATTRIBUTABLE TO:			
- OWNERS OF THE PARENT	145,308	199,438	(27%)
- NON-CONTROLLING INTERESTS	<u>21,589</u>	<u>16,328</u>	32%
	<u>166,897</u>	<u>215,766</u>	(23%)
EARNINGS PER SHARE			
(i) BASIC (sen)	<u>2.99</u>	<u>4.09</u>	(27%)
(ii) DILUTED (sen)	<u>2.99</u>	<u>4.09</u>	(27%)

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER 30/9/2018 RM'000	IMMEDIATE PRECEDING QUARTER 30/6/2018 RM'000
PROFIT FOR THE PERIOD	166,897	215,766
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS		
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	(5,191)	(27,603)
CASH FLOW HEDGE RESERVE - FAIR VALUE GAINS		
- FAIR VALUE OF DERIVATIVES	(37,723)	(71,216)
- AMOUNT RECYCLED TO PROFIT OR LOSS	35,274	66,388
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	<u>(7,640)</u>	<u>(32,431)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>159,257</u>	<u>183,335</u>
ATTRIBUTABLE TO:		
- OWNERS OF THE PARENT	136,646	166,166
- NON-CONTROLLING INTERESTS	<u>22,611</u>	<u>17,169</u>
	<u>159,257</u>	<u>183,335</u>

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

	AS AT END OF	AS AT PRECEDING	
	CURRENT QUARTER	FINANCIAL PERIOD END	
	30/9/2018	31/12/2017	1/1/2017
	RM'000	RM'000	RM'000
		(RESTATED)	(RESTATED)
ASSETS			
Non-current assets			
Property, plant and equipment	2,256,684	2,050,494	1,879,929
Intangible assets	18,054	15,381	32,811
Investment properties	3,075,085	2,856,760	2,798,405
Land held for property development	1,802,876	1,682,127	1,191,512
Investment in associates	1,982,381	1,889,499	1,728,879
Investment in joint ventures	1,116,414	1,635,530	1,500,604
Goodwill	312,161	311,842	311,840
Deferred tax assets	105,037	100,828	70,758
Receivables	332,056	245,959	49,760
Derivative assets	5	34,181	164,711
Rock reserves	5,935	6,131	6,394
Other investments	77,030	813	476
Biological assets	332	616	825
	11,084,050	10,830,161	9,736,904
Current assets			
Properties development costs	988,062	1,026,242	1,170,163
Inventories	755,074	681,339	669,965
Receivables, deposits & prepayments	2,901,261	2,806,774	2,707,566
Cash and bank balances, and placement in funds	5,290,035	4,426,632	4,080,055
Tax recoverable	63,846	57,504	39,085
Derivative assets	72,807	68,378	342,944
	10,071,085	9,066,869	9,009,778
Assets of disposal group classified as held for sale	-	294,283	-
TOTAL ASSETS	21,155,135	20,191,313	18,746,682
EQUITY AND LIABILITIES			
Current liabilities			
Payables, accruals & other current liabilities	2,753,818	2,980,202	2,630,723
Bank borrowings	6,007,788	4,911,049	4,860,045
Taxation	45,715	24,895	30,616
Derivative liabilities	9,465	48,315	5,560
	8,816,786	7,964,461	7,526,944
Non-current liabilities			
Long term bank borrowings	3,027,580	3,348,344	2,553,122
Other long term liabilities	320,385	279,867	340,183
Derivative liabilities	-	4,496	3,644
Deferred taxation	134,365	121,331	94,561
	3,482,330	3,754,038	2,991,510
Total liabilities	12,299,116	11,718,499	10,518,454
Equity attributable to Owners of the Parent			
Share capital	5,379,346	5,370,606	2,063,067
Share premium	-	-	3,118,802
Treasury shares	(128,646)	(63,817)	(120,532)
Perpetual bonds	200,000	-	-
Reserves	2,779,073	2,525,300	2,404,400
	8,229,773	7,832,089	7,465,737
NON-CONTROLLING INTERESTS	626,246	640,725	762,492
Total equity	8,856,019	8,472,814	8,228,229
TOTAL EQUITY AND LIABILITIES	21,155,135	20,191,313	18,746,682
Number of ordinary shares ('000)	4,924,339	4,918,491	4,813,823 *
Net Assets Per Share Attributable To Owners Of The Parent (RM)	1.67	1.59	1.55

* On 6 October 2017, the Company issued bonus shares on a basis of four (4) bonus shares for every three (3) existing Sunway Shares held. The number of ordinary shares as at 31 December 2016 was therefore adjusted on the same basis for comparative purposes. The Company had 2,063,067,000 ordinary shares as at 31 December 2016 before adjustment.

(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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD (Company No : 921551-D)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	-----ATTRIBUTABLE TO OWNERS OF THE PARENT-----											TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		NON-CONTROLLING INTERESTS		TOTAL EQUITY	
	NON-DISTRIBUTABLE				RESERVES												
	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	PERPETUAL BONDS	NEGATIVE MERGER RESERVE	FOREIGN EXCHANGE RESERVE	SHARE OPTION RESERVE	HEDGE RESERVE	FURNITURE & FITTINGS RESERVE	OTHER RESERVES	RETAINED PROFITS	TOTAL RESERVES	RM'000	RM'000	RM'000	RM'000	
PERIOD ENDED 30 SEPTEMBER 2018																	
At 1 January 2018	5,370,606	-	(63,817)	-	(1,192,040)	113,046	10,596	(17,854)	12,536	221,573	3,389,489	2,537,346	7,844,135	643,326	8,487,461		
Effects of adopting MFRS 1 *	-	-	-	-	-	-	-	-	-	-	(12,047)	(12,047)	(12,047)	(2,601)	(14,648)		
At 1 January 2018	5,370,606	-	(63,817)	-	(1,192,040)	113,046	10,596	(17,854)	12,536	221,573	3,377,442	2,525,299	7,832,088	640,725	8,472,813		
Profit for the year	-	-	-	-	-	-	-	-	-	-	466,669	466,669	466,669	53,480	520,149		
Other comprehensive income	-	-	-	-	-	(63,038)	-	(2,140)	-	-	-	(65,178)	(65,178)	601	(64,577)		
Total comprehensive income	-	-	-	-	-	(63,038)	-	(2,140)	-	-	466,669	401,491	401,491	54,081	455,572		
Issuance of ordinary shares pursuant to																	
- exercise of ESOS	8,737	-	-	-	-	-	(1,874)	-	-	-	-	(1,874)	6,863	-	6,863		
- exercise of warrants	3 ^	-	-	-	-	-	-	-	-	-	-	-	3	-	3		
Purchase of treasury shares during the year	-	-	(64,829)	-	-	-	-	-	-	-	-	-	(64,829)	-	(64,829)		
Dividends declared	-	-	-	-	-	-	-	-	-	-	(146,367)	(146,367)	(146,367)	-	(146,367)		
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(60,968)	(60,968)		
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	-	-	-	-	-	534	534	534	(7,588)	(7,054)		
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	355	(351)	4	4	(4)	-		
Transfer to furniture & fittings reserve	-	-	-	-	-	-	-	-	140	-	(140)	-	-	-	-		
Issuance of perpetual bonds	-	-	-	200,000	-	-	-	-	-	-	-	-	200,000	-	200,000		
At 30 September 2018	5,379,346	-	(128,646)	200,000	(1,192,040)	50,008	8,722	(19,994)	12,676	221,914	3,697,787	2,779,073	8,229,773	626,246	8,856,019		
^ Represents 202 warrants amounting to RM376.																	
PERIOD ENDED 30 SEPTEMBER 2017																	
At 1 January 2017	2,063,067	3,118,802	(120,532)	-	(1,192,040)	145,649	63,987	(21,794)	8,370	243,299	3,160,914	2,356,731	7,469,722	763,508	8,233,230		
Effects of adopting MFRS 1 *	-	-	-	-	-	-	-	-	-	-	(3,985)	(3,985)	(3,985)	(1,016)	(5,001)		
At 1 January 2017	2,063,067	3,118,802	(120,532)	-	(1,192,040)	145,649	63,987	(21,794)	8,370	243,299	3,156,929	2,352,746	7,465,737	762,492	8,228,229		
Profit for the year	-	-	-	-	-	-	-	-	-	-	447,949	447,949	447,949	69,995	517,944		
Other comprehensive income	-	-	-	-	-	733	-	3,237	-	-	3,970	3,970	3,970	6,759	10,729		
Total comprehensive income	-	-	-	-	-	733	-	3,237	-	-	447,949	451,919	451,919	76,754	528,673		
Issuance of ordinary shares pursuant to																	
- exercise of ESOS	187,788	383	-	-	-	-	(44,610)	-	-	-	-	(44,610)	143,561	3,146	146,707		
Purchase of treasury shares during the year	-	-	(580)	-	-	-	-	-	-	-	-	-	(580)	-	(580)		
Share buy back by a subsidiary	-	-	-	-	-	-	-	-	-	-	(580)	(580)	(580)	(713)	(1,293)		
Dividends declared	-	-	63,676	-	-	-	-	-	-	-	(144,827)	(144,827)	(81,151)	-	(81,151)		
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(34,965)	(34,965)		
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	400	400		
Share acquired by non-controlling interests	-	-	-	-	-	-	-	-	-	-	(6,101)	(6,101)	(6,101)	3,227	(2,874)		
Redemption of redeemable preference shares	-	-	-	-	-	-	-	-	-	142	(342)	(200)	(200)	(1,900)	(2,100)		
Transfer to furniture & fittings reserve	-	-	-	-	-	-	-	-	1,827	-	(1,827)	-	-	-	-		
At 30 September 2017	2,250,855	3,119,185	(57,436)	-	(1,192,040)	146,382	19,377	(18,557)	10,197	243,441	3,451,201	2,608,347	7,972,605	808,441	8,781,046		
* Effects of adopting MFRS 1 includes the effects of adopting MFRS 9 and MFRS 15																	
(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 2017 and the accompanying explanatory notes attached to the interim financial statements.)																	

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	FOR THE 9 MONTHS PERIOD ENDED 30/9/2018 RM'000	FOR THE 9 MONTHS PERIOD ENDED 30/09/2017 RM'000 (RESTATED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	597,061	610,688
Adjustments for:		
- non-cash items	(34,293)	(90,761)
- finance costs	201,576	174,503
- finance income	(177,714)	(142,735)
Operating cash flows before working capital changes	586,630	551,695
Changes in working capital	(222,525)	(190,192)
Cash flow generated from operations	364,105	361,503
Interest received	177,714	142,735
Dividend received from joint ventures and associates	95,107	84,106
Tax refunded	6,106	1,376
Tax paid	(61,730)	(89,964)
Net cash flow generated from operating activities	581,302	499,756
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment, and biological assets	9,090	12,476
Proceeds from disposal of non-current assets held for sale	306,000	-
Proceeds from disposal of joint venture	119,075	-
Acquisition of other investment	(76,272)	-
Acquisition of land	(255,220)	(82,376)
Acquisition of property, plant and equipment, and biological assets	(381,665)	(296,099)
Acquisition of intangible assets	(8,364)	(5,668)
Acquisition of equity interest from non-controlling interest	(7,022)	-
Acquisition and subsequent expenditure of investment properties	(50,180)	(104,285)
Additional shares acquired by non-controlling interest	-	300
Investment in joint ventures	(51,805)	(500)
Investment in associates	(81,826)	(3,522)
Repayment from associates and joint ventures	(187,741)	156,083
Repayment of quasi loan advances from joint venture	452,585	-
Net cash generated used in investing activities	(213,345)	(323,591)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net bank and other borrowings	750,060	1,071,534
Issue of ordinary shares pursuant to exercise of warrants	3	-
Redemption of preference shares held by minority shareholders in subsidiary companies	-	(2,100)
Interest paid	(201,576)	(174,503)
Proceeds from issue of shares from exercise of ESOS	6,863	146,707
Shares buyback	(64,829)	(580)
Dividend paid to shareholders	(146,367)	(80,866)
Dividend paid to non-controlling interests of subsidiaries	(60,968)	(34,965)
Advances from non-controlling interests of subsidiaries	2,000	-
Issuance of perpetual bonds	200,000	-
Net cash generated from financing activities	485,186	925,227
NET INCREASE IN CASH AND CASH EQUIVALENTS	853,143	1,101,392
EFFECTS OF EXCHANGE RATE CHANGES	(7,034)	(2,491)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,251,158	1,824,156
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	3,097,267	2,923,057
Bank overdrafts	144,771	121,752
Short-term investments	2,047,997	2,184,588
Cash and bank balances, and placement in funds	5,290,035	5,229,397
(The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2017 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 financial period ending 30 September 2018.

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 year ended 31 December 2017. 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 year ended 31 December 2017.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2017 except for the adoption of the following new MFRSs, amendments to MFRSs and IC Interpretations that are effective for financial statements effective from 1 January 2018, as disclosed below:

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 1	Annual Improvements to MFRS Standards 2014 - 2016 Cycle
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 128	Annual Improvements to MFRS Standards 2014 - 2016 Cycle
Amendments to MFRS 140	Transfers of Investment Property
Clarifications to MFRS 15	
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

A2 First-time Adoption of MFRS

(i) Transition from Financial Reporting Standards (FRSs) to MFRS

The Company, in its consolidated financial statements, measured the assets and liabilities of subsidiaries at the same carrying amounts as in the financial statements of these subsidiaries that have adopted the MFRS framework or International Financial Reporting Standards (IFRS) earlier than the Company, after adjusting for consolidation adjustments.

The effects of first-time adoption of MFRS are primarily from the following:

MFRS 15 - Revenue from Contracts with Customers

The effects of MFRS 15 arise mainly due to the changes to the timing of revenue recognition for the property development activities of the Group. The financial effects are presented in Note A2(ii), (iii) and (iv) below.

MFRS 9 - Financial Instruments

MFRS 9 introduces the expected credit losses (%ECL+) model on impairment that replaces the incurred loss impairment model used in MFRS 139. The ECL model requires impairment to be recognised on initial recognition including expected future credit losses whilst the incurred loss impairment model only requires recognition of credit losses incurred as at reporting date

The assessment of credit risk, as well as the estimation of ECL, are required to be unbiased, probability-weighted and should incorporate all available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should also take into account the time value of money.

(i) Transition from Financial Reporting Standards (FRSs) to MFRS (contd.)

MFRS 9 - Financial Instruments (contd.)

As a result, the total ECL allowances computed under MFRS 9 is higher than the total allowance for impairment under MFRS 139 as a more forward looking approach is adopted. The financial effects are presented in Note A2(ii), (iii) and (iv) below.

(ii) Reconciliation of profit of loss

	Individual quarter ended 30 September 2017			Cumulative quarter ended 30 September 2017			
	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Restated under MFRS RM'000	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Restated under MFRS RM'000	
	Revenue	1,319,642	(36,685)	1,282,957	3,651,936	(39,724)	3,612,212
	Operating expenses	(1,192,021)	29,114	(1,162,907)	(3,255,693)	29,535	(3,226,158)
Other operating income	25,943	-	25,943	67,977	-	67,977	
Profit from operations	153,564	(7,571)	145,993	464,220	(10,189)	454,031	
Finance income	56,198	-	56,198	142,735	-	142,735	
Finance cost	(62,492)	-	(62,492)	(174,503)	-	(174,503)	
Share of profit from associates	29,908	-	29,908	139,851	-	139,851	
Share of profit from joint ventures	19,561	(229)	19,332	49,001	(427)	48,574	
Profit before tax	196,739	(7,800)	188,939	621,304	(10,616)	610,688	
Income tax expense	(28,960)	1,573	(27,387)	(94,457)	1,713	(92,744)	
Profit after tax	167,779	(6,227)	161,552	526,847	(8,903)	517,944	
Attributable to:							
- Owners of the parent	150,854	(5,846)	145,008	455,709	(7,760)	447,949	
- Non-controlling interests	16,925	(381)	16,544	71,138	(1,143)	69,995	
	167,779	(6,227)	161,552	526,847	(8,903)	517,944	
Earnings per share:							
- Basic	3.16		3.04	9.53		9.36	
- Diluted	3.11		3.02	9.36		9.29	

(iii) Reconciliation of comprehensive income

	Individual quarter ended 30 September 2017			Cumulative quarter ended 30 September 2017			
	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Restated under MFRS RM'000	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Restated under MFRS RM'000	
	Profit for the period	167,779	(6,227)	161,552	526,847	(8,903)	517,944
	Foreign currency translation differences for foreign operation	(6,668)	-	(6,668)	7,492	-	7,492
Cash flow hedge reserve							
- Fair value of derivatives	32,792	-	32,792	111,193	-	111,193	
- Amount recycled to profit or loss	(32,919)	-	(32,919)	(107,956)	-	(107,956)	
Other comprehensive income to be reclassified to profit and loss in subsequent periods	(6,795)	-	(6,795)	10,729	-	10,729	
Total comprehensive income for the period	160,984	(6,227)	154,757	537,576	(8,903)	528,673	

(iii) Reconciliation of comprehensive income (contd.)

	Individual quarter ended 30 September 2017			Cumulative quarter ended 30 September 2017		
	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Restated under MFRS RM'000	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Restated under MFRS RM'000
	Attributable to:					
- Owners of the parent	144,356	(5,846)	138,510	459,679	(7,760)	451,919
- Non-controlling interests	16,628	(381)	16,247	77,897	(1,143)	76,754
	<u>160,984</u>	<u>(6,227)</u>	<u>154,757</u>	<u>537,576</u>	<u>(8,903)</u>	<u>528,673</u>

(iv) Reconciliation of financial position and equity

	As at 1 January 2017			As at 31 December 2017		
	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Restated under MFRS RM'000	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Restated under MFRS RM'000
	Non-current assets					
Investments in joint venture	1,501,055	(451)	1,500,604	1,637,047	(1,517)	1,635,530
Other non-current assets	8,236,300	-	8,236,300	9,194,631	-	9,194,631
	<u>9,737,355</u>	<u>(451)</u>	<u>9,736,904</u>	<u>10,831,678</u>	<u>(1,517)</u>	<u>10,830,161</u>
Current assets						
Property development costs	1,171,286	(1,123)	1,170,163	1,033,371	(7,129)	1,026,242
Receivables, deposits & prepayment	2,711,263	(3,697)	2,707,566	2,814,542	(7,768)	2,806,774
Other current assets	5,132,049	-	5,132,049	5,233,853	-	5,233,853
	<u>9,014,598</u>	<u>(4,820)</u>	<u>9,009,778</u>	<u>9,081,766</u>	<u>(14,897)</u>	<u>9,066,869</u>
Assets of disposal group classified as held for sale	-	-	-	294,283	-	294,283
TOTAL ASSETS	<u>18,751,953</u>	<u>(5,271)</u>	<u>18,746,682</u>	<u>20,207,727</u>	<u>(16,414)</u>	<u>20,191,313</u>
Current liabilities						
Taxation	30,885	(269)	30,616	26,662	(1,767)	24,895
Other current liabilities	7,496,328	-	7,496,328	7,939,566	-	7,939,566
	<u>7,527,213</u>	<u>(269)</u>	<u>7,526,944</u>	<u>7,966,228</u>	<u>(1,767)</u>	<u>7,964,461</u>
Non-current liabilities	2,991,510	-	2,991,510	3,754,038	-	3,754,038
Total liabilities	<u>10,518,723</u>	<u>(269)</u>	<u>10,518,454</u>	<u>11,720,266</u>	<u>(1,767)</u>	<u>11,718,499</u>
Equity attributable to Owners of the Parent						
Share capital	2,063,067	-	2,063,067	5,370,606	-	5,370,606
Share premium	3,118,802	-	3,118,802	-	-	-
Treasury shares	(120,532)	-	(120,532)	(63,817)	-	(63,817)
Equity contribution from non- Reserves	51,654	-	51,654	51,654	-	51,654
	<u>2,356,731</u>	<u>(3,985)</u>	<u>2,352,746</u>	<u>2,485,692</u>	<u>(12,046)</u>	<u>2,473,646</u>
	7,469,722	(3,985)	7,465,737	7,844,135	(12,046)	7,832,089
Non-controlling interest	763,508	(1,016)	762,492	643,326	(2,601)	640,725
Total equity	<u>8,233,230</u>	<u>(5,001)</u>	<u>8,228,229</u>	<u>8,487,461</u>	<u>(14,647)</u>	<u>8,472,814</u>
TOTAL LIABILITIES AND EQUITY	<u>18,751,953</u>	<u>(5,271)</u>	<u>18,746,682</u>	<u>20,207,727</u>	<u>(16,414)</u>	<u>20,191,313</u>
Net Assets Per Share Attributable To Owners Of The Parent (RM)	1.55		1.55	1.59		1.59

(v) Reconciliation of cash flows

	9 months ended 30 September 2017		
	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Restated under MFRS RM'000
Profit before tax	621,304	(10,616)	610,688
Adjustments for:			
- non-cash items	(101,377)	10,616	(90,761)
- finance costs	174,503	-	174,503
- finance income	(142,735)	-	(142,735)
Operating cash flows before	551,695	-	551,695
Changes in working capital	(190,192)	-	(190,192)
Cash flow generated from/(used in) operations	361,503	-	361,503
Interest received	142,735	-	142,735
Dividend received from joint	84,106	-	84,106
Tax refunded	1,376	-	1,376
Tax paid	(89,964)	-	(89,964)
Net cash flow generated from/(used in) operating activities	499,756	-	499,756
Cash flows from investing activities	(323,591)	-	(323,591)
Cash flows from financing activities	925,227	-	925,227
Net decrease in cash and cash equivalents	1,101,392	-	1,101,392
Effects of exchange rate changes	(2,491)	-	(2,491)
Cash and cash equivalents at beginning of period	1,824,156	-	1,824,156
Cash and cash equivalents at end of period	2,923,057	-	2,923,057

A3 Report of the Auditors

The report of the auditors of preceding annual financial statements was not subject to any qualification.

A4 Seasonal or Cyclical Factors

The results for the current quarter under review were not materially affected by seasonal or cyclical factors except for the leisure and hospitality segments which normally peaks during major festive seasons and holidays.

A5 Unusual Items

There were no material unusual items affecting the amounts reported for the current quarter ended 30 September 2018.

A6 Changes in Estimates

There were no changes in estimates that have a material effect on the amounts reported for the current quarter ended 30 September 2018.

A7 Issuances, Cancellations, Repurchases, Resale and Repayments of Debts and Equity Securities

During the financial period ended 30 September 2018, the Company increased its issued and paid up ordinary share capital by way of:

- (a) issuance of 5,847,655 ordinary shares pursuant to the exercise of the Employees' Share Option Scheme;
- (b) the repurchase of equity securities of 41,829,300 ordinary shares, at an average price of RM1.55 per share, and
- (c) issuance of 202 ordinary shares pursuant to the exercise of warrants.

Save for the above, there was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current period under review.

A8 Dividend Paid

Dividend payments made since the last financial year end are as follows:

RM146,367,485 was paid on 26 April 2018 as second interim dividend of 3 sen per ordinary share for the financial year ended 31 December 2017.

RM170,125,390 was paid on 18 October 2018 as first interim dividend of 3.5 sen per ordinary share for the financial year ended 31 December 2018.

A9 Segmental Reporting

Segmental results for the financial period ended 30 September 2018 are as follows:

	Property Development RM'000	Property Investment Division RM'000	Construction RM'000	Trading and Manufacturing RM'000	Quarry RM'000	Investment Holdings RM'000	Others RM'000	Consolidated RM'000
BY BUSINESS SEGMENTS								
REVENUE AND EXPENSES								
Total revenue	586,244	793,518	2,243,260	977,863	174,829	1,487,914	632,378	6,896,006
Inter-company sales	(170,485)	(119,053)	(884,504)	(116,305)	(10,662)	(1,484,495)	(70,419)	(2,855,923)
External sales	415,759	674,465	1,358,756	861,558	164,167	3,419	561,959	4,040,083
Results								
Operating segment results	95,508	173,611	132,665	47,944	8,136	(60,522)	58,423	455,765
Finance income	19,952	4,952	12,903	1,525	87	119,213	19,082	177,714
Finance costs	(14,101)	(120,995)	(5,848)	(10,329)	(1,849)	(36,088)	(12,366)	(201,576)
Share of results of:								
- associated companies	-	141,794	-	-	-	-	533	142,327
- joint ventures	9,713	13,396	(278)	-	-	-	-	22,831
Profit before taxation	111,072	212,758	139,442	39,140	6,374	22,603	65,672	597,061
Taxation	(13,386)	(28,763)	(29,228)	(7,546)	(671)	10,111	(7,429)	(76,912)
Profit for the period	97,686	183,995	110,214	31,594	5,703	32,714	58,243	520,149
Non controlling interests	(3,407)	(2,785)	(50,262)	(2,939)	(124)	6,180	(143)	(53,480)
Attributable to owners of the parent	94,279	181,210	59,952	28,655	5,579	38,894	58,100	466,669

	Revenue RM'000	Profit before tax RM'000	Profit after tax RM'000	Attributable to owners of the parent RM'000
BY GEOGRAPHICAL SEGMENTS				
Malaysia	3,623,788	534,630	463,188	416,995
Singapore	133,177	48,121	46,182	44,185
China	169,277	53	(829)	(2,515)
India	-	(460)	(460)	(314)
Australia	30,703	4,541	2,747	982
United Arab Emirates	-	379	379	190
Other Countries	83,138	9,797	8,942	7,146
	4,040,083	597,061	520,149	466,669

Segmental results by foreign currency for the financial period ended 30 September 2018 are as follows:

PROPERTY DEVELOPMENT SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit before tax	Profit 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)	403,318	72,623	60,699	59,031	403,318	72,623	60,699	59,031
Australian Dollar (AUD'000)	1,313	1,514	1,052	473	3,968	4,577	3,181	1,431
Hong Kong Dollar (HKD'000)	-	(2,503)	(2,631)	(2,631)	-	(1,277)	(1,342)	(1,342)
India Rupee (INR'000)	-	(437)	(437)	(437)	-	(26)	(26)	(26)
China Yuan Renminbi (RMB'000)	13,836	(10,291)	(10,291)	(10,291)	8,473	(6,302)	(6,302)	(6,302)
Singapore Dollar (SGD'000)	-	13,901	13,900	13,900	-	41,504	41,503	41,503
US Dollar (USD'000)	-	(7)	(7)	(4)	-	(27)	(27)	(16)
					415,759	111,072	97,686	94,279

PROPERTY INVESTMENT DIVISION SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit before tax	Profit 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)	659,145	214,215	185,583	182,865	659,145	214,215	185,583	182,865
Hong Kong Dollar (HKD'000)	-	(71)	(71)	(71)	-	(36)	(36)	(36)
US Dollar (USD'000)	2,360	68	35	19	9,434	272	141	74
Vietnam Dong (VND'000,000)	33,817	(9,727)	(9,727)	(9,727)	5,886	(1,693)	(1,693)	(1,693)
					674,465	212,758	183,995	181,210

CONSTRUCTION SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit before tax	Profit 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)	1,255,704	130,304	101,954	55,473	1,255,704	130,304	101,954	55,473
United Arab Emirates Dirham (AED'000)	-	344	344	173	-	379	379	190
India Rupee (INR'000)	-	(5,375)	(5,375)	(2,923)	-	(320)	(320)	(174)
Singapore Dollar (SGD'000)	34,515	1,762	1,468	799	103,052	5,261	4,383	2,385
Trinidad & Tobago Dollar (TTD'000)	-	6,360	6,360	3,461	-	3,818	3,818	2,078
					1,358,756	139,442	110,214	59,952

TRADING & MANUFACTURING SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit before tax	Profit 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)	623,463	23,830	19,545	18,310	623,463	23,830	19,545	18,310
Australian Dollar (AUD'000)	8,845	(7)	(139)	(147)	26,735	(22)	(419)	(443)
Indonesia Rupiah (IDR'000,000)	158,178	17,661	15,540	15,540	44,817	5,004	4,403	4,403
China Yuan Renminbi (RMB'000)	185,201	10,854	9,688	6,945	113,417	6,647	5,933	4,253
Singapore Dollar (SGD'000)	10,090	421	66	66	30,125	1,257	196	196
Thai Baht (THB'000)	184,767	19,472	15,552	15,552	23,001	2,424	1,936	1,936
					861,558	39,140	31,594	28,655

INVESTMENT HOLDING SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit before tax	Profit 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)	3,419	20,757	30,918	37,126	3,419	20,757	30,918	37,126
Hong Kong Dollar (HKD'000)	-	5,640	5,542	5,487	-	2,877	2,827	2,799
China Yuan Renminbi (RMB'000)	-	(1,684)	(1,684)	(1,684)	-	(1,031)	(1,031)	(1,031)
					3,419	22,603	32,714	38,894

OTHERS SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit before tax	Profit 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)	514,572	66,545	59,169	59,004	514,572	66,545	59,169	59,004
China Yuan Renminbi (RMB'000)	77,379	(1,404)	(1,491)	(1,455)	47,387	(860)	(913)	(891)
					561,959	65,672	58,243	58,100

The quarry segment is denominated entirely in Malaysian Ringgit.

Segmental assets and liabilities for the financial period ended 30 September 2018 are as follows:

	Property Development	Property Investment Division	Construction	Trading and Manufacturing	Quarry	Investment Holdings	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Segment assets	4,789,421	4,145,947	1,770,864	991,525	164,420	4,186,070	1,839,210	17,887,457
Investment in associates	13	1,922,105	-	269	-	-	59,994	1,982,381
Investment in joint ventures	959,223	113,301	43,890	-	-	-	-	1,116,414
Unallocated assets								168,883
Total assets								21,155,135
Liabilities								
Segment liabilities	939,715	951,049	1,214,813	328,708	43,533	7,741,128	900,090	12,119,036
Unallocated liabilities								180,080
Total liabilities								12,299,116

A10 Foreign Currency Rates

The foreign currency exchange rates used are as follows:

Denomination	Closing rate	Average rate
United Arab Emirates Dirham	1.1306	1.1003
Australian Dollar	2.9952	3.0227
Hong Kong Dollar	0.5308	0.5101
Indonesia Rupiah ('000)	0.2780	0.2833
India Rupee	0.0572	0.0595
Japanese Yen	0.0367	0.0366
China Yuan Renminbi	0.6026	0.6124
Singapore Dollar	3.0389	2.9857
Thai Baht	0.1280	0.1245
US Dollar	4.1490	3.9978
Vietnam Dong ('000)	0.1777	0.1741

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

A11 Valuation of Property, Plant and Equipment and Investment Properties

The Group adopts the fair value model for its investment properties. There is no significant and indicative change in value of the said investment properties since the last balance sheet date.

A12 Material events

There were no material events subsequent to the current quarter ended 30 September 2018.

A13 Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current quarter ended 30 September 2018.

A14 Contingent Liabilities and Assets

Details of contingent liabilities of the Group as at the date of issue of the report are as follows:

	30/9/2018 RM'000	31/12/2017 RM'000
Guarantees given to third parties in respect of contracts and trade performance	<u>808,767</u>	<u>796,322</u>

There were no other material changes in contingent liabilities since the last annual reporting date.
There were no contingent assets.

A15 Commitments

(a) Capital commitment not provided for in the financial year as at 30 September 2018 is as follows:

	30/9/2018 RM'000	31/12/2017 RM'000
Amount authorised and contracted for	87,799	427,723
Amount authorised but not contracted for	<u>156,194</u>	<u>298,665</u>
	<u>243,993</u>	<u>726,388</u>

(b) Operating lease commitment not provided for in the financial year as at 30 September 2018 is as follows:

	30/9/2018 RM'000	31/12/2017 RM'000
Future minimum lease payment:		
- not later than 1 year	103,221	92,007
- later than 1 year and not later than 5 years	221,883	228,656
- later than 5 years	<u>67,939</u>	<u>40,759</u>
	<u>393,043</u>	<u>361,422</u>
Future minimum lease receipts:		
- not later than 1 year	81,467	80,060
- later than 1 year and not later than 5 years	338,038	317,675
- later than 5 years	<u>806,987</u>	<u>801,957</u>
	<u>1,226,492</u>	<u>1,199,692</u>

B1 Review of Performance

For the quarter

The Group recorded revenue of RM1,444.6 million and profit before tax of RM194.0 million for the current quarter ended 30 September 2018 compared to revenue of RM1,283.0 million and profit before tax of RM188.9 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 12.6% and profit before tax of 2.7%. Revenue was higher in the current quarter due to higher contributions from most business segments, while profit before tax was higher primarily due to higher contributions from the property development and construction segments. Profit before tax would have been higher by 32.9% compared to the corresponding quarter of the previous financial year if not for the adoption of MFRS 15 on one of the Group's Singapore and China property development projects, for which the Group can only recognise the development profits upon completion. The progressive profits of RM57.1 million from these projects, which could have been recognised in the current quarter under the progressive revenue recognition treatment, has to be deferred accordingly.

The property development segment reported revenue of RM194.8 million and profit before tax of RM40.9 million in the current quarter compared to revenue of RM125.5 million and profit before tax of RM31.3 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 55.1% and profit before tax of 30.5%. The higher performance in the current quarter was mainly due to higher sales and progress billings from local development projects, further boosted by the completion and handover of a local development project during the quarter. As mentioned above, profit before tax would have been higher by RM57.1 million (or 212.8% as compared to the corresponding quarter) if not for the adoption of MFRS 15.

The property investment segment reported revenue of RM237.8 million and profit before tax of RM54.6 million in the current quarter compared to revenue of RM225.4 million and profit before tax of RM58.1 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 5.5% and decrease in profit before tax of 6.0%. The increase in revenue in the current quarter was mainly due to additional contribution from new properties such as Sunway Velocity Hotel and Sunway Geo in Sunway South Quay, as well as improved contribution from Sunway Velocity Mall and the Group's theme parks. Profit before tax, however, was lower due to lower contribution from the other operations in the current quarter.

The construction segment recorded revenue of RM465.4 million and profit before tax of RM49.8 million in the current quarter compared to revenue of RM416.6 million and profit before tax of RM44.9 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 11.7% and profit before tax of 10.7%. The financial performance of the segment in the current quarter was better mainly due to higher progress billings from local construction projects.

The trading and manufacturing segment recorded revenue of RM296.9 million and profit before tax of RM14.2 million in the current quarter compared to revenue of RM292.9 million and profit before tax of RM15.3 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 1.3% and decrease in profit before tax of 7.3%. Although revenue was marginally higher in the current quarter, profit before tax was lower mainly due to lower contribution from the Winstar group of companies.

The quarry segment reported revenue of RM56.3 million and profit before tax of RM1.7 million in the current quarter compared to revenue of RM50.3 million and profit before tax of RM2.9 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 11.9% and decrease in profit before tax of 41.2%. The higher revenue in the current quarter was mainly due to higher average selling prices for aggregates and premix, as well as higher sales volume for aggregates. Profit before tax, however, was lower in the current quarter mainly due to lower operating margins.

The other segments recorded revenue of RM193.5 million and profit before tax of RM32.8 million in the current quarter compared to revenue of RM172.2 million and profit before tax of RM36.4 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 12.4% and decrease in profit before tax of 9.9%. Revenue was higher in the current quarter primarily due to higher contribution from the healthcare segment, while profit before tax was lower mainly due to lower operating margins in the building materials segment.

For 9 months period

The Group recorded revenue of RM4,040.1 million and profit before tax of RM597.1 million for the current 9 months period ended 30 September 2018 compared to revenue of RM3,612.2 million and profit before tax of RM610.7 million in the corresponding 9 months period ended 30 September 2017, representing an increase in revenue of 11.8% and decrease in profit before tax of 2.2%. The increase in revenue in the current period was contributed by all business segments, except property development. Current period profit before tax was lower, however, mainly due to lower profit contribution from the property development and building materials segments. Profit contribution from the property development segment was also impacted by the adoption of MFRS 15 on one of the Group's Singapore and China property development projects, as mentioned above. The Group's profit before tax in the current period would have been higher by RM85.4 million (or 11.8% as compared to the previous corresponding 9 months period) if not for the adoption of MFRS 15.

The Group, however, recorded profit after tax and minority interest (PATMI) of RM466.7 million for the current 9 months period ended 30 September 2018 compared to PATMI of RM447.9 million in the corresponding 9 months period ended 30 September 2017, representing an increase in PATMI of 4.2%. The higher PATMI was mainly due to the lower minority interest profit for some local property development projects in the current period. The Group PATMI would have been higher by 23.3% in the current period as compared to the previous corresponding 9 months period if not for the adoption of MFRS 15.

The property development segment reported revenue of RM415.8 million and profit before tax of RM111.1 million for the current 9 months period ended 30 September 2018 compared to revenue of RM536.9 million and profit before tax of RM134.6 million in the corresponding 9 months period ended 30 September 2017, representing a decrease in revenue of 22.6% and profit before tax of 17.5%. The lower financial performance was mainly due to lower progress billings from local development projects in the current period. Further, following the adoption of MFRS 15, as mentioned above, the progressive profits from one of the Group's Singapore and China property development projects totaling RM85.4 million in the current period can only be recognised upon completion. Profit before tax would have been higher by 46.0% compared to the previous corresponding 9 months period if not for the adoption of MFRS 15.

The property investment segment reported revenue of RM674.5 million and profit before tax of RM212.8 million for the current 9 months period ended 30 September 2018 compared to revenue of RM619.7 million and profit before tax of RM191.0 million in the corresponding 9 months period ended 30 September 2017, representing an increase in revenue of 8.8% and profit before tax of 11.4%. The higher revenue in the current period was mainly due to additional contribution from new properties such as Sunway Velocity Hotel and Sunway Geo in Sunway South Quay, as well as from the opening of additional room inventory at The Banjaran Hotsprings Retreat & Spa in Ipoh. Revenue was also boosted by higher contribution from Sunway Velocity Mall and the Group's theme park. Profit before tax was higher in line with the higher revenue, mainly attributable to the better performance registered by Sunway Velocity Mall as compared to the previous corresponding period.

The construction segment recorded revenue of RM1,358.8 million and profit before tax of RM139.4 million for the current 9 months period ended 30 September 2018 compared to revenue of RM1,044.4 million and profit before tax of RM131.6 million in the corresponding 9 months period ended 30 September 2017, representing an increase in revenue of 30.1% and profit before tax of 5.9%. Revenue was higher in the current period due to higher progress billings and lower intra-group eliminations. Profit before tax was higher in line with the higher revenue, but offset by lower profit contribution from the precast division.

The trading and manufacturing segment recorded revenue of RM861.6 million and profit before tax of RM39.1 million for the current 9 months period ended 30 September 2018 compared to revenue of RM764.1 million and profit before tax of RM37.2 million in the corresponding 9 months period ended 30 September 2017, representing an increase in revenue of 12.8% and profit before tax of 5.1%. The financial performance in the current period was higher mainly due to improved overall market condition and sentiment, which resulted in higher sales for the segment, both locally and overseas.

The quarry segment reported revenue of RM164.2 million and profit before tax of RM6.4 million for the current 9 months period ended 30 September 2018 compared to revenue of RM149.2 million and profit before tax of RM7.8 million in the corresponding 9 months period ended 30 September 2017, representing an increase in revenue of 10.1% and decrease in profit before tax of 18.3%. The higher revenue in the current period was mainly due to higher average selling prices for aggregates and premix. However, profit before tax was lower mainly due to lower operating margins.

The other segments recorded revenue of RM565.4 million and profit before tax of RM88.3 million for the current 9 months period ended 30 September 2018 compared to revenue of RM497.9 million and profit before tax of RM108.4 million in the corresponding 9 months period ended 30 September 2017, representing an increase in revenue of 13.5% and decrease in profit before tax of 18.5%. Revenue was higher in the current period mainly due to higher contributions from the healthcare and building materials segments. The lower profit before tax, however, was mainly attributable to lower operating margins in the building materials segment.

B2 Material Changes in the Quarterly Results

The Group recorded revenue of RM1,444.6 million and profit before tax of RM194.0 million for the current quarter compared to revenue of RM1,287.1 million and profit before tax of RM242.2 million in the preceding quarter, representing an increase in revenue of 12.2% and decrease in profit before tax of 19.9%. The higher revenue in the current quarter was mainly due to higher contributions from most business segments, while profit before tax was lower mainly due to lower contributions from the property development segment in the current quarter, and the share of fair value gains from revaluation of Sunway REIT properties of RM59.2 million recorded in the preceding quarter.

The property development segment reported revenue of RM194.8 million and profit before tax of RM40.9 million for the current quarter compared to revenue of RM88.7 million and profit before tax of RM46.4 million in the preceding quarter, representing an increase in revenue of 119.6% and decrease in profit before tax of 11.9%. The increase in revenue in the current quarter was primarily due to higher progress billings for local development projects and the completion and handover of a local development project during the quarter. Profit before tax was lower, however, primarily due to the realisation of the foreign exchange gains from the accumulated profits arising from the Group's Singapore property development projects recorded in the preceding quarter. Profit before tax was also impacted by the adoption of MFRS 15, as mentioned above, as progressive profits of RM57.1 million could not be recognised in the current quarter, compared to RM28.3 million which could not be recognised in the preceding quarter.

The property investment segment reported revenue of RM237.8 million and profit before tax of RM54.6 million for the current quarter compared to revenue of RM216.7 million and profit before tax of RM102.5 million in the preceding quarter, representing an increase in revenue of 9.7% and decrease in profit before tax of 46.7%. The increase in revenue in the current quarter was primarily driven by higher contributions from the Group's theme parks, and higher occupancy at The Banjaran Hotsprings Retreat & Spa in Ipoh. However, profit before tax was lower as the profit in the preceding quarter was boosted by share of fair value gains from revaluation of Sunway REIT properties of RM59.2 million.

The construction segment recorded revenue of RM465.4 million and profit before tax of RM49.8 million for the current quarter compared to revenue of RM449.7 million and profit before tax of RM49.6 million in the preceding quarter, representing an increase in revenue of 3.5% and profit before tax of 0.4%. Revenue was higher in the current quarter mainly due to higher progress billings from local projects and lower intra-group elimination. However, current profit before tax remained flat due to higher intra-group elimination and lower contributions from the precast division.

The trading and manufacturing segment recorded revenue of RM296.9 million and profit before tax of RM14.2 million for the current quarter compared to revenue of RM286.4 million and profit before tax of RM13.4 million in the preceding quarter, representing an increase in revenue of 3.6% and profit before tax of 6.0%. Financial performance was better in the current quarter mainly due to better performance locally.

The quarry segment reported revenue of RM56.3 million and profit before tax of RM1.7 million for the current quarter compared to revenue of RM57.9 million and profit before tax of RM2.9 million in the preceding quarter, representing a decrease in revenue of 2.8% and profit before tax of 41.9%. The weaker performance of the segment in the current quarter was mainly due to lower sales volume for premix and lower operating margins.

The other segments recorded revenue of RM193.5 million and profit before tax of RM32.8 million for the current quarter compared to revenue of RM187.7 million and profit before tax of RM27.4 million in the preceding quarter, representing an increase in revenue of 3.1% and profit before tax of 19.7%. The higher revenue in the current quarter was mainly due to higher contribution from the healthcare segment. Profit before tax was higher in line with the higher revenue from the healthcare segment, combined with higher contribution from the Group's treasury operations in the current quarter.

B3 Prospects

The Group continued to perform well by registering a Group PATMI of RM466.7 million for the current 9 months period compared to RM447.9 million in the corresponding period of last year, representing an increase of 4.2%. The Group PATMI would have been higher by 23.3% in the current period compared to the previous corresponding period if not for the adoption of MFRS 15.

While the short term outlook is still clouded by the trade war between the United States and China, the domestic economy is expected to remain resilient, underpinned by recovering consumer and business confidence going forward. Barring any unforeseen circumstances, the Group will continue to deliver a satisfactory performance for the last quarter of this year.

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

The current taxation does not include the tax payable for the share of profit from associates and share of profit from joint ventures as the share of profit is recognised on an after tax basis.

	Current Quarter Ended 30/9/2018 RM'000	Cumulative Year To Date 30/9/2018 RM'000
Current taxation	(15,535)	(70,457)
Deferred taxation	(11,521)	(6,455)
	<u>(27,056)</u>	<u>(76,912)</u>

B6 Profit/(Loss) before Taxation

The following amounts have been included in arriving at profit/(loss) before taxation:

	Current Quarter Ended 30/9/2018 RM'000	Cumulative Year To Date 30/9/2018 RM'000
Depreciation and amortisation	(40,044)	(113,865)
Net reversal/(provision) of impairment for:		
- Trade receivables	(1,649)	(1,927)
- Inventories	(386)	(1,191)
- Advances to joint venture	(1,032)	(3,023)
Write off:		
- Trade receivables	1,207	221
- Inventories	(90)	(181)
- Property, plant and equipment	(126)	(268)
Net gain on disposal of:		
- property, plant and equipment	150	1,103
- non-current asset held for sale	-	1,630
Net foreign exchange gain/(loss):		
- Others	(1,066)	26,893
- Unrealised for hedged items	(35,274)	(39,296)
Cash flow hedge reserve recycled to profit or loss	35,274	39,296

B7 Status of Corporate Proposal Announced

There were no new corporate proposals announced but not completed as at the date of this report, except for the following:

B7.1 Sales and Purchase Agreements between Sunway Subang Sdn. Bhd. with Sunway Serene Sdn. Bhd., View2pick Sdn. Bhd. and Chen Yew Plastics Sdn. Bhd. and Shareholders Agreement between Sunway City Sdn. Bhd. and View2pick Sdn. Bhd.

Sunway Subang Sdn. Bhd. (the JVCo), a wholly-owned subsidiary of Sunway City Sdn. Bhd. (SunCity), which in turn is a wholly-owned subsidiary of the Company, had on 19 February 2016, entered into the following Sale and Purchase Agreements (SPAs) for the acquisition of the undermentioned parcels of leasehold land (60 years tenure) free from encumbrances for a total purchase consideration of RM32,725,000 (excluding Goods and Services Tax) (Proposed Property Acquisition):

Vendors	Details of the lands	Purchase Consideration RM'000
Sunway Serene Sdn. Bhd. ("SSSB")	Hakmilik H.S.(D) 182796, PT 7 in Pekan Subang, Daerah Petaling, Negeri Selangor measuring approximately 8,523 square metres (PT 7)	12,500
View2pick Sdn. Bhd. (V2P)	Hakmilik H.S.(D) 113417, PT 8 in Pekan Subang, Daerah Petaling, Negeri Selangor measuring approximately 0.9105 hectares (PT 8)	9,000
Chen Yew Plastics Sdn. Bhd. (CYP)	Hakmilik H.S.(M) 6476, PT 2049 in Mukim Sungai Buluh, Daerah Petaling, Negeri Selangor measuring approximately 2 acres together with buildings erected thereon (PT 2049)	11,225
TOTAL		32,725

PT 7, PT 8 and PT 2049 shall collectively be referred to as the Lands.

SunCity had on even date, entered into a Shareholders Agreement (SHA) with V2P for the purpose of establishing a joint venture via the JVCo to develop industrial properties on the Lands (Development) as well as to regulate the relationship between SunCity and V2P with respect to the joint venture (Proposed Joint Venture).

Salient terms of the SPAs include, inter-alia, the following:

Pursuant to the SPAs, the JVCo would acquire the Lands from SSSB, V2P and CYP free from encumbrances for a total purchase consideration of RM32,725,000 (excluding Goods and Services Tax).

The SPA for PT 2049 is conditional upon, amongst others, CYP having obtained the State Authority's approval whether unconditionally or subject to conditions acceptable to the JVCo and the discharge of the charge over PT 2049.

B7.1 Sales and Purchase Agreements between Sunway Subang Sdn. Bhd. with Sunway Serene Sdn. Bhd., View2pick Sdn. Bhd. and Chen Yew Plastics Sdn. Bhd. and Shareholders Agreement between Sunway City Sdn. Bhd. and View2pick Sdn. Bhd. (contd.)

The SPAs for PT 7 and PT 8 shall become unconditional when the following conditions have been fulfilled:

- (a) SSSB and CYP having obtained the State Authority's approval, whether unconditionally or subject to conditions acceptable to the JVCo;
- (b) the execution and fulfilment of the conditions precedent set out for PT 7 and PT 8;
- (c) SSSB and V2P having obtained the State Authority's approval in accordance with the relevant provisions of the National Land Code in respect of the application for (i) amalgamation or (ii) surrender and re-alienation of PT 7, PT 8 and PT 2049 into one single issue document of title with a leasehold period of 99 years commencing from the date of issuance of the relevant new issue document of title; and
- (d) V2P having procured the registration of the discharge of the charge created over PT 8.

The completion of the acquisition of PT 7 and PT 8 are inter-conditional with one another while PT 2049 would be acquired independent of the acquisition of PT 7 and PT 8.

Salient terms of the SA include, inter-alia, the following:

- (a) Under the Proposed Joint Venture, SunCity and V2P shall subscribe for the following ordinary shares of RM1 each for cash in the share capital of the JVCo:

Shareholders	Number of shares	Shareholding Ratio
SunCity	79,000	80% *
V2P	20,000	20%

* Included 1,000 ordinary shares currently held by SunCity in the JVCo.

- (b) SunCity and V2P shall be entitled to nominate and appoint 3 directors and 1 director respectively in the JVCo.
- (c) SunCity shall nominate the Chairman of the Board.
- (d) The JVCo to enter into a management agreement with Sunway Integrated Properties Sdn. Bhd., a wholly-owned subsidiary of SunCity to undertake the tasks stipulated in the SA at a management fee equivalent to 1% of gross development value (%GDV+) of the Development.

The SA shall become unconditional when the following conditions have been fulfilled:

- (a) Execution of the SPAs and fulfilment of the conditions precedent of the SPAs in relation to PT 7, PT 8 and PT 2049; and
- (b) Approval of the relevant authorities granted to the JVCo for the amalgamation or surrender and re-alienation of the Lands and the extension of the leasehold period of the Lands to 99 years.

The Proposed Property Acquisition of PT2049 and the Proposed Joint Venture were completed on 29 June 2016 and 24 May 2017 respectively. The remainder of the Proposed Property Acquisition has not been completed as at the date of this report.

B7.2 Collective purchase of land, all the units and the common property in the development known as Brookvale Park comprised in Lots 4267K, 4268N, 4269X and 4270K of Mukim 5, Singapore ("Brookvale Park")

On 15 February 2018, Hoi Hup Realty Pte. Ltd. (%Hoi Hup+) and Sunway Developments Pte. Ltd. (a wholly-owned subsidiary of Sunway Holdings Sdn. Bhd., which in turn wholly-owned by the Company) (%SDPL+) had entered into a Collective Sale and Purchase Agreement with the collective majority owners of Brookvale Park to acquire Brookvale Park (%the Property+) for a total consideration of S\$530.0 million (equivalent to approximately RM1.59 billion). The completion of the agreement is subject to fulfillment of conditions precedent and authorities approval.

Brookvale Park, located on 999-year leasehold land in Clementi, Singapore, is currently a 160-unit private residential estate with a land area of 34,654 square meter. The Property will be redevelop into a new private residential development with an allowed plot ratio of 1.6 times, subject to authorities approval (%the Proposed Project+).

The Collective Sale and Purchase Agreement has not been completed as at the date of this report.

B7.3 Proposed acquisition of residential units by Sunglobal Resources Sdn. Bhd.

On 25 May 2018, Sunglobal Resources Sdn Bhd (~~(%Sunglobal+)~~) entered into a Master Sale and Purchase Agreement (~~(%SPA+)~~) with Setapak Heights Development Sdn Bhd (~~(%Setapak Heights+)~~) for the acquisition of 47 completed individual residential units of Residensi Infiniti 3 (~~(%Parcels+)~~) developed by Setapak Heights on a leasehold land of 99 years expiring on 24 February 2109 held under Pajakan Negeri 50980 Lot 200649 Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan (~~(%Land+)~~) on an ~~(%as is where is+)~~ basis and free from encumbrances and with vacant possession (~~(%Proposed Acquisition+)~~) for a total purchase consideration of RM45,795,860 ("Contract Price").

The Contract Price shall be satisfied by Sunglobal in the following manner:

- (a) A sum of RM4,579,586 (~~(%Initial Payment+)~~) paid to Setapak Heights upon execution of the SPA as part payment of the Contract Price;
- (b) Payment of RM20,608,137 shall be paid to Setapak Heights within 12 months from the date of the SPA towards part payment of the Contract Price; and
- (c) Payment of the remaining balance of the Contract Price of RM20,608,137 shall be paid to Setapak Heights within 18 months from the date the SPA.

The SPA is conditional upon the discharge of the assignment of the Parcels in favour of Al-Rajhi Banking & Investment Corporation (Malaysia) Berhad within one month from the date of the SPA or such further period as may be granted by Sunglobal (~~(%Cut-Off Period+)~~). Setapak Heights and Sunglobal shall treat the sale and purchase of the Parcels as being completed on the date this condition is fulfilled notwithstanding that the Contract Price has yet to be paid in full. If the condition is not fulfilled by the expiry of the Cut-Off Period, Setapak Heights is to refund the Initial Payment to Sunglobal and Sunglobal shall have the right to terminate the SPA.

The Proposed Acquisition has not been completed a at the date of this report.

B8 Group Borrowings and Debt Securities

The Group borrowings as at 30 September 2018 are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
Secured borrowings			
<u>Islamic:</u>			
Term loan	767,565	-	767,565
Revolving credits	414,900	-	414,900
	1,182,465	-	1,182,465
<u>Conventional:</u>			
Bank overdrafts	144,771	-	144,771
Term loan	1,006,976	457,114	1,464,090
Revolving credits	459,923	-	459,923
Medium term notes	-	480,000	480,000
Bankers' acceptances	2,611	-	2,611
Hire purchase and lease liabilities	397	466	863
	1,614,678	937,580	2,552,258
Total secured borrowings	2,797,143	937,580	3,734,723
<u>Islamic:</u>			
Medium term notes	-	1,480,000	1,480,000
Commercial papers	1,240,000	-	1,240,000
	1,240,000	1,480,000	2,720,000
<u>Conventional:</u>			
Term loan	168,598	-	168,598
Revolving credits	336,894	-	336,894
Medium term notes	-	610,000	610,000
Bankers' acceptances	173,209	-	173,209
Commercial papers	1,166,000	-	1,166,000
Bills discounting	125,944	-	125,944
	1,970,645	610,000	2,580,645
Total unsecured borrowings	3,210,645	2,090,000	5,300,645
Total borrowings	6,007,788	3,027,580	9,035,368
Islamic borrowings	2,422,465	1,480,000	3,902,465
Conventional borrowings	3,585,323	1,547,580	5,132,903
Total borrowings	6,007,788	3,027,580	9,035,368

Included in the Group borrowings as at 30 September 2018 are amounts denominated in foreign currency as follows:

Secured	Foreign currency		RM'000		
	Current	Non-current	Current	Non-current	Total
US Dollar (USD'000) *					
- Term loan	460,147	100,000	1,909,150	414,900	2,324,050
- Revolving credits	241,000	-	999,909	-	999,909
Singapore Dollar (SGD'000) #					
- Term loan	90,000	-	273,501	-	273,501
Indonesian Rupiah (RP'000) **					
- Term loan	2,540,888	-	706	-	706
Chinese remimbi (RMB'000) **					
- Term loan	8,000	-	4,821	-	4,821
Australia Dollar (AUD'000) *					
- Term loan	90,848	-	272,108	-	272,108
			3,465,016	414,900	3,879,916

The Group borrowings as at 30 September 2017 are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
Secured borrowings			
<u>Islamic:</u>			
Term loan	567,088	445,000	1,012,088
<u>Conventional:</u>			
Bank overdrafts	121,752	-	121,752
Term loan	1,524,723	1,072,584	2,597,307
Revolving credits	50,000	-	50,000
Medium term notes	-	480,000	480,000
Bankers' acceptances	33,226	-	33,226
Hire purchase and lease liabilities	944	442	1,386
	1,730,645	1,553,026	3,283,671
Total secured borrowings	2,297,733	1,998,026	4,295,759
Unsecured borrowings			
<u>Islamic:</u>			
Medium term notes	-	680,000	680,000
Revolving credits	80,000	-	80,000
Commercial papers	1,195,000	-	1,195,000
	1,275,000	680,000	1,955,000
<u>Conventional:</u>			
Term loan	2,180	-	2,180
Medium term notes	150,000	610,000	760,000
Commercial paper	144,770	-	144,770
Bills discounting	910,000	-	910,000
Bankers' acceptances	145,532	-	145,532
	1,352,482	610,000	1,962,482
Total unsecured borrowings	2,627,482	1,290,000	3,917,482
Total borrowings	4,925,215	3,288,026	8,213,241
Islamic borrowings	1,842,088	1,125,000	2,967,088
Conventional borrowings	3,083,127	2,163,026	5,246,153
Total borrowings	4,925,215	3,288,026	8,213,241

Included in the Group borrowings as at 30 September 2017 are amounts denominated in foreign currency as follows:

Secured	Foreign currency		RM'000		
	Current	Non-current	Current	Non-current	Total
US Dollar (USD'000) *					
- Term loan	438,000	-	1,853,616	-	1,853,616
Singapore Dollar (SGD'000) #					
- Term loan	-	90,000	-	280,827	280,827
Chinese Renminbi (RMB'000) **					
- Term loan	12,882	-	8,190	-	8,190
Indonesian Rupiah (RP'000) **					
- Term loan	3,972,762	-	1,243	-	1,243
Australia Dollar (AUD'000) **					
- Term loan	315	-	1,048	-	1,048
			1,864,098	280,827	2,144,925

Notes:

* Borrowings in which cross currency swap contracts have been entered into.

** Borrowings obtained by overseas subsidiaries.

Borrowings partially obtained by overseas subsidiaries. Those obtained by local subsidiaries have entered into cross currency swap contracts.

Overall, the total borrowing of the Group has increased by RM1.04 billion, from RM8.03 billion as at 30 September 2017 to RM9.07 billion as at 30 September 2018.

The increase in Group's borrowing is mainly to fund the development cost of its on-going projects in Sunway Velocity, Sunway Iskandar and Sunway Serene, expansion cost in Sunway Medical Centre and landbank acquisition.

The weighted average interest rate of borrowings as at 30 September 2018 is 4.11%. 43% of the Group's total borrowing are fixed rate instruments, whereas 57% are floating rate instruments.

Out of the total borrowings of RM9.07 billion, RM3.88 billion (Current: RM3.47 billion ; Non-current: RM0.41 billion) are denominated in foreign currencies. The group entered into cross currency swap contracts to manage its exposure in foreign currency risk arising from foreign currency borrowings, which was entered into for minimising the interest cost. The average exchange rate entered for USD borrowings is 4.030, AUD borrowings is 3.000 and SGD borrowings is 2.573.

B9 Derivative Financial Instruments

The Group's outstanding derivatives as at 30 September 2018 were as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gains/(Losses) for the period RM'000	Cash Flow Hedge Reserve RM'000
Interest rate swap contracts				
- Less than 1 year *	916,130	(45)	-	
Foreign currency forward contracts				
- Less than 1 year	53,080	(965)	430	-
- 1 year to 3 years	36,751	5	451	-
Cross currency swap contracts #				
- Less than 1 year	1,844,952	64,354		2,140
- 1 year to 5 years	-	(2)		-
Total derivatives		63,347	881	2,140

* Includes a contract which has expired during the period.

Include contracts which have not been drawn down during the period.

Commodity futures

The commodity futures were entered into with the objective of managing and hedging the Company's exposure to adverse price movements in commodities. The fair values of this component have been determined based on published market prices or prices quoted from reputable financial institutions.

The above derivative is initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss from the re-measurement is recognised in profit or loss.

Foreign currency forward contracts

The Group entered into foreign currency forward contracts to minimise its exposure to foreign currency risks as a results of transactions denominated in currencies other than its functional currency, arising from normal business activities. These are done in accordance with the Group's foreign currency hedging policy and are executed with credit-worthy financial institutions which are governed by appropriate policies and procedures.

The derivatives arising from the foreign currency forward contracts are stated at fair value, using the prevailing market rates. Derivatives with positive market values are included under current assets and derivatives with negative market values are included under current liabilities. Any changes in fair value of derivatives during the period are taken directly to the income statement.

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 fair value interest rates and the hedging contract minimises the fluctuation of cash flow due to changes in the market interest rates. 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 period are taken directly to the income statement.

Cross currency swap contracts

The Group entered into cross currency swap contracts to manage its exposure in foreign currency risk arising from foreign currency borrowings which was entered to minimise the interest cost. The Group uses cash flow hedges to mitigate the risk of variability of future cash flows attributable to foreign currency and interest rate fluctuations over the hedging period on the foreign currency borrowings. Where a cash flow hedge qualifies for hedge accounting, the effective portion of gains or losses on remeasuring the fair value of the hedging instrument are recognised directly in other comprehensive income until such time as the hedged item affects profit or loss, then the gains or losses are transferred to the income statement. Gains or losses on any portion of the hedge determined to be ineffective are recognised immediately in the income statement.

Cash flow hedge accounting could not be applied where the hedge instruments were entered into prior to the loan drawdown. Changes in fair value of these hedge instruments are therefore recognised in the income statement.

B11 Ageing Analysis of Trade Receivables

The aging analysis of the Group's trade receivables are as follows:

	30/9/2018 RM'000	31/12/2017 RM'000 (Restated)
Neither past due nor impaired	1,398,975	1,676,075
1 to 30 days past due not impaired	175,918	110,633
31 to 60 days past due not impaired	112,483	80,431
61 to 90 days past due not impaired	60,549	37,033
91 to 120 days past due not impaired	25,159	19,119
More than 120 days past due not impaired	74,590	50,543
	448,699	297,759
Impaired	81,039	93,263
Total trade receivables	1,928,713	2,067,097
Less: Allowance for impairment	(81,039)	(93,263)
Net trade receivables	1,847,674	1,973,834
Other receivables	434,784	301,907
Amounts due from associates	55,838	41,904
Amounts due from joint ventures	895,021	735,088
Total receivables	3,233,317	3,052,733
Non-current receivables	332,056	245,959
Current receivables	2,901,261	2,806,774
Total receivables	3,233,317	3,052,733

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 a sole arbitrator and two preliminary sittings have been held to date. 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 Rs891.5 million (approximately equivalent to RM51 million).

At the hearing on 2 February 2009, the arbitrator recorded SunCon's filing of the Statement of Defence and Counterclaim. In the counterclaim, SunCon is seeking for Rs781,394,628.61 (approximately equivalent to RM47 million) 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.

75 hearings had been held and on 11 January 2013, the arbitrator that presided over the case passed away. The Claimant and SunCon may now proceed to appoint another arbitrator that is agreeable by both parties, failing such agreement an application can be filed to the Supreme Court for an appointment.

The Directors are of the opinion, after taking appropriate legal advice, that no provision for the abovementioned claims is necessary.

B11 Dividend

Other than the dividend paid as disclosed in note A8, no dividend has been proposed by the Board of Directors for the financial year ending 31 December 2018.

B12 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.

	Current Quarter Ended 30/9/2018 RM'000	Cumulative Year To Date 30/9/2018 RM'000
<u>Basic earnings per share</u>		
Profit attributable to members of the Company	145,308	466,669
Weighted Average Number of Ordinary Shares	4,863,200	4,875,467
Earnings per share (Basic) (sen)	2.99	9.57
<u>Diluted earnings per share</u>		
Profit attributable to members of the Company	145,308	466,669
Weighted Average Number of Ordinary Shares	4,867,405	4,881,114
Earnings per share (Diluted) (sen)	2.99	9.56

By Order of the Board

**Tan Kim Aun
Chin Lee Chin**

Secretaries