

SUNWAY BERHAD (Company No : 921551-D)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

	NOTE	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		CURRENT YEAR QUARTER 31/12/2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2017 RM'000 (RESTATED)	INCREASE/ (DECREASE) %	CURRENT YEAR TO DATE 31/12/2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2017 RM'000 (RESTATED)	INCREASE/ (DECREASE) %
REVENUE		1,370,200	1,627,067	(16%)	5,410,283	5,239,279	3%
OPERATING EXPENSES		(1,399,673)	(1,522,486)	(8%)	(5,083,249)	(4,748,643)	7%
OTHER OPERATING INCOME		133,607	94,350	42%	232,865	162,327	43%
PROFIT FROM OPERATIONS		104,134	198,931	(48%)	559,899	652,963	(14%)
FINANCE INCOME		98,432	80,372	22%	276,146	223,107	24%
FINANCE COSTS		(12,985)	(29,051)	(55%)	(214,561)	(203,554)	5%
SHARE OF PROFIT FROM ASSOCIATES		29,995	28,762	4%	172,322	168,613	2%
SHARE OF PROFIT FROM JOINT VENTURES		34,007	(17,508)	(294%)	56,838	31,066	83%
PROFIT BEFORE TAX		253,583	261,506	(3%)	850,644	872,195	(2%)
INCOME TAX EXPENSE	B5	(44,725)	(56,613)	(21%)	(121,637)	(149,357)	(19%)
PROFIT FOR THE PERIOD		208,858	204,893	2%	729,007	722,838	1%
ATTRIBUTABLE TO:							
- OWNERS OF THE PARENT		192,322	172,643	11%	658,991	620,593	6%
- NON-CONTROLLING INTERESTS		16,536	32,250	(49%)	70,016	102,245	(32%)
		208,858	204,893	2%	729,007	722,838	1%
EARNINGS PER SHARE							
(i) BASIC (sen)		3.96	3.59	10%	13.53	12.90	5%
(ii) DILUTED (sen)		3.96	3.59	10%	13.52	12.86	5%

(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 31 DECEMBER 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2017 RM'000 (RESTATED)	CURRENT YEAR TO DATE 31/12/2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2017 RM'000 (RESTATED)
PROFIT FOR THE PERIOD	208,858	204,893	729,007	722,838
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS				
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	(6,480)	(47,338)	(68,917)	(39,846)
REVALUATION OF OTHER INVESTMENT	(8,906)	-	(8,906)	-
CASH FLOW HEDGE RESERVE - FAIR VALUE GAINS				
- FAIR VALUE OF DERIVATIVES	4,580	(269,138)	(36,856)	(157,945)
- AMOUNT RECYCLED TO PROFIT OR LOSS	(2,267)	269,841	37,029	161,885
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS	(13,073)	(46,635)	(77,650)	(35,906)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	195,785	158,258	651,357	686,932
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	179,940	135,661	581,431	587,581
- NON-CONTROLLING INTERESTS	15,845	22,597	69,926	99,351
	195,785	158,258	651,357	686,932

(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 31 DECEMBER 2018
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FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER 31/12/2018	IMMEDIATE PRECEDING QUARTER 30/9/2018	INCREASE/ (DECREASE)
	RM'000	RM'000	%
REVENUE	1,370,200	1,444,573	(5%)
OPERATING EXPENSES	(1,399,673)	(1,308,363)	7%
OTHER OPERATING INCOME	133,607	23,516	468%
PROFIT FROM OPERATIONS	<u>104,134</u>	<u>159,726</u>	(35%)
FINANCE INCOME	98,432	66,520	48%
FINANCE COSTS	(12,985)	(69,959)	(81%)
SHARE OF PROFIT FROM ASSOCIATES	29,995	29,858	0%
SHARE OF PROFIT FROM JOINT VENTURES	34,007	7,808	336%
PROFIT BEFORE TAX	<u>253,583</u>	<u>193,953</u>	31%
INCOME TAX EXPENSE	(44,725)	(27,056)	65%
PROFIT FOR THE PERIOD	<u>208,858</u>	<u>166,897</u>	25%
ATTRIBUTABLE TO:			
- OWNERS OF THE PARENT	192,322	145,308	32%
- NON-CONTROLLING INTERESTS	<u>16,536</u>	<u>21,589</u>	(23%)
	<u>208,858</u>	<u>166,897</u>	25%
EARNINGS PER SHARE			
(i) BASIC (sen)	<u>3.96</u>	<u>2.99</u>	33%
(ii) DILUTED (sen)	<u>3.96</u>	<u>2.99</u>	33%

(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 31/12/2018 RM'000	IMMEDIATE PRECEDING QUARTER 30/9/2018 RM'000
PROFIT FOR THE PERIOD	208,858	166,897
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS		
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	(6,480)	(5,191)
REVALUATION OF OTHER INVESTMENT	(8,906)	-
CASH FLOW HEDGE RESERVE - FAIR VALUE GAINS		
- FAIR VALUE OF DERIVATIVES	4,580	(37,723)
- AMOUNT RECYCLED TO PROFIT OR LOSS	(2,267)	35,274
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	<u>(13,073)</u>	<u>(7,640)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>195,785</u>	<u>159,257</u>
ATTRIBUTABLE TO:		
- OWNERS OF THE PARENT	179,940	136,646
- NON-CONTROLLING INTERESTS	<u>15,845</u>	<u>22,611</u>
	<u>195,785</u>	<u>159,257</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 31 DECEMBER 2018

	AS AT END OF	AS AT PRECEDING	
	CURRENT QUARTER	FINANCIAL PERIOD END	
	31/12/2018	31/12/2017	1/1/2017
	RM'000	RM'000	RM'000
		(RESTATED)	(RESTATED)
ASSETS			
Non-current assets			
Property, plant and equipment	1,856,191	1,522,895	1,496,401
Intangible assets	17,746	15,333	32,811
Investment properties	1,943,413	2,066,760	2,008,405
Inventories	1,671,311	1,682,127	1,191,512
Investment in associates	2,086,651	1,889,499	1,728,879
Investment in joint ventures	1,313,331	1,747,592	1,634,318
Goodwill	313,893	311,814	311,812
Deferred tax assets	106,725	100,828	70,758
Receivables	1,927,307	1,304,852	1,576,928
Derivative assets	-	34,181	164,711
Rock reserves	5,870	6,131	6,394
Other investments	122,397	813	476
Biological assets	234	616	825
	<u>11,365,069</u>	<u>10,683,441</u>	<u>10,224,230</u>
Current assets			
Contract assets	163,108	256,912	276,315
Inventories	1,857,934	1,693,600	1,831,262
Receivables, deposits & prepayments	1,945,604	2,098,795	1,870,933
Cash and bank balances, and placement in funds	5,134,357	4,418,604	4,079,392
Tax recoverable	69,548	57,474	39,081
Derivative assets	64,629	68,378	342,944
	<u>9,235,180</u>	<u>8,593,763</u>	<u>8,439,927</u>
Assets of disposal group classified as held for sale	486,128	294,283	-
TOTAL ASSETS	<u>21,086,377</u>	<u>19,571,487</u>	<u>18,664,157</u>
EQUITY AND LIABILITIES			
Current liabilities			
Payables, accruals & other current liabilities	2,423,281	2,629,516	2,323,307
Contract liabilities	186,858	183,097	171,963
Bank borrowings	6,057,387	4,911,049	4,860,045
Taxation	35,318	26,662	30,885
Derivative liabilities	17,227	48,315	5,560
	<u>8,720,071</u>	<u>7,798,639</u>	<u>7,391,760</u>
Non-current liabilities			
Long term bank borrowings	2,840,754	2,868,344	2,553,122
Other long term liabilities	277,279	258,013	340,183
Derivative liabilities	36	4,496	3,644
Deferred taxation	143,691	121,331	94,561
	<u>3,261,760</u>	<u>3,252,184</u>	<u>2,991,510</u>
Total liabilities	<u>11,981,831</u>	<u>11,050,823</u>	<u>10,383,270</u>
Equity attributable to Owners of the Parent			
Share capital	5,379,437	5,370,606	2,063,067
Share premium	-	-	3,118,802
Treasury shares	(139,917)	(63,817)	(120,532)
Perpetual sukuk	400,000	-	-
Reserves	2,845,226	2,592,379	2,486,673
	<u>8,484,746</u>	<u>7,899,168</u>	<u>7,548,010</u>
NON-CONTROLLING INTERESTS	<u>619,800</u>	<u>621,496</u>	<u>732,877</u>
Total equity	<u>9,104,546</u>	<u>8,520,664</u>	<u>8,280,887</u>
TOTAL EQUITY AND LIABILITIES	<u>21,086,377</u>	<u>19,571,487</u>	<u>18,664,157</u>
Number of ordinary shares ('000)	4,924,402	4,918,491	4,813,823 *
Net Assets Per Share Attributable To Owners Of The Parent (RM)	1.72	1.61	1.57

* 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.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2018

	ATTRIBUTABLE TO OWNERS OF THE PARENT												TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY	
	NON-DISTRIBUTABLE				RESERVES							DISTRIBUTABLE				
	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	PERPETUAL SUKUK	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	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
PERIOD ENDED 31 DECEMBER 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	
Prior year restatements	-	-	-	-	-	-	-	-	-	-	-	-	-	(16,711)	(16,711)	
Effects of adopting MFRS 9	-	-	-	-	-	-	-	-	-	-	(7,753)	(7,753)	(7,753)	(5,089)	(12,842)	
Effects of adopting MFRS 15	-	-	-	-	-	87,130	-	-	-	-	(24,344)	62,786	62,786	(30)	62,756	
At 1 January 2018	5,370,606	-	(63,817)	-	(1,192,040)	200,176	10,596	(17,854)	12,536	221,573	3,357,392	2,592,379	7,899,168	621,496	8,520,664	
Profit for the year	-	-	-	-	-	-	-	-	-	-	658,991	658,991	658,991	70,016	729,007	
Other comprehensive income	-	-	-	-	-	(68,827)	-	173	-	(8,906)	-	(77,560)	(77,560)	(90)	(77,650)	
Total comprehensive income	-	-	-	-	-	(68,827)	-	173	-	(8,906)	658,991	581,431	581,431	69,926	651,357	
Issuance of perpetual sukuk	-	-	-	400,000	-	-	-	-	-	-	-	-	400,000	-	400,000	
Issuance of ordinary shares pursuant to	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- exercise of ESOS	8,831	-	-	-	-	-	(2,964)	-	-	-	-	(2,964)	5,867	-	5,867	
- exercise of warrants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share buy back by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(5)	(5)	
Purchase of treasury shares during the year	-	-	(76,100)	-	-	-	-	-	-	-	-	-	(76,100)	-	(76,100)	
Dividends declared	-	-	-	-	-	-	-	-	-	-	(316,493)	(316,493)	(316,493)	-	(316,493)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(65,780)	(65,780)	
Shares acquired by non-controlling interest	-	-	-	-	-	-	-	-	-	-	(210)	(210)	(210)	2,610	2,400	
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	-	-	-	-	-	874	874	874	(8,443)	(7,569)	
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	353	(349)	4	4	(4)	-	
Transfer to furniture & fittings reserve	-	-	-	-	-	-	-	-	3,697	-	(3,697)	-	-	-	-	
Distribution paid to holders of perpetual sukuk	-	-	-	-	-	-	-	-	-	-	(9,795)	(9,795)	(9,795)	-	(9,795)	
At 31 December 2018	5,379,437	-	(139,917)	400,000	(1,192,040)	131,349	7,632	(17,681)	16,233	213,020	3,686,713	2,845,226	8,484,746	619,800	9,104,546	
^ Represents 202 warrants amounting to RM376.																
PERIOD ENDED 31 DECEMBER 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	2,408,385	7,469,722	763,508	8,233,230	
Prior year restatements	-	-	-	-	-	-	-	-	-	-	-	-	-	(28,100)	(28,100)	
Effects of adopting MFRS 9	-	-	-	-	-	-	-	-	-	-	(4,522)	(4,522)	(4,522)	(2,531)	(7,053)	
Effects of adopting MFRS 15	-	-	-	-	-	91,479	-	-	-	-	(8,669)	82,810	82,810	-	82,810	
At 1 January 2017	2,063,067	3,118,802	(120,532)	-	(1,192,040)	237,128	63,987	(21,794)	8,370	243,299	3,147,723	2,486,673	7,548,010	732,877	8,280,887	
Profit for the year	-	-	-	-	-	-	-	-	-	-	620,593	620,593	620,593	102,245	722,838	
Other comprehensive income	-	-	-	-	-	(36,952)	-	3,940	-	-	-	(33,012)	(33,012)	(2,894)	(35,906)	
Total comprehensive income	-	-	-	-	-	(36,952)	-	3,940	-	-	620,593	587,581	587,581	99,351	686,932	
Issuance of ordinary shares pursuant to	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- exercise of ESOS	188,352	383	-	-	-	-	(44,711)	-	-	-	-	(44,711)	144,024	-	144,024	
- exercise of warrants	2	-	-	-	-	-	-	-	-	-	-	-	2	-	2	
Bonus issue of shares	2,799,886	(2,799,886)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reversal of share options granted under ESOS	-	-	-	-	-	-	(8,680)	-	-	-	-	(8,680)	(8,680)	-	(8,680)	
Purchase of treasury shares during the year	-	-	(6,961)	-	-	-	-	-	-	-	-	-	(6,961)	-	(6,961)	
Share buy back by a subsidiary	-	-	-	-	-	-	-	-	-	-	(581)	(581)	(581)	(713)	(1,294)	
Dividends declared	-	-	63,676	-	-	-	-	-	-	-	(291,822)	(291,822)	(228,146)	-	(228,146)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(48,164)	(48,164)	
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	400	400	
Share acquired by non-controlling interests	-	-	-	-	-	-	-	-	-	-	(3,112)	(3,112)	(3,112)	4,390	1,278	
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	-	-	-	-	(21,726)	(111,243)	(132,969)	(132,969)	(140,345)	(273,314)	
Redemption of equity contribution reserves by non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,000)	(3,000)	
Redemption of redeemable preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,300)	(23,300)	
Transfer to furniture & fittings reserve	-	-	-	-	-	-	-	-	4,166	-	(4,166)	-	-	-	-	
Transfer pursuant to Companies Act 2016 *	319,299	(319,299)	-	-	-	-	-	-	-	-	-	-	-	-	-	
At 31 December 2017	5,370,606	-	(63,817)	-	(1,192,040)	200,176	10,596	(17,854)	12,536	221,573	3,357,392	2,592,379	7,899,168	621,496	8,520,664	

(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 31 DECEMBER 2018

	FOR THE 12 MONTHS PERIOD ENDED 31/12/2018 RM'000	FOR THE 12 MONTHS PERIOD ENDED 31/12/2017 RM'000 (RESTATED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	850,644	872,195
Adjustments for:		
- non-cash items	(98,047)	(30,029)
- finance costs	214,561	203,555
- finance income	(276,146)	(197,649)
Operating cash flows before working capital changes	691,012	848,072
Changes in working capital	(195,454)	(214,669)
Cash flow generated from operations	495,558	633,402
Interest received	276,146	200,896
Dividend received from joint ventures, associates and other investments	132,132	143,351
Tax refunded	(2,118)	3,221
Tax paid	(107,408)	(178,187)
Net cash flow generated from operating activities	794,310	802,683
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment, and biological assets	5,501	32,454
Proceeds from disposal of intangible assets	-	15
Proceeds from disposal of non-current assets held for sale	360,308	-
Proceeds from disposal of joint venture	119,673	-
Proceeds from disposal of other investments	-	237
Net cash flow from disposal of subsidiaries	-	2,927
Acquisition of land	(203,079)	(212,683)
Acquisition of property, plant and equipment, and biological assets	(487,122)	(457,889)
Acquisition of intangible assets	(11,696)	(7,710)
Acquisition of business	-	(500)
Acquisition of subsidiaries	-	(3,164)
Acquisition of other investment	(130,493)	(580)
Acquisition of equity interest from non-controlling interest	(16,124)	(273,314)
Acquisition and subsequent expenditure of investment properties	(65,961)	(15,325)
Additional shares acquired by non-controlling interest	-	1,416
Investment in joint ventures	(52,564)	(8,927)
Investment in associates	(191,388)	(96,360)
Advances to/repayment from associates and joint ventures	(641,170)	394,579
Net cash outflow from subsidiaries become joint venture	0	(91)
Repayment of/advances to quasi loan advances from joint venture	396,776	(112,228)
Net cash flows from fund placement	-	136,591
Net cash generated used in investing activities	(912,488)	(620,552)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net bank and other borrowings	1,144,246	760,538
Redemption of preference shares held by minority shareholders in subsidiary companies	-	(23,300)
Redemption of equity contribution reserves by NCI	-	(3,000)
Interest paid	(214,561)	(203,555)
Proceeds from issue of shares from exercise of warrants	-	2
Proceeds from issue of shares from exercise of ESOS	5,867	144,024
Shares buyback	(76,100)	(146,702)
Dividend paid to shareholders	(316,493)	(228,146)
Dividend paid to non-controlling interests of subsidiaries	(65,780)	(48,164)
Repayment/advances from non-controlling interests of subsidiaries	998	(8,255)
Issuance of perpetual bonds	400,000	-
Distribution paid to holders of perpetual sukuk	(9,795)	-
Net cash generated from financing activities	868,382	243,442
NET INCREASE IN CASH AND CASH EQUIVALENTS	750,205	425,573
EFFECTS OF EXCHANGE RATE CHANGES	(12,191)	(12,166)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,236,900	1,823,493
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	2,974,914	2,236,900
Bank overdrafts	111,446	133,707
Short-term investments	2,047,997	2,047,997
Cash and bank balances, and placement in funds	5,134,357	4,418,604

(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 31 December 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.

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.

Prior year restatements

The Group has reclassified its investments in Sunway Velocity Mall Sdn. Bhd. and Sunway Velocity Hotel Sdn. Bhd. from investments in subsidiaries to investments in joint ventures following an assessment during the financial year that the Group does not control these companies as there are matters relating to operations that required joint decisions by the relevant shareholders.

Consequently, the Group has deconsolidated these two entities, equity accounted and adjusted amounts previously reported in the financial statements.

(ii) Reconciliation of profit of loss

	Individual quarter ended 31 December 2017					Cumulative quarter ended 31 December 2017				
	Previously stated under FRS	Prior year restatements	Effects of MFRS 9	Effects of MFRS 15	Restated under MFRS	Previously stated under FRS	Prior year restatements	Effects of MFRS 9	Effects of MFRS 15	Restated under MFRS
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,723,460	(81,707)	-	(14,686)	1,627,067	5,375,396	(81,707)	-	(54,410)	5,239,279
Operating expenses	(1,596,991)	66,425	(2,736)	10,816	(1,522,486)	(4,852,684)	66,425	(5,789)	43,405	(4,748,643)
Other operating income	95,954	(1,604)	-	-	94,350	163,931	(1,604)	-	-	162,327
Profit from operations	222,423	(16,886)	(2,736)	(3,870)	198,931	686,643	(16,886)	(5,789)	(11,005)	652,963
Finance income	54,952	25,420	-	-	80,372	197,687	25,420	-	-	223,107
Finance cost	(45,768)	16,717	-	-	(29,051)	(220,271)	16,717	-	-	(203,554)
Share of profit from associates	28,762	-	-	-	28,762	168,613	-	-	-	168,613
Share of profit from joint ventures	519	(13,754)	-	(4,273)	(17,508)	49,520	(13,754)	-	(4,700)	31,066
Profit before tax	260,888	11,497	(2,736)	(8,143)	261,506	882,192	11,497	(5,789)	(15,705)	872,195
Income tax expense	(54,930)	30	-	(1,713)	(56,613)	(149,387)	30	-	-	(149,357)
Profit after tax	205,958	11,527	(2,736)	(9,856)	204,893	732,805	11,527	(5,789)	(15,705)	722,838
Attributable to:										
- Owners of the parent	183,790	-	(1,321)	(9,826)	172,643	639,499	-	(3,231)	(15,675)	620,593
- Non-controlling interests	22,168	11,527	(1,415)	(30)	32,250	93,306	11,527	(2,558)	(30)	102,245
	205,958	11,527	(2,736)	(9,856)	204,893	732,805	11,527	(5,789)	(15,705)	722,838
Earnings per share:										
- Basic	3.16				3.59	13.29				12.90
- Diluted	3.11				3.59	13.25				12.86

(iii) Reconciliation of comprehensive income

	Individual quarter ended 31 December 2017					Cumulative quarter ended 31 December 2017				
	Previously stated under FRS	Prior year restatements	Effects of MFRS 9	Effects of MFRS 15	Restated under MFRS	Previously stated under FRS	Prior year restatements	Effects of MFRS 9	Effects of MFRS 15	Restated under MFRS
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Profit for the period	205,958	11,527	(2,736)	(9,856)	204,893	732,805	11,527	(5,789)	(15,705)	722,838
Foreign currency translation differences for foreign operation	(42,989)	-	-	(4,349)	(47,338)	(35,497)	-	-	(4,349)	(39,846)
Cash flow hedge reserve- fair value gains										
- Fair value of derivatives	(269,138)	-	-	-	(269,138)	(157,945)	-	-	-	(157,945)
- Amount recycled to profit or loss	269,841	-	-	-	269,841	161,885	-	-	-	161,885
Other comprehensive income to be reclassified to profit and loss in subsequent periods	(42,286)	-	-	(4,349)	(46,635)	(31,557)	-	-	(4,349)	(35,906)
Total comprehensive income for the period	163,672	11,527	(2,736)	(14,205)	158,258	701,248	11,527	(5,789)	(20,054)	686,932
Attributable to:										
- Owners of the parent	151,157	-	(1,322)	(14,174)	135,661	610,836	-	(3,231)	(20,024)	587,581
- Non-controlling interests	12,515	11,527	(1,414)	(31)	22,597	90,412	11,527	(2,558)	(30)	99,351
	163,672	11,527	(2,736)	(14,205)	158,258	701,248	11,527	(5,789)	(20,054)	686,932

(iv) Reconciliation of financial position and equity

	As at 1 January 2017					As at 31 December 2017				
	Previously stated under FRS	Prior year restatements	Effects of MFRS 9	Effects of MFRS 15	Restated under MFRS	Previously stated under FRS	Prior year restatements	Effects of MFRS 9	Effects of MFRS 15	Restated under MFRS
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets										
Property, plant and equipment	1,879,929	(383,528)	-	-	1,496,401	2,050,494	(527,599)	-	-	1,522,895
Intangible assets	32,811	-	-	-	32,811	15,381	(48)	-	-	15,333
Investment properties	2,798,405	(790,000)	-	-	2,008,405	2,856,760	(790,000)	-	-	2,066,760
Land held for development	1,191,512	-	-	(1,191,512)	-	1,682,127	-	-	(1,682,127)	-
Inventories	-	-	-	1,191,512	1,191,512	-	-	-	1,682,127	1,682,127
Investments in joint venture	1,501,055	40,464	-	92,799	1,634,318	1,637,047	26,795	-	83,750	1,747,592
Goodwill	311,840	(28)	-	-	311,812	311,842	(28)	-	-	311,814
Receivables	49,760	1,527,168	-	-	1,576,928	245,959	1,058,893	-	-	1,304,852
Other non-current assets	1,972,043	-	-	-	1,972,043	2,032,068	-	-	-	2,032,068
	9,737,355	394,076	-	92,799	10,224,230	10,831,678	(231,987)	-	83,750	10,683,441
Current assets										
Property development costs	1,171,286	-	-	(1,171,286)	-	1,033,371	-	-	(1,033,371)	-
Contract assets	-	-	(774)	277,089	276,315	-	-	(478)	257,390	256,912
Inventories	669,965	-	-	1,161,297	1,831,262	681,339	(115)	-	1,012,376	1,693,600
Receivables, deposits & prepayments	2,711,263	(556,962)	(6,279)	(277,089)	1,870,933	2,814,542	(445,994)	(12,364)	(257,389)	2,098,795
Cash and bank balances, and placement in funds	4,080,055	(663)	-	-	4,079,392	4,426,632	(8,028)	-	-	4,418,604
Tax recoverable	39,085	(4)	-	-	39,081	57,504	(30)	-	-	57,474
Derivative assets	342,944	-	-	-	342,944	68,378	-	-	-	68,378
	9,014,598	(557,629)	(7,053)	(9,989)	8,439,927	9,081,766	(454,167)	(12,842)	(20,994)	8,593,763
Assets of disposal group classified as held for sale	-	-	-	-	-	294,283	-	-	-	294,283
TOTAL ASSETS	18,751,953	(163,553)	(7,053)	82,810	18,664,157	20,207,727	(686,154)	(12,842)	62,756	19,571,487

(iv) Reconciliation of financial position and equity (contd.)

	As at 1 January 2017					As at 31 December 2017				
	Previously stated under FRS	Prior year restatements	Effects of MFRS 9	Effects of MFRS 15	Restated under MFRS	Previously stated under FRS	Prior year restatements	Effects of MFRS 9	Effects of MFRS 15	Restated under MFRS
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current liabilities										
Payables, accruals & other current	2,630,723	(135,453)	-	(171,963)	2,323,307	2,980,202	(167,589)	-	(183,097)	2,629,516
Contract liabilities	-	-	-	171,963	171,963	-	-	-	183,097	183,097
Taxation	30,885	-	-	-	30,885	26,662	-	-	-	26,662
Other current liabilities	4,865,605	-	-	-	4,865,605	4,959,364	-	-	-	4,959,364
	7,527,213	(135,453)	-	-	7,391,760	7,966,228	(167,589)	-	-	7,798,639
Non-current liabilities										
Long term bank borrowings	2,553,122	-	-	-	2,553,122	3,348,344	(480,000)	-	-	2,868,344
Other long term liabilities	340,183	-	-	-	340,183	279,867	(21,854)	-	-	258,013
Other non-current liabilities	98,205	-	-	-	98,205	125,827	-	-	-	125,827
Non-current liabilities	2,991,510	-	-	-	2,991,510	3,754,038	(501,854)	-	-	3,252,184
Total liabilities	10,518,723	(135,453)	-	-	10,383,270	11,720,266	(669,443)	-	-	11,050,823
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)
Reserves	2,408,385	-	(4,522)	82,810	2,486,673	2,537,346	-	(7,753)	62,786	2,592,379
	7,469,722	-	(4,522)	82,810	7,548,010	7,844,135	-	(7,753)	62,786	7,899,168
Non-controlling interest	763,508	(28,100)	(2,531)	-	732,877	643,326	(16,711)	(5,089)	(30)	621,496
Total equity	8,233,230	(28,100)	(7,053)	82,810	8,280,887	8,487,461	(16,711)	(12,842)	62,756	8,520,664
TOTAL LIABILITIES AND EQUITY	18,751,953	(163,553)	(7,053)	82,810	18,664,157	20,207,727	(686,154)	(12,842)	62,756	19,571,487
Net Assets Per Share Attributable To Owners Of The Parent (RM)	1.55				1.57	1.59				1.61

(v) Reconciliation of cash flows

	12 months ended 31 December 2017				Restated under MFRS
	Previously stated under FRS	Prior year restatements	Effects of MFRS 9	Effects of MFRS 15	
	RM'000	RM'000	RM'000	RM'000	
Profit before tax	882,192	11,497	(5,789)	(15,705)	872,195
Adjustments for:					
- non-cash items	(58,570)	22,752	5,789	-	(30,029)
- finance costs	220,271	(16,716)	-	-	203,555
- finance income	(197,687)	38	-	-	(197,649)
Operating cash flows before working Changes in working capital	846,206 (235,620)	17,570 5,246	- -	(15,705) 15,705	848,071 (214,669)
Cash flow generated from/(used in) operations	610,586	22,816	-	-	633,402
Interest received	200,934	(38)	-	-	200,896
Dividend received from joint ventures, associates and other investments	143,351	-	-	-	143,351
Tax refunded	3,221	-	-	-	3,221
Tax paid	(178,194)	7	-	-	(178,187)
Net cash flow generated from/(used in) operating activities	779,898	22,785	-	-	802,683
Cash flows from investing activities	(1,053,686)	433,134	-	-	(620,552)
Cash flows from financing activities	706,726	(463,284)	-	-	243,442
Net decrease in cash and cash equivalents	432,938	(7,365)	-	-	425,573
Effects of exchange rate changes	(12,166)	-	-	-	(12,166)
Cash and cash equivalents at beginning of period	1,823,493	-	-	-	1,823,493
Cash and cash equivalents at end of period	2,244,265	(7,365)	-	-	2,236,900

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 31 December 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 31 December 2018.

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

During the financial period ended 31 December 2018, the Company increased its issued and paid up ordinary share capital by way of:

- (a) issuance of 5,910,854 ordinary shares pursuant to the exercise of the Employees' Share Option Scheme;
- (b) the repurchase of equity securities of 49,928,300 ordinary shares, at an average price of RM1.52 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 31 December 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	792,100	979,542	3,049,035	1,250,498	243,032	1,862,202	899,865	9,076,274
Inter-company sales	(172,513)	(164,736)	(1,201,163)	(147,145)	(19,677)	(1,854,461)	(106,296)	(3,665,991)
External sales	619,587	814,806	1,847,872	1,103,353	223,355	7,741	793,569	5,410,283
Results								
Operating segment results	117,973	214,386	180,923	60,946	10,542	(104,153)	79,282	559,899
Finance income	28,406	7,208	16,458	2,041	717	195,797	25,519	276,146
Finance costs	(18,516)	(124,747)	(7,872)	(14,649)	(2,674)	(26,839)	(19,264)	(214,561)
Share of results of:								
- associated companies	2	169,015	-	-	-	-	3,305	172,322
- joint ventures	30,745	25,506	587	-	-	-	-	56,838
Profit before taxation	158,610	291,368	190,096	48,338	8,585	64,805	88,842	850,644
Taxation	(14,639)	(63,436)	(40,478)	(9,462)	240	11,842	(5,704)	(121,637)
Profit for the period	143,971	227,932	149,618	38,876	8,825	76,647	83,138	729,007
Non controlling interests	(4,826)	163	(68,356)	(3,513)	(185)	7,038	(337)	(70,016)
Attributable to owners of the parent	139,145	228,095	81,262	35,363	8,640	83,685	82,801	658,991

	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	4,860,582	782,163	667,398	601,116
Singapore	175,787	39,013	38,005	38,946
China	224,906	14,949	13,679	11,756
India	-	(847)	(847)	(681)
Australia	37,993	5,387	3,511	1,491
United Arab Emirates	-	1,166	1,166	621
Other Countries	111,015	8,813	6,095	5,742
	5,410,283	850,644	729,007	658,991

Segmental results by foreign currency for the financial period ended 31 December 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)	606,150	112,437	99,313	96,279	606,150	112,437	99,313	96,279
Australian Dollar (AUD'000)	1,313	1,556	1,082	487	3,959	4,694	3,263	1,468
Hong Kong Dollar (HKD'000)	-	(6,266)	(6,427)	(6,427)	-	(3,233)	(3,316)	(3,316)
India Rupee (INR'000)	-	(320)	(320)	(320)	-	(19)	(19)	(19)
China Yuan Renminbi (RMB'000)	15,535	10,154	10,154	10,154	9,478	6,195	6,195	6,195
Singapore Dollar (SGD'000)	-	12,845	12,845	12,845	-	38,544	38,543	38,543
US Dollar (USD'000)	-	(2)	(2)	(1)	-	(8)	(8)	(5)
					619,587	158,610	143,971	139,145

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)	793,175	291,870	228,773	229,182	793,175	291,870	228,773	229,182
Hong Kong Dollar (HKD'000)	-	(78)	(78)	(78)	-	(40)	(40)	(40)
US Dollar (USD'000)	3,290	212	128	67	13,300	857	518	272
Vietnam Dong (VND'000,000)	47,501	(7,521)	(7,521)	(7,521)	8,331	(1,319)	(1,319)	(1,319)
					814,806	291,368	227,932	228,095

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)	1,714,199	191,114	150,636	81,829	1,714,199	191,114	150,636	81,829
United Arab Emirates Dirham (AED'000)	-	1,051	1,051	560	-	1,166	1,166	621
India Rupee (INR'000)	-	(6,117)	(6,117)	(3,320)	-	(363)	(363)	(197)
Singapore Dollar (SGD'000)	44,547	(688)	(688)	(374)	133,673	(2,063)	(2,063)	(1,123)
Trinidad & Tobago Dollar (TTD'000)	-	399	399	218	-	242	242	132
					1,847,872	190,096	149,618	81,262

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)	787,406	28,848	24,657	23,158	787,406	28,848	24,657	23,158
Australian Dollar (AUD'000)	11,285	238	91	12	34,034	719	275	35
Indonesia Rupiah (IDR'000,000)	205,450	20,607	13,196	13,196	58,245	5,842	3,741	3,741
China Yuan Renminbi (RMB'000)	246,538	13,157	11,400	8,492	150,415	8,027	6,955	5,181
Singapore Dollar (SGD'000)	14,035	562	227	227	42,114	1,687	680	680
Thai Baht (THB'000)	248,885	25,697	20,525	20,525	31,139	3,215	2,568	2,568
					1,103,353	48,338	38,876	35,363

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)	5,595	61,108	73,006	80,154	5,595	61,108	73,006	80,154
Hong Kong Dollar (HKD'000)	-	6,537	6,429	6,216	-	3,373	3,317	3,207
China Yuan Renminbi (RMB'000)	3,517	531	531	531	2,146	324	324	324
					7,741	64,805	76,647	83,685

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)	730,703	88,200	82,554	82,256	730,703	88,200	82,554	82,256
China Yuan Renminbi (RMB'000)	103,041	429	334	270	62,866	262	204	165
Singapore Dollar (SGD'000)	-	127	127	127	-	380	380	380
					793,569	88,842	83,138	82,801

The quarry segment is denominated entirely in Malaysian Ringgit.

Segmental assets and liabilities for the financial period ended 31 December 2018 are as follows:

	Property Development	Property Investment Division	Construction	Trading and Manufacturing	Quarry	Investment Holdings	Others	Adjustments/ eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets									
Segment assets	5,121,358	2,757,470	1,934,656	977,170	176,147	5,621,229	1,999,073	(1,076,982)	17,510,121
Investment in associates	-	2,024,915	-	-	-	-	61,736	-	2,086,651
Investment in joint ventures	1,122,842	145,750	44,739	-	-	-	-	-	1,313,331
Unallocated assets									176,274
Total assets									21,086,377
Liabilities									
Segment liabilities	3,663,923	3,107,349	1,396,715	620,542	152,004	10,124,251	1,371,598	(8,633,561)	11,802,821
Unallocated liabilities									179,010
Total liabilities									11,981,831

A10 Foreign Currency Rates

The foreign currency exchange rates used are as follows:

Denomination	Closing rate	Average rate
United Arab Emirates Dirham	1.1311	1.1098
Australian Dollar	2.9306	3.0158
Hong Kong Dollar	0.5302	0.5160
Indonesia Rupiah ('000)	0.2850	0.2835
India Rupee	0.0594	0.0593
Japanese Yen	0.0377	0.0367
China Yuan Renminbi	0.6040	0.6101
Singapore Dollar	3.0435	3.0007
Thai Baht	0.1277	0.1251
US Dollar	4.1510	4.0427
Vietnam Dong ('000)	0.1790	0.1754

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, except for the total net fair value gain of RM23,050,000 recognised during the year based on a professional valuer's opinion

A12 Material events

There were no material events subsequent to the current quarter ended 31 December 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 31 December 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:

	31/12/2018 RM'000	31/12/2017 RM'000 (Restatement)
Guarantees given to third parties in respect of contracts and trade performance	<u>812,334</u>	<u>792,734</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 31 December 2018 is as follows:

	31/12/2018 RM'000	31/12/2017 RM'000 (Restatement)
Amount authorised and contracted for	73,302	426,366
Amount authorised but not contracted for	<u>531,389</u>	<u>277,619</u>
	<u>604,691</u>	<u>703,984</u>

(b) Operating lease commitment not provided for in the financial year as at 31 December 2018 is as follows:

	31/12/2018 RM'000	31/12/2017 RM'000
Future minimum lease payment:		
- not later than 1 year	102,927	92,007
- later than 1 year and not later than 5 years	204,123	228,656
- later than 5 years	<u>64,621</u>	<u>40,759</u>
	<u>371,671</u>	<u>361,422</u>

(b) Operating lease commitment not provided for in the financial year as at 31 December 2018 is as follows: (contd.)

	31/12/2018 RM'000	31/12/2017 RM'000
Future minimum lease receipts:		
- not later than 1 year	80,049	80,060
- later than 1 year and not later than 5 years	312,561	317,675
- later than 5 years	818,842	801,957
	<u>1,211,452</u>	<u>1,199,692</u>

B1 Review of Performance

For the quarter

The Group recorded revenue of RM1,370.2 million and profit before tax of RM253.6 million for the current quarter ended 31 December 2018 compared to revenue of RM1,627.1 million and profit before tax of RM261.5 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 15.8% and profit before tax of 3.0%. Revenue was lower in the current quarter primarily due to lower contributions from the property development, property investment and construction segments, while profit before tax was lower mainly due to lower contributions from the property development, construction, and trading and manufacturing segments. Profit before tax would have been higher by 4.0% 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 RM18.3 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 RM203.8 million and profit before tax of RM47.5 million in the current quarter compared to revenue of RM398.3 million and profit before tax of RM100.7 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 48.8% and profit before tax of 52.8%. The lower performance in the current quarter was mainly due to lower progress billings from local development projects. The performance in the corresponding quarter of the previous financial year was also boosted by the completion and handover of several local development project during the quarter. As mentioned above, profit before tax would have been higher by RM18.3 million if not for the adoption of MFRS 15.

The property investment segment reported revenue of RM140.3 million and profit before tax of RM78.6 million in the current quarter compared to revenue of RM164.5 million and profit before tax of RM64.3 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 14.7% and increase in profit before tax of 22.3%. The lower revenue in the current quarter was mainly due to the reclassification of the Group's investment in Sunway Velocity Mall Sdn. Bhd. and Sunway Velocity Hotel Sdn. Bhd. from investments in subsidiaries to investments in joint ventures (Refer to Note A2). Profit before tax, however, was higher due to higher fair value gains from the revaluation of investment properties, which was RM29.9 million in the current quarter compared to RM14.9 million in the corresponding quarter of the previous financial year. Profit before tax in the corresponding quarter of the previous financial year was also impacted by impairment for the BRT Park N' Ride facilities.

The construction segment recorded revenue of RM489.1 million and profit before tax of RM50.7 million in the current quarter compared to revenue of RM583.3 million and profit before tax of RM55.8 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 16.1% and profit before tax of 9.2%. Revenue in the current quarter was lower mainly due to lower progress billings from local construction projects, while current quarter profit before tax was lower mainly due to higher intra-group eliminations.

The trading and manufacturing segment recorded revenue of RM241.8 million and profit before tax of RM9.2 million in the current quarter compared to revenue of RM232.4 million and profit before tax of RM11.5 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 4.1% and decrease in profit before tax of 20.3%. Although revenue was marginally higher in the current quarter due to higher sales both locally and overseas, profit before tax was lower mainly due to lower operating margins.

The quarry segment reported revenue of RM59.2 million and profit before tax of RM2.2 million in the current quarter compared to revenue of RM52.9 million and loss before tax of RM0.8 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 11.9% and profit before tax of 381.7%. The financial performance in the current quarter was better primarily due to higher average selling prices for premix and higher sales volume for aggregates.

The other segments recorded revenue of RM235.9 million and profit before tax of RM65.4 million in the current quarter compared to revenue of RM195.6 million and profit before tax of RM30.0 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 20.6% and profit before tax of 117.9%. The improved financial performance in the current quarter was mainly due to higher contribution from the healthcare segment and the Group's treasury operations.

For 12 months period

The Group recorded revenue of RM5,410.3 million and profit before tax of RM850.6 million for the current 12 months period ended 31 December 2018 compared to revenue of RM5,239.3 million and profit before tax of RM872.2 million in the corresponding 12 months period ended 31 December 2017, representing an increase in revenue of 3.3% and decrease in profit before tax of 2.5%. The increase in revenue in the current period was contributed by most 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 RM103.7 million (or 9.4% as compared to the previous corresponding 12 months period) if not for the adoption of MFRS 15.

The Group, however, recorded profit after tax and minority interest ("PATMI") of RM659.0 million for the current 12 months period ended 31 December 2018 compared to PATMI of RM620.6 million in the corresponding 12 months period ended 31 December 2017, representing an increase in PATMI of 6.2%. The higher PATMI was mainly due to higher contribution from the property investment segment and the Group's treasury operations. The Group's PATMI would have been higher by 22.9% in the current period as compared to the previous corresponding 12 months period if not for the adoption of MFRS 15.

The property development segment reported revenue of RM619.6 million and profit before tax of RM158.6 million for the current 12 months period ended 31 December 2018 compared to revenue of RM935.3 million and profit before tax of RM235.3 million in the corresponding 12 months period ended 31 December 2017, representing a decrease in revenue of 33.8% and profit before tax of 32.6%. The performance for the current period was lower mainly due to lower sales and progress billings from local development projects, and the completion and handover of fewer projects in 2018. 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 RM103.7 million in the current period can only be recognised upon completion. Profit before tax would have been higher by 11.5% compared to the previous corresponding 12 months period if not for the adoption of MFRS 15.

The property investment segment reported revenue of RM814.8 million and profit before tax of RM291.4 million for the current 12 months period ended 31 December 2018 compared to revenue of RM784.2 million and profit before tax of RM255.3 million in the corresponding 12 months period ended 31 December 2017, representing an increase in revenue of 3.9% and profit before tax of 14.1%. The higher revenue in the current period was mainly due to additional contribution from new properties such as Sunway Geo in Sunway South Quay and additional room inventory at The Banjaran Hotspots Retreat & Spa in Ipoh, as well as higher contribution from the Group's theme park. Profit before tax was higher mainly due to the better performance registered by Sunway Velocity Mall and the Group's theme park as compared to the previous corresponding period, further boosted by the share of higher fair value gains from revaluation of investment properties and Sunway REIT properties in the current period of RM89.0 million compared to RM71.7 million in the corresponding period. Profit before tax in the corresponding period of the previous financial year was also impacted by impairment for the BRT Park N' Ride facilities.

The construction segment recorded revenue of RM1,847.9 million and profit before tax of RM190.1 million for the current 12 months period ended 31 December 2018 compared to revenue of RM1,627.7 million and profit before tax of RM187.4 million in the corresponding 12 months period ended 31 December 2017, representing an increase in revenue of 13.5% and profit before tax of 1.4%. Revenue was higher in the current period due to higher progress billings from local construction projects and lower intra-group eliminations. Profit before tax was marginally higher, in line with the higher revenue, but offset by lower profit contribution from the precast division and higher intra-group eliminations.

The trading and manufacturing segment recorded revenue of RM1,103.4 million and profit before tax of RM48.3 million for the current 12 months period ended 31 December 2018 compared to revenue of RM996.5 million and profit before tax of RM48.8 million in the corresponding 12 months period ended 31 December 2017, representing an increase in revenue of 10.7% and decrease in profit before tax of 0.9%. The revenue in the current period was higher mainly due to higher sales both locally and overseas. Profit before tax was marginally lower, however, mainly due to lower operating margins.

The quarry segment reported revenue of RM223.4 million and profit before tax of RM8.6 million for the current 12 months period ended 31 December 2018 compared to revenue of RM202.1 million and profit before tax of RM7.0 million in the corresponding 12 months period ended 31 December 2017, representing an increase in revenue of 10.5% and profit before tax of 22.3%. The financial performance in the current period was better mainly due to higher average selling prices for premix and higher sales volume for aggregates.

The other segments recorded revenue of RM801.3 million and profit before tax of RM153.6 million for the current 12 months period ended 31 December 2018 compared to revenue of RM693.6 million and profit before tax of RM138.4 million in the corresponding 12 months period ended 31 December 2017, representing an increase in revenue of 15.5% and profit before tax of 11.0%. The better financial performance in the current period was primarily due to higher contribution from the healthcare segment and the Group's treasury operations.

B2 **Material Changes in the Quarterly Results**

The Group recorded revenue of RM1,370.2 million and profit before tax of RM253.6 million for the current quarter compared to revenue of RM1,444.6 million and profit before tax of RM194.0 million in the preceding quarter, representing a decrease in revenue of 5.1% and increase in profit before tax of 30.7%. Revenue was lower in the current quarter mainly due to lower contributions from the property investment and trading and manufacturing segments. Profit before tax, however, was higher in the current quarter mainly due to higher contributions from most segment, except trading and manufacturing and building materials. Profit before tax in the current quarter was also boosted by the fair value gains from the revaluation of investment properties of RM29.9 million.

The property development segment reported revenue of RM203.8 million and profit before tax of RM47.5 million for the current quarter compared to revenue of RM194.8 million and profit before tax of RM40.9 million in the preceding quarter, representing an increase in revenue of 4.7% and profit before tax of 16.2%. The financial performance in the current quarter was better primarily due to higher sales and progress billings from local development projects.

The property investment segment reported revenue of RM140.3 million and profit before tax of RM78.6 million for the current quarter compared to revenue of RM237.8 million and profit before tax of RM54.6 million in the preceding quarter, representing a decrease in revenue of 41.0% and increase in profit before tax of 44.0%. The lower revenue in the current quarter was mainly due to the reclassification of the Group's investment in Sunway Velocity Mall Sdn. Bhd. and Sunway Velocity Hotel Sdn. Bhd. from investments in subsidiaries to investments in joint ventures (Refer to Note A2). Profit before tax was higher, however, boosted by fair value gains from revaluation of investment properties of RM29.9 million in the current quarter.

The construction segment recorded revenue of RM489.1 million and profit before tax of RM50.7 million for the current quarter compared to revenue of RM465.4 million and profit before tax of RM49.8 million in the preceding quarter, representing an increase in revenue of 5.1% and profit before tax of 1.8%. The better performance in the current quarter was mainly due to higher progress billings from local construction projects.

The trading and manufacturing segment recorded revenue of RM241.8 million and profit before tax of RM9.2 million for the current quarter compared to revenue of RM296.9 million and profit before tax of RM14.2 million in the preceding quarter, representing a decrease in revenue of 18.5% and profit before tax of 35.3%. Financial performance was lower in the current quarter mainly due to lower sales locally. The preceding quarter's performance was partly boosted by higher sales due to the GST / SST tax holiday from 1 June to 31 August.

The quarry segment reported revenue of RM59.2 million and profit before tax of RM2.2 million for the current quarter compared to revenue of RM56.3 million and profit before tax of RM1.7 million in the preceding quarter, representing an increase in revenue of 5.2% and profit before tax of 30.4%. The financial performance in the current quarter was better mainly due to higher average selling prices for premix and higher sales volume for both premix and aggregates.

The other segments recorded revenue of RM235.9 million and profit before tax of RM65.4 million for the current quarter compared to revenue of RM193.5 million and profit before tax of RM32.8 million in the preceding quarter, representing an increase in revenue of 21.9% and profit before tax of 99.4%. The better financial performance in the current quarter was primarily due to higher contribution from the healthcare segment and the Group's treasury operations.

B3 **Prospects**

The Group continued to perform well, registering a Group PATMI of RM659.0 million for the current 12 months period compared with RM620.6 million in the corresponding period of last year, representing an increase of 6.2%. The Group PATMI would have been higher by 22.9% in the current period compared with the previous corresponding period if not for the adoption of MFRS 15.

The Malaysian economy expanded by 4.7% in the fourth quarter of 2018, supported by continued expansion in domestic demand and a positive growth in net exports. While global uncertainties such as trade war tensions between the United States and China, and unstable oil prices are still areas of concern, the domestic economy is expected to remain resilient. Barring any unforeseen circumstances, the Group will continue to perform satisfactorily in 2019.

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 31/12/2018 RM'000	Cumulative Year To Date 31/12/2018 RM'000
Current taxation	(35,338)	(105,795)
Deferred taxation	(9,387)	(15,842)
	<u>(44,725)</u>	<u>(121,637)</u>

B6 Profit/(Loss) before Taxation

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

	Current Quarter Ended 31/12/2018 RM'000	Cumulative Year To Date 31/12/2018 RM'000
Depreciation and amortisation	(29,297)	(143,162)
Net reversal/(provision) of impairment for:		
- Trade receivables	(9,262)	(11,189)
- Inventories	(1,089)	(2,280)
- Advances to joint venture	(1,168)	(4,191)
Write off:		
- Trade receivables	(5,070)	(4,849)
- Inventories	(1,162)	(1,343)
- Property, plant and equipment	(5,512)	(5,780)
Net gain on disposal of:		
- property, plant and equipment	382	1,485
- non-current asset held for sale	(38)	1,592
Net foreign exchange gain/(loss):		
- Others	2,358	29,251
- Unrealised for hedged items	2,267	(37,029)
Cash flow hedge reserve recycled to profit or loss	(2,267)	37,029

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. ("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

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.)

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 ("SA") 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.

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 ("Proposed Acquisition").

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 Proposed Acquisition has become unconditional on 14 February 2019 in accordance with the terms and conditions of the Collective Sale and Purchase Agreement.

The Collective Sale and Purchase Agreement has been completed but payment has not been made 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 31 December 2018 are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
Secured borrowings			
<u>Islamic:</u>			
Term loan	601,895	-	601,895
Revolving credits	415,100	-	415,100
	1,016,995	-	1,016,995
<u>Conventional:</u>			
Bank overdrafts	111,446	-	111,446
Term loan	1,009,716	445,226	1,454,942
Revolving credits	448,028	-	448,028
Bankers' acceptances	2,329	-	2,329
Hire purchase and lease liabilities	357	528	885
	1,571,876	445,754	2,017,630
Total secured borrowings	2,588,871	445,754	3,034,625

	Current RM'000	Non-current RM'000	Total RM'000
Unsecured borrowings			
<u>Islamic:</u>			
Medium term notes	-	1,785,000	1,785,000
Revolving credits	80,000	-	80,000
Commercial papers	1,415,000	-	1,415,000
	1,495,000	1,785,000	3,280,000
<u>Conventional:</u>			
Term loan	158,588	-	158,588
Revolving credits	342,269	-	342,269
Medium term notes	-	610,000	610,000
Bankers' acceptances	191,591	-	191,591
Commercial papers	1,166,000	-	1,166,000
Bills discounting	115,068	-	115,068
	1,973,516	610,000	2,583,516
Total unsecured borrowings	3,468,516	2,395,000	5,863,516
Total borrowings	6,057,387	2,840,754	8,898,141
Islamic borrowings	2,511,995	1,785,000	4,296,995
Conventional borrowings	3,545,392	1,055,754	4,601,146
Total borrowings	6,057,387	2,840,754	8,898,141

Included in the Group borrowings as at 31 December 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	200,000	100,000	830,200	415,100	1,245,300
- Revolving credits	207,000	-	859,257	-	859,257
Singapore Dollar (SGD'000) #					
- Term loan	90,000	-	273,915	-	273,915
Indonesian Rupiah (RP'000) **					
- Term loan	13,993,770	-	3,988	-	3,988
Australia Dollar (AUD'000) *					
- Term loan	90,848	-	266,239	-	266,239
- Revolving credits	42,000	-	123,085	-	123,085
			2,356,684	415,100	2,771,784

The Group borrowings as at 31 December 2017 are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
Secured borrowings			
<u>Islamic:</u>			
Term loan	752,028	12,910	764,938
Revolving credits	406,500	-	406,500
	1,158,528	12,910	1,171,438
<u>Conventional:</u>			
Bank overdrafts	133,707	-	133,707
Term loan	770,800	1,165,200	1,936,000
Revolving credits	80,975	-	80,975
Medium term notes	-	480,000	480,000
Bankers' acceptances	17,424	-	17,424
Hire purchase and lease liabilities	552	234	786
	1,003,458	1,645,434	2,648,892
Total secured borrowings	2,161,986	1,658,344	3,820,330

	Current RM'000	Non-current RM'000	Total RM'000
Unsecured borrowings			
<u>Islamic:</u>			
Medium term notes	-	600,000	600,000
Bankers' acceptances	966	-	966
Revolving credits	80,000	-	80,000
Commercial papers	900,000	-	900,000
Bills discounting	134,659	-	134,659
	1,115,625	600,000	1,715,625
<u>Conventional:</u>			
Term loan	298,411	-	298,411
Revolving credits	230,000	-	230,000
Medium term notes	1,278	610,000	611,278
Commercial paper	980,000	-	980,000
Bills payable	4,223	-	4,223
Bankers' acceptances	119,526	-	119,526
	1,633,438	610,000	2,243,438
Total unsecured borrowings	2,749,063	1,210,000	3,959,063
Total borrowings	4,911,049	2,868,344	7,779,393
Islamic borrowings	2,274,153	612,910	2,887,063
Conventional borrowings	2,636,896	2,255,434	4,892,330
Total borrowings	4,911,049	2,868,344	7,779,393

Included in the Group borrowings as at 31 December 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	576,000	-	2,477,376	-	2,477,376
Singapore Dollar (SGD'000) #					
- Term loan	-	90,000	-	281,232	281,232
Chinese Renminbi (RMB'000) **					
- Term loan	20,041	-	12,712	-	12,712
Indonesian Rupiah (RP'000) **					
- Term loan	14,020,897	-	4,529	-	4,529
Australia Dollar (AUD'000) **					
- Term loan	355	-	1,177	-	1,177
			2,495,794	281,232	2,777,026

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 RM1.12 billion, from RM7.78 billion as at 31 December 2017 to RM8.9 billion as at 31 December 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 31 December 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 31 December 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 *	-	-	45	
Foreign currency forward contracts				
- Less than 1 year	44,814	(1,174)	222	-
- 1 year to 3 years	18,259	(36)	409	-
Cross currency swap contracts #				
- Less than 1 year	1,578,642	48,576		(173)
Total derivatives		47,366	676	(173)

* Includes a contract which has expired during the period.

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

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:

	31/12/2018 RM'000	31/12/2017 RM'000 (Restated)
Current	1,094,055	1,417,909
1 to 30 days past due	153,139	110,136
31 to 60 days past due	104,044	80,360
61 to 90 days past due	84,770	36,733
91 to 120 days past due	48,634	18,536
More than 120 days past due	181,662	137,834
	<u>572,249</u>	<u>383,599</u>
Gross trade receivables	1,666,304	1,801,508
Impaired	(87,586)	(91,887)
Total trade receivables	1,578,718	1,709,621
Other receivables	321,327	296,936
Amounts due from associates	45,578	41,904
Amounts due from joint ventures	1,927,289	1,355,186
Total receivables	<u>3,872,911</u>	<u>3,403,647</u>
Non-current receivables	1,927,307	1,304,852
Current receivables	1,945,604	2,098,795
Total receivables	<u>3,872,911</u>	<u>3,403,647</u>

B12 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 RM53 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 RM46 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.

B13 Dividend

Other than the dividend paid as disclosed in note A8, the Board of Directors has declared the following dividends in respect of financial year ended 31 December 2018:

- a) A second interim cash dividend of 2.00 sen per share, which will be paid on a date to be determined.
- b) A share dividend distribution of approximately 48.5 million treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares held, which will be distributed on a date to be determined.

B14 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 31/12/2018 RM'000	Cumulative Year To Date 31/12/2018 RM'000
<u>Basic earnings per share</u>		
Profit attributable to members of the Company	192,322	658,991
Weighted Average Number of Ordinary Shares	4,853,580	4,869,950
Earnings per share (Basic) (sen)	3.96	13.53
<u>Diluted earnings per share</u>		
Profit attributable to members of the Company	192,322	658,991
Weighted Average Number of Ordinary Shares	4,856,137	4,874,255
Earnings per share (Diluted) (sen)	3.96	13.52

By Order of the Board

Tan Kim Aun
Chin Lee Chin

Secretaries