

SUNWAY BERHAD (Company No : 201001037627 (921551-D))
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

| | INDIVIDUAL QUARTER | | | CUMULATIVE QUARTER | | | |
|-------------------------------------|--------------------|--------------------------------------|----------------------|----------------------|-------------------------------------|----------------------|-------|
| | CURRENT YEAR | PRECEDING YEAR CORRESPONDING QUARTER | INCREASE/ (DECREASE) | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD | INCREASE/ (DECREASE) | |
| | NOTE | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | | |
| | | RM'000 | RM'000 (RESTATED) | % | RM'000 | RM'000 (RESTATED) | % |
| REVENUE | | 1,353,166 | 1,452,377 | (7%) | 4,780,447 | 5,410,165 | (12%) |
| OPERATING EXPENSES | | (1,337,711) | (1,419,401) | (6%) | (4,416,921) | (5,031,711) | (12%) |
| OTHER OPERATING INCOME | | 90,505 | 117,868 | (23%) | 201,664 | 216,285 | (7%) |
| PROFIT FROM OPERATIONS | | 105,960 | 150,844 | (30%) | 565,190 | 594,739 | (5%) |
| FINANCE INCOME | | 104,905 | 78,557 | 34% | 321,262 | 276,146 | 16% |
| FINANCE COSTS | | (39,769) | (47,164) | (16%) | (233,443) | (263,337) | (11%) |
| SHARE OF PROFIT FROM ASSOCIATES | | 54,453 | 29,995 | 82% | 192,755 | 172,322 | 12% |
| SHARE OF PROFIT FROM JOINT VENTURES | | 34,859 | 31,491 | 11% | 68,468 | 56,932 | 20% |
| PROFIT BEFORE TAX | | 260,408 | 243,723 | 7% | 914,232 | 836,802 | 9% |
| INCOME TAX EXPENSE | B5 | (41,317) | (45,492) | (9%) | (78,294) | (121,441) | (36%) |
| PROFIT FOR THE PERIOD | | 219,091 | 198,231 | 11% | 835,938 | 715,361 | 17% |
| ATTRIBUTABLE TO: | | | | | | | |
| - OWNERS OF THE PARENT | | 200,312 | 181,238 | 11% | 766,633 | 645,508 | 19% |
| - NON-CONTROLLING INTERESTS | | 18,779 | 16,993 | 11% | 69,305 | 69,853 | (1%) |
| | | 219,091 | 198,231 | 11% | 835,938 | 715,361 | 17% |
| EARNINGS PER SHARE | | | | | | | |
| (i) BASIC (sen) | | 3.79 | 3.53 | 7% | 14.61 | 13.05 | 12% |
| (ii) DILUTED (sen) | | 3.79 | 3.53 | 7% | 14.61 | 13.04 | 12% |

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD (Company No : 201001037627 (921551-D))
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2019

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---------------------------------------|--|---------------------------------------|---|
| | CURRENT YEAR QUARTER 31/12/2019 | PRECEDING YEAR CORRESPONDING QUARTER 31/12/2018 | CURRENT YEAR TO DATE 31/12/2019 | PRECEDING YEAR CORRESPONDING PERIOD 31/12/2018 |
| | RM'000 | RM'000 (RESTATED) | RM'000 | RM'000 (RESTATED) |
| PROFIT FOR THE PERIOD | 219,091 | 198,231 | 835,938 | 715,361 |
| OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS | | | | |
| FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION | 8,529 | (7,407) | 24 | (69,844) |
| REVALUATION OF PROPERTY, PLANT AND EQUIPMENT | - | - | 3,451 | - |
| CASH FLOW HEDGE RESERVE - FAIR VALUE GAINS | | | | |
| - FAIR VALUE OF DERIVATIVES | 16,752 | 78,638 | 30,820 | 37,202 |
| - AMOUNT RECYCLED TO PROFIT OR LOSS | (17,529) | (76,325) | (29,674) | (37,029) |
| OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS | | | | |
| REVALUATION OF OTHER INVESTMENT | - | (8,906) | 37,045 | (8,906) |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD | 7,752 | (14,000) | 41,666 | (78,577) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 226,843 | 184,231 | 877,604 | 636,784 |
| ATTRIBUTABLE TO: | | | | |
| - OWNERS OF THE PARENT | 208,550 | 167,928 | 809,102 | 567,020 |
| - NON-CONTROLLING INTERESTS | 18,293 | 16,303 | 68,502 | 69,764 |
| | 226,843 | 184,231 | 877,604 | 636,784 |

(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 2018 and the accompanying explanatory notes attached to the interim financial statements.)

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

| | CURRENT QUARTER 31/12/2019 | IMMEDIATE PRECEDING QUARTER 30/9/2019 | INCREASE/ (DECREASE) |
|--|----------------------------------|--|-------------------------|
| | RM'000 | RM'000 | % |
| REVENUE | 1,353,166 | 1,226,494 | 10% |
| OPERATING EXPENSES | (1,337,711) | (1,066,582) | 25% |
| OTHER OPERATING INCOME | 90,505 | 14,280 | 534% |
| PROFIT FROM OPERATIONS | <u>105,960</u> | <u>174,192</u> | (39%) |
| FINANCE INCOME | 104,905 | 67,044 | 56% |
| FINANCE COSTS | (39,769) | (65,974) | (40%) |
| SHARE OF PROFIT FROM ASSOCIATES | 54,453 | 37,424 | 46% |
| SHARE OF PROFIT FROM JOINT VENTURES | 34,859 | 10,631 | 228% |
| PROFIT BEFORE TAX | <u>260,408</u> | <u>223,317</u> | 17% |
| INCOME TAX EXPENSE | (41,317) | (21,058) | 96% |
| PROFIT FOR THE PERIOD | <u>219,091</u> | <u>202,259</u> | 8% |
| ATTRIBUTABLE TO: | | | |
| - OWNERS OF THE PARENT | 200,312 | 183,418 | 9% |
| - NON-CONTROLLING INTERESTS | <u>18,779</u> | <u>18,841</u> | (0%) |
| | <u>219,091</u> | <u>202,259</u> | 8% |
| EARNINGS PER SHARE | | | |
| (i) BASIC (sen) | <u>3.79</u> | <u>3.43</u> | 11% |
| (ii) DILUTED (sen) | <u>3.79</u> | <u>3.43</u> | 11% |

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD (Company No : 201001037627 (921551-D))
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019
 THE FIGURES HAVE NOT BEEN AUDITED

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

| | CURRENT QUARTER 31/12/2019 RM'000 | IMMEDIATE PRECEDING QUARTER 30/9/2019 RM'000 |
|---|--|--|
| PROFIT FOR THE PERIOD | 219,091 | 202,259 |
| OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS | | |
| FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION | 8,529 | (19,254) |
| CASH FLOW HEDGE RESERVE - FAIR VALUE GAINS | | |
| - FAIR VALUE OF DERIVATIVES | 16,752 | (4,517) |
| - AMOUNT RECYCLED TO PROFIT OR LOSS | (17,529) | 4,469 |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD | <u>7,752</u> | <u>(19,302)</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | <u>226,843</u> | <u>182,957</u> |
| ATTRIBUTABLE TO: | | |
| - OWNERS OF THE PARENT | 208,550 | 164,372 |
| - NON-CONTROLLING INTERESTS | 18,293 | 18,585 |
| | <u>226,843</u> | <u>182,957</u> |

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD (Company No : 201001037627 (921551-D))
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

| | AS AT END OF | AS AT PRECEDING | |
|---|-------------------|----------------------|-------------------|
| | CURRENT QUARTER | FINANCIAL PERIOD END | |
| | 31/12/2019 | 31/12/2018 | 1/1/2018 |
| | RM'000 | RM'000 | RM'000 |
| | | (RESTATED) | (RESTATED) |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2,753,404 | 2,627,664 | 2,247,264 |
| Intangible assets | 19,833 | 17,748 | 15,333 |
| Investment properties | 2,320,492 | 1,942,744 | 2,066,760 |
| Inventories | 1,674,009 | 1,671,311 | 1,682,127 |
| Investment in associates | 2,123,889 | 2,084,029 | 1,886,876 |
| Investment in joint ventures | 1,627,947 | 1,306,632 | 1,741,727 |
| Goodwill | 311,666 | 313,893 | 311,814 |
| Deferred tax assets | 66,727 | 110,342 | 102,066 |
| Receivables | 2,378,322 | 1,916,715 | 1,304,832 |
| Derivative assets | - | - | 34,181 |
| Rock reserves | 5,607 | 5,868 | 6,131 |
| Other investments | 5,023 | 122,397 | 813 |
| Biological assets | 121 | 234 | 616 |
| | <u>13,287,040</u> | <u>12,119,577</u> | <u>11,400,540</u> |
| Current assets | | | |
| Contract assets | 76,230 | 100,765 | 104,660 |
| Inventories | 2,100,946 | 1,857,935 | 1,788,430 |
| Receivables, deposits & prepayments | 2,122,019 | 1,946,459 | 2,098,815 |
| Cash and bank balances, and placement in funds | 5,888,764 | 5,136,032 | 4,418,604 |
| Tax recoverable | 81,043 | 68,792 | 57,474 |
| Derivative assets | 1,925 | 64,629 | 68,378 |
| | <u>10,270,927</u> | <u>9,174,612</u> | <u>8,536,361</u> |
| Assets of disposal group classified as held for sale | - | 486,128 | 294,283 |
| TOTAL ASSETS | <u>23,557,967</u> | <u>21,780,317</u> | <u>20,231,184</u> |
| EQUITY AND LIABILITIES | | | |
| Current liabilities | | | |
| Payables, accruals & other current liabilities | 2,653,132 | 2,671,907 | 2,712,274 |
| Contract liabilities | 43,529 | 33,772 | 34,669 |
| Bank borrowings | 7,416,821 | 6,337,460 | 4,911,049 |
| Lease liabilities | 68,841 | 80,932 | 67,969 |
| Taxation | 7,143 | 33,555 | 26,662 |
| Derivative liabilities | 17,882 | 17,227 | 48,315 |
| | <u>10,207,348</u> | <u>9,174,853</u> | <u>7,800,938</u> |
| Non-current liabilities | | | |
| Long term bank borrowings | 2,153,739 | 2,535,754 | 2,868,344 |
| Lease liabilities | 764,791 | 809,861 | 763,061 |
| Other long term liabilities | 128,652 | 128,993 | 258,013 |
| Derivative liabilities | 35 | 36 | 4,496 |
| Deferred taxation | 129,862 | 146,907 | 121,331 |
| | <u>3,177,079</u> | <u>3,621,551</u> | <u>4,015,245</u> |
| Total liabilities | <u>13,384,427</u> | <u>12,796,404</u> | <u>11,816,183</u> |
| Equity attributable to Owners of the Parent | | | |
| Share capital | 5,393,666 | 5,379,437 | 5,370,606 |
| Treasury shares | (53,324) | (140,299) | (63,817) |
| Reserves | 3,051,858 | 2,725,668 | 2,487,247 |
| | <u>8,392,200</u> | <u>7,964,806</u> | <u>7,794,036</u> |
| PERPETUAL SUKUK | 1,150,000 | 400,000 | - |
| NON-CONTROLLING INTERESTS | 631,340 | 619,107 | 620,965 |
| Total equity | <u>10,173,540</u> | <u>8,983,913</u> | <u>8,415,001</u> |
| TOTAL EQUITY AND LIABILITIES | <u>23,557,967</u> | <u>21,780,317</u> | <u>20,231,184</u> |
| Number of ordinary shares ('000) | 4,933,931 | 4,924,402 | 4,918,491 |
| Net Assets Per Share Attributable To Owners Of The Parent (RM) | 1.70 | 1.62 | 1.58 |

(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 2018 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD (Company No : 201001037627 (921551-D))
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2019

| | ATTRIBUTABLE TO OWNERS OF THE PARENT | | | | | | | | | | TOTAL EQUITY ATTRIBUTABLE TO OWNERS | | | |
|---|--------------------------------------|-----------------|-------------------------|--------------------------|----------------------|-------------------------|------------------------------|----------------|------------------|-----------|-------------------------------------|-----------------|---------------------------|--------------|
| | NON-DISTRIBUTABLE | | RESERVES | | | | | DISTRIBUTABLE | | | TOTAL RESERVES OF THE PARENT | PERPETUAL SUKUK | NON-CONTROLLING INTERESTS | TOTAL EQUITY |
| | SHARE CAPITAL | TREASURY SHARES | NEGATIVE MERGER RESERVE | FOREIGN EXCHANGE RESERVE | SHARE OPTION RESERVE | CASH FLOW HEDGE RESERVE | FURNITURE & FITTINGS RESERVE | OTHER RESERVES | RETAINED PROFITS | RM'000 | | | | |
| PERIOD ENDED 31 DECEMBER 2019 | | | | | | | | | | | | | | |
| At 1 January 2019 | 5,379,437 | (140,299) | (1,192,040) | 130,421 | 7,632 | (17,681) | 16,233 | 182,306 | 3,708,354 | 2,835,225 | 8,074,363 | 400,000 | 619,826 | 9,094,189 |
| Effects of adopting MFRS 128 | - | - | - | - | - | - | - | - | (132) | (132) | (132) | - | - | - |
| Effects of adopting MFRS 16 | - | - | - | - | - | - | - | - | (109,557) | (109,557) | (109,557) | - | (719) | (110,276) |
| At 1 January 2019 | 5,379,437 | (140,299) | (1,192,040) | 130,421 | 7,632 | (17,681) | 16,233 | 182,306 | 3,598,665 | 2,725,536 | 7,964,674 | 400,000 | 619,107 | 8,983,781 |
| Profit for the year | - | - | - | - | - | - | - | - | 766,633 | 766,633 | 766,633 | - | 69,305 | 835,938 |
| Other comprehensive income | - | - | - | 590 | - | 1,146 | - | 40,733 | - | 42,469 | 42,469 | - | (803) | 41,666 |
| Total comprehensive income | - | - | - | 590 | - | 1,146 | - | 40,733 | 766,633 | 809,102 | 809,102 | - | 68,502 | 877,604 |
| Issuance of perpetual sukuk | - | - | - | - | - | - | - | - | - | - | - | 750,000 | - | 750,000 |
| Issuance of ordinary shares pursuant to | | | | | | | | | | | | | | |
| - exercise of ESOS | 14,211 | - | - | - | (2,857) | - | - | - | - | (2,857) | 11,354 | - | - | 11,354 |
| - exercise of warrants | 18 | - | - | - | - | - | - | - | - | - | 18 | - | - | 18 |
| Reversal of share options granted under ESOS | - | - | - | - | (4,775) | - | - | - | 3,170 | (1,605) | (1,605) | - | - | (1,605) |
| Share buy back by a subsidiary | - | - | - | - | - | - | - | - | (2,357) | (2,357) | (2,357) | - | (3,337) | (5,694) |
| Purchase of treasury shares during the year | - | (91,926) | - | - | - | - | - | - | - | - | (91,926) | - | - | (91,926) |
| Dividends declared | - | 178,901 | - | - | - | - | - | - | (421,759) | (421,759) | (242,858) | - | - | (242,858) |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - | (65,023) | (65,023) |
| Acquisition of subsidiary | - | - | - | - | - | - | - | - | - | - | - | - | 14,200 | 14,200 |
| Shares acquired by non-controlling interest | - | - | - | - | - | - | - | - | (427) | (427) | (427) | - | 3,204 | 2,777 |
| Acquisition of equity interest from non-controlling interest | - | - | - | - | - | - | - | - | 836 | 836 | 836 | - | (5,436) | (4,600) |
| Transfer to statutory reserve | - | - | - | - | - | - | - | 305 | (428) | (123) | (123) | - | 123 | - |
| Transfer to furniture & fittings reserve | - | - | - | - | - | - | 4,336 | - | (4,336) | - | - | - | - | - |
| Distribution paid to holders of perpetual sukuk | - | - | - | - | - | - | - | - | (54,488) | (54,488) | (54,488) | - | - | (54,488) |
| Effect of disposal of other investment fair valued through other comprehensive income | - | - | - | - | - | - | - | (28,139) | 28,139 | - | - | - | - | - |
| At 31 December 2019 | 5,393,666 | (53,324) | (1,192,040) | 131,011 | - | (16,535) | 20,569 | 195,205 | 3,913,648 | 3,051,858 | 8,392,200 | 1,150,000 | 631,340 | 10,173,540 |
| PERIOD ENDED 31 DECEMBER 2018 | | | | | | | | | | | | | | |
| At 1 January 2018 | 5,370,606 | (63,817) | (1,192,040) | 200,176 | 10,596 | (17,854) | 12,536 | 190,873 | 3,379,642 | 2,583,929 | 7,890,718 | - | 621,526 | 8,512,244 |
| Effects of adopting MFRS 16 | - | - | - | - | - | - | - | - | (96,682) | (96,682) | (96,682) | - | (561) | (97,243) |
| At 1 January 2018 | 5,370,606 | (63,817) | (1,192,040) | 200,176 | 10,596 | (17,854) | 12,536 | 190,873 | 3,282,960 | 2,487,247 | 7,794,036 | - | 620,965 | 8,415,001 |
| Profit for the year | - | - | - | - | - | - | - | - | 645,508 | 645,508 | 645,508 | - | 69,853 | 715,361 |
| Other comprehensive income | - | - | - | (69,755) | - | 173 | - | (8,906) | - | (78,488) | (78,488) | - | (89) | (78,577) |
| Total comprehensive income | - | - | - | (69,755) | - | 173 | - | (8,906) | 645,508 | 567,020 | 567,020 | - | 69,764 | 636,784 |
| Issuance of ordinary shares pursuant to | | | | | | | | | | | | | | |
| - exercise of ESOS | 8,831 | - | - | - | (1,897) | - | - | - | - | (1,897) | 6,934 | - | - | 6,934 |
| - exercise of warrants | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of share options granted under ESOS | - | - | - | - | (1,067) | - | - | - | - | (1,067) | (1,067) | - | - | (1,067) |
| Purchase of treasury shares during the year | - | (76,482) | - | - | - | - | - | - | - | - | (76,482) | - | - | (76,482) |
| Dividends declared | - | - | - | - | - | - | - | - | (316,493) | (316,493) | (316,493) | - | - | (316,493) |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - | (65,780) | (65,780) |
| Share acquired by non-controlling interests | - | - | - | - | - | - | - | - | (210) | (210) | (210) | - | 2,604 | 2,394 |
| Acquisition of equity interest from non-controlling interest | - | - | - | - | - | - | - | (14) | 874 | 860 | 860 | - | (8,443) | (7,583) |
| Distribution paid to holders of perpetual sukuk | - | - | - | - | - | - | - | - | (9,795) | (9,795) | (9,795) | - | - | (9,795) |
| Issuance of perpetual sukuk | - | - | - | - | - | - | - | - | - | - | - | 400,000 | - | 400,000 |
| Transfer to statutory reserve | - | - | - | - | - | - | - | 353 | (350) | 3 | 3 | - | (3) | - |
| Transfer to furniture & fittings reserve | - | - | - | - | - | - | 3,697 | - | (3,697) | - | - | - | - | - |
| At 31 December 2018 | 5,379,437 | (140,299) | (1,192,040) | 130,421 | 7,632 | (17,681) | 16,233 | 182,306 | 3,598,797 | 2,725,668 | 7,964,806 | 400,000 | 619,107 | 8,983,913 |

^ Represents 202 warrants amounting to RM376.

(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 2018 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2019

| | FOR THE 12 MONTHS PERIOD ENDED 31/12/2019 | FOR THE 12 MONTHS PERIOD ENDED 31/12/2018 |
|---|---|---|
| | RM'000 | RM'000 (RESTATED) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 914,232 | 836,802 |
| Adjustments for: | | |
| - non-cash items | (102,029) | (62,009) |
| - finance costs | 233,443 | 263,337 |
| - finance income | (321,262) | (276,146) |
| Operating cash flows before working capital changes | 724,384 | 761,984 |
| Changes in working capital | (176,807) | (181,641) |
| Cash flow generated from operations | 547,577 | 580,343 |
| Interest received | 321,262 | 277,212 |
| Dividend received from joint ventures, associates and other investments | 147,170 | 178,051 |
| Tax refunded | 33,969 | - |
| Tax paid | (124,690) | (109,186) |
| Net cash flow generated from operating activities | 925,288 | 926,420 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of property, plant and equipment and biological assets | 30,765 | 3,583 |
| Proceeds from disposal of intangible assets | 18 | 7 |
| Proceeds from disposal of non-current assets held for sale | 496,420 | 394,308 |
| Proceeds from disposal of joint venture | - | 122,832 |
| Proceeds from disposal of shares to non-controlling interest | 2,777 | 2,394 |
| Proceeds from disposal of other investments | 162,114 | - |
| Net cash flow from disposal of subsidiaries | 3 | 5,372 |
| Acquisition of other investment | (9,952) | (130,490) |
| Acquisition of land | (146,807) | (274,285) |
| Acquisition of property, plant and equipment, and biological assets | (335,901) | (464,091) |
| Acquisition of intangible assets | (10,063) | (10,655) |
| Acquisition of goodwill | - | (2,079) |
| Acquisition of subsidiaries | (73,653) | 15 |
| Acquisition and subsequent expenditure of investment properties | (344,566) | (64,103) |
| Acquisition of equity interest from non-controlling interest | (4,600) | (7,583) |
| Investment in joint ventures | (4,233) | (52,563) |
| Investment in associates | (200) | (191,388) |
| Advances to associates and joint ventures | (401,070) | (619,081) |
| Quasi-equity loan repaid by/(advanced to) joint venture | (285,468) | 353,115 |
| Proceeds on liquidation of subsidiary | 254 | - |
| Net cash generated used in investing activities | (924,162) | (934,692) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net bank borrowings | 667,142 | 651,891 |
| Net lease liabilities | (78,005) | (30,560) |
| Issue of ordinary shares pursuant to exercise of warrants | 18 | - |
| Interest paid | (233,443) | (263,337) |
| Proceeds from issue of shares from exercise of ESOS | 11,354 | 6,934 |
| Shares buyback | (97,620) | (76,482) |
| Dividend paid to shareholders | (242,858) | (316,493) |
| Dividend paid to non-controlling interests of subsidiaries | (65,023) | (65,780) |
| Repayment from non-controlling interests of subsidiaries | 1,222 | - |
| Issuance of perpetual bonds | 750,000 | 400,000 |
| Distribution paid to holders of perpetual sukuk | (54,488) | (9,795) |
| Net cash generated from financing activities | 658,299 | 296,378 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 659,425 | 288,106 |
| EFFECTS OF EXCHANGE RATE CHANGES | 3,413 | (17,124) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 2,507,882 | 2,236,900 |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD | 3,170,720 | 2,507,882 |
| Bank overdrafts | 191,340 | 101,446 |
| Short-term investments | 2,526,704 | 2,526,704 |
| Cash and bank balances, and placement in funds | 5,888,764 | 5,136,032 |

(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 2018 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 2019.

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 2018. 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 2018.

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 2018 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 2019, as disclosed below:

| | |
|--|---|
| MFRS 16 | Leases |
| IC Interpretation 23 | Uncertainty over Income Tax Treatments |
| Amendments to MFRS 128 | Long-term Interests in Associates and Joint Ventures |
| Amendments to MFRS 9 | Prepayment Features with Negative Compensation |
| Amendments to MFRS 3 | Annual Improvements to MFRS Standards 2015-2017 Cycle |
| Amendments to MFRS 11 | Annual Improvements to MFRS Standards 2015-2017 Cycle |
| Amendments to MFRS 112 | Annual Improvements to MFRS Standards 2015-2017 Cycle |
| Amendments to MFRS 123 | Annual Improvements to MFRS Standards 2015-2017 Cycle |
| Amendments to MFRS 119 | Plan Amendment, Curtailment or Settlement |
| Amendments to MFRS 9, MFRS 139 and MFRS 7 | Interest Rate Benchmark Reform |

The adoption of the above pronouncements does not have any significant impact to the Group except for the following:

MFRS 16 - Leases

As a result of the adoption of MFRS 16, the existing requirements for a lessee to distinguish between finance leases and operating leases under the MFRS 117 are no longer required. This Standard introduces a single accounting model, requiring the lessee to recognise the right-of-use of the underlying lease asset and the future lease payments liabilities in the statements of financial position. For a lessor, MFRS 16 continues to allow the lessor to classify leases as either operating leases or finance leases and to account for these two types of leases differently.

Right-of-use assets comprise premises and equipment. Subsequent to initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The right-of-use assets are measured at an amount equal to the lease liabilities.

Lease liabilities arising from the premises and equipment are recognised and discounted using the weighted average incremental borrowing rate of the Group of 5.41% - 5.71%. Subsequent to initial recognition, the Group measure the lease liabilities by increasing the carrying amount to reflect the interest on the lease liabilities, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

NOTES TO FINANCIAL STATEMENTS

A1 Accounting Policies and Basis of Preparation (contd.)

Adoption of Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures

Amendments to MFRS 128 clarify that an entity applies MFRS 9 Financial Instruments to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in MFRS 9 applies to such long-term interests.

In applying MFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying MFRS 128 Investments in Associates and Joint Ventures.

The Group adopted Amendments to MFRS 128 with an initial application date of 1 January 2019. In accordance with the transitional provisions provided in MFRS 128, comparative information was not restated. Differences arising from the adoption of Amendments to MFRS 128 have been recognised directly in retained earnings.

(i) Reconciliation of profit of loss

| | Individual quarter ended 31 December 2018 | | | | Cumulative quarter ended 31 December 2018 | | | |
|-------------------------------------|--|----------------------------|-----------------------|-------------|--|----------------------------|-----------------------|-------------|
| | As previously stated | Prior year restatements | Effects of MFRS 16 | Restated | As previously stated | Prior year restatements | Effects of MFRS 16 | Restated |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 1,370,082 | 82,295 | - | 1,452,377 | 5,410,165 | - | - | 5,410,165 |
| Operating expenses | (1,383,671) | (44,696) | 8,966 | (1,419,401) | (5,067,247) | - | 35,536 | (5,031,711) |
| Other operating income | 117,027 | 841 | - | 117,868 | 216,285 | - | - | 216,285 |
| Profit from operations | 103,438 | 38,440 | 8,966 | 150,844 | 559,203 | - | 35,536 | 594,739 |
| Finance income | 98,432 | (19,875) | - | 78,557 | 276,146 | - | - | 276,146 |
| Finance cost | (12,984) | (21,675) | (12,505) | (47,164) | (214,560) | - | (48,777) | (263,337) |
| Share of profit from associates | 29,995 | - | - | 29,995 | 172,322 | - | - | 172,322 |
| Share of profit from joint ventures | 34,101 | (2,610) | - | 31,491 | 56,932 | - | - | 56,932 |
| Profit before tax | 252,982 | (5,720) | (3,539) | 243,723 | 850,043 | - | (13,241) | 836,802 |
| Income tax expense | (44,737) | - | (755) | (45,492) | (121,649) | - | 208 | (121,441) |
| Profit after tax | 208,245 | (5,720) | (4,294) | 198,231 | 728,394 | - | (13,033) | 715,361 |
| Attributable to: | | | | | | | | |
| - Owners of the parent | 191,714 | (6,208) | (4,268) | 181,238 | 658,383 | - | (12,875) | 645,508 |
| - Non-controlling interests | 16,531 | 488 | (26) | 16,993 | 70,011 | - | (158) | 69,853 |
| | 208,245 | (5,720) | (4,294) | 198,231 | 728,394 | - | (13,033) | 715,361 |
| Earnings per share: | | | | | | | | |
| - Basic | 3.75 | | | 3.53 | 13.32 | | | 13.05 |
| - Diluted | 3.75 | | | 3.53 | 13.30 | | | 13.04 |

(ii) Reconciliation of comprehensive income

| | Individual quarter ended 31 December 2018 | | | | Cumulative quarter ended 31 December 2018 | | | |
|--|--|----------------------------|-----------------------|----------|--|----------------------------|-----------------------|----------|
| | As previously stated | Prior year restatements | Effects of MFRS 16 | Restated | As previously stated | Prior year restatements | Effects of MFRS 16 | Restated |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit for the period | 208,245 | (5,720) | (4,294) | 198,231 | 728,394 | - | (13,033) | 715,361 |
| Other comprehensive income to be reclassified to profit and loss in subsequent periods | | | | | | | | |
| Foreign currency translation differences for foreign operation | (7,407) | - | - | (7,407) | (69,844) | - | - | (69,844) |
| Cash flow hedge reserve- fair value gains | | | | - | | | | - |
| - Fair value of derivatives | 78,638 | - | - | 78,638 | 37,202 | - | - | 37,202 |
| - Amount recycled to profit or loss | (76,325) | - | - | (76,325) | (37,029) | - | - | (37,029) |
| Other comprehensive income not to be reclassified to profit and loss in subsequent periods | | | | | | | | |
| Revaluation of other investment | (8,906) | - | - | (8,906) | (8,906) | - | - | (8,906) |
| | (14,000) | - | - | (14,000) | (78,577) | - | - | (78,577) |
| Total comprehensive income for the period | 194,245 | (5,720) | (4,294) | 184,231 | 649,817 | - | (13,033) | 636,784 |
| Attributable to: | | | | | | | | |
| - Owners of the parent | 178,404 | (6,208) | (4,268) | 167,928 | 579,895 | - | (12,875) | 567,020 |
| - Non-controlling interests | 15,841 | 488 | (26) | 16,303 | 69,922 | - | (158) | 69,764 |
| | 194,245 | (5,720) | (4,294) | 184,231 | 649,817 | - | (13,033) | 636,784 |

(iii) Reconciliation of financial position and equity

| | As at 1 January 2018 | | | As at 31 December 2018 | | |
|---|----------------------|--------------------|-------------|------------------------|--------------------|-------------|
| | As previously stated | Effects of MFRS 16 | Restated | As previously stated | Effects of MFRS 16 | Restated |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Non-current assets | | | | | | |
| Property, plant and equipment | 1,522,895 | 724,369 | 2,247,264 | 1,856,860 | 770,804 | 2,627,664 |
| Investment in joint venture | 1,741,727 | - | 1,741,727 | 1,306,632 | - | 1,306,632 |
| Deferred tax assets | 100,828 | 1,238 | 102,066 | 108,896 | 1,446 | 110,342 |
| Other non-current assets | 7,309,483 | - | 7,309,483 | 8,074,939 | - | 8,074,939 |
| | 10,674,933 | 725,607 | 11,400,540 | 11,347,327 | 772,250 | 12,119,577 |
| Current assets | 8,536,361 | - | 8,536,361 | 9,174,612 | - | 9,174,612 |
| Assets of disposal group classified as held for sale | 294,283 | - | 294,283 | 486,128 | - | 486,128 |
| TOTAL ASSETS | 19,505,577 | 725,607 | 20,231,184 | 21,008,067 | 772,250 | 21,780,317 |
| Current liabilities | | | | | | |
| Payables, accruals & other current liabilities | 2,720,454 | (8,180) | 2,712,274 | 2,680,174 | (8,267) | 2,671,907 |
| Lease liabilities | - | 67,969 | 67,969 | - | 80,932 | 80,932 |
| Other current liabilities | 5,020,695 | - | 5,020,695 | 6,422,014 | - | 6,422,014 |
| | 7,741,149 | 59,789 | 7,800,938 | 9,102,188 | 72,665 | 9,174,853 |
| Non-current liabilities | | | | | | |
| Lease liabilities | - | 763,061 | 763,061 | - | 809,861 | 809,861 |
| Other non-current liabilities | 3,252,184 | - | 3,252,184 | 2,811,690 | - | 2,811,690 |
| Non-current liabilities | 3,252,184 | 763,061 | 4,015,245 | 2,811,690 | 809,861 | 3,621,551 |
| Total liabilities | 10,993,333 | 822,850 | 11,816,183 | 11,913,878 | 882,526 | 12,796,404 |
| Equity attributable to Owners of the Parent | | | | | | |
| Share capital | 5,370,606 | - | 5,370,606 | 5,379,437 | - | 5,379,437 |
| Treasury shares | (63,817) | - | (63,817) | (140,299) | - | (140,299) |
| Reserves | 2,583,929 | (96,682) | 2,487,247 | 2,835,225 | (109,557) | 2,725,668 |
| | 7,890,718 | (96,682) | 7,794,036 | 8,074,363 | (109,557) | 7,964,806 |
| Perpetual sukuk | - | - | - | 400,000 | - | 400,000 |
| Non-controlling interest | 621,526 | (561) | 620,965 | 619,826 | (719) | 619,107 |
| Total equity | 8,512,244 | (97,243) | 8,415,001 | 9,094,189 | (110,276) | 8,983,913 |
| TOTAL LIABILITIES AND EQUITY | 19,505,577 | 725,607 | 20,231,184 | 21,008,067 | 772,250 | 21,780,317 |
| Net Assets Per Share Attributable To Owners Of The Parent (RM) | 1.60 | | 1.58 | 1.64 | | 1.62 |

A2 Report of the Auditors

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

A3 Seasonal or Cyclical Factors

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

A4 Unusual Items

There were no material unusual items affecting the amounts reported for the current quarter ended 31 December 2019.

A5 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 2019.

A6 Issuances, Cancellations, Repurchases, Resale and Repayments of Debts and Equity Securities

During the financial period ended 31 December 2019, the Company increased its issued and paid up ordinary share capital by way of:

- (a) issuance of 9,518,465 ordinary shares pursuant to the exercise of the Employees' Share Option Scheme; and
- (b) the repurchase of equity securities of 55,042,100 ordinary shares, at an average price of RM1.67 per share.

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

A7 Dividend Paid

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

- (a) RM96,878,406 was paid on 18 April 2019 as second interim dividend of 2 sen per ordinary share for the financial year ended 31 December 2018.
- (b) A share dividend distribution of approximately 48.4 million shares was distributed on 18 April 2019 on the basis of 1 treasury share for every 100 existing ordinary shares held.
- (c) RM145,980,202 was paid on 17 October 2019 as first interim dividend of 3 sen per ordinary share for the financial year ended 31 December 2019.
- (d) A share dividend distribution of approximately 48.6 million shares was distributed on 17 October 2019 on the basis of 1 treasury share for every 100 existing ordinary shares held.

| A8 Segmental Reporting | | | | | | | | | | |
|---|----------------------|------------------------------|------------------|--------------------------------------|---------|------------|---------------------|----------|--------------------------|--------------|
| Segmental results for the financial period ended 31 December 2019 are as follows: | | | | | | | | | | |
| | Property Development | Property Investment Division | Construction | Trading and Manufacturing | Quarry | Healthcare | Investment Holdings | Others | Adjustments/eliminations | Consolidated |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| BY BUSINESS SEGMENTS | | | | | | | | | | |
| REVENUE AND EXPENSES | | | | | | | | | | |
| Revenue | | | | | | | | | | |
| Sales to external customers | 545,852 | 803,468 | 1,273,269 | 959,762 | 348,114 | 584,833 | 5,187 | 259,962 | - | 4,780,447 |
| Inter-segment revenue | 52,872 | 220,675 | 1,394,806 | 135,857 | 26,340 | 3,807 | 936,801 | 75,568 | (2,846,726) | - |
| Total revenue | 598,724 | 1,024,143 | 2,668,075 | 1,095,619 | 374,454 | 588,640 | 941,988 | 335,530 | (2,846,726) | 4,780,447 |
| Results | | | | | | | | | | |
| Operating segment results | 163,331 | 239,331 | 144,461 | 41,053 | 12,644 | 59,227 | (73,419) | (21,438) | - | 565,190 |
| Finance income | 52,806 | 50,086 | 26,204 | 10,874 | 6,781 | 22,242 | 172,979 | 11,543 | (32,253) | 321,262 |
| Finance costs | (21,231) | (157,584) | (13,235) | (20,504) | (2,696) | (19,654) | (19,704) | (11,088) | 32,253 | (233,443) |
| Share of results of: | | | | | | | | | | |
| - associated companies | 4 | 187,527 | 4,802 | - | - | - | - | 422 | - | 192,755 |
| - joint ventures | 51,401 | 16,968 | 99 | - | - | - | - | - | - | 68,468 |
| Profit before taxation | 246,311 | 336,328 | 162,331 | 31,423 | 16,729 | 61,815 | 79,856 | (20,561) | - | 914,232 |
| Taxation | (42,698) | 4,168 | (25,519) | (6,102) | (1,632) | (31) | (1,454) | (5,026) | - | (78,294) |
| Profit for the period | 203,613 | 340,496 | 136,812 | 25,321 | 15,097 | 61,784 | 78,402 | (25,587) | - | 835,938 |
| Non controlling interests | (5,474) | (3,185) | (57,541) | (2,539) | (1,092) | (567) | (18) | 1,111 | - | (69,305) |
| Attributable to owners of the parent | 198,139 | 337,311 | 79,271 | 22,782 | 14,005 | 61,217 | 78,384 | (24,476) | - | 766,633 |
| | | | | | | | | | | |
| BY GEOGRAPHICAL SEGMENTS | | | | | | | | | | |
| | Revenue | Profit before tax | Profit after tax | Attributable to owners of the parent | | | | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | | | | | | |
| Malaysia | 4,299,579 | 833,852 | 760,105 | 690,362 | | | | | | |
| Singapore | 197,389 | (7,284) | (6,427) | (5,688) | | | | | | |
| China | 150,458 | 61,098 | 60,164 | 59,849 | | | | | | |
| Australia | 29,152 | (402) | (3,937) | (4,328) | | | | | | |
| Indonesia | 50,209 | 1,345 | 1,284 | 1,284 | | | | | | |
| Other countries | 53,660 | 25,623 | 24,749 | 25,154 | | | | | | |
| | 4,780,447 | 914,232 | 835,938 | 766,633 | | | | | | |
| | | | | | | | | | | |

Segmental results by foreign currency for the financial period ended 31 December 2019 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) | 534,192 | 189,764 | 147,395 | 142,323 | 534,192 | 189,764 | 147,395 | 142,323 |
| Australian Dollar (AUD'000) | - | 366 | 253 | 114 | - | 1,059 | 732 | 329 |
| Hong Kong Dollar (HKD'000) | - | (1,808) | (1,808) | (1,808) | - | (957) | (957) | (957) |
| India Rupee (INR'000) | - | (51) | (51) | (51) | - | (3) | (3) | (3) |
| China Yuan Renminbi (RMB'000) | 19,401 | 98,003 | 98,003 | 98,003 | 11,660 | 58,900 | 58,900 | 58,900 |
| Singapore Dollar (SGD'000) | - | (802) | (803) | (803) | - | (2,443) | (2,445) | (2,445) |
| US Dollar (USD'000) | - | (2) | (2) | (2) | - | (9) | (9) | (8) |
| | | | | | 545,852 | 246,311 | 203,613 | 198,139 |

PROPERTY INVESTMENT DIVISION SEGMENT:

| | | | | | | | | |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Malaysia Ringgit (RM'000) | 780,183 | 315,218 | 319,521 | 316,554 | 780,183 | 315,218 | 319,521 | 316,554 |
| Hong Kong Dollar (HKD'000) | - | 8 | 8 | 8 | - | 4 | 4 | 4 |
| US Dollar (USD'000) | 3,267 | 114 | 104 | 55 | 13,547 | 472 | 433 | 227 |
| Vietnam Dong (VND'000,000) | 42,530 | 4,051 | 4,051 | 4,051 | 7,591 | 723 | 723 | 723 |
| | | | | | 803,468 | 336,328 | 340,496 | 337,311 |

CONSTRUCTION SEGMENT:

| | | | | | | | | |
|---------------------------------------|-----------|-----------|-----------|----------|-----------|---------|---------|---------|
| Malaysia Ringgit (RM'000) | 1,122,613 | 166,292 | 139,803 | 80,902 | 1,122,613 | 166,292 | 139,803 | 80,902 |
| United Arab Emirates Dirham (AED'000) | - | 4,501 | 4,501 | 2,456 | - | 5,093 | 5,093 | 2,779 |
| India Rupee (INR'000) | 14,325 | (106,865) | (109,737) | (59,864) | 843 | (6,289) | (6,458) | (3,523) |
| Singapore Dollar (SGD'000) | 49,201 | (908) | (534) | (291) | 149,813 | (2,765) | (1,626) | (887) |
| | | | | | 1,273,269 | 162,331 | 136,812 | 79,271 |

TRADING & MANUFACTURING SEGMENT:

| | | | | | | | | |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Malaysia Ringgit (RM'000) | 700,179 | 20,962 | 19,900 | 17,883 | 700,179 | 20,962 | 19,900 | 17,883 |
| Australian Dollar (AUD'000) | 10,088 | (499) | (1,608) | (1,608) | 29,152 | (1,443) | (4,648) | (4,648) |
| Indonesia Rupiah (IDR'000,000) | 170,924 | 4,579 | 4,371 | 4,371 | 50,209 | 1,345 | 1,284 | 1,284 |
| China Yuan Renminbi (RMB'000) | 171,644 | 8,314 | 6,775 | 5,907 | 103,158 | 4,997 | 4,072 | 3,550 |
| Singapore Dollar (SGD'000) | 15,610 | 1,035 | 942 | 942 | 47,531 | 3,150 | 2,869 | 2,869 |
| Thai Baht (THB'000) | 214,172 | 22,356 | 18,119 | 18,119 | 28,711 | 2,997 | 2,429 | 2,429 |
| Vietnam Dong (VND'000,000) | 4,605 | (3,278) | (3,278) | (3,278) | 822 | (585) | (585) | (585) |
| | | | | | 959,762 | 31,423 | 25,321 | 22,782 |

QUARRY SEGMENT:

| | | | | | | | | |
|------------------------------------|---------|--------|--------|--------|---------|--------|--------|--------|
| Malaysia Ringgit (RM'000) | 348,114 | 16,692 | 15,060 | 13,968 | 348,114 | 16,692 | 15,060 | 13,968 |
| Trinidad & Tobago Dollar (TTD'000) | - | 60 | 60 | 60 | - | 37 | 37 | 37 |
| | 348,114 | 16,752 | 15,120 | 14,028 | 348,114 | 16,729 | 15,097 | 14,005 |

HEALTHCARE SEGMENT:

| | | | | | | | | |
|----------------------------|---------|--------|--------|--------|---------|---------|---------|---------|
| Malaysia Ringgit (RM'000) | 584,788 | 63,770 | 63,739 | 63,172 | 584,788 | 63,770 | 63,739 | 63,172 |
| Singapore Dollar (SGD'000) | 15 | (642) | (642) | (642) | 45 | (1,955) | (1,955) | (1,955) |
| | | | | | 584,833 | 61,815 | 61,784 | 61,217 |

INVESTMENT HOLDING SEGMENT:

| | | | | | | | | |
|-------------------------------|-------|--------|--------|--------|-------|--------|--------|--------|
| Malaysia Ringgit (RM'000) | 3,272 | 78,308 | 76,863 | 76,845 | 3,272 | 78,308 | 76,863 | 76,845 |
| Hong Kong Dollar (HKD'000) | - | 1,088 | 1,071 | 1,071 | - | 576 | 567 | 567 |
| China Yuan Renminbi (RMB'000) | 3,186 | 1,617 | 1,617 | 1,617 | 1,915 | 972 | 972 | 972 |
| | | | | | 5,187 | 79,856 | 78,402 | 78,384 |

OTHERS SEGMENT:

| | | | | | | | | |
|-------------------------------|---------|----------|----------|----------|---------|----------|----------|----------|
| Malaysia Ringgit (RM'000) | 226,237 | (17,176) | (22,202) | (21,299) | 226,237 | (17,176) | (22,202) | (21,299) |
| China Yuan Renminbi (RMB'000) | 56,115 | (5,632) | (5,632) | (5,286) | 33,725 | (3,385) | (3,385) | (3,177) |
| | | | | | 259,962 | (20,561) | (25,587) | (24,476) |

Segmental assets and liabilities for the financial period ended 31 December 2019 are as follows:

| | Property Development | Property Investment Division | Construction | Trading and Manufacturing | Quarry | Healthcare | Investment Holdings | Others | Adjustments/ eliminations | Consolidated |
|------------------------------|-------------------------|------------------------------------|--------------|------------------------------|---------|------------|------------------------|---------|------------------------------|-------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Assets | | | | | | | | | | |
| Segment assets | 5,666,369 | 3,371,855 | 2,106,932 | 923,538 | 352,221 | 1,751,340 | 16,475,685 | 765,403 | (11,754,982) | 19,658,361 |
| Investment in associates | - | 1,942,477 | - | - | - | - | - | 181,412 | - | 2,123,889 |
| Investment in joint ventures | 1,436,117 | 147,568 | 44,262 | - | - | - | - | - | - | 1,627,947 |
| Unallocated assets | | | | | | | | | | 147,770 |
| Total assets | | | | | | | | | | <u>23,557,967</u> |
| Liabilities | | | | | | | | | | |
| Segment liabilities | 4,565,336 | 3,852,748 | 1,534,218 | 642,879 | 238,447 | 737,773 | 12,380,144 | 612,366 | (11,316,489) | 13,247,422 |
| Unallocated liabilities | | | | | | | | | | 137,005 |
| Total liabilities | | | | | | | | | | <u>13,384,427</u> |

A9 **Foreign Currency Rates**

The foreign currency exchange rates used are as follows:

| Denomination | Closing rate | Average rate |
|-----------------------------|--------------|--------------|
| United Arab Emirates Dirham | 1.1191 | 1.1316 |
| Australian Dollar | 2.8798 | 2.8898 |
| Hong Kong Dollar | 0.5275 | 0.5293 |
| Indonesia Rupiah ('000) | 0.2950 | 0.2938 |
| India Rupee | 0.0576 | 0.0589 |
| Macau Pataca | 0.5123 | 0.5145 |
| China Yuan Renminbi | 0.5881 | 0.6010 |
| Singapore Dollar | 3.0508 | 3.0449 |
| Thai Baht | 0.1370 | 0.1341 |
| US Dollar | 4.1070 | 4.1465 |
| Vietnam Dong ('000) | 0.1773 | 0.1785 |

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

A10 **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 RM39,252,000 recognised during the year based on a professional valuer's opinion.

A11 **Material events**

There were no material changes in the composition of the Group for the current quarter ended 31 December 2019.

A12 **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 2019.

A13 **Contingent Liabilities and Assets**

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

| | 31/12/2019 RM'000 | 31/12/2018 RM'000 |
|---|----------------------|----------------------|
| Guarantees given to third parties in respect of contracts and trade performance | <u>944,912</u> | <u>797,281</u> |

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

There were no contingent assets.

A14 **Commitments**

(a) Capital commitment not provided for in the financial year as at 31 December 2019 is as follows:

| | 31/12/2019 RM'000 | 31/12/2018 RM'000 |
|--|----------------------|----------------------|
| Amount authorised and contracted for | 191,650 | 73,288 |
| Amount authorised but not contracted for | <u>249,060</u> | <u>503,547</u> |
| | <u>440,710</u> | <u>576,835</u> |

(b) Operating lease commitment not provided for in the financial year as at 31 December 2019 is as follows:

| | 31/12/2019 RM'000 | 31/12/2018 RM'000 |
|--|----------------------|----------------------|
| Future minimum lease receipts: | | (Restated) |
| - not later than 1 year | 54,880 | 52,937 |
| - later than 1 year and not later than 5 years | 220,614 | 213,618 |
| - later than 5 years | <u>121,479</u> | <u>344,047</u> |
| | <u>396,973</u> | <u>610,602</u> |

B1 **Review of Performance**

Revenue and profit before tax of the respective operating business segments for the current quarter are analysed as follows:

For the quarter

| | Quarter ended | | Increase/ Decrease (%) |
|---------------------------|----------------------|------------------------------------|------------------------------|
| | 31/12/2019 RM'000 | 31/12/2018 RM'000 (Restated) | |
| Revenue | | | |
| Property Development | 218,180 | 203,828 | 7.0% |
| Property Investment | 220,940 | 222,636 | -0.8% |
| Construction | 318,047 | 489,116 | -35.0% |
| Trading and Manufacturing | 232,161 | 241,795 | -4.0% |
| Quarry | 136,418 | 59,188 | 130.5% |
| Healthcare | 162,873 | 132,770 | 22.7% |
| Others | 64,547 | 103,044 | -37.4% |
| | <u>1,353,166</u> | <u>1,452,377</u> | -6.8% |
| Profit before tax | | | |
| Property Development | 117,190 | 51,006 | 129.8% |
| Property Investment | 89,635 | 84,283 | 6.3% |
| Construction | 38,134 | 48,390 | -21.2% |
| Trading and Manufacturing | 4,522 | 10,073 | -55.1% |
| Quarry | 8,003 | 3,592 | 122.8% |
| Healthcare | 11,358 | 16,911 | -32.8% |
| Others | (8,434) | 29,468 | -128.6% |
| | <u>260,408</u> | <u>243,723</u> | 6.8% |

The Group recorded revenue of RM1,353.2 million and profit before tax of RM260.4 million for the current quarter ended 31 December 2019 compared to revenue of RM1,452.4 million and profit before tax of RM243.7 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 6.8% and increase in profit before tax of 6.8%. Revenue was lower in the current quarter due to lower contributions from most business segments except property development, quarry and healthcare. Profit before tax was higher mainly due to higher contributions from property development, quarry and property investment. It should be noted that profit before tax of the Group is impacted by 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 full recognition of the balance of the development profit of approximately RM160 million for the projects will be done upon Vacant Possession delivery in 2020.

The property development segment reported revenue of RM218.2 million and profit before tax of RM117.2 million in the current quarter compared to revenue of RM203.8 million and profit before tax of RM51.0 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 7.0% and profit before tax of 129.8%. Revenue was higher due to higher sales and progress billings from local development projects. Profit before tax for the current quarter was higher mainly due to higher progressive profit recognition from local development projects and recognition of a portion of the development profit for the China property development project.

The property investment segment reported revenue of RM220.9 million and profit before tax of RM89.6 million in the current quarter compared to revenue of RM222.6 million and profit before tax of RM84.3 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 0.8% and increase in profit before tax of 6.3%. Revenue in the current quarter was largely flat as improved occupancy rates at the Group's hospitality properties were able to partly offset the lower rental income after the disposal of Sunway University assets to Sunway REIT, which was completed on 15 April 2019. However, profit before tax was higher mainly due to higher share of profits from Sunway REIT and higher fair value gains.

The construction segment recorded revenue of RM318.0 million and profit before tax of RM38.1 million in the current quarter compared to revenue of RM489.1 million and profit before tax of RM48.4 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 35.0% and profit before tax of 21.2%. Revenue in the current quarter was lower mainly due to lower progress billings from local construction projects and higher intra-group eliminations which resulted in lower profit contribution to the current quarter profit before tax.

The trading and manufacturing segment recorded revenue of RM232.2 million and profit before tax of RM4.5 million in the current quarter compared to revenue of RM241.8 million and profit before tax of RM10.1 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 4.0% and profit before tax of 55.1%. The financial performance was lower in the current quarter mainly due to lower overseas sales as well as lower performance from the local business operations.

The quarry segment reported revenue of RM136.4 million and profit before tax of RM8.0 million in the current quarter compared to revenue of RM59.2 million and profit before tax of RM3.6 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 130.5% and profit before tax of 122.8%. The financial performance in the current quarter was higher primarily due to higher sales from the completion of acquisition of Blacktop and expansion of new premix plant in Sungai Buloh, which boosted the sales volume for premix.

The healthcare segment reported revenue of RM162.9 million and profit before tax of RM11.4 million in the current quarter compared to revenue of RM132.8 million and profit before tax of RM16.9 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 22.7% and a decrease in profit before tax of 32.8%. The revenue in the current quarter was higher primarily due to higher occupancy from increased number of new beds and higher admissions and outpatient treatments. The strong performance from the flagship hospital, Sunway Medical Centre was, however, partly offset by the operating loss from the newly opened Sunway Medical Centre Velocity which amounted to RM11.7 million in the current quarter.

The other segments recorded revenue of RM64.5 million and loss before tax of RM8.4 million in the current quarter compared to revenue of RM103.0 million and profit before tax of RM29.5 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 37.4% and profit before tax of 128.6%. The financial performance in the current quarter was lower mainly due to the provision for impairment of assets of RM39.6 million for spun pile operation under the building materials segment. However, the contribution from the Group's treasury functions was better.

For 12 months period

| | For 12 months period ended | | Increase/ Decrease (%) |
|---------------------------|----------------------------|------------------------------------|------------------------------|
| | 31/12/2019 RM'000 | 31/12/2018 RM'000 (Restated) | |
| Revenue | | | |
| Property Development | 545,852 | 619,587 | -11.9% |
| Property Investment | 803,468 | 814,806 | -1.4% |
| Construction | 1,273,269 | 1,847,872 | -31.1% |
| Trading and Manufacturing | 959,762 | 1,103,353 | -13.0% |
| Quarry | 348,114 | 223,355 | 55.9% |
| Healthcare | 584,833 | 459,723 | 27.2% |
| Others | 265,149 | 341,469 | -22.4% |
| | <u>4,780,447</u> | <u>5,410,165</u> | -11.6% |
| Profit before tax | | | |
| Property Development | 246,311 | 173,194 | 42.2% |
| Property Investment | 336,328 | 298,638 | 12.6% |
| Construction | 162,331 | 180,874 | -10.3% |
| Trading and Manufacturing | 31,423 | 53,122 | -40.8% |
| Quarry | 16,729 | 13,623 | 22.8% |
| Healthcare | 61,815 | 54,419 | 13.6% |
| Others | 59,295 | 62,932 | -5.8% |
| | <u>914,232</u> | <u>836,802</u> | 9.3% |

The Group recorded revenue of RM4,780.4 million and profit before tax of RM914.2 million for the current 12 months period ended 31 December 2019 compared to revenue of RM5,410.2 million and profit before tax of RM836.8 million in the corresponding 12 months period ended 31 December 2018, representing a decrease in revenue of 11.6% and increase in profit before tax of 9.3%. Revenue was lower in the current period due to lower contributions from most business segments except quarry and healthcare. Current period profit before tax was higher mainly due to higher profit contributions from most business segments except construction and trading and manufacturing. As previously mentioned, 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. The full recognition of the balance of the development profit of approximately RM160 million for the projects will be done upon Vacant Possession delivery in 2020.

The property development segment reported revenue of RM545.9 million and profit before tax of RM246.3 million for the current 12 months period ended 31 December 2019 compared to revenue of RM619.6 million and profit before tax of RM173.2 million in the corresponding 12 months period ended 31 December 2018, representing a decrease in revenue of 11.9% and increase in profit before tax of 42.2%. The lower revenue for the current period in comparison, was mainly due to the higher revenue from the completion and handover of a local development project in the corresponding period of the previous year. Profit before tax for the current period was higher due to higher progressive profit recognition from local development projects and recognition of a portion of the development profit for the China property development project.

The property investment segment reported revenue of RM803.5 million and profit before tax of RM336.3 million for the current 12 months period ended 31 December 2019 compared to revenue of RM814.8 million and profit before tax of RM298.6 million in the corresponding 12 months period ended 31 December 2018, representing a decrease in revenue of 1.4% and increase in profit before tax of 12.6%. Revenue in the current period was lower mainly due to lower rental income after the disposal of Sunway University assets to Sunway REIT, which was completed on 15 April 2019. However, profit before tax in the current period was higher mainly boosted by disposal gain on Sunway University, which offset the lower contributions from the Group's hospitality properties and theme parks in the current period.

The construction segment recorded revenue of RM1,273.3 million and profit before tax of RM162.3 million for the current 12 months period ended 31 December 2019 compared to revenue of RM1,847.9 million and profit before tax of RM180.9 million in the corresponding 12 months period ended 31 December 2018, representing a decrease in revenue of 31.1% and profit before tax of 10.3%. Revenue was lower in the current period due to lower progress billings from local construction projects and higher intra-group eliminations, which led to lower profit for the current period.

The trading and manufacturing segment recorded revenue of RM959.8 million and profit before tax of RM31.4 million for the current 12 months period ended 31 December 2019 compared to revenue of RM1,103.4 million and profit before tax of RM53.1 million in the corresponding 12 months period ended 31 December 2018, representing a decrease in revenue of 13.0% and profit before tax of 40.8%. The financial performance of the segment in the current period was impacted by lower sales from subdued local and overseas market conditions and lower operating margins.

The quarry segment reported revenue of RM348.1 million and profit before tax of RM16.7 million for the current 12 months period ended 31 December 2019 compared to revenue of RM223.4 million and profit before tax of RM13.6 million in the corresponding 12 months period ended 31 December 2018, representing an increase in revenue of 55.9% and profit before tax of 22.8%. Revenue in the current period was higher primarily due to higher sales from the completion of acquisition of Blacktop and higher average selling price of premix.

The healthcare segment reported revenue of RM584.8 million and profit before tax of RM61.8 million for the current 12 months period ended 31 December 2019 compared to revenue of RM459.7 million and profit before tax of RM54.4 million in the corresponding 12 months period ended 31 December 2018, representing an increase in revenue of 27.2% and profit before tax of 13.6%. The financial performance in the current period was better mainly due to the strong performance of Sunway Medical Centre. However, the overall healthcare performance was partly offset by the operating loss of RM17.8 million from Sunway Medical Centre Velocity.

The other segments recorded revenue of RM265.1 million and profit before tax of RM59.3 million for the current 12 months period ended 31 December 2019 compared to revenue of RM341.5 million and profit before tax of RM62.9 million in the corresponding 12 months period ended 31 December 2018, representing a decrease in revenue of 22.4% and profit before tax of 5.8%. The financial performance in the current period was lower mainly due to the provision for impairment of assets of RM39.6 million for spun pile operation under the building materials segment. However, the contribution from the Group's treasury functions was better.

B2 Material Changes in the Quarterly Results

| | Quarter ended | | Increase/ Decrease (%) |
|---------------------------|----------------------|---------------------|------------------------------|
| | 31/12/2019 RM'000 | 30/9/2019 RM'000 | |
| Revenue | | | |
| Property Development | 218,180 | 126,232 | 72.8% |
| Property Investment | 220,940 | 209,715 | 5.4% |
| Construction | 318,047 | 315,581 | 0.8% |
| Trading and Manufacturing | 232,161 | 246,225 | -5.7% |
| Quarry | 136,418 | 114,864 | 18.8% |
| Healthcare | 162,873 | 154,375 | 5.5% |
| Others | 64,547 | 59,502 | 8.5% |
| | <u>1,353,166</u> | <u>1,226,494</u> | 10.3% |
| Profit before tax | | | |
| Property Development | 117,190 | 59,006 | 98.6% |
| Property Investment | 89,635 | 66,968 | 33.8% |
| Construction | 38,134 | 33,126 | 15.1% |
| Trading and Manufacturing | 4,522 | 13,760 | -67.1% |
| Quarry | 8,003 | 4,866 | 64.5% |
| Healthcare | 11,358 | 15,788 | -28.1% |
| Others | (8,434) | 29,803 | -128.3% |
| | <u>260,408</u> | <u>223,317</u> | 16.6% |

The Group recorded revenue of RM1,353.2 million and profit before tax of RM260.4 million for the current quarter compared to revenue of RM1,226.5 million and profit before tax of RM223.3 million in the preceding quarter, representing an increase in revenue of 10.3% and profit before tax of 16.6%. Revenue was higher in the current quarter mainly due to higher contributions from most business segments except trading and manufacturing. Profit before tax was higher in the current quarter due to higher contributions from most business segments except trading and manufacturing, healthcare and others segments.

The property development segment reported revenue of RM218.2 million and profit before tax of RM117.2 million for the current quarter compared to revenue of RM126.2 million and profit before tax of RM59.0 million in the preceding quarter, representing an increase in revenue of 72.8% and profit before tax of 98.6%. The financial performance in the current quarter was higher primarily due to higher sales and progress billings from local development projects. Profit before tax for the current quarter was also boosted by recognition of a portion of the development profit for the China property development project.

The property investment segment reported revenue of RM220.9 million and profit before tax of RM89.6 million for the current quarter compared to revenue of RM209.7 million and profit before tax of RM67.0 million in the preceding quarter, representing an increase in revenue of 5.4% and profit before tax of 33.8%. Revenue in the current quarter was higher mainly due to higher contributions from the Group's theme parks and hospitality segment arising from the higher visitorship during the festive months and school holidays. Profit before tax was further boosted by fair value gains from revaluation of the investment properties of RM35.5 million in the current quarter. However, contribution from the hospitality segment was lower.

The construction segment recorded revenue of RM318.0 million and profit before tax of RM38.1 million for the current quarter compared to revenue of RM315.6 million and profit before tax of RM33.1 million in the preceding quarter, representing an increase in revenue of 0.8% and profit before tax of 15.1%. Revenue in the current quarter was marginally higher mainly due to higher progress billings from local construction projects which offset the higher intra-group eliminations. As a result, profit was higher for the current quarter.

The trading and manufacturing segment recorded revenue of RM232.2 million and profit before tax of RM4.5 million for the current quarter compared to revenue of RM246.2 million and profit before tax of RM13.8 million in the preceding quarter, representing a decrease in revenue of 5.7% and profit before tax of 67.1%. The financial performance was lower in the current quarter due to subdued local demand. Further, profit before tax in the preceding quarter was boosted by a disposal gain on one of its subsidiaries' factory of RM6.3 million.

The quarry segment reported revenue of RM136.4 million and profit before tax of RM8.0 million for the current quarter compared to revenue of RM114.9 million and profit before tax of RM4.9 million in the preceding quarter, representing an increase in revenue of 18.8% and profit before tax of 64.5%. The financial performance in the current quarter was higher mainly due to higher average selling price of aggregates and premix and higher sales volume for premix.

The healthcare segment reported revenue of RM162.9 million and profit before tax of RM11.4 million for the current quarter compared to revenue of RM154.4 million and profit before tax of RM15.8 million in the preceding quarter, representing an increase in revenue of 5.5% and a decrease in profit before tax of 28.1%. The revenue in the current quarter was higher mainly due to higher contribution from Sunway Medical Centre Velocity. However, profit before tax was lower due to the higher operating loss from Sunway Medical Centre Velocity which increased to RM11.7 million from RM6.8 million in the preceding quarter.

The other segments recorded revenue of RM64.5 million and loss before tax of RM8.4 million for the current quarter compared to revenue of RM59.5 million and profit before tax of RM29.8 million in the preceding quarter, representing an increase in revenue of 8.5% and decrease in profit before tax of 128.3%. Revenue in the current quarter was higher mainly due to higher contribution from the building materials segment. The loss before tax was due to provision for impairment of assets of RM39.6 million for spun pile operation under the building materials segment. However, the contribution from the Group's treasury functions was better.

B3 Prospects

The Malaysian economy grew by 3.6% in the fourth quarter of 2019, the lowest level since the Global Financial Crisis in 2009. In anticipation of a more challenging economic outlook, Bank Negara proactively reduced the Overnight Policy Rate (OPR) by 25 basis points from 3% to 2.75% on 22 January 2020.

This augurs well for the local economy as lower borrowing cost will help to underpin household spending and support private investment projects. Nevertheless, there are downside risks to growth, especially from the impact of the outbreak of the Covid-19.

In view of the above, the Group will continue with its prudent business strategy, while charting its expansion plan based on its resilient diversified business model. Barring any prolonged economic slowdown, the Group will continue to perform satisfactorily in 2020.

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 31/12/2019 RM'000 | Cumulative Year To Date 31/12/2019 RM'000 |
|-------------------|---|---|
| Current taxation | (7,779) | (55,337) |
| Deferred taxation | (33,538) | (22,957) |
| | <u>(41,317)</u> | <u>(78,294)</u> |

B6 Profit/(Loss) before Taxation

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

| | Current Quarter Ended 31/12/2019 RM'000 | Cumulative Year To Date 31/12/2019 RM'000 |
|--|---|---|
| Depreciation and amortisation | (61,060) | (235,106) |
| Net reversal/(provision) of impairment for: | | |
| - Trade receivables | (220) | (2,563) |
| - Other receivables | (41) | (272) |
| - Inventories | (1,382) | (3,416) |
| - Advances to joint venture | (1,231) | (5,304) |
| - Property, plant and equipment | (51,985) | (55,878) |
| Write off: | | |
| - Trade receivables | (926) | (2,135) |
| - Other receivables | (82) | (82) |
| - Inventories | (1,309) | (2,149) |
| - Property, plant and equipment | (6,010) | (7,742) |
| - Intangible assets | - | (62) |
| Net gain/(loss) on disposal of: | | |
| - property, plant and equipment | 2,931 | 11,638 |
| - non-current asset held for sale | - | 37,676 |
| Net foreign exchange gain/(loss): | | |
| - Others | (1,288) | (4,355) |
| - Unrealised for hedged items | 17,529 | 29,674 |
| Cash flow hedge reserve recycled to profit or loss | (17,529) | (29,674) |
| Net gain/(loss) on derivatives | (248) | 3,793 |

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. ("JVC"), 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"):

B7 **Status of Corporate Proposal Announced (contd.)**

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.)**

| 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 ("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% |

B7 Status of Corporate Proposal Announced (contd.)

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.)

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

** 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 Proposed acquisition of residential units by Sunway Avila Sdn. Bhd. (formerly known as Sunglobal Resources Sdn. Bhd.)

On 25 May 2018, Sunway Avila Sdn. Bhd. (formerly known as 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 been completed as at the date of this report.

B7.3 Proposed acquisition of Dolomite Granite Quarry Sdn. Bhd.

On 3 June 2019, Sunway Holdings Sdn. Bhd. ("SunHoldings"), a wholly-owned subsidiary of the Company, entered into a Share Sale Agreement ("SSA") with Dolomite Industries Company Sdn. Bhd. ("the Vendor"), a subsidiary of Dolomite Corporation Berhad, to acquire 100 ordinary shares in Dolomite Granite Quarry Sdn. Bhd. ("Dolomite Quarry") ("Sale Shares") representing 100% of the total issued and paid-up share capital of Dolomite Quarry together with 4 parcels of leasehold lands measuring approximately 784 acres ("Lands") and the plants and machinery located on the Lands but excluding premix plant and mobile machinery and equipment and stocks located on the Lands as listed in the SSA ("Plant and Machinery"), free from all charges and encumbrances in the following manner ("Proposed Acquisition"):

- a) RM100.00 for the Sale Shares; and
- b) RM125,000,000.00 towards payment for the Lands and the Plant and Machinery.

B7 Status of Corporate Proposal Announced (contd.)

B7.3 Proposed acquisition of Dolomite Granite Quarry Sdn. Bhd. (contd.)

The Lands are held under the following titles:

- a) Pajakan Negeri 113181, Lot 53066 Mukim Ulu Langat, Daerah Ulu Langat, Negeri Selangor;
- b) Pajakan Negeri 113182, Lot 53068 Mukim Ulu Langat, Daerah Ulu Langat, Negeri Selangor;
- c) Pajakan Negeri 113183, Lot 53065 Mukim Ulu Langat, Daerah Ulu Langat, Negeri Selangor; and
- d) Pajakan Negeri 113184, Lot 53069 Mukim Ulu Langat, Daerah Ulu Langat, Negeri Selangor.

The Proposed Acquisition is conditional upon the fulfilment of the following conditions precedent within 3 months from the date of the SSA or such other date as may be mutually agreed by SunHoldings and the Vendor:-

- a) The Vendor having procured the approval of the shareholders of Dolomite Corporation Berhad, its ultimate holding company and Dolomite Quarry, in a general meeting, for the sale of the Sale Shares;
- b) The Vendor having obtained and delivered the following documents to SunHoldings:
 - (i) a written confirmation from Maybank International Labuan Branch ("Maybank Labuan") confirming the redemption sum payable to MayBank Labuan to fully redeem and discharge the Lands ("Redemption Sum"); and
 - (ii) a written undertaking from Maybank Labuan to release its security interest created over the Sale Shares, the Lands as well as the Plant and Machinery subject to payment to Maybank Labuan of the Redemption Sum.
- c) Dolomite Quarry having completed the SPA in accordance with its terms including the transfer and registration of the Lands as well as Plant and Machinery in favour of Dolomite Quarry; and
- d) The Vendor having procured the issuance of new issue documents of title for the Lands with a leasehold tenure of not less than 58 years.

The SSA shall become unconditional on the date when all the conditions precedent have been obtained/fulfilled or waived.

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

B7.4 Establishment of private trust in Singapore and proposed acquisition of purpose-built student accommodations

An establishment of a private trust known as Sunway Residence Trust ("Trust") in Singapore and incorporation of Sunway Residence (Guernsey) Limited ("SRG") and Sunway RE Capital Advisors (UK) Limited ("UK Fund Manager") respectively.

On 30 October 2019, SRG entered into 3 agreements with the following parties to acquire purpose-built student accommodations as stated below ("Proposed Acquisition"):

- (i) Contract for Sale of Freehold Land with Colston Property Developments LLP ("Colston") as vendor and MG Markey Group Limited as guarantor for the acquisition of a freehold property known as The Colston, 8 Colston Avenue, Bristol, BS1 4ST, United Kingdom ("UK") ("Colston Property") at a total purchase consideration of £9,122,300 which is equivalent to approximately RM49.2 million;
- (ii) Contract for Sale of Freehold Land with Marboot Centregate Ltd ("Marboot") as vendor and Henry Boot Developments Limited as guarantor for the acquisition of a freehold property known as Centregate, Colston Avenue, Bristol, BS1 4TR, UK ("Centregate Property") at a total consideration of £9,526,300 which is equivalent to approximately RM51.3 million; and
- (iii) Agreement for Sale with Make Space Redvers Limited ("Make Space") as vendor, Redvers Development Limited as developer as well as Mr Anthony Leonard Harris, Mr Andrew Simon Clarfield, Baby Chicken Limited, Mr Ivor Spiro, Mr Max David Miller, Mr Mark Howard Gershinson, Mr Max William Simon Ashton, Mr Peter David Needleman and Mr Robin Julian Alvarez as guarantors to acquire a freehold property at Redvers House, Union Street, Sheffield S1 2JQ, UK ("Redvers Property") at a total consideration of £18,976,300 which is equivalent to approximately RM102.3 million.

Sunway RE Capital Advisors (SG) Pte Ltd ("SG Fund Manager") and the UK Fund Manager have on even date, entered into a Shareholders' Agreement ("SHA") with Mansion Property Management Limited ("MPML") to regulate the rights of the SG Fund Manager and MPML in relation to the UK Fund Manager which is established solely for the purpose of providing investment advisory and management services to SRG pertaining to investments in purpose-built student accommodation ("Proposed Joint Venture").

The Proposed Acquisition has been completed as at the date of this report.

B8 **Group Borrowings and Debt Securities**

The Group borrowings as at 31 December 2019 are as follows:

| | Current RM'000 | Non-current RM'000 | Total RM'000 |
|-----------------------------------|-------------------|-----------------------|------------------|
| Secured borrowings | | | |
| <u>Islamic:</u> | | | |
| Term loan | 308,025 | - | 308,025 |
| Bankers' acceptance | 1,000 | - | 1,000 |
| Revolving credits | 410,700 | - | 410,700 |
| | 719,725 | - | 719,725 |
| <u>Conventional:</u> | | | |
| Bank overdrafts | 191,340 | - | 191,340 |
| Term loan | 880,269 | 172,563 | 1,052,832 |
| Revolving credits | 682,621 | - | 682,621 |
| Bankers' acceptances | 14,957 | - | 14,957 |
| Hire purchase | 1,914 | 1,176 | 3,090 |
| | 1,771,101 | 173,739 | 1,944,840 |
| Total secured borrowings | 2,490,826 | 173,739 | 2,664,565 |
| Unsecured borrowings | | | |
| <u>Islamic:</u> | | | |
| Medium term notes | 1,430,000 | 1,370,000 | 2,800,000 |
| Bankers' acceptances | 5,200 | - | 5,200 |
| Commercial papers | 1,665,000 | - | 1,665,000 |
| | 3,100,200 | 1,370,000 | 4,470,200 |
| <u>Conventional:</u> | | | |
| Term loan | 514,127 | - | 514,127 |
| Revolving credits | 739,772 | - | 739,772 |
| Medium term notes | - | 610,000 | 610,000 |
| Bankers' acceptances | 221,008 | - | 221,008 |
| Commercial papers | 186,000 | - | 186,000 |
| Bills discounting | 164,888 | - | 164,888 |
| | 1,825,795 | 610,000 | 2,435,795 |
| Total unsecured borrowings | 4,925,995 | 1,980,000 | 6,905,995 |
| Total borrowings | 7,416,821 | 2,153,739 | 9,570,560 |
| Islamic borrowings | 3,819,925 | 1,370,000 | 5,189,925 |
| Conventional borrowings | 3,596,896 | 783,739 | 4,380,635 |
| Total borrowings | 7,416,821 | 2,153,739 | 9,570,560 |

B8 **Group Borrowings and Debt Securities (contd.)**

Included in the Group borrowings as at 31 December 2019 are amounts denominated in foreign currency as follows:

| | Foreign currency | | RM'000 | | |
|-------------------------------|------------------|-------------|-----------|-------------|-----------|
| | Current | Non-current | Current | Non-current | Total |
| Secured | | | | | |
| US Dollar (USD'000) * | | | | | |
| - Term loan | 116,000 | - | 476,412 | - | 476,412 |
| - Revolving credits | 267,000 | - | 1,096,569 | - | 1,096,569 |
| Singapore Dollar (SGD'000) # | | | | | |
| - Term loan | 25,000 | 17,260 | 76,270 | 52,657 | 128,927 |
| Indonesian Rupiah (RP'000) ** | | | | | |
| - Term loan | 4,122,000 | - | 1,216 | - | 1,216 |
| - Bills discounting | 26,315,630 | - | 7,763 | - | 7,763 |
| Australia Dollar (AUD'000) * | | | | | |
| - Revolving credits | 88,578 | - | 255,087 | - | 255,087 |
| - Bankers' acceptance | 720 | - | 2,073 | - | |
| Unsecured | | | | | |
| Singapore Dollar (SGD'000) ** | | | | | |
| - Revolving credits | 90,000 | - | 274,572 | - | 274,572 |
| | | | 2,189,962 | 52,657 | 2,240,546 |

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 | 101,446 | - | 101,446 |
| Term loan | 1,003,629 | 445,226 | 1,448,855 |
| Revolving credits | 454,115 | - | 454,115 |
| Hire purchase | 357 | 528 | 885 |
| | 1,559,547 | 445,754 | 2,005,301 |
| Total secured borrowings | 2,576,542 | 445,754 | 3,022,296 |
| Unsecured borrowings | | | |
| <u>Islamic:</u> | | | |
| Medium term notes | 560,000 | 1,480,000 | 2,040,000 |
| Revolving credits | 80,000 | - | 80,000 |
| Commercial papers | 1,160,000 | - | 1,160,000 |
| | 1,800,000 | 1,480,000 | 3,280,000 |
| <u>Conventional:</u> | | | |
| Term loan | 155,568 | - | 155,568 |
| Revolving credits | 342,269 | - | 342,269 |
| Medium term notes | - | 610,000 | 610,000 |
| Bankers' acceptances | 182,013 | - | 182,013 |
| Commercial papers | 1,166,000 | - | 1,166,000 |
| Bills discounting | 115,068 | - | 115,068 |
| | 1,960,918 | 610,000 | 2,570,918 |
| Total unsecured borrowings | 3,760,918 | 2,090,000 | 5,850,918 |
| Total borrowings | 6,337,460 | 2,535,754 | 8,873,214 |
| Islamic borrowings | 2,816,995 | 1,480,000 | 4,296,995 |
| Conventional borrowings | 3,520,465 | 1,055,754 | 4,576,219 |
| Total borrowings | 6,337,460 | 2,535,754 | 8,873,214 |

B8 **Group Borrowings and Debt Securities (contd.)**

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 |

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 RM0.70 billion, from RM8.87 billion as at 31 December 2018 to RM9.57 billion as at 31 December 2019.

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

The weighted average interest rate of borrowings as at 31 December 2019 is 3.85%. 65% of the Group's total borrowing are fixed rate instruments, whereas 35% are floating rate instruments.

Out of the total borrowings of RM9.57 billion, RM2.24 billion (Current: RM2.19 billion ; Non-current: RM0.05 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 4.161, AUD borrowings is 2.863 and SGD borrowings is 3.050.

B9 **Derivative Financial Instruments**

The Group's outstanding derivatives as at 31 December 2019 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 |
|---|---------------------------------------|-------------------------|--|--------------------------------------|
| Foreign currency forward contracts | | | | |
| - Less than 1 year | 38,630 | (953) | 222 | - |
| - 1 year to 3 years | 3,262 | (35) | 1 | - |
| Cross currency swap contracts # | | | | |
| - Less than 1 year | 1,210,532 | (15,004) | 3,570 | (1,146) |
| Total derivatives | | (15,992) | 3,793 | (1,146) |

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.

B9 Derivative Financial Instruments (contd.)

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.

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.

B10 Ageing Analysis of Trade Receivables

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

| | 31/12/2019 RM'000 | 31/12/2018 RM'000 |
|---------------------------------|----------------------|----------------------|
| Current | 1,275,406 | 1,092,389 |
| 1 to 30 days past due | 229,371 | 153,139 |
| 31 to 60 days past due | 106,356 | 104,044 |
| 61 to 90 days past due | 63,610 | 84,770 |
| 91 to 120 days past due | 38,567 | 48,634 |
| More than 120 days past due | 152,287 | 184,010 |
| | <u>590,191</u> | <u>574,597</u> |
| Gross trade receivables | 1,865,597 | 1,666,986 |
| Impaired | (87,121) | (88,624) |
| Total trade receivables | <u>1,778,476</u> | <u>1,578,362</u> |
| Other receivables | 357,350 | 311,948 |
| Amounts due from associates | 35,141 | 45,577 |
| Amounts due from joint ventures | 2,329,374 | 1,927,287 |
| Total receivables | <u>4,500,341</u> | <u>3,863,174</u> |
| Non-current receivables | 2,378,322 | 1,916,715 |
| Current receivables | <u>2,122,019</u> | <u>1,946,459</u> |
| Total receivables | <u>4,500,341</u> | <u>3,863,174</u> |

B11 Changes in Material Litigation

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

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

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

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

The Statement of Claim was raised in respect of various claims (including claiming the refund of the amount cashed on the Bank Guarantees) and the total amount claimed is Rs89,14,55,047.83 (approximately equivalent to RM51 million) in addition to interest and cost.

B11 Changes in Material Litigation (contd.)

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 Rs78,13,94,628.61 (approximately equivalent to RM45 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.

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

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

The proceedings had advanced for final arguments on 6 March 2018 to 9 March 2018. Further final and rejoinder argument was heard on 12, 13 and 14 April 2018. The Arbitrator published his award on 9 April 2019 and awarded the Claimant Rs. 12,84,41,929.37 (approximately equivalent to RM7.4 million).

SunCon has filed an appeal with the High Court of New Delhi in early July 2019 to set aside the arbitral award. Shristi has also filed an execution application against SunCon for enforcement of the arbitral award. The hearing fixed on 31 October 2019 is postponed to 10 February 2020.

On 10 February 2020, the Honorable Court has directed SunCon to deposit, on a without prejudice basis, the decretal amount with up to date interest with the Registrar General of the High Court of Delhi within 6 weeks from 10 February 2020. Subject to compliance of the said direction, the Honorable Court has been pleased to stay the Arbitral Award dated 9 April 2019. The matter has now been re-notified for 17 April 2020.

In light of the above order, the Honorable Court was please to dispose of the enforcement petition filed by Shristi as non maintainable at this stage in as much as the Arbitral Award has been stayed.

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

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

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

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

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

The Court has scheduled a further case management on 23 January 2020 to provide further pre-trial on case management directions. The solicitors acting for SunCon, after taking into consideration the evidence available, a review of the Statement of Claim, documents with client and a review of the law, are of the considered opinion that the Plaintiff's claim for the sum of RM711,367,434.46 is likely to be dismissed.

The next case management is scheduled on 5 March 2020.

B12 Dividend

Other than the dividend as disclosed in note A7, the Board of Directors have declared a second interim dividend of 4.5 sen per ordinary share in respect of financial year ended 31 December 2019.

The board has determined that the Dividend Reinvestment Scheme (DRS) as approved by the shareholders will apply to the entire portion of second interim dividend, of which the details will be provided in the separate announcement today.

B13 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 31/12/2019 RM'000 | Cumulative Year To Date 31/12/2019 RM'000 |
|--|--|--|
| <u>Basic/Diluted earnings per share</u> | | |
| Profit attributable to members of the Company | 200,312 | 766,633 |
| Distribution to holders of perpetual sukuk | (16,510) | (54,488) |
| Net earnings for the period | 183,802 | 712,145 |
| Weighted Average Number of Ordinary Shares | 4,845,968 | 4,873,747 |
| Earnings per share (Basic/Diluted) (sen) | 3.79 | 14.61 |

By Order of the Board

**Tan Kim Aun
Chin Lee Chin**

Secretaries