

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015**

**PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134**

**A1. Basis of Preparation**

The unaudited interim financial report has been prepared in accordance with the reporting requirements as set out in the Financial Reporting Standards (“FRS”) No. 134 - Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2014.

**A2. Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2014, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations:

Effective for financial periods beginning on or after 1 January 2014:

IC Interpretation 21 Levies

Amendments to FRS 10, FRS 12 and FRS 127 (2011) Investment Entities

Amendments to FRS 132 Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 136 Recoverable Amount Disclosures for Non-Financial Assets

Amendments to FRS 139 Novation of Derivatives and Continuation of Hedge Accounting

Management foresees that the initial application of the above FRSs will not have any significant impacts on the financial statements.

**Malaysian Financial Reporting Standards (MFRS Framework)**

MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRSs”), that are to be applied by all entities other than private entities; with the exception of entities that are within the scope of MFRS 141 (Agriculture) and IC Interpretation 15 (Agreements for Construction of Real Estate), including its parent, significant investor and venturer (herein called “transitioning entities”).

As announced by MASB on 2 September 2014, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2017.

Accordingly, as a transitioning entity as defined above, the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRS financial statements for the financial year ending 31 March 2018. The Group is currently assessing the possible financial impact that may arise from the adoption of MFRSs and the process is still ongoing.

**A3. Auditors' Report for the Financial Year Ended 31 March 2014**

The auditors' report on the financial statements for the financial year ended 31 March 2014 was not subject to any qualification.

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**A4. Seasonality or Cyclicity Factors**

The Group's operations during the financial period under review were not materially affected by any seasonal or cyclical factors.

**A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items which affect the assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

**A6. Material Changes in Estimates of Amounts**

There were no changes in estimates that have had any material effect on the results for the current quarter and current financial year under review.

**A7. Debts and Equity Securities**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review.

**A8. Dividends Paid**

The company did not pay any dividend for the quarter under review.

**A9. Segmental Information**

Segmental information is presented in respect of the Group's business segments which are based on the internal reporting structure presented to the management of the Company. The Group's business segments include property development, manufacturing and investment holding.

The information by geographical location is not presented as the Group's activities are carried out pre-dominantly in Malaysia.

Business Segment Analysis (RM'000)	Quarter ended 31 March 2015				Year to date ended 31 March 2015			
	Property Development	Manufacturing	Investment Holdings and Others	Total	Property Development	Manufacturing	Investment Holdings and Others	Total
a) Revenue	12,509	3,942	4,564	21,015	50,397	16,398	10,251	77,046
b) Results from Operation	3,046	214	(742)	2,518	12,023	932	(4,651)	8,304
c) Profits Before Tax	2,990	211	(892)	2,309	11,925	918	(5,222)	7,621

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Business Segment Analysis (RM'000)	Quarter ended 31 March 2014					
	Property Development	Manufacturing	Investment Holdings and Others	Sub-Total	Granting of Financing (*discontinued operations)	Total
a) Revenue	18,394	4,043	34	22,471	543	23,014
b) Results from Operation	3,627	621	(1,369)	2,879	477	3,356
c) Profits Before Tax	3,627	448	(1,356)	2,719	453	3,172

Business Segment Analysis (RM'000)	Year to date ended 31 March 2014					
	Property Development	Manufacturing	Investment Holdings and Others	Sub-Total	Granting of Financing (*discontinued operations)	Total
a) Revenue	18,394	16,880	188	35,462	2,618	38,080
b) Results from Operation	3,627	1,382	(2,148)	2,861	2,431	5,292
c) Profits Before Tax	3,627	1,194	(2,321)	2,500	2,360	4,860

(\*) This is referring to the leasing segment which has ceased operation in the quarter ended 31 March 2014.

**A10. Valuation on Property, Plant and Equipment**

There was no valuation done on the Group's property, plant and equipment during the financial period under review.

**A11. Material Events Subsequent to the End of the Period**

There was no material event subsequent to the end of the current quarter up to the date of this report that have not been reflected in the interim financial statements.

**A12. Changes in the Composition of the Group**

There was no changes in composition of the Group during the current quarter under review.

**A13. Changes in Contingent Liabilities or Contingent Assets**

There was no changes in contingent liabilities or contingent assets since the last annual audited position as at 31 March 2014.

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**A14. Discontinued Operation**

In January 2014, the entire Hire Purchase debtors were redeemed and the Group has no intention to continue with the Hire Purchase business.

The Revenue, results and cash flow of the discontinued operations is as follows:

	Individual quarter		Year to date	
	31/03/2015 RM'000	31/03/2014 RM'000	31/03/2015 RM'000	31/03/2014 RM'000
Revenue	-	543	-	2,618
Result				
Profit before taxation	-	453	-	2,360
Taxation	-	(143)	-	(570)
Profit for the period from a discontinued operations	-	310	-	1,790
	<b>12 months ended 31/03/2015 RM'000</b>	<b>12 months ended 31/03/2014 RM'000</b>		
Cash Flows				
Net cash from operating activities	-	32,486		
Net cash from financing activities	-	(44,010)		
Net cash (outflows)	-	(11,524)		

**A15. Capital Commitment**

The amount of commitments for capital expenditure as at 31/03/2015 is as follows :

	As at 31/03/2015 RM'000	As at 31/03/2014 RM'000
Approved and contracted for:		
Purchase of property, plant and equipment	1,332	-

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**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD**

**B1. Review of Performance**

**Quarterly Results**

For the current quarter under review, the Group achieved a revenue and profit before tax ('PBT') of RM21.02million and RM2.31million respectively, as compared to RM22.47million and RM2.72million recorded in the previous corresponding quarter. The revenue was mainly contributed by the property development segment i.e. Trivo, a commercial shop offices project and Suria Residence, a serviced apartments project, both located in Suria Jelutong.

The segmental performances for the current quarter ended 31 March 2015 are as follows:

**(a) Property Development Segment**

For the current quarter under review this segment recorded a revenue and PBT of RM12.51million and RM2.99million as compared to RM18.39million and RM3.63million respectively in the previous corresponding quarter. The higher revenue and PBT in the previous corresponding quarter (i.e. quarter ended 31 March 2014) is mainly due to recognition of the accrued revenue upon completion of the acquisition of the project Trivo in January 2014.

**(b) Manufacturing Segment**

For the current quarter under review, this segment recorded a revenue and PBT of RM3.94million and RM211,000 as compared to RM4.04million and RM448,000 respectively in the previous corresponding quarter. The lower performance for the manufacturing due to higher production and operating cost.

**Year-to-date Results**

For the period ending 31 March 2015, the Group recorded revenue of RM77.05million, which was 117% higher in comparison to the corresponding period of the previous year. The Group's PBT has substantially increased by 205% to RM7.62million against the corresponding period of the previous year. The significant improvement in financial performance for the current period is mainly due to the contribution from the property development segment.

**B2. Variation of Result against Preceding Quarter**

The Group registered a revenue and PBT of RM21.02million and RM2.31million respectively in the current quarter as compared to RM23.16million and RM1.95million, respectively in the preceding quarter. The lower revenue is mainly due to the shorter work period at project site during the festive season in the current quarter. Nevertheless, the lower revenue has insignificant impact on the PBT compare to the preceding quarter.

**B3. Prospects**

The property development business shall continue to be the key growth driver for the Group. As per announcement on 10 March 2015 and 20 April 2015, the Group proposed to acquire certain projects and land banks, which will further enhance the property contribution once the acquisitions are completed. The property development business is expected to contribute higher revenues and profits for the Group.

**B4. Variance from Profit Forecast and Profit Guarantee**

Not applicable as there were no profits forecast and profit guarantee published.

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**B5. Taxation**

The breakdown of Malaysian income tax charge is as follows:

	Individual quarter		Year to date	
	31/03/2015 RM'000	31/03/2014 RM'000	31/03/2015 RM'000	31/03/2014 RM'000
Provision based on current year's profit	<u>835</u>	<u>853</u>	<u>3,167</u>	<u>1,293</u>
Attributable to:				
Continuing operations	835	710	3,167	723
Discontinued operations	-	143	-	570
	<u>835</u>	<u>853</u>	<u>3,167</u>	<u>1,293</u>

The effective tax rate of the Group for the current quarter ended 31 March 2015 was higher than the applicable statutory tax rate mainly due to loss making in certain companies and some tax non-deductible expenses.

**B6. Realised/Unrealised Retained Profits/(Losses)**

	Current quarter 31/03/2015 RM'000	Immediate preceding quarter 31/03/2014 RM'000
Total retained profits/(loss) of the Group:		
- Realised	(32,786)	(38,437)
- Unrealised	95	100
	<u>(32,691)</u>	<u>(38,337)</u>
Total share of retained earnings from associate		
- Unrealised	(286)	(286)
Consolidation Adjustment	32,391	33,586
Total retained profits/(loss) c/f	<u>(586)</u>	<u>(5,037)</u>

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**B7. Corporate Proposals**

The following corporate proposals announced by the Company have not been completed as at 13 May 2015, (being the latest practicable date) which is not earlier than 7 days from the date of issuance of these Interim Financial Statements:

- (a) **On 28 March 2014, the Board via RHB Investment Bank Berhad, AmInvestment Bank Berhad and Astramina Advisory Sdn Bhd (“Joint Advisers”) had announced that the Company proposes to undertake the following:-**
- (i) Proposed renounceable rights issue of up to 475,084,416 new ordinary shares of RM0.50 each in Sunsuria (“Sunsuria Shares”) (“Rights Share”) on the basis of three (3) Rights Shares for every one (1) existing Sunsuria Share held on an entitlement date to be determined and announced later (“Entitlement Date”), together with up to 158,361,472 free detachable Warrants (“Warrants”) on the basis of one (1) free Warrant for every three (3) Rights Shares subscribed (“Proposed Rights Issue With Warrants”);
  - (ii) Proposed private placement of up to 63,344,588 Sunsuria Shares (“Placement Shares”) representing approximately 10% of the enlarged issued and paid up share capital of Sunsuria after the Proposed Rights Issue With Warrants at an issue price to be determined later (“Proposed Private Placement”); and
  - (ii) Proposed increase in authorised share capital of Sunsuria from RM100,000,000 comprising 200,000,000 Sunsuria Shares to RM750,000,000 comprising 1,500,000,000 Sunsuria Shares (“Proposed Increase In Authorised Share Capital”), and in consequence thereof, the Company’s Memorandum of Association be amended accordingly (“Proposed Amendments”).

The Proposed Rights Issue with Warrants, Proposed Private Placement, Proposed Increase in Authorised Share Capital and Proposed Amendments are collectively referred to as the “Fund Raising Exercise”. The Fund Raising Exercise are not conditional or inter-conditional upon any other corporate exercises being or proposed to be undertaken by the Company.

The Company has obtained its shareholders’ approval for the implementation of the Fund Raising Exercise on 12 May 2014. On 2 October 2014, the Company obtained Bursa Malaysia Securities Berhad’s approval for an extension of time of six (6) months until 10 April 2015 and subsequently on 2 April 2015, the Company obtained Bursa Malaysia Securities Berhad’s approval for a second extension of time for a further period of six (6) months until 10 October 2015 to complete the Fund Raising Exercise. The Fund Raising Exercise is expected to be completed in the third quarter of 2015.



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- (b) **On 10 March 2015, the Board via the Joint Advisers had announced that the Company had on 9 March 2015 entered into the following agreements:**
- (i) a conditional subscription agreement with Sunsuria Gateway Sdn Bhd (“SGSB”), Datuk Ter Leong Yap (“Datuk Ter”) and Datin Kwan May Yuen (“Datin Kwan”) (being the existing shareholders of SGSB) for the Proposed SGSB Transactions (“SGSB Subscription Agreement”) which comprises the:
    - a. proposed subscription of 1,000,000 new ordinary share of RM1.00 each in SGSB, representing 99.99% equity interest in SGSB, at a cash subscription price of RM1,000,000 and proposed subscription of 237,000,000 redeemable preference shares-class B of RM0.01 each in SGSB, at a subscription price of RM237,000,000 (“Proposed SGSB Subscription”); and
    - b. proposed subscription of 102,040,816 new Sunsuria Shares at an issue price of RM0.98 per Sunsuria Share by Datuk Ter pursuant to the Proposed SGSB Subscription;
  - (ii) a conditional share purchase agreement with Datuk Ter and Ter Hong Khim @ Tai Foong Chin for the proposed acquisition of 2 ordinary shares of RM1.00 each in Concord Property Management Sdn Bhd (“Concord”), representing 100% of the issued and paid-up share capital of Concord for a cash consideration of RM53,121,296.30 (“Proposed SMSB Acquisition 1”);
  - (iii) a conditional share purchase agreement with THK Capital Sdn Bhd for the proposed acquisition of 12,500 ordinary shares in Sunsuria Medini Sdn Bhd (“SMSB”), representing 1% of the issued and paid-up share capital of SMSB for a cash consideration of RM1,848,399.97 (“Proposed SMSB Acquisition 2”); and
  - (iv) a conditional subscription agreement with Rentak Nusantara Sdn Bhd (“RNSB”) and Sunsuria Development Sdn Bhd (being the existing shareholder of RNSB) for the proposed subscription of 25,000,000 new ordinary shares of RM1.00 each in RNSB for a cash subscription price of RM25,000,000 and proposed subscription of 32,000,000 new redeemable preference shares of RM0.01 each in RNSB for a cash subscription price of RM32,000,000 (“Proposed RNSB Subscription”).

The Proposed SGSB Transactions, Proposed SMSB Acquisition 1, Proposed SMSB Acquisition 2 and Proposed RNSB Subscriptions are collectively referred to as the “Proposals”.

The Proposals are not conditional or inter-conditional upon any other corporate exercises being or proposed to be undertaken by the Company. The Proposals are expected to be completed in the second quarter of 2015.

- (c) **On 20 April 2015, the Board via the Joint Advisers had announced that the Company had entered into:**
- (i) a conditional share purchase agreement with Sime Darby Property (Sungai Kapar) Sdn Bhd for the proposed acquisition of 1 ordinary shares of RM1.00 each in Sime Darby Sunsuria Development Sdn Bhd (“SDSDSB”) held by Sime Darby Property, representing 50% of the issued and paid-up share capital of SDSDSB for a total consideration of RM173.4 million, comprising cash consideration of RM157.0 million and settlement of the existing shareholder’s advances owing by SDSDSB to Sime Darby Property, which as at 31 March 2015 amounted to RM16,390,700 and any additional shareholder’s advances to be granted by Sime Darby Property to SDSDSB for the purposes of the on-going business or operations of SDSDSB until completion of the acquisition (“Proposed SDSDSB Acquisition”); and



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- (ii) a supplemental agreement with SGSB, Datuk Ter and Datin Kwan to vary the terms of the SGSB Subscription Agreement (“Proposed Variation”).

The Proposed SDSDSB Acquisition and the Proposed Variation are not conditional or inter-conditional upon any other corporate exercises being or proposed to be undertaken by the Company. However, for information purposes, the Proposed SDSDSB Acquisition is conditional upon the announcement of the books closure date and the execution of the underwriting agreement in respect of the Proposed Rights Issue with Warrants.

The Proposed SDSDSB Acquisition and Proposed Variation are expected to be completed in the second quarter of 2015.

- (d) On 29 April 2015, the Board has announced for change of financial year end from 31 March 2015 to 30 September 2015.

**B8. Group Borrowings**

	As at 31/03/2015 RM'000	As at 31/03/2014 RM'000
Secured short term borrowings	30,094	-
Secured long term borrowings	347	-
Total	<u>30,441</u>	<u>-</u>

There are no borrowings in foreign currency during the financial year under review.

**B9. Notes to the Statement of Comprehensive Income**

Description	Individual quarter 31/03/2015 RM'000	Year to date 31/03/2015 RM'000
Profit for the period is arrived at after crediting/(charging) :		
- Interest income	385	801
- Other income including investment income	579	872
- Interest expense	(5)	(15)
- Depreciation and amortization	(200)	(664)

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**B10. Material Litigation**

There is no material litigation against the Group as at the reporting date.

**B11. Dividend Proposed**

There was no dividend proposed for the quarter under review.

**B12. Earnings per Share ("EPS")**

**(a) Basic EPS**

The basic EPS has been calculated by dividing the Group's net profit attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Individual quarter		Year to date	
	31/03/2015 RM'000	31/03/2014 RM'000	31/03/2015 RM'000	31/03/2014 RM'000
Net profit attributable to ordinary equity holders of the Company (RM'000)	<b>1,473</b>	2,316	<b>4,451</b>	3,564
Weighted average number of ordinary shares in issues ('000)	<b>158,360</b>	137,361	<b>158,360</b>	137,361
Basic EPS (sen)	<u><b>0.93</b></u>	<u>1.69</u>	<u><b>2.81</b></u>	<u>2.59</u>

**(b) Diluted EPS**

The computation for diluted earnings per share is not applicable as the Company does not have any new issuance and /or convertible securities outstanding.

BY ORDER OF THE BOARD

Secretary  
Kuala Lumpur  
19 May 2015