



SUNSURIA BERHAD

(Company No.: 8235-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 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 impact 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 30 September 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 Cyclical 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 30 June 2015				Year to date ended 30 June 2015			
	Property Development	Manufacturing	Investment Holdings and Others	Total	Property Development	Manufacturing	Investment Holdings and Others	Total
Revenue	14,442	4,480	2,833	21,755	64,840	20,879	13,082	98,801
Results from Operation	1,811	245	4,130	6,186	13,833	1,177	(519)	14,491
-Depreciation	(49)	(2)	(114)	(165)	(146)	(17)	(667)	(830)
-Finance Cost	-	-	(253)	(253)	-	-	(268)	(268)
-Share of results of associates	900	-	-	900	900	-	(4)	896
Profits Before Tax	2,662	243	3,763	6,668	14,587	1,160	(1,458)	14,289

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Business Segment Analysis (RM'000)	Quarter ended 30 June 2014				Year to date ended 30 June 2014			
	Property Development	Manufacturing	Investment Holdings and Others	Total	Property Development	Manufacturing	Investment Holdings and Others	Total
Revenue	13,977	4,196	176	18,349	N/A	N/A	N/A	N/A
Results from Operation	3,426	354	(1,439)	2,341	N/A	N/A	N/A	N/A
-Depreciation	(28)	(4)	(96)	(128)	N/A	N/A	N/A	N/A
-Finance Cost	-	-	-	-	N/A	N/A	N/A	N/A
-Share of results of associates	-	-	-	-	N/A	N/A	N/A	N/A
Profits Before Tax	3,398	350	(1,535)	2,213	N/A	N/A	N/A	N/A

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

Save as disclosed below, 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:

- 1) The Company has completed a renounceable rights issue of 475,084,416 new ordinary shares of RM0.50 each in the Company (“Sunsuria Shares”) (“Rights Shares”) at an issue price of RM0.80 per Rights Shares on the basis of 3 Rights Shares for every 1 existing Sunsuria Share held as at 5.00 p.m. on 25 June 2015 together with 158,361,472 free detachable warrants (“Warrants”) on the basis of 1 Warrant for every 3 Rights Shares subscribed for following the listing and quotation of 475,084,416 Rights Shares together with 158,361,472 Warrants on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 27 July 2015.
- 2) Pursuant to the subscription in SGSB (as detailed in A12(2)(a) herein), there is a proposed subscription by Datuk Ter Leong Yap (“Datuk Ter”) for 102,040,816 new Sunsuria Shares at an issue price of RM0.98 per Sunsuria Share (“Reinvestment Shares”) (“Proposed Reinvestment”). The Proposed Reinvestment was completed following the listing and quotation of the 102,040,816 Reinvestment Shares on the Main Market of Bursa Securities on 27 July 2015.

A12. Changes in the Composition of the Group

There were no major changes in the composition of the Group during the current quarter under review except as follows:



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- 1) On 19 May 2015, the Company acquired two (2) ordinary shares of RM1.00 each, representing 100% of the total issued and paid-up share capital of its sub-subsidiary, Havana Symphony Sdn Bhd (“HSSB”), from the Company’s subsidiary, namely Consolidated Leasing (M) Sdn Bhd, for a total consideration of RM2.00 (Ringgit Malaysia Two Only). Consequent thereto, HSSB becomes a direct subsidiary of the Company.
- 2) On 12 June 2015, the Company completed asset acquisitions via the followings agreements :
 - (a) 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 subscription of 1,000,000 new ordinary shares of RM1.00 each in SGSB, representing a 99.99% equity interest in SGSB, at a cash subscription price of RM1,000,000 and the subscription of 237,000,000.00 redeemable preference shares-class B of RM0.01 each in SGSB, at a subscription price of RM237,000,000.00 of which RM69,610,000.00 is retained in SGSB for working capital purposes whilst the remaining RM168,390,000.00 is utilised for capital redemption of RPS-A by SGSB;
 - (b) a conditional share purchase agreement with Datuk Ter and Ter Hong Khim @ Tai Foong Chin for the 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;
 - (c) a conditional share purchase agreement with THK Capital Sdn Bhd for the 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; and
 - (d) a conditional subscription agreement with Rentak Nusantara Sdn Bhd (“RNSB”) and Sunsuria Development Sdn Bhd (being the existing shareholder of RNSB) for the subscription of 25,000,000 new ordinary shares of RM1.00 each in RNSB for a cash subscription price of RM25,000,000.00 and the subscription of 32,000,000 new redeemable preference shares of RM0.01 each in RNSB for a cash subscription price of RM32,000,000.00.

Accordingly, SGSB, Concord and RNSB are now subsidiaries of the Company whilst SMSB is an associate company of the Company.

- 3) On 29 June 2015, the Company acquired 1 ordinary share of RM1.00 in Sunsuria City Sdn Bhd (formerly known as Sime Darby Sunsuria Development Sdn Bhd) (“SCSB”) from Sime Darby Property (Sungai Kapar) Sdn. Bhd., representing 50% of the issued and paid-up share capital of SCSB, for a total consideration of RM157,000,000.00. With the acquisition, SCSB becomes a 100% wholly-owned subsidiary of the Company.

A13. Changes in Contingent Liabilities or Contingent Assets

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

A14. Capital Commitment

The amount of commitments for capital expenditure as at 30/06/2015 is as follows :

	As at 30/06/2015	As at 30/06/2014
	RM’000	RM’000
Approved and contracted for:		
Purchase of property, plant and equipment	<u>1,332</u>	<u>-</u>

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2015

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 revenue and profit before tax ('PBT') of RM21.76million and RM6.67million respectively, as compared to RM18.35million and RM2.21million recorded in the previous corresponding quarter. The significant increase in PBT for the current quarter is mainly due to the recognition of RM8.81million negative goodwill income arising from the recent asset acquisitions as stated in note A12. On the hand, the PBT has accounted for the corporate exercise expenses of RM2.41million during the quarter.

The segmental performances for the current quarter ended 30 June 2015 are as follows:

(a) Property Development Segment

For the current quarter under review, this segment recorded revenue and PBT of RM14.44million and RM2.66million respectively, as compared to RM13.98million and RM3.40million respectively in the previous corresponding quarter. The higher PBT in the previous corresponding quarter was mainly due to the profit contribution from Project Trivo, which was nearing the mature stage of development.

(b) Manufacturing Segment

For the current quarter under review, this segment recorded revenue and PBT of RM4.48million and RM243,000 respectively, as compared to RM4.20million and RM350,000 respectively in the previous corresponding quarter. The lower performance for manufacturing is due to higher production and operating costs.

Period -to-date Results

For the current financial period (15 months) ended 30 June 2015, the Group recorded revenue and PBT of RM98.80million and RM14.29million respectively. The PBT is inclusive of the RM8.81million income recognised as negative goodwill arising from the recent asset acquisitions as stated in note A12.

Also, the property development segment has generated PBT of RM14.59million while the financial performance for the manufacturing segment has been consistent, contributing PBT of RM1.16million to date.

There was no comparative financial information available for the 15-month financial period ended 30 June 2014.

B2. Variation of Result against Preceding Quarter

The Group registered revenue and PBT of RM21.76million and RM6.67million respectively in the current quarter as compared to RM21.02million and RM2.31million respectively in the preceding quarter. Despite the marginal increase in revenue, there is a significant improvement in PBT of RM4.36million, which is mainly due to the recognition of the RM8.81million negative goodwill income in the current quarter.

B3. Prospects

The Group expects the property development business to continue to be the key growth driver for the Group. The recently completed acquisition of assets has increased land banks, which will further enhance the revenue and profit contribution from the property segment of the Group.

B4. Variance from Profit Forecast and Profit Guarantee

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

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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

B5. Taxation

The breakdown of Malaysian income tax charge is as follows:

	Individual quarter		Year to date	
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
Provision based on current year's profit	<u>643</u>	<u>950</u>	<u>3,810</u>	<u>N/A</u>

The effective tax rate of the Group for the current quarter ended 30 June 2015 was higher than the applicable statutory tax rate mainly due to loss-making in certain companies and some non-tax deductible expenses.

B6. Realised/Unrealised Retained Profits/(Losses)

	Current quarter 30/06/2015 RM'000	Immediate preceding quarter 31/03/2014 RM'000
Total retained profits/(loss) of the Group:		
- Realised	(29,540)	(38,437)
- Unrealised	93	100
	(29,447)	(38,337)
Total share of retained earnings from associate		
- Unrealised	(289)	(286)
Consolidation Adjustment	35,172	33,586
Total retained profits/(loss) c/f	5,436	(5,037)

B7. Corporate Proposals

The following corporate proposals announced by the Company have not been completed as at 21 August 2015 (being the latest practicable date), which is not earlier than 7 days from the date of issuance of these Interim Financial Statements:

- (i) On 28 March 2014, the Board via RHB Investment Bank Berhad, AmlInvestment Bank Berhad and Astramina Advisory Sdn Bhd ("Joint Advisers") had announced a proposal whereby the Company will undertake a private placement of up to 63,344,588 Sunsuria 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").

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The Company has obtained shareholders' approval for the above on 12 May 2014. On 2 October 2014, the Company obtained Bursa Malaysia Securities Berhad's ("Bursa") approval for an extension of time of six (6) months until 10 April 2015; on 2 April 2015, the Company obtained Bursa's approval for a second extension of time for a further period of six (6) months until 10 October 2015 to complete the Proposed Private Placement.

The Company to seek for an extension of time to undertake the Proposed Private Placement.

B8. Group Borrowings

	As at 30/06/2015 RM'000	As at 31/03/2014 RM'000
Secured short term borrowings	19,113	-
Secured long term borrowings	405	-
Total	<u>19,518</u>	<u>-</u>

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

B9. Notes to the Statement of Comprehensive Income

Description	Individual quarter 30/06/2015 RM'000	Year to date 30/06/2015 RM'000
Profit for the period is arrived at after crediting/(charging) :		
- Interest income	68	869
- Negative goodwill	8,810	8,810
- Other income including investment income	88	961
- Professional and consultant costs (corporate exercise)	(2,414)	(2,920)
- Interest expense	(253)	(268)
- Depreciation and amortization	(165)	(830)

B10. Material Litigation

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

B11. Dividend Proposed

There was no dividend proposed for the quarter under review.

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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	
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
Net profit attributable to ordinary equity holders of the Company (RM'000)	6,022	1,262	10,473	N/A
Weighted average number of ordinary shares in issues ('000)	158,360	158,360	158,360	N/A
Basic EPS (sen)	<u>3.80</u>	<u>0.80</u>	<u>6.61</u>	<u>N/A</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
28 August 2015