

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 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 (please confirm the effective date of changes)

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 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 of FRS 119 Defined Benefits Plans : Employee Contributions

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

Annual Improvements to FRSs 2010 – 2012 Cycle

Annual Improvements to FRSs 2011 – 2013 Cycle

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

Malaysian Financial Reporting Standards (MFRS Framework)

Malaysian Accounting Standards Board (‘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 28 October 2015, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2018.

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 2019. The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.



SUNSURIA BERHAD
(Company No.: 8235-K)

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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.

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 affected 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 save and except as below:

- 1) Issuance of 475,084,416 new ordinary shares of RM0.50 each in the Company (“Rights Shares”) at an issue price of RM0.80 per Rights Share on the basis of 3 Rights Shares for every 1 existing of the Company's Share held (“Right Issue”).
- 2) Issuance of 158,361,472 free detachable warrants (“Warrants”) on the basis of 1 Warrant for every 3 Rights Shares subscribed for.
- 3) Issuance of 102,040,816 new ordinary shares of RM0.50 each in the Company at an issue price of RM0.98 per share pursuant to the subscription of new shares by Datuk Ter Leong Yap.

A8. Dividends Paid

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

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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 September 2015				Year to date ended 30 September 2015			
	Property Development	Manufacturing	Investment Holdings and Others	Total	Property Development	Manufacturing	Investment Holdings and Others	Total
Continuing Operations								
Revenue	30,318	4,437	1,924	36,679	95,158	25,316	15,006	135,480
Results from Operation	2,315	385	3,408	6,108	16,147	1,563	2,887	20,597
-Depreciation	(49)	(3)	(125)	(177)	(195)	(19)	(792)	(1,006)
-Nett Finance Cost	-	-	(111)	(111)	-	-	(379)	(379)
-Share of results of associates	-	-	7	7	-	-	3	3
Profits Before Tax	2,266	382	3,179	5,827	15,952	1,544	1,719	19,215
Discontinuing Operations								
Profits Before Tax from Assets held for Sale	(241)	-	653	412	658	-	653	1,311
Total Profits Before Tax	2,025	382	3,832	6,239	16,610	1,544	2,372	20,526

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Business Segment Analysis (RM'000)	Quarter ended 30 September 2014				Year to date ended 30 September 2014			
	Property Development	Manufacturing	Investment Holdings and Others	Total	Property Development	Manufacturing	Investment Holdings and Others	Total
Continuing Operations								
Revenue	8,639	4,078	1,807	14,524	N/A	N/A	N/A	N/A
Results from Operation	1,696	277	(665)	1,308	N/A	N/A	N/A	N/A
-Depreciation	(9)	(4)	(144)	(157)	N/A	N/A	N/A	N/A
-Finance Cost	-	-	(4)	(4)	N/A	N/A	N/A	N/A
-Share of results of associates	-	-	-	-	N/A	N/A	N/A	N/A
Profits Before Tax	1,687	273	(813)	1,147	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

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 were no major changes in the composition of the Group during the current quarter under review.

A13. Changes in Contingent Liabilities or Contingent Assets

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

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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 revenue and profit before tax ('PBT') of RM36.68million and RM6.24million respectively, as compared to RM14.52million and RM1.15million recorded in the previous corresponding quarter. The PBT for the current quarter has taken into consideration of the net effects of the followings:

- (i) RM13.44million income recognised as negatives goodwill arising from the assets acquisition; and
- (ii) RM15.74million impairment loss of investment due to recognition of the non-current asset classified as held for sale at its carrying amount.

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

(a) Property Development Segment

For the current quarter under review, this segment recorded revenue and PBT of RM30.32million and RM2.02million respectively, as compared to RM8.64million and RM1.69million respectively in the previous corresponding quarter. The higher PBT in the current quarter was mainly contributed by Suria Residence, a serviced apartment project, located in Bukit Jelutong.

(b) Manufacturing Segment

For the current quarter under review, this segment recorded revenue and PBT of RM4.44million and RM382,000 respectively, as compared to RM4.08million and RM273,000 respectively in the previous corresponding quarter. The profit margin has improved in the current quarter as compared to the previous corresponding quarter due to improved product profit margin.

18-month Financial Year-to-date Results

For the 18-month financial year ended 30 September 2015, the Group recorded revenue and PBT of RM135.48million and RM20.53million respectively. The PBT for the current quarter has taken into consideration of the net effects of the followings:

- (i) RM22.26million income recognised as negatives goodwill arising from the assets acquisition; and
- (ii) RM15.74million impairment loss of investment due to recognition of the non-current asset classified as held for sale at its carrying amount.

The property development segment has generated PBT of RM16.61million while the financial performance for the manufacturing segment has been consistent, contributing PBT of RM1.54million to date.

There was no comparative financial information available for the 18-month financial year ended 30 September 2014.

B2. Variation of Result against Preceding Quarter

The Group registered revenue and PBT of RM36.68million and RM6.24million respectively in the current quarter as compared to RM21.76million and RM6.67million respectively in the preceding quarter. The higher revenue was mainly contributed by Suria Residence, a serviced apartment project, located in Bukit Jelutong.

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B3. Prospects

For the financial year ending 30 September 2016, the Group recognises that the outlook remains challenging due to the weak market condition.

However, barring unforeseen circumstances, the Group believes that the property development business will continue to drive the growth of the Group premise on the prime location of existing land banks and the right product mix with the right pricing strategy.

B4. Variance from Profit Forecast and Profit Guarantee

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

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
Current Taxation	1,653	608	5,462	N/A
Deferred Taxation	(261)	-	(261)	N/A
Provision based on current year's profit	<u>1,392</u>	<u>608</u>	<u>5,201</u>	<u>N/A</u>
Represented by :				
Continuing operations	1,226	608	5,035	N/A
Discontinuing operations	166	-	166	N/A
	<u>1,392</u>	<u>608</u>	<u>5,201</u>	<u>N/A</u>

The effective tax rate of the Group for the current financial year ended 30 September 2015 is in line with the statutory tax rate. However, this is due to the effect of non-taxable incomes being offsetted with the non-tax deductible expenses.

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B6. Corporate Proposals

The following corporate proposals announced by the Company have not been completed as at 19 November 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 Rights Issue exercise at an issue price to be determined later (“Private Placement”).

The Company has obtained shareholders’ approval for the Private Placement on 12 May 2014. Subsequently, Bursa Securities had, vide its letters dated 2 October 2014, 2 April 2015 and 22 October 2015, approved extensions of time of six (6) months until 10 April 2016 for Sunsuria to complete the implementation of the Private Placement..

ii) Status of utilisation of proceeds

The issuance of 475,084,416 Rights Shares at an issue price of RM0.80 per Rights Share, as fully paid up, on the basis of 3 Rights Shares for 1 existing of the Company’s shares held together with 158,361,472 Warrants on the basis of 1 Warrant for every 3 Rights Shares subscribed for :

As at 30 September 2015, the status of the utilisation of proceeds raised under the Rights Issue exercise which was completed on 27 July 2015, amounting to RM380.07million, is as set out below:-

Purpose	Proposed Utilisation	Actual Utilisation	Reallocation of Proceed	Balance Unutilised	Intended Timeframe for Utilisation
	RM'000	RM'000	RM'000	RM'000	
Partially settle the balance consideration for the assets subscription / acquisition exercises (“Acquisitions”)	370,067	(370,067)	-	-	-
Working capital	5,000	-	339	5,339	Financial Year 2016
Defraying expenses relating to the Acquisitions and Rights Issue exercises	5,000	(4,661)	(339)	-	-
Total	380,067	(374,728)	-	5,339	

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B7. Group Borrowings

	As at 30/09/2015 RM'000	As at 31/03/2014 RM'000
Secured short term borrowings	2,614	-
Secured long term borrowings	28,875	-
Total	<u>31,489</u>	<u>-</u>
Represented by :		
Continuing Operations	31,489	-
Discontinuing Operations	-	-
Total	<u>31,489</u>	<u>-</u>

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

B8. Material Litigation

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

B9. Dividend Proposed

There was no dividend proposed for the quarter under review.

B10. Earnings per share

(a) Basic earnings per ordinary share (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	
	30/09/2015 RM'000	30/09/2014 RM'000	30/09/2015 RM'000	30/09/2014 RM'000
Net profit attributable to ordinary equity holders of the Company (RM'000)	4,828	539	15,300	N/A
Weighted average number of ordinary shares in issues ('000)	572,385	158,360	224,146	158,360
Basic EPS :				
- Continuing Operations (sen)	0.80	0.34	6.32	N/A
- Discontinuing Operations (sen)	0.04	-	0.51	N/A
Total	<u>0.84</u>	<u>0.34</u>	<u>6.83</u>	<u>N/A</u>

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(b) Diluted earnings per ordinary share

For the purpose of calculating diluted earnings per share, the net profit attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares from the Warrants.

	Individual quarter		Year to date	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to ordinary equity holders of the Company (RM'000)	4,828	N/A	15,300	N/A
Weighted average number of ordinary shares in issues ('000) for the purpose of basics of earnings per share :	572,385	158,360	224,146	158,360
Effect of dilution				
- Warrants('000)	113,607	-	18,052	-
Diluted EPS :				
- Continuing Operations (sen)	0.67	N/A	5.85	N/A
- Discontinuing Operations (sen)	0.03	N/A	0.47	N/A
Total	0.70	N/A	6.32	N/A

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B11. Realised/Unrealised Retained Profits/(Losses)

	Current quarter 30/09/2015 RM'000	Immediate preceding quarter 31/03/2014 RM'000
Total retained profits/(loss) of the Group:		
- Realised	(24,687)	(38,437)
- Unrealised	92	100
	(24,595)	(38,337)
Total share of retained earnings from associate		
- Unrealised	376	(289)
Consolidation Adjustment	34,482	33,589
Total retained profits/(loss) c/f	10,263	(5,037)

B12. Notes to the Statement of Comprehensive Income

Description	Individual quarter 30/09/2015 RM'000	Year to date 30/09/2015 RM'000
Profit for the period is arrived at after crediting/(charging) :		
- Interest income	1,556	2,425
- Other income including investment income	145	1,098
- Negatives goodwill	13,439	22,257
- Impairment loss of investment	(15,738)	(15,738)
- Professional and consultant costs (corporate exercise)	-	(2,920)
- Interest expense	(111)	(379)
- Depreciation and amortization	(177)	(1,006)

BY ORDER OF THE BOARD
Secretary
Kuala Lumpur
26 November 2015