

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2016

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 period ended 30 September 2015. 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 period ended 30 September 2015.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the period ended 30 September 2015.

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”), which 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 impact that may arise from the adoption of MFRSs and the process is still ongoing.

A3. Auditors' Report for the Financial Year Ended 30 September 2015

The auditors' report on the financial statements for the financial period ended 30 September 2015 was not subject to any qualification.

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 that 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.

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A7. Debts and Equity Securities

There were 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 of the Group's business segments are based on the internal reporting structure presented by 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 2016				Year to date ended 30 June 2016			
	Property Development	Manufacturing (*)	Investment Holdings and Others	Total	Property Development	Manufacturing (*)	Investment Holdings and Others	Total
Continuing Operations								
Revenue	57,662	-	692	58,354	111,717	-	2,966	114,683
Results from Operation	10,096	-	63	10,159	13,728	-	9,092	22,820
- Depreciation	(76)	-	(171)	(247)	(188)	-	(461)	(649)
- Finance Cost	-	-	(5)	(5)	-	-	(32)	(32)
- Share of results of associates	-	-	-	-	800	-	-	800
Profit Before Tax	10,020	-	(113)	9,907	14,340	-	8,599	22,939
Discontinuing Operations								
Profit Before Tax from discontinued operations	-	-	-	-	-	674	-	674
Profit Before Tax from assets held for Sale	-	-	225	225	2,546	-	660	3,206
Profit Before Tax		-	225	225	2,546	674	660	3,880
Total Profit Before Tax	10,020	-	112	10,132	16,886	674	9,259	26,819

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Business Segment Analysis (RM'000)	Quarter ended 30 June 2015				9 months ended 30 June 2015			
	Property Development	Manufacturing (*)	Investment Holdings and Others	Total	Property Development	Manufacturing (*)	Investment Holdings and Others	Total
Continuing Operations								
Revenue	14,442	-	2,833	17,275	42,224	-	11,099	53,323
Results from Operation	1,810	-	4,134	5,944	8,738	-	1,454	10,192
- Depreciation	(47)	-	(118)	(165)	(136)	-	(439)	(575)
- Finance Cost	-	-	(253)	(253)	-	-	(264)	(264)
- Share of results of associates	-	-	-	-	-	-	(4)	(4)
Profit Before Tax	1,763	-	3,763	5,526	8,602	-	747	9,349
Discontinuing Operations								
Profit Before Tax from discontinued operations	-	243	-	243	-	680	-	680
Profit Before Tax from assets held for Sale	900	-	(1)	899	900	-	(1)	899
Profit Before Tax	900	243	(1)	1,142	900	680	(1)	1,579
Total Profit Before Tax	2,663	243	3,762	6,668	9,502	680	746	10,928

Note : (*) Disposed of on 31 March 2016

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

On 18 August 2016, the Company's 99.99%-owned indirect subsidiary, Sunsuria City Sdn Bhd, and its 99.99%-owned direct subsidiary, Sunsuria Gateway Sdn Bhd, had entered into a Joint Venture and Shareholders Agreement with Oride (M) Sdn Bhd ("Oride") to carry out the Joint Venture Business in setting-up, operating and managing a public bicycle renting services under Sunsuria Oride Sdn Bhd, of which Oride have agreed to a 30% equity participation.

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A12. Changes in the Composition of the Group

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

- 1) On 6 May 2016 the Company via its 99.99%-owned indirect subsidiary, Sunsuria City Sdn Bhd (‘SCSB’), and its 99.99%-owned direct subsidiary, Sunsuria Gateway Sdn Bhd (‘SGSB’), entered into a shareholders’ agreement with Welcome Global Co. Ltd. (‘Welcome Global’) (‘Shareholders’ Agreement’) to regulate the respective equity participation, rights and obligations as shareholders in Sunsuria Everrich Sdn Bhd (‘SESB’) and the conduct of the business and affairs of SESB, which has been identified as the joint venture vehicle between SCSB, SGSB and Welcome Global to undertake the Proposed Joint Venture.

On 9 May 2016, SCSB and SESB had entered into a joint development agreement (‘Joint Development Agreement’) to regulate the relationship and respective roles as joint developers for the development of the Land.

- 2) On 2 June 2016, the Company has incorporated a company, namely Sunsuria Oride Sdn Bhd (‘SOSB’), with two (2) ordinary shares of RM1.00 each, held by its subsidiaries, Sunsuria City Sdn Bhd and Sunsuria Gateway Sdn Bhd. As a result, SOSB became an indirect subsidiary of the Company with an effective equity interest of 99.99%.

A13. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last audited financial position as at 30 September 2015.

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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 reported an increase in revenue and profit before tax of RM58.35million and RM9.91million respectively as compared to RM17.28million and RM5.53million respectively in the previous corresponding quarter ended 30 June 2015.

The increase in revenue and profit before tax were mainly contributed by the Group's on-going property development projects namely Suria Residence, The Forum and Sunsuria City and the recently completed Phase 1 of the Suria Hills bungalow lots development.

Financial Year-to-date Results

For the 9-month period ended 30 June 2016, the Group recorded revenue and profit before tax of RM114.68million and RM22.94million respectively as compared to RM53.32million and RM9.35million respectively in the previous 9-month period ended 30 June 2015. Profit before tax for the current 9-month period included the gain from the disposal of a piece of leasehold land and shares in a subsidiary.

B2. Variation of Results against Preceding Quarter

The Group registered revenue and profit before tax of RM58.35million and RM9.91million respectively in the current quarter as compared to RM38.82million and RM5.11million respectively in the preceding quarter. The higher revenue and profit before tax was mainly due to contribution from The Forum and the completion of Phase 1 of the Suria Hills bungalow lots development while development of remaining phases is under planning.

B3. Prospects

The Group is confident of an improved performance for the financial year ending 30 September 2016 amid the backdrop of a lacklustre economic environment. It is believed that there will be continuing demand for the right property development mix in prime locations for which the Group has lined up series of new launches in Sunsuria City.

B4. Variance from Profit Forecast and Profit Guarantee

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

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B5. Taxation

The breakdown of the Malaysian income tax charge is as follows:

	Individual quarter		Year To Date	
	Current Year 30/06/2016 RM'000	Preceding Year 30/06/2015 RM'000	Current Year 30/06/2016 RM'000	Preceding 9-month 30/06/2015 RM'000
Current Taxation	2,457	643	5,857	2,252
Deferred Taxation	121	-	834	-
Provision based on current year's profit	<u>2,578</u>	<u>643</u>	<u>6,691</u>	<u>2,252</u>
Represented by :				
Continuing operations	2,522	643	6,529	2,241
Discontinuing operations	56	-	162	11
Provision based on current year's profit	<u>2,578</u>	<u>643</u>	<u>6,691</u>	<u>2,252</u>

The effective tax rate of the Group for the current financial quarter is slightly higher than the applicable statutory tax rate mainly due to certain expenses being non-tax deductible and the non-availability of group tax relief.

B6. Corporate Proposals

The following corporate proposals announced by the Company have not been completed as at 17 August 2016 (being the latest practicable date), which is not earlier than 7 days from the date of issuance of these Interim Financial Statements:

On 12 April 2016, Concord Property Management Sdn Bhd ("CPMSB"), a wholly-owned subsidiary, has served a written notice to Creed Investment Pte Ltd ("Creed") to exercise the Put Option in relation to CI Medini Sdn Bhd ("CIMS") ("Put Option Notice") by requiring Creed to purchase the following shares in accordance with the terms and conditions of the Shareholders' Agreement:

- (i) purchase from Sunsuria Berhad the entire equity interest currently held in CPMSB comprising two (2) ordinary shares of RM1.00 each ("Concord Sale Shares"). CPMSB currently hold 20% equity interest in CIMS comprising 250,000 ordinary shares of RM1.00 each in CIMS; and
- (ii) purchase from a wholly-owned subsidiary of Sunsuria Berhad, Sunsuria North Sdn Bhd ("SNSB"), the 0.95% equity interest currently held by SNSB in CIMS comprising 12,500 ordinary shares of RM1.00 each in CIMS ("CI Medini Sale Shares")

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(the Concord Sale Shares and CI Medini Sale Shares are collectively referred to as the “Sale Shares”), for a total cash consideration of RM39.94 million for the acquisition of the Sale Shares (“**Sale Shares Consideration**”), together with RM15.50 million for the settlement of the total amounts owing by CPMSB and CIMSB to Sunsuria Berhad as at 12 April 2016 and equivalent entitled amount for payment of the Dividend by CIMSB to CPMSB and SNSB collectively (“**Dividend Payment**”) (“**Exercise of Put Option**”). Upon completion of the Exercise of Put Option, Sunsuria and its group of companies will receive a total cash proceed of RM55.44 million pursuant to the Exercise of Put Option and any Dividend Payment.

Upon completion of the Exercise of Put Option, CPMSB will cease to be a subsidiary of Sunsuria Berhad and CIMSB will cease to be an associate company of the Sunsuria Group. The exercise is currently pending the completion of due diligence review by Creed.

B7. Group Borrowings

	As at 30/06/2016	As at 30/06/2015
	RM'000	RM'000
Secured short term borrowings	37,651	19,113
Secured long term borrowings	159,576	405
Total	<u>197,227</u>	<u>19,518</u>
Represented by :		
Continuing Operations	197,227	19,518
Discontinuing Operations	-	-
Total	<u>197,227</u>	<u>19,518</u>

There were no borrowings in foreign currency during the financial period 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.

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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	
	Current Year	Preceding Year	Current Year	Preceding 6-month
	30/06/2016	30/06/2015	30/06/2016	30/06/2015
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to ordinary equity holders of the Company (RM'000)	6,733	6,022	19,290	8,671
Weighted average number of ordinary shares in issues ('000)	789,086	158,360	753,288	158,360
Basic EPS :				
- Continuing Operations (sen)	0.83	3.08	2.07	4.49
- Discontinuing Operations (sen)	0.02	0.72	0.49	0.99
Total	0.85	3.80	2.56	5.48

(b) Diluted earnings per ordinary share

In the current financial period, the diluted earnings per share for the Group is not presented as the warrants would be anti-dilutive as the exercise price is higher than the fair value of the Company's share.

In the previous year's corresponding financial period, the diluted earnings per share equals the basic earnings per share as the Company did not have any dilutive potential ordinary shares during the previous financial period.

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B11. Realised/Unrealised Retained Profits

	Current quarter 30/06/2016 RM'000	Immediate preceding quarter 31/03/2016 RM'000
Total (accumulated losses)/retained profits of the Group:		
- Realised	(13,241)	(20,435)
- Unrealised	444	444
	(12,797)	(19,991)
Total share of (accumulated losses) from associate		
- Unrealised	(282)	(282)
Consolidation Adjustment	42,267	42,728
Total retained profits c/f	29,188	22,455

B12. Notes to the Statement of Comprehensive Income

Description	Current quarter 30/06/2016 RM'000	Year to date 30/06/2016 RM'000
Profit for the period is arrived at after crediting/(charging) :		
- Interest income	547	1,416
- Other income including investment income	462	9,853
- Interest expense	(5)	(32)
- Depreciation and amortisation	(247)	(649)

BY ORDER OF THE BOARD
Secretary
24 August 2016