



SUNSURIA BERHAD
Registration No.: 196801000641 (8235 - K)

INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 MARCH 2024

SUNSURIA

BUILDING TODAY CREATING TOMORROW

SUNSURIA BERHAD

(Registration No.: 196801000641 (8235 - K))

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Individual Quarter		Year To Date	
		Current Year	Preceding Year	Current Year	Preceding Year
		31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
Revenue		167,835	122,813	305,101	201,685
Cost of sales		(120,996)	(91,400)	(218,523)	(146,525)
Gross profit		46,839	31,413	86,578	55,160
Investment Income		1,942	2,040	3,336	4,060
Other income		630	2,054	2,020	3,298
		49,411	35,507	91,934	62,518
Administrative and other expenses		(20,227)	(17,409)	(40,826)	(33,982)
Finance costs		(6,969)	(7,174)	(15,276)	(13,107)
Share of results in associates		-	-	167	-
Profit before taxation		22,215	10,924	35,999	15,429
Income tax expense	B5	(7,637)	(3,347)	(13,303)	(5,766)
Profit after taxation		14,578	7,577	22,696	9,663
Other comprehensive loss					
Items that may be reclassified subsequently to profit or loss:					
Loss on foreign currency translation		(23)	(12)	(41)	(13)
Other comprehensive loss, net of tax		(23)	(12)	(41)	(13)
Total comprehensive income		14,555	7,565	22,655	9,650
Profit after taxation attributable to:					
Owners of the Company		4,299	4,840	5,967	5,899
Non-controlling interests		10,279	2,737	16,729	3,764
		14,578	7,577	22,696	9,663
Total comprehensive income attributable to:					
Owners of the Company		4,287	4,831	5,946	5,888
Non-controlling interests		10,268	2,734	16,709	3,762
		14,555	7,565	22,655	9,650
Basic earnings per share attributable to Owners of the Company (sen) :	B9	0.48	0.54	0.67	0.66

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 September 2023 and the accompanying explanatory notes attached to the interim financial statements.

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At 31/03/2024 RM'000 (Unaudited)	As At 30/9/2023 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Investment in associates	2,553	587
Other investment	159	159
Property, plant and equipment	80,370	71,027
Investment properties	261,612	228,707
Goodwill	14,737	14,737
Inventories - land held for property development	673,052	662,636
Deferred tax assets	18,393	13,340
Right-of-use assets	2,436	1,966
Other receivables, deposits and prepayments	115	67
	1,053,427	993,226
Current Assets		
Inventories - completed units and others	57,365	65,289
Inventories - property development costs	391,511	406,277
Biological assets	-	12
Contract assets	199,819	269,710
Contract costs	27,324	32,128
Trade receivables	88,345	66,060
Other receivables, deposits and prepayments	80,152	62,889
Amount owing by related parties	2,726	3,073
Amount owing by associates	18,336	16,315
Current tax assets	10,924	10,103
Short-term investments	42,168	47,277
Fixed deposits with licensed banks	51,763	107,273
Cash and bank balances	205,314	155,628
	1,175,747	1,242,034
TOTAL ASSETS	2,229,174	2,235,260
EQUITY AND LIABILITIES		
Equity		
Ordinary share capital	640,288	640,288
Reserves	427,051	421,106
Equity attributable to owners of the Company	1,067,339	1,061,394
Non-controlling interests	51,022	34,312
TOTAL EQUITY	1,118,361	1,095,706

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At 31/03/2024 RM'000 (Unaudited)	As At 30/9/2023 RM'000 (Audited)
<u>EQUITY AND LIABILITIES (CONTINUED)</u>		
Non-Current Liabilities		
Deferred tax liabilities	85,442	86,429
Long-term borrowings	541,719	491,999
Lease liabilities	1,263	1,063
	628,424	579,491
Current Liabilities		
Trade payables	107,167	106,598
Other payables, deposits received, accruals and provisions	166,819	164,666
Contract liabilities	14,261	35,175
Amount owing to related parties	87,079	85,061
Amount owing to associates	19,080	15,625
Short-term borrowings	74,596	150,886
Lease liabilities	1,493	1,280
Current tax liabilities	11,894	772
	482,389	560,063
TOTAL LIABILITIES	1,110,813	1,139,554
TOTAL EQUITY AND LIABILITIES	2,229,174	2,235,260
Net assets per share attributable to Owners of the Company (RM)	1.19	1.18

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 September 2023 and the accompanying explanatory notes attached to the interim financial statements.

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2024
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-distributable			Distributable			Total Equity RM'000
	Share Capital RM'000	Capital Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained earnings RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	
Balance as at 1 October 2023	640,288	815	(47)	420,338	1,061,394	34,312	1,095,706
Profit after taxation	-	-	-	5,966	5,966	16,730	22,696
Other comprehensive loss	-	-	(21)	-	(21)	(20)	(41)
Total comprehensive (loss)/income	-	-	(21)	5,966	5,945	16,710	22,655
Balance as at 31 March 2024	640,288	815	(68)	426,304	1,067,339	51,022	1,118,361
Balance as at 1 October 2022	640,288	815	(8)	407,211	1,048,306	17,036	1,065,342
Profit after taxation	-	-	-	5,899	5,899	3,764	9,663
Other comprehensive loss	-	-	(11)	-	(11)	(2)	(13)
Total comprehensive (loss)/income	-	-	(11)	5,899	5,888	3,762	9,650
Dividends paid by subsidiaries to non-controlling	-	-	-	-	-	(30)	(30)
Additional issuance of ordinary shares to non-controlling interests in a subsidiary	-	-	-	-	-	56	56
Balance as at 31 March 2023	640,288	815	(19)	413,110	1,054,194	20,824	1,075,018

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 30 September 2023 and the accompanying explanatory notes attached to the interim financial statements.

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2024 UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	31/03/2024	31/03/2023
	RM'000	RM'000
Cash Flows From/(For) Operating Activities		
Profit before taxation	35,999	15,429
Adjustments for:		
Depreciation of:		
- property, plant and equipment	2,458	2,246
- investment properties	194	188
- right-of-use assets	706	614
Impairment loss on:		
- investment in associate	-	3
Completed units written down to net realisable value	-	2
Gain on disposal of property, plant and equipment	(1)	(5)
Gain on derecognition of lease liabilities	-	(322)
Finance costs	15,276	13,107
Investment income	(3,336)	(4,060)
Fair value loss on:		
- biological assets	12	-
Share of results in associates	(167)	-
Unrealised (gain) / loss on foreign exchange	(41)	(78)
Provision for release of bumiputera quota	2,985	3,121
Short-term lease expenses	725	739
Low value asset lease expenses	18	16
Operating profit before working capital changes	54,828	31,000
Decrease/(Increase) in operating assets:		
Inventories - completed units and others	9,348	3,892
Inventories - property development costs	13,008	4,772
Trade and other receivables	(39,555)	18,317
Contract assets	69,891	(18,246)
Contract costs	4,804	(1,677)
Amount owing by related parties	347	(2,085)
Amount owing by an associate	(2,021)	(11,190)
Increase/(Decrease) in operating liabilities:		
Trade and other payables	(263)	2,748
Contract liabilities	(20,914)	(30,679)
Amount owing to related parties	4,542	4,252
Amount owing to an associate	3,455	(40,515)
Cash from/(for) operations	97,470	(39,411)
Finance costs paid	(15,845)	(19,161)
Income tax refunded	12	-
Income tax paid	(9,054)	(9,992)
Short term lease paid	(725)	(739)
Low value asset lease paid	(18)	(16)
Net cash from/(for) operating activities	71,840	(69,319)

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2024
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	31/03/2024	31/03/2023
	RM'000	RM'000
Cash Flows From/(For) Investing Activities		
Net cash inflow from acquisition of a subsidiary	-	-
Proceed from issuance of shares to non-controlling interest in subsidiary	-	-
Expenditure incurred on land held for property development	(12,313)	8,928
Withdrawal of deposits pledged with licensed banks	42,049	(4,841)
Investment income received	3,336	4,060
Investment in associates	(1,800)	-
Acquisition of:		
- property, plant and equipment	(11,801)	(837)
- investment properties	(33,099)	(19,529)
Net sale proceeds from disposal of:		
- property, plant and equipment	1	5
Net cash for investing activities	<u>(13,627)</u>	<u>(12,214)</u>
Cash Flows From/(For) Financing Activities		
Proceeds from issuance of ordinary shares to non-controlling interests in a subsidiary	-	56
Drawdown of loans and borrowings	85,575	97,667
Repayment of loans and borrowings	(34,034)	(37,550)
Repayment of invoice financing	(2,809)	(7,615)
Repayment of hire purchase obligations	(26)	(43)
Proceeds from issuance of Sukuk Wakalah	-	66,000
Repayment of Sukuk Wakalah	(75,000)	-
Payments for the principal portion of lease liabilities	(762)	(670)
Dividend paid to non-controlling interests	-	(30)
Net cash (for)/from financing activities	<u>(27,056)</u>	<u>117,815</u>
Net change in cash & cash equivalents	31,157	36,282
Effects on exchange rate changes on cash and cash equivalents	(41)	(13)
Cash & cash equivalents at the beginning of the financial period	222,633	286,038
Cash & cash equivalents at the end of the financial period	<u>253,749</u>	<u>322,307</u>
Cash and cash equivalents at the end of the financial year comprise the following:		
	6 months ended	
	31/03/2024	31/03/2023
	RM'000	RM'000
Short-term investment	42,168	39,007
Fixed deposits with licensed banks	51,763	34,086
Cash and bank balances	205,314	280,693
	<u>299,245</u>	<u>353,786</u>
Less: Deposit pledged to licensed banks	(45,496)	(31,479)
Total Cash and cash equivalents for the year	<u>253,749</u>	<u>322,307</u>

Notes :

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 September 2023 and the accompanying explanatory notes attached to the interim financial statements.

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A1. Basis of Preparation

The unaudited interim financial report has been prepared in accordance with the reporting requirements as set out in the Malaysian Financial Reporting Standards (“MFRS”) 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 30 September 2023 which were prepared under the Malaysian Financial Reporting Standards. 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 30 September 2023.

A2. Accounting Policies

The accounting policies and presentation adopted for this interim report are consistent with those adopted for the audited financials for the financial year ended 30 September 2023, except for the adoption of the following new MFRSs and Amendments to MFRSs issued by Malaysia Accounting Standards Board (MASB) that are relevant to its operations and effective for annual financial periods beginning on or after 1 October 2023 as follows:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial application of MFRS 9 and MFRS 17
	Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Disclosure of Accounting Estimates
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules - other disclosure requirements
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of these MFRSs and amendments to MFRSs did not result in significant changes to the accounting policies of the Group and has no significant effect on the financial performance or position of the Group.

New MFRSs and Amendments to MFRSs in issue but not yet effective

At the date of authorisation for issue of these financial statements, the Amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group are as listed below:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current ¹
Amendments to MFRS 101	Non-Current Liabilities with Covenants ¹

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2024

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD
("MFRS") 134**

A2. Accounting Policies (continued)

Amendments to MFRS 121	Lack of Exchangeability ²
Amendments to MFRS 7 and MFRS 107	Supplier Finance Arrangement ¹
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associates or Joint Venture ³

1 Effective for annual periods beginning on or after 1 January 2024, with earlier application permitted.

2 Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.

3 Effective date deferred to a date to be determined and announced by MASB.

The abovementioned new MFRSs and Amendments to MFRSs will be adopted in the annual financial statements of the Group when they become effective and the Directors anticipate that the adoption of these new MFRSs and Amendments to MFRS will have no material impact on the financial statements of the Group in the period of initial application.

A3. Auditors' Report for the Financial Year Ended 30 September 2023

The auditors' report on the financial statements for the financial year ended 30 September 2023 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 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.

A7. Debts and Equity Securities

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

A8. Dividends

On 24 May 2024, the Board of Directors declared an interim single tier dividend of RM0.02 per ordinary share, approximately RM17.9 million, in respect of the financial year ending 30 September 2024, to be paid on 19 July 2024. The entitlement date for the dividend payment is 20 June 2024.

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2024
PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD
(“MFRS”) 134

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, construction, investment holding and others.

The information by geographical location is not presented as the Group operates principally within Malaysia.

Business Segment Analysis (RM'000)	Quarter ended 31 March 2024				
	Property Development	Construction	Healthcare	Investment Holding and Others	Total
Revenue					
External revenue	167,290	59	45	441	167,835
Inter-segment revenue	7,003	62,281	85	8,806	78,175
	174,293	62,340	130	9,247	246,010
Consolidation adjustments					(78,175)
Consolidated Revenue					167,835
Results from Operation	38,596	445	(617)	(9,391)	29,033
- Finance Income	956	135	13	838	1,942
- Depreciation	(1,385)	(46)	(15)	(345)	(1,791)
- Finance Cost	(4,867)	(186)	-	(1,916)	(6,969)
	33,300	348	(619)	(10,814)	22,215
Inter-segment management fee	(8,334)	(29)	(17)	8,380	-
Consolidated Profit Before Taxation	24,966	319	(636)	(2,434)	22,215

Business Segment Analysis (RM'000)	Year-to-date ended 31 March 2024				
	Property Development	Construction	Healthcare	Investment Holding and Others	Total
Revenue					
External revenue	304,008	183	90	820	305,101
Inter-segment revenue	7,003	126,545	171	15,672	149,391
	311,011	126,728	261	16,492	454,492
Consolidation adjustments					(149,391)
Consolidated Revenue					305,101
Results from Operation	71,394	(111)	(1,221)	(18,932)	51,130
- Finance Income	1,749	322	17	1,248	3,336
- Depreciation	(2,540)	(93)	(32)	(693)	(3,358)
- Finance Cost	(10,192)	(418)	(1)	(4,665)	(15,276)
	60,411	(300)	(1,237)	(23,042)	35,832
Inter-segment management fee	(14,901)	(56)	(32)	14,989	-
	45,510	(356)	(1,269)	(8,053)	35,832
Share of results in associates				167	167
Consolidated Profit Before Taxation	45,510	(356)	(1,269)	(7,886)	35,999

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2024

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD
("MFRS") 134**

A9. Segmental Information (continued)

Business Segment Analysis (RM'000)	Quarter ended 31 March 2023				
	Property Development	Construction	Healthcare	Investment Holding and Others	Total
Revenue					
External revenue	122,543	90	25	155	122,813
Inter-segment revenue	853	77,682	-	9,995	88,530
	123,396	77,772	25	10,150	211,343
Consolidation adjustments					(88,530)
Consolidated Revenue					122,813
Results from Operation	27,165	174	(41)	(7,686)	19,612
- Depreciation	(1,069)	(55)	(10)	(380)	(1,514)
- Finance Cost	(4,401)	(130)	(1)	(2,642)	(7,174)
	21,695	(11)	(52)	(10,708)	10,924
Inter-segment management fee	(9,620)	(28)	(1)	9,649	-
Consolidated Profit Before Taxation	12,075	(39)	(53)	(1,059)	10,924

Business Segment Analysis (RM'000)	Year-to-date ended 31 March 2023				
	Property Development	Construction	Healthcare	Investment Holding and Others	Total
Revenue					
External revenue	201,060	372	25	228	201,685
Inter-segment revenue	853	106,347	-	16,233	123,433
	201,913	106,719	25	16,461	325,118
Consolidation adjustments					(123,433)
Consolidated Revenue					201,685
Results from Operation	46,184	347	(471)	(14,476)	31,584
- Depreciation	(2,151)	(114)	(20)	(763)	(3,048)
- Finance Cost	(7,681)	(166)	(2)	(5,258)	(13,107)
	36,352	67	(493)	(20,497)	15,429
Inter-segment management fee	(15,964)	(55)	(2)	16,021	-
Consolidated Profit Before Taxation	20,388	12	(495)	(4,476)	15,429

A10. Material Events Subsequent to the End of the Financial Period

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

A11. Changes in the Composition of the Group

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

A12. 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 2023.

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(Registration No.: 196801000641 (8235 - K))

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2024

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

	Quarter Ended				Year to date			
	31/03/2024 RM'000	31/03/2023 RM'000	Variance RM'000	Changes (%)	31/03/2024 RM'000	31/03/2023 RM'000	Variance RM'000	Changes (%)
Revenue	167,835	122,813	45,022	37%	305,101	201,685	103,416	51%
Gross profit	46,839	31,413	15,426	49%	86,578	55,160	31,418	57%
Profit before taxation	22,215	10,924	11,291	103%	35,999	15,429	20,570	133%

The Group reported a revenue of RM167.84 million and profit before taxation of RM22.22 million for the second quarter ended 31 March 2024 ("Q2FY2024") as compared to the revenue of RM122.81 million and profit before taxation of RM10.92 million in the previous year's corresponding quarter ended 31 March 2023 ("Q2FY2023").

For the cumulative six months ("6MFY2024") period, Sunsuria's revenue rose by 51% to RM305.10 million compared to the corresponding period last year ("6MFY2023"). Concurrently, profit before taxation increased by 133% to RM36.00 million as compared to RM15.43 million in the corresponding period last year.

The revenue growth was primarily driven by the progress of construction for ongoing residential development projects, including Tower A, C, D, and E in Bangsar Hill Park, Seni Residences in Sunsuria City, Sunsuria Kejora Business Park - Semi D Industrial (Phase 1) in Puncak Alam, and the integrated mixed development of Forum 2 in Setia Alam. Additionally, the handover of Forum 2 SOHO in January 2024 significantly contributed to the overall increase. The gradual contribution from the newly launched project, The Chapter of Sunsuria City, along with sales of completed inventories such as Tangerine Suites, Giverny Walk, and Monet Garden, further bolstered revenue for Q2FY2024.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 31/03/2024 RM'000	Immediate Preceding Quarter 31/12/2023 RM'000	Variance RM'000	Changes (%)
Revenue	167,835	137,266	30,569	22%
Gross profit	46,839	39,739	7,100	18%
Profit before taxation	22,215	13,784	8,431	61%

The Group's revenue witnessed a quarter-over-quarter increase of RM30.57 million when compared to the immediate preceding quarter ended 31 December 2023. The growth was primarily driven by the contributions from ongoing projects, namely Tower A, C, D, and E in Bangsar Hill Park, Seni Residences in Sunsuria City, Sunsuria Kejora Business Park - Semi D Industrial (Phase 1) in Puncak Alam, and the integrated mixed development of Forum 2 in Setia Alam. Additionally, the handover of Forum 2 SOHO in January 2024 significantly contributed to the overall increase. The gradual contribution from the newly launched project, The Chapter of Sunsuria City, along with sales of completed inventories such as Tangerine Suites, Giverny Walk, and Monet Garden have collectively contributed to the revenue and profit growth for the quarter under review.

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2024
PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD

B3. Prospects

In 6MFY2024, Sunsuria, a prominent player in property development, has reported an encouraging total property sales from its completed, ongoing, and newly launched projects.

Meanwhile, Sunsuria's unbilled sales, standing at RM896.70 million as of 31 March 2024, also support the Group's future earnings visibility as construction progresses as planned.

Bank Negara Malaysia has not raised the overnight policy rate (OPR) and has maintained it at 3% since the last increase in May 2023. The rate is expected to remain unchanged throughout 2024, and this is expected to positively impact the property market.

Moving forward, Sunsuria is actively exploring strategic joint ventures to bolster its growth prospects and enhance the synergistic value of its township developments. This includes the integration of one-stop services, encompassing retail, education, childcare, and medical components into its projects. This strategy not only diversifies the Group's revenue streams and generates new income sources but also significantly enhances the value proposition of Sunsuria's development projects.

Additionally, Sunsuria maintains an extensive landbank inventory spanning 2,052.3 acres and a potential GDV of RM8.0 billion to ensure a consistent pipeline of development opportunities. Concurrently, Sunsuria will continue to look for development opportunities at locations that prioritise customer satisfaction and convenience.

On balance, Sunsuria remains prudent in monitoring economic conditions and market trends to navigate the challenges and seize the opportunities presented by Malaysia's economic landscape. Leveraging its diligent timing and costing strategies for its project launches, holistic value proposition of its development projects, and robust landbank inventory, Sunsuria is positive about meeting the community's diverse needs and fostering sustainable growth over the long-term.

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. Income tax expense

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

	Individual quarter		Year To Date	
	31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
Current Taxation	10,074	4,336	19,343	9,126
Deferred Taxation	(2,437)	(989)	(6,040)	(3,360)
	<u>7,637</u>	<u>3,347</u>	<u>13,303</u>	<u>5,766</u>

The effective tax rate of the Group for current financial year were higher than the statutory tax rate of 24% mainly due to certain expenses are not deductible for tax purposes.

B6. Corporate Proposals

On 29 January 2024, RHB Investment Bank Berhad, on behalf of the Company, announced that the Company had on 29 January 2024 entered into a conditional shares sale and purchase agreement (“SSPA 2024”) with Suez Capital Sdn. Bhd. (“Suez Capital”) and Dasar Temasek Sdn. Bhd. (“Dasar Temasek”) (collectively the “Vendors”) for the proposed acquisition by the Company of a total of 2,904,337 ordinary shares in Bangsar Hill Park Development Sdn. Bhd. (“BHP Development”), representing 33.00% equity interest in BHP Development, from the Vendors for a total cash consideration of RM71,415,000 (“Purchase Consideration”) (“Proposed Acquisition”).

In conjunction with the Proposed Acquisition, the Company had on 29 January 2024 entered into the following:

(i) a shareholders’ agreement with Sunsuria KL Sdn. Bhd., being the shareholder of the remaining 16% equity interest in BHP Development (“Sunsuria KL”), and BHP Development to regulate the relationship between the Company and Sunsuria KL, as the shareholders of BHP Development, upon the completion of the SSPA 2024 (“SHA 2024”). For the avoidance of doubt, Sunsuria KL is not a company within Sunsuria’s group of companies (“Sunsuria Group” or “Group”); and

(ii) a letter of termination with Suez Capital, Dasar Temasek, Sunsuria KL and BHP Development mutually agreeing to, among others, terminate the shares subscription and shareholders’ agreement dated 2 October 2020 in relation to BHP Development (“SSSA 2020”) effective from the completion of the SSPA 2024 (“Letter of Termination”).

Pursuant to the SHA 2024, the Company will provide, among others, its obligation to undertake the proposed provision of financial assistance of up to RM204.8 million to BHP Development upon completion of the Proposed Acquisition (“Proposed Provision of Financial Assistance”).

(The Proposed Acquisition and Proposed Provision of Financial Assistance are collectively referred to as the “Proposals”).

The Proposals are subject to the approval of the Company’s non-interested shareholders at an extraordinary general meeting to be convened, and also approval and/or consent of the financiers, including the financiers of the Company and BHP Development, if required.

[The Company obtained approval from its shareholders at the Extraordinary General Meeting held on 24 May 2024 on the Proposals.]

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B7. Group Borrowings

	As at 31/03/2024 RM'000	As at 30/9/2023 RM'000
Secured short term borrowings	74,596	75,914
Secured long term borrowings	435,959	386,310
Unsecured Sukuk Wakalah	105,760	180,661
Total	616,315	642,885

The Group's borrowings were denominated in Ringgit Malaysia. 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. Earnings per share (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	
	31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
Net profit attributable to owners of the Company (RM'000)	4,299	4,840	5,967	5,899
Weighted average number of ordinary shares in issues ('000)	895,917	895,917	895,917	895,917
Basic EPS (sen)	0.48	0.54	0.67	0.66

The diluted earnings per share of the Group is equal to the basic earnings per share as the Group does not have any dilutive ordinary shares in issue.

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B10. Notes to the Statement of Comprehensive Income

Description	Current quarter 31/03/2024 RM'000	Year To Date 31/03/2024 RM'000
Profit for the period is arrived at after crediting/(charging) :		
- Interest income	1,942	3,336
- Interest expense	(6,969)	(15,276)
- Depreciation and amortisation	(1,791)	(3,358)
	(1,791)	(3,358)

BY ORDER OF THE BOARD

Company Secretary
24 May 2024