

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 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.

SUNSURIA BERHAD

(Company No.: 8235-K)

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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 September 2016				Year to date ended 30 September 2016			
	Property Development	Manufacturing (*)	Investment Holdings and Others	Total	Property Development	Manufacturing (*)	Investment Holdings and Others	Total
Continuing Operations								
Revenue	87,215	-	503	87,718	198,933	-	3,468	202,401
Results from Operation	27,169	-	7,413	34,582	43,443	-	13,958	57,401
- Depreciation	(78)	-	(159)	(237)	(266)	-	(619)	(885)
- Finance Cost	(271)	-	(9)	(280)	(271)	-	(42)	(313)
- Share of results of associates	-	-	10	10	800	-	10	810
Profit Before Tax	26,820	-	7,255	34,075	43,706	-	13,307	57,013
Discontinuing Operations								
Profit Before Tax from discontinued operations	(2,545)	-	3,206	661	-	674	3,866	4,540
Total Profit Before Tax	24,275	-	10,461	34,736	43,706	674	17,173	61,553

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Business Segment Analysis (RM'000)	Quarter ended 30 September 2015				12 months 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	-	1,922	32,240	72,542	-	13,021	85,563
Results from Operation	2,073	-	3,444	5,517	11,712	-	3,996	15,708
- Depreciation	(49)	-	(119)	(168)	(186)	-	(556)	(742)
- Finance Cost	-	-	(111)	(111)	-	-	(375)	(375)
- Share of results of associates	-	-	7	7	-	-	3	3
Profit Before Tax	2,024	-	3,221	5,245	11,526	-	3,068	14,594
Discontinuing Operations								
Profit Before Tax from discontinued operations	(241)	383	653	795	658	1,063	653	2,374
Total Profit Before Tax	1,783	383	3,874	6,040	12,184	1,063	3,721	16,968

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

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

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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:-

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 (“CIMSB”) 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. CPMSB currently hold 20% equity interest in CIMSB comprising 250,000 ordinary shares of RM1.00 each in CIMSB; 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 CIMSB comprising 12,500 ordinary shares of RM1.00 each in CIMSB

On 7 September 2016, Sunsuria Berhad and SNSB entered into an unconditional share purchase agreement with Creed pursuant to the Exercise of Put Option for Creed to:

- (i) acquire from Sunsuria Berhad 2 ordinary shares of RM1.00 each in CPMSB representing 100% of the entire issued and paid-up share capital of CPMSB for a cash consideration of RM38,095,742.79; and
- (ii) acquire from SNSB 12,500 ordinary shares of RM1.00 each in CIMSB representing 0.95% of the issued paid-up share capital of CIMSB for a cash consideration of RM1,848,399.97

On 30 September 2016 the Company has completed the Put Option Exercise in accordance with the terms of the SPA. Accordingly, CPMSB has ceased to be subsidiary of Sunsuria and CIMSB also ceased to be an associate company of Sunsuria Group.

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 RM87.72million and RM34.08million respectively as compared to RM32.24million and RM5.25million respectively in the previous corresponding quarter ended 30 September 2015.

The increase in revenue and profit before tax were mainly contributed by the Group's on-going property development projects namely the Suria Residence, The Forum as well as the Bell Avenue and Jasper Square in Sunsuria City.

Financial Year-to-date Results

For the 12-month period ended 30 September 2016, the Group recorded revenue and profit before tax of RM202.40million and RM57.01million respectively as compared to RM85.56million and RM14.59million respectively in the previous 12-month period ended 30 September 2015. Profit before tax for the current 12-month period included the gain from the disposal of a piece of leasehold land and the net gain from the sale of subsidiaries totalling RM8.36million.

B2. Variation of Results against Preceding Quarter

The Group registered revenue and profit before tax of RM87.72million and RM34.08million respectively in the current quarter as compared to RM58.35million and RM9.91million respectively in the preceding quarter. The substantial increase in the current quarter's revenue and profit before tax compared to the preceding quarter was attributed to sales and work progress achieved in the Suria Residence and The Forum developments in Bukit Jelutong Shah Alam, and the Bell Avenue and Jasper Square commercial developments in Sunsuria City.

B3. Prospects

The Group is conscious of the overtone of a subdued global and regional economy. On the back of this challenging economic environment, the Group remains cautious and focused on its core business activities of property development. With active construction activities on-going for Sunsuria Residence, The Forum, Bell Avenue and Jasper Square and coupled with several new launches lining up for launching, the Group expects continued growth in revenue and profit for FY2017.

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 30/09/2016 RM'000	Preceding Year 30/09/2015 RM'000	Current Year 30/09/2016 RM'000	Preceding 12-month 30/09/2015 RM'000
Current Taxation	17,286	1,653	23,978	3,904
Deferred Taxation	(11,685)	(261)	(11,685)	(261)
Provision based on current year's profit	<u>5,601</u>	<u>1,392</u>	<u>12,293</u>	<u>3,643</u>
Represented by :				
Continuing operations	5,563	1,221	12,092	3,462
Discontinuing operations	38	171	201	181
Provision based on current year's profit	<u>5,601</u>	<u>1,392</u>	<u>12,293</u>	<u>3,643</u>

The effective tax rate of the Group for the current financial quarter and year is lower than the applicable statutory tax rate mainly due to the utilisation of previous year's unabsorbed tax losses by a subsidiary.

B6. Corporate Proposals

There were no corporate proposals announced by the Company that have not been completed as at 24 November 2016 (being the latest practicable date), which is not earlier than 7 days from the date of issuance of these Interim Financial Statements.

B7. Group Borrowings

	As at 30/09/2016 RM'000	As at 30/09/2015 RM'000
Secured short term borrowings	8,808	2,614
Secured long term borrowings	212,555	28,875
Total	<u>221,363</u>	<u>31,489</u>
Represented by :		
Continuing Operations	221,363	31,489
Discontinuing Operations	-	-
Total	<u>221,363</u>	<u>31,489</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.

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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	
	Current Year	Preceding Year	Current Year	Preceding 12-month
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to ordinary equity holders of the Company (RM'000)	24,549	4,630	43,839	13,301
Weighted average number of ordinary shares in issues ('000)	798,831	269,043	764,736	269,043
Basic EPS :				
- Continuing Operations (sen)	2.99	1.49	5.16	4.13
- Discontinuing Operations (sen)	0.08	0.23	0.57	0.81
Total	3.07	1.72	5.73	4.94

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

B11. Realised/Unrealised Retained Profits

	Current quarter 30/09/2016 RM'000	Immediate preceding quarter 30/06/2016 RM'000
Total retained/(accumulated losses)/ profits of the Group:		
- Realised	50,898	(13,241)
- Unrealised	444	444
	51,342	(12,797)
Total share of (accumulated losses) from associate		
- Unrealised	(293)	(282)
Consolidation Adjustment	2,666	42,267
Total retained profits c/f	53,715	29,188

B12. Notes to the Statement of Comprehensive Income

Description	Current quarter 30/09/2016 RM'000	Year to date 30/09/2016 RM'000
Profit for the period is arrived at after crediting/(charging) :		
- Interest income	858	2,934
- Other income including investment income	5,564	13,943
- Interest expense	(280)	(313)
- Depreciation and amortisation	(237)	(885)

BY ORDER OF THE BOARD
Secretary
30 November 2016