



SUNSURIA BERHAD (formerly known as Malaysia Aica Berhad)
(Company No.: 8235-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2014

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 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 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

Amendments to FRS 201 Property Development Activities

Management foresees that the initial application of the above FRSs will not have any significant impacts on the financial statements.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, 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”). Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year.

On 30 June 2012, MASB announced that the Transitioning Entities are allowed to extend their deferment on the adoption of MFRS Framework for another year. As such, the MFRS Framework will be mandatory for all companies for annual period beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements when the MFRS framework is mandated by the MASB. In presenting its first set of MFRS financial statements, the Group will quantify the financial effects of the differences between the currently applied FRS and MFRS. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

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 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 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)	Year to date and Quarter Ended 30 June 2014				Year to date and Quarter Ended 30 June 2013			
	Property Development	Manufacturing	Investment Holdings and Others (*)	Total	Property Development	Manufacturing	Investment Holdings and Others (*)	Total
a) Revenue	13,977	4,196	176	18,349	-	4,258	778	5,036
b) Results from Operation	3,426	354	(1,439)	2,341	-	98	579	677
c) Profits Before Tax	3,398	350	(1,535)	2,213	-	93	520	613

(*) This is inclusive of leasing segment which ceased operation in the quarter ended 31 March 2014.



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A10. Valuation on Property, Plant and Equipment

There were no valuations 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 were 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 changes in composition of the Group during the current quarter under review, except on 11 April 2014, the Company acquired the entire issued and paid up share capital of Makro Lumayan Sdn Bhd (“MLSB”) for a cash consideration of RM2.00 only. With the acquisition, MLSB became a 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.



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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

For the current quarter under review, the Group achieved a revenue and profit before tax ('PBT') of RM18.3million and RM2.2million, as compared to RM5.0million and RM0.6million recorded in the previous corresponding quarter last year. The increase was contributed by the Property Development segment since the Group diversified to become a property developer in January 2014.

The segmental performances for the current quarter ended 30 June 2014 are as follows:

(a) Property Development Segment

This segment has recorded a revenue and PBT of RM14.0million and RM3.4million, respectively, for the current quarter ended 30 June 2014. The contribution is solely from the Trivo, commercial shop offices project located in Suria Jelutong.

(b) Manufacturing Segment

For the current quarter under review, this segment recorded revenue and PBT of RM4.2million and RM0.4million as compared to RM4.3million and RM0.09million respectively in the previous corresponding quarter last year. The profit margin has improved in the current quarter as compared to the previous corresponding quarter due to the improved product profit margin.

B2. Variation of Result against Preceding Quarter

The Group registered lower revenue and PBT of RM18.3million and RM2.2million in the current quarter as compared with RM22.7million and RM2.7million recorded in the preceding quarter.

In addition to the quarterly contribution on revenue, the higher revenue contribution in the preceding quarter is inclusive of recognition of the accrued revenue upon completion of the acquisition of the project Trivo in January 2014. Also, there is contribution from leasing segment which has ceased operation in February 2014.

B3. Prospects

The property development business will be the main driver for the growth of the Group. The Group expect a better performance in the current financial year which will be driven by the contribution from projects namely, Trivo (commercial shop offices) and "Suria Residence" (Service Apartments), both located in Bukit Jelutong.

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 Malaysian income tax charge is as follows:

	Individual Quarter and Year to Date	
	30/06/2014 RM'000	30/06/2013 RM'000
Provision based on current year's profit	950	166

The effective tax rate of the Group for the current quarter ended 30 June 2014 was higher than the applicable statutory tax rate mainly due to certain expenses which were not deductible for tax purposes and loss making in certain companies.

B6. Realised/Unrealised Retained Profits/Losses

	Current Quarter 30/06/2014 RM'000	Immediate preceding quarter 30/06/2013 RM'000
Total retained profits of the Group:		
- Realised	(36,617)	(40,266)
- Unrealised	100	104
	(36,517)	(40,162)
Total share of retained earnings from associate		
- Unrealised	(286)	(472)
Consolidation Adjustment	33,028	32,315
Total retained profits c/f	(3,775)	(8,319)



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B7. Corporate Proposals

The following corporate proposals announced by the Company have not been completed as at 05 August 2014, (being the latest practicable date) which is not earlier than 7 days from the date of issuance of these Interim Financial Statements:

- (a) **The Board via RHB Investment Bank Berhad, AmlInvestment Bank Berhad and Astramina Advisory Sdn Bhd had on 28 March 2014 announced that the Company proposes to undertake the following:-**
- (i) Proposed renounceable rights issue of up to 475,084,416 new ordinary shares of RM0.50 each in Sunsuria (“Sunsuria Shares”) (“Rights Share”) on the basis of three (3) Rights Shares for every one (1) existing Sunsuria Share held on an entitlement date to be determined and announced later (“Entitlement Date”), together with up to 158,361,472 free detachable Warrants (“Warrants”) on the basis of one (1) free Warrant for every three (3) Rights Shares subscribed (“Proposed Rights Issue With Warrants”);
 - (ii) Proposed private placement of up to 63,344,588 Sunsuria Shares (“Placement 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”); and
 - (iii) Proposed increase in authorised share capital of Sunsuria from RM100,000,000 comprising 200,000,000 Sunsuria Shares to RM750,000,000 comprising 1,500,000,000 Sunsuria Shares (“Proposed Increase In Authorised Share Capital”), and in consequence thereof, the Company’s Memorandum of Association be amended accordingly (“Proposed Amendments”).

The Proposed Rights Issue with Warrants, Proposed Private Placement, Proposed Increase in Authorised Share Capital and Proposed Amendments are collectively referred to as the “Proposals”. The Proposals are not conditional or inter-conditional upon any other corporate exercises being or proposed to be undertaken by the Company.

The Company has obtained its shareholders’ approval for the implementation of the Proposals on 12 May 2014 and is expected to be completed by 2015.

B8. Group Borrowings

The Group has no borrowings as at 30 June 2014.

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B9. Notes to the Statement of Comprehensive Income

Description	Individual Quarter and Year To Date 30/06/2014 RM'000
Profit for the period is arrived at after crediting/(charging) :	
- Interest Income	96
- Other income including investment income	152
- Depreciation and amortization	91

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.

B12. Earnings per Share ("EPS")

(a) Basic EPS

The basic earnings per share 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 and Year To Date	
	30/06/2014	30/06/2013
Net profit / (loss) attributable to ordinary equity holders of the Company (RM'000)	1,262	447
Weighted average number of ordinary shares in issue ('000)	158,359	130,360
Basic EPS (sen)	0.80	0.34

(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
12 August 2014