



**SUNSURIA BERHAD**

Company No.: 8235-K

**INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 31 MARCH 2018**

**SUNSURIA BERHAD**

(Company No.: 8235-K)

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Individual Quarter		Year To Date	
		Current Year 31/03/2018 RM'000	Preceding Year 31/03/2017 RM'000	Current Year 31/03/2018 RM'000	Preceding Year 31/03/2017 RM'000
Revenue		139,074	103,682	249,897	167,484
Cost of sales		<u>(63,295)</u>	<u>(58,099)</u>	<u>(114,404)</u>	<u>(89,721)</u>
Gross profit		75,779	45,583	135,493	77,763
Other income		<u>770</u>	<u>831</u>	<u>1,781</u>	<u>1,518</u>
		76,549	46,414	137,274	79,281
Administrative and other expenses		<u>(27,910)</u>	<u>(14,502)</u>	<u>(49,917)</u>	<u>(28,864)</u>
Finance costs		<u>(419)</u>	<u>(365)</u>	<u>(769)</u>	<u>(705)</u>
Profit before taxation		48,220	31,547	86,588	49,712
Income tax expense	B5	<u>(11,276)</u>	<u>(9,449)</u>	<u>(20,057)</u>	<u>(13,422)</u>
Profit after taxation		<u>36,944</u>	<u>22,098</u>	<u>66,531</u>	<u>36,290</u>
Other comprehensive income		-	-	-	-
Total comprehensive income		<u>36,944</u>	<u>22,098</u>	<u>66,531</u>	<u>36,290</u>
<b>Profit after taxation attributable to:</b>					
Owners of the Company		30,391	18,009	51,233	28,643
Non-controlling interests		<u>6,553</u>	<u>4,089</u>	<u>15,298</u>	<u>7,647</u>
		<u>36,944</u>	<u>22,098</u>	<u>66,531</u>	<u>36,290</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		30,391	18,009	51,233	28,643
Non-controlling interests		<u>6,553</u>	<u>4,089</u>	<u>15,298</u>	<u>7,647</u>
		<u>36,944</u>	<u>22,098</u>	<u>66,531</u>	<u>36,290</u>
Earnings per share attributable to Owners of the Company:					
(a) Basic (sen)	B9 (a)	<u>3.80</u>	<u>2.25</u>	<u>6.41</u>	<u>3.59</u>
(b) Diluted (sen)	B9 (b)	<u>3.80</u>	<u>2.25</u>	<u>6.41</u>	<u>3.59</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.

**SUNSURIA BERHAD**

(Company No.: 8235-K)

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As At 31/03/2018 RM'000 (Unaudited)	As At 30/09/2017 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Investment in associates	686	686
Other investment	184	184
Property, plant and equipment	26,625	23,414
Investment properties	125,391	122,810
Goodwill	12,381	12,381
Land held for property development	508,778	496,704
Deferred tax assets	6,935	6,107
	<b>680,980</b>	<b>662,286</b>
<b>Current Assets</b>		
Property development costs	356,436	335,877
Accrued billings	127,546	58,664
Trade receivables	53,586	53,797
Other receivables, deposits and prepayments	13,324	15,415
Gross amount due from contract customers for contract works	18	-
Amount owing by related parties	1,258	3,074
Current tax assets	8,358	5,134
Short-term investment	158	31,977
Fixed deposits with licensed banks	55,360	46,740
Cash and bank balances	57,559	88,769
	<b>673,603</b>	<b>639,447</b>
<b>TOTAL ASSETS</b>	<b>1,354,583</b>	<b>1,301,733</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Ordinary share capital	399,421	399,421
Reserves	420,816	369,583
Equity attributable to owners of the Company	820,237	769,004
Non-controlling interests	42,978	27,072
<b>TOTAL EQUITY</b>	<b>863,215</b>	<b>796,076</b>

**SUNSURIA BERHAD**

(Company No.: 8235-K)

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As At 31/03/2018 RM'000 (Unaudited)</b>	<b>As At 30/09/2017 RM'000 (Audited)</b>
<b><u>EQUITY AND LIABILITIES (CONT'D)</u></b>		
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	93,249	98,873
Long-term borrowings	<u>158,580</u>	<u>166,722</u>
	<u>251,829</u>	<u>265,595</u>
<b>Current Liabilities</b>		
Trade payables	50,950	54,967
Other payables, deposits received and accruals	84,551	62,670
Progress billings	11,935	28,653
Amount owing to related parties	77,725	77,588
Dividend payable	22	22
Short-term borrowings	12,836	14,626
Current tax liabilities	<u>1,520</u>	<u>1,536</u>
	<u>239,539</u>	<u>240,062</u>
<b>TOTAL LIABILITIES</b>	<b>491,368</b>	<b>505,657</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>1,354,583</u></b>	<b><u>1,301,733</u></b>
<b>Net assets per share attributable to Owners of the Company (RM)</b>	<b><u>1.03</u></b>	<b><u>0.96</u></b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.



**SUNSURIA BERHAD**

(Company No.: 8235-K)

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2018**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	←—————→ Non-distributable ←—————→					Distributable				
	Ordinary Share Capital	Redeemable Non-Convertible Non-Cumulative Preference Share	Share Premium	Warrant Reserve	Capital Reserve	Capital Redemption Reserve	Retained profits	Attributable to Owners of the Company	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 October 2017	399,421	-	175,838	48,299	815	168	144,463	769,004	27,072	796,076
Profit after taxation/Total comprehensive income	-	-	-	-	-	-	51,233	51,233	15,298	66,531
Issuance of shares by a subsidiary to non-controlling interest	-	-	-	-	-	-	-	-	608	608
<b>Balance as at 31 March 2018</b>	<b>399,421</b>	<b>-</b>	<b>175,838</b>	<b>48,299</b>	<b>815</b>	<b>168</b>	<b>195,696</b>	<b>820,237</b>	<b>42,978</b>	<b>863,215</b>

	←—————→ Non-distributable ←—————→					Distributable				
	Ordinary Share Capital	Redeemable Non-Convertible Non-Cumulative Preference Share	Share Premium	Warrant Reserve	Capital Reserve	Capital Redemption Reserve	Retained profits	Attributable to Owners of the Company	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 October 2016	399,416	25	178,312	48,300	815	168	53,715	680,751	7,016	687,767
Profit after taxation/Total comprehensive income	-	-	-	-	-	-	28,643	28,643	7,647	36,290
<b>Balance as at 31 March 2017</b>	<b>399,416</b>	<b>25</b>	<b>178,312</b>	<b>48,300</b>	<b>815</b>	<b>168</b>	<b>82,358</b>	<b>709,394</b>	<b>14,663</b>	<b>724,057</b>

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.

**SUNSURIA BERHAD**

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**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	6 months ended	
	31/03/2018 RM'000	31/03/2017 RM'000
<b>Cash Flows (For)/From Operating Activities</b>		
Profit before taxation	86,588	49,712
Adjustments for:-		
Depreciation of:		
- property, plant and equipment	1,207	440
- investment properties	92	76
Loss on disposal of:		
- property, plant and equipment	213	-
Gain on disposal of investment properties	-	(107)
Interest expense	769	705
Interest income	(1,618)	(1,032)
Operating profit before working capital changes	<u>87,251</u>	<u>49,794</u>
Changes in working capital:-		
Decrease in trade and other receivables	2,285	12,566
Increase in trade and other payables	17,864	14,135
(Increase)/Decrease in property development costs	(24,828)	15,672
Decrease in amount owing by related parties	-	375
Increase in amount owing to related parties	1,953	-
(Increase)/Decrease in accrued billings	(68,883)	30,965
Decrease in progress billings	(16,718)	(11,453)
Cash (for)/from operations	<u>(1,076)</u>	<u>112,054</u>
Interest paid	(769)	(705)
Income tax refund	1	1
Income tax paid	(29,750)	(7,801)
Net cash (for)/from operating activities	<u>(31,594)</u>	<u>103,549</u>
<b>Cash Flows For Investing Activities</b>		
Interest income received	1,618	1,032
Increase in fixed deposits pledged to licensed banks	(8,620)	(4,983)
Purchase of:		
- property, plant and equipment	(4,739)	(1,370)
- investment properties	(2,014)	(1,744)
Expenditure incurred on property development cost	(8,467)	(11,326)
Proceeds from disposal of:		
- property, plant and equipment	109	200
Net cash for investing activities	<u>(22,113)</u>	<u>(18,191)</u>

**SUNSURIA BERHAD**

(Company No.: 8235-K)

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	6 months ended	
	31/03/2018 RM'000	31/03/2017 RM'000
<b>Cash Flows For Financing Activities</b>		
Proceeds from issuance of shares to non-controlling interest in subsidiaries	608	-
Drawdown of term loan	12,057	-
Proceeds from hire purchase	944	-
Repayment of hire purchase obligations	(137)	(59)
Repayment of term loans	(22,795)	(27,337)
Advances from related parties	1	-
Repayment to related parties	-	(3,000)
Net cash for financing activities	<u>(9,322)</u>	<u>(30,396)</u>
<b>Net change in cash &amp; cash equivalents</b>	<b>(63,029)</b>	54,962
<b>Cash &amp; cash equivalents at the beginning of the financial period</b>	<b>120,746</b>	63,401
<b>Cash &amp; cash equivalents at the end of the financial period</b>	<b><u>57,717</u></b>	<b><u>118,363</u></b>

Cash and cash equivalents at the end of the financial year comprise the following:

	6 months ended	
	31/03/2018 RM'000	31/03/2017 RM'000
Short-term investment	158	18,259
Fixed deposits with licensed banks	55,360	31,358
Cash and bank balances	57,559	100,104
	<u>113,077</u>	<u>149,721</u>
Less: Deposit pledged to licensed banks	(55,360)	(31,358)
Total Cash and cash equivalents for the year	<b><u>57,717</u></b>	<b><u>118,363</u></b>

**Notes :**

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2018**

**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 30 September 2017. 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 2017.

**A2. Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 September 2017.

**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 2017**

The auditors' report on the financial statements for the financial year ended 30 September 2017 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**

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**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2018**

**PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134**

**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 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, construction, investment holding and others.

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 31 March 2018				Year to date ended 31 March 2018			
	Property Development	Construction	Investment Holding and Others	Total	Property Development	Construction	Investment Holding and Others	Total
Revenue								
External revenue	145,443	24	149	<b>145,616</b>	255,983	24	309	<b>256,316</b>
Inter-segment revenue	-	31,326	243	<b>31,569</b>	-	51,674	243	<b>51,917</b>
Consolidation adjustments	145,443	31,350	392	<b>177,185</b>	255,983	51,698	552	<b>308,233</b>
<b>Consolidation Revenue</b>				<b>(38,111)</b>				<b>(58,336)</b>
				<b>139,074</b>				<b>249,897</b>
Results from Operation	61,132	2,644	(4,348)	<b>59,428</b>	107,118	4,987	(8,814)	<b>103,291</b>
- Depreciation	(358)	(34)	(265)	<b>(657)</b>	(724)	(53)	(525)	<b>(1,302)</b>
- Finance Cost	(363)	(44)	(13)	<b>(420)</b>	(660)	(88)	(21)	<b>(769)</b>
Consolidation adjustments	60,411	2,566	(4,626)	<b>58,351</b>	105,734	4,846	(9,360)	<b>101,220</b>
<b>Consolidation Profit/(Loss) Before Taxation</b>				<b>(10,131)</b>				<b>(14,632)</b>
				<b>48,220</b>				<b>86,588</b>

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2018**

**PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134**

**A9. Segmental Information (Cont'd)**

Business Segment Analysis (RM'000)	Quarter ended 31 March 2017				Year to date ended 31 March 2017			
	Property Development	Construction	Investment Holding and Others	Total	Property Development	Construction	Investment Holding and Others	Total
Revenue								
External revenue	102,985	-	163	<b>103,148</b>	168,798	-	327	<b>169,125</b>
Inter-segment revenue	-	-	1,565	<b>1,565</b>	-	-	2,419	<b>2,419</b>
	102,985	-	1,728	<b>104,713</b>	168,798	-	2,746	<b>171,544</b>
Consolidation adjustments				<b>(1,031)</b>				<b>(4,060)</b>
<b>Consolidation Revenue</b>				<b>103,682</b>				<b>167,484</b>
Results from Operation	37,560	(3)	(2,661)	<b>34,896</b>	60,488	(5)	(4,059)	<b>56,424</b>
- Depreciation	(86)	-	(175)	<b>(261)</b>	(169)	-	(347)	<b>(516)</b>
- Finance Cost	(361)	-	(4)	<b>(365)</b>	(620)	-	(85)	<b>(705)</b>
	37,113	(3)	(2,840)	<b>34,270</b>	59,699	(5)	(4,491)	<b>55,203</b>
Consolidation adjustments				<b>(2,723)</b>				<b>(5,491)</b>
<b>Consolidation Profit/(Loss) Before Taxation</b>				<b>31,547</b>				<b>49,712</b>

**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 except for the following:-

On 6 April 2018 Sunsuria Builders Sdn Bhd (formerly known as Goodwill Atlas Sdn Bhd) (“SBSB”) had entered into a Supplemental Agreement with Citicc International Investments Ltd (“CITIC”) to amend and vary certain terms of the Shareholders’ Agreement between CITIC and SBSB dated 28 June 2017.



**SUNSURIA BERHAD**

(Company No.: 8235-K)

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2018**

**PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134**

**A12. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter under review except for the Internal Reorganisation of the shareholding structure of Sunsuria Education Sdn Bhd (formerly known as Sunsuria Times Sdn Bhd) (“SESB”) whereby on 26 March 2018, the Company has acquired the entire issued shares of SESB from Sunsuria North Sdn Bhd, a wholly-owned subsidiary of the Company for a total cash consideration sum of RM200,000.00 (Ringgit Malaysia Two Hundred Thousand) only.

Upon completion of the Internal Reorganisation, SESB becomes a direct 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 audited financial position as at 30 September 2017.

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2018**

**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**

	3 months ended			6 months ended		
	31/03/2018 RM'000	31/03/2017 RM'000	Changes (RM'000 / %)	31/03/2018 RM'000	31/03/2017 RM'000	Changes (RM'000 / %)
Revenue	<b>139,074</b>	103,682	35,392 / 34%	<b>249,897</b>	167,484	82,413 / 49%
Cost of sales	<b>(63,295)</b>	(58,099)	(5,196) / (9%)	<b>(114,404)</b>	(89,721)	(24,683) / (28%)
Gross profit	<b>75,779</b>	45,583	30,196 / 66%	<b>135,493</b>	77,763	57,730 / 74%
Profit before taxation	<b>48,220</b>	31,547	16,673 / 53%	<b>86,588</b>	49,712	36,876 / 74%
Profit after taxation	<b>36,944</b>	22,098	14,846 / 67%	<b>66,531</b>	36,290	30,241 / 83%
Profit attributable to owners of the Company	<b>30,391</b>	18,009	12,382 / 69%	<b>51,233</b>	28,643	22,590 / 79%

**Quarterly Results**

The Group recorded a 34% growth in revenue of RM139.07million for the current quarter under review compared to RM103.68million reported in the corresponding quarter of the previous year. Profit before taxation also increased by 53% to RM48.22million in the current quarter under review compared to RM31.55million in the corresponding period of the previous year.

**Financial Year-to date Results**

The Year-to-Date revenue for the Group also increased to RM249.90million compared to RM167.48million in the corresponding period of the previous year. Profit before taxation also increased by 74% to RM86.59million compared to RM49.71million in the corresponding period of the previous year.

The Group's on-going projects i.e. Forum 1 at Setia Alam, Suria Residence at Bukit Jelutong, Bell Avenue, Jasper Square, The Olive, Bell Suites SOHO and Monet Lily at Sunsuria City continue to contribute to the revenue and profit growth.

**B2. Variation of Results against the Preceding Quarter**

	Current Quarter 31/03/2018 RM'000	Immediate Preceding Quarter 31/12/2017 RM'000	Changes (RM'000 / %)
Revenue	<b>139,074</b>	110,823	28,251 / 25%
Cost of sales	<b>(63,295)</b>	(51,109)	(12,186) / (24%)
Gross profit	<b>75,779</b>	59,714	16,065 / 27%
Profit before taxation	<b>48,220</b>	38,368	9,852 / 26%
Profit after taxation	<b>36,944</b>	29,587	7,357 / 25%
Profit after taxation attributable to owners of the company	<b>30,391</b>	20,842	9,549 / 46%

The Group continues to register an uptrend in both revenue and profit before taxation on a quarter to quarter basis. Revenue for the current quarter was RM139.07million compared to RM110.82million in the preceding quarter. Profit before taxation also increased by 26% to RM48.22million in the current quarter compared to RM38.37million in the preceding quarter as construction work progresses well at the Group's various on-going development sites.

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2018**

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

**B3. Prospects**

The new Government strongly promotes transparency and good governance, which augurs well for the people of Malaysia and the business community at large. On this note, the Board and the Management believe that the commitments and measures to be taken by the Government will spur domestic consumption, increase investor confidence and enhance economic growth. In the mid and longer term, these positive measures are expected to translate into continuous demand for housing and commercial properties. With the current take-up rates on the Group's on-going projects at Sunsuria City and new launches in the pipeline, we foresee that the Group will continue to deliver good results.

**B4. Variance from Profit Forecast and Profit Guarantee**

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

**B5. Income tax expense**

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

	Individual quarter		Year To Date	
	31/03/2018 RM'000	31/03/2017 RM'000	31/03/2018 RM'000	31/03/2017 RM'000
Current Taxation	17,261	10,624	26,509	16,212
Deferred Taxation	(5,985)	(1,175)	(6,452)	(2,790)
Provision based on current year's profit	<u>11,276</u>	<u>9,449</u>	<u>20,057</u>	<u>13,422</u>

The effective tax rate of the Group for the year-to-date is lower than the applicable statutory tax rate mainly due to over provision of taxation in the previous financial year by a subsidiary.

**B6. Corporate Proposals**

There were no other corporate proposals announced by the Company that have not been completed as at 17 May 2018 (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 31/03/2018 RM'000	As at 31/03/2017 RM'000
Secured short term borrowings	12,836	12,623
Secured long term borrowings	<u>158,580</u>	<u>181,344</u>
Total	<u>171,416</u>	<u>193,967</u>

The Group's borrowings as at 31 March 2018 were dominated in Ringgit Malaysia. There were no borrowings in foreign currency during the financial period under review.

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 MARCH 2018**

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

**B8. Material Litigation**

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

**B9. 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	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Net profit attributable to ordinary equity holders of the Company (RM'000)	<b>30,391</b>	18,009	<b>51,233</b>	28,643
Weighted average number of ordinary shares in issues ('000)	<b>798,834</b>	798,833	<b>798,834</b>	798,833
Basic EPS (sen)	<b>3.80</b>	2.25	<b>6.41</b>	3.59

**(b) Diluted earnings per ordinary share**

The potential conversion of warrants are anti-dilutive as their exercise prices are higher than the average market price of the Company's ordinary shares during the current financial period. Accordingly, the exercise of warrants have been ignored in the calculation of dilutive earnings per share.

**B10. Notes to the Statement of Comprehensive Income**

Description	Current Quarter 31/03/2018 RM'000	Year to date 31/03/2018 RM'000
Profit for the period is arrived at after crediting/(charging) :		
- Interest income	794	1,618
- Loss on disposal of properties	(140)	(213)
- Other income including investment income	116	376
- Interest expense	(419)	(769)
- Depreciation and amortisation	(657)	(1,299)

BY ORDER OF THE BOARD

Company Secretary  
24 May 2018