



SUNSURIA BERHAD

Company No.: 8235-K

**INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 JUNE 2017**

SUNSURIA BERHAD

(Company No.: 8235-K)

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2017
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Year To Date	
		Current Year 30/06/2017 RM'000	Preceding Year 30/06/2016 RM'000	Current Year 30/06/2017 RM'000	Preceding Year 30/06/2016 RM'000
Continuing Operations					
Revenue		122,739	58,354	290,223	114,683
Cost of sales		(43,978)	(36,009)	(133,699)	(74,985)
Gross profit		78,761	22,345	156,524	39,698
Other income		3,117	789	4,635	10,455
		81,878	23,134	161,159	50,153
Administrative and other expenses		(39,936)	(13,222)	(68,800)	(27,982)
Finance costs		(431)	(5)	(1,136)	(32)
Share of results of associates		-	-	-	800
Profit before taxation		41,511	9,907	91,223	22,939
Income tax expense	B5	(9,901)	(2,522)	(23,323)	(6,529)
Profit after taxation from continuing operations		31,610	7,385	67,900	16,410
Discontinued Operations					
Profit after taxation from discontinued operations		-	-	-	674
Profit from assets held for sale		-	168	-	3,043
Profit after taxation for the financial period		31,610	7,553	67,900	20,127
Other comprehensive income		-	-	-	-
Total comprehensive income		31,610	7,553	67,900	20,127
Profit after taxation attributable to:					
Owners of the Company		31,903	6,733	60,546	19,290
Non-controlling interests		(293)	820	7,354	837
		31,610	7,553	67,900	20,127
Total comprehensive income attributable to:					
Owners of the Company		31,903	6,733	60,546	19,290
Non-controlling interests		(293)	820	7,354	837
		31,610	7,553	67,900	20,127
Earnings per share attributable to Owners of the Company:					
(a) Basic					
- for Profit from continuing operations (sen)		3.99	0.83	7.58	2.07
- for Profit from discontinued operations (sen)		-	0.02	-	0.49
	B10	3.99	0.85	7.58	2.56
(b) Diluted					
- for Profit from continuing operations (sen)		3.45	0.83	6.61	2.07
- for Profit from discontinued operations (sen)		-	0.02	-	0.49
	B10	3.45	0.85	6.61	2.56

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 September 2016 and the accompanying explanatory notes attached to the interim financial statements.

SUNSURIA BERHAD

(Company No.: 8235-K)

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At 30/06/2017 RM'000 (Unaudited)	As At 30/09/2016 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Investment in associates	680	680
Other investment	184	28
Property, plant and equipment	24,781	5,421
Investment properties	99,213	104,207
Trade receivables	-	1,513
Goodwill	18,222	18,222
Land held for property development	411,754	387,120
Deferred tax assets	1,436	1,432
	556,270	518,623
Current Assets		
Property development costs	424,583	441,942
Accrued billings	43,491	82,003
Trade receivables	75,198	39,117
Other receivables, deposits and prepayments	12,853	27,986
Amount owing by related parties	3,390	4,013
Dividend receivable	-	3,204
Current tax assets	2,118	22
Short-term investment	54,574	29,051
Fixed deposits with licensed banks	64,705	26,375
Cash and bank balances	87,814	34,350
	768,726	688,063
TOTAL ASSETS	1,324,996	1,206,686
EQUITY AND LIABILITIES		
Equity		
Ordinary share capital	399,417	399,416
Redeemable non-convertible non-cumulative preference shares	25	25
Reserves	341,859	281,310
Equity attributable to owners of the Company	741,301	680,751
Non-controlling interests	14,370	7,016
TOTAL EQUITY	755,671	687,767

SUNSURIA BERHAD

(Company No.: 8235-K)

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At 30/06/2017 RM'000 (Unaudited)	As At 30/09/2016 RM'000 (Audited)
<u>EQUITY AND LIABILITIES (CONT'D)</u>		
Non-Current Liabilities		
Deferred tax liabilities	94,974	100,653
Long-term borrowings	179,081	212,555
	<u>274,055</u>	<u>313,208</u>
Current Liabilities		
Trade payables	19,002	26,862
Other payables, deposits received and accruals	96,827	44,199
Progress billings	33,133	27,821
Amount owing to related parties	77,897	90,897
Dividend payable	-	22
Short-term borrowings	43,624	8,808
Current tax liabilities	24,787	7,102
	<u>295,270</u>	<u>205,711</u>
TOTAL LIABILITIES	569,325	518,919
TOTAL EQUITY AND LIABILITIES	<u>1,324,996</u>	<u>1,206,686</u>
Net assets per share attributable to Owners of the Company (RM)	<u>0.95</u>	<u>0.86</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 September 2016 and the accompanying explanatory notes attached to the interim financial statements.



SUNSURIA BERHAD

(Company No.: 8235-K)

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2017
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←—————→ Non-distributable ←—————→			Distributable			Retained profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Ordinary Share Capital	Redeemable Non-Convertible Non-Cumulative Preference Share	Share Premium	Warrant Reserve	Capital Reserve	Capital Redemption Reserve				
	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
Issuance of shares :										
- exercise of warrants	1	-	4	(1)	-	-	-	4	-	4
Profit after taxation/Total comprehensive income	-	-	-	-	-	-	60,546	60,546	7,354	67,900
Balance as at 30 June 2017	399,417	25	178,316	48,299	815	168	114,261	741,301	14,370	755,671

	←—————→ Non-distributable ←—————→			Distributable			Retained profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Ordinary Share Capital	Redeemable Non-Convertible Non-Cumulative Preference Share	Share Premium	Warrant Reserve	Capital Reserve	Capital Redemption Reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000				
Balance as at 1 October 2015	367,743	-	154,769	48,300	815	168	9,898	581,693	237	581,930
Profit after taxation/Total comprehensive income	-	-	-	-	-	-	19,290	19,290	837	20,127
Issuance of shares :										
- private placement	31,673	-	21,220	-	-	-	-	52,893	-	52,893
- share issuance expenses set off against share premium	-	25	2,474	-	-	-	-	2,499	-	2,499
Issuance of redeemable non-convertible non-cumulative preference share	-	-	(151)	-	-	-	-	(151)	-	(151)
Acquisition of shares in subsidiary	-	-	-	-	-	-	-	-	4,292	4,292
Balance as at 30 June 2016	399,416	25	178,312	48,300	815	168	29,188	656,224	5,366	661,590

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 30 September 2016 and the accompanying explanatory notes attached to the interim financial statements.

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INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended	
	30/06/2017 RM'000	30/06/2016 RM'000
Cash Flows From Operating Activities		
Profit before taxation :		
- continuing operations	91,223	22,939
- discontinued operations	-	3,880
	91,223	26,819
Adjustments for:-		
Depreciation of:		
- property, plant and equipment	804	633
- investment properties	114	16
Gain on disposal of:		
- property, plant and equipment	(1,241)	-
- investment properties	(107)	(5,868)
- subsidiary	-	(2,640)
Interest expense	1,136	3,311
Interest income	(1,977)	(1,416)
Share of results in associates	-	(3,346)
	89,952	17,509
Operating profit before working capital changes		
Changes in working capital:-		
Increase in inventories	-	(25,369)
Increase in trade and other receivables	(19,590)	(9,552)
Increase/(decrease) in trade and other payables	40,803	(17,328)
Decrease in property development costs	9,497	50,138
Decrease/(increase) in amount owing by related parties	623	(1,826)
Decrease/(increase) in accrued billings	38,512	(25,005)
Increase in progress billings	5,312	-
Decrease in defined benefits obligation	-	(1,297)
	165,109	(12,730)
Cash for operations		
Interest paid	(1,136)	(3,311)
Income tax refunded	1	-
Income tax paid	(13,418)	(3,858)
	150,556	(19,899)
Net cash from/(for) operating activities		

SUNSURIA BERHAD

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INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended	
	30/06/2017 RM'000	30/06/2016 RM'000
Cash Flows For Investing Activities		
Net cash outflow from acquisition of subsidiary	-	(2,923)
Increase in fixed deposits pledged to licensed banks	(38,330)	-
Interest income received	1,977	1,416
Purchase of:		
- property, plant and equipment	(16,129)	(476)
- investment properties	(4,719)	(3,579)
- land held for development	(7,518)	(168,972)
- other investment	-	(1)
Proceeds from disposal of:		
- investment properties	200	-
- property, plant and equipment	1,400	8,670
Dividend received	3,204	-
Net cash outflow from disposal of subsidiary	-	1,930
Net cash for investing activities	<u>(59,915)</u>	<u>(163,935)</u>
Cash Flows (For)/From Financing Activities		
Acquisition of non-controlling interest	-	84
Proceed from issuance of shares	4	55,392
Share issuance expenses	-	(151)
Drawdown of term loans	37,861	166,790
Repayment of term loans	(36,430)	(968)
Repayment of hire purchase obligations	(89)	(85)
Repayment to related parties	(13,000)	(5,789)
Placement on pledge fixed deposit	-	(22,699)
Net cash (for)/from financing activities	<u>(11,654)</u>	<u>192,574</u>
Net change in cash & cash equivalents	78,987	8,740
Cash & cash equivalents at the beginning of the financial period	63,401	88,568
Cash & cash equivalents at the end of the financial period	<u>142,388</u>	<u>97,308</u>

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

	9 months ended	
	30/06/2017 RM'000	30/06/2016 RM'000
Short-term investment	54,574	-
Fixed deposits with licensed banks	64,705	22,699
Cash and bank balances	87,814	97,308
	<u>207,093</u>	<u>120,007</u>
Less: Deposit pledged to licensed banks	(64,705)	(22,699)
Total Cash and cash equivalents for the year	<u>142,388</u>	<u>97,308</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 2016 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2017

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 2016. 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 2016.

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 2016.

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 2016

The auditors' report on the financial statements for the financial year ended 30 September 2016 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.

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2017

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 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 2017				Year to date ended 30 June 2017			
	Property Development	Manufacturing (*)	Investment Holdings and Others	Total	Property Development	Manufacturing (*)	Investment Holdings and Others	Total
Continuing Operations								
Revenue	122,578	-	161	122,739	289,735	-	488	290,223
Results from Operation	43,689	-	(1,345)	42,344	98,555	-	(5,278)	93,277
- Depreciation	(205)	-	(197)	(402)	(374)	-	(544)	(918)
- Finance Cost	(428)	-	(3)	(431)	(1,048)	-	(88)	(1,136)
Profit Before Tax	43,056	-	(1,545)	41,511	97,133	-	(5,910)	91,223
Discontinuing Operations								
Profit Before Tax from discontinued operations	-	-	-	-	-	-	-	-
Total Profit Before Tax	43,056	-	(1,545)	41,511	97,133	-	(5,910)	91,223

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2017

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

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 Asset held for sale	-	-	225	225	2,546	-	660	3,206
	-	-	225	225	2,546	674	660	3,880
Total Profit Before Tax	10,020	-	112	10,132	16,886	674	9,259	26,819

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, except as follows:-

On 20 July 2017, Sunsuria Gateway Sdn Bhd (“SGSB”), a 99.99%-owned direct subsidiary of the Company, had acquired the entire equity interest comprising of one (1) ordinary share in Goodwill Signature Sdn Bhd (“GSSB”) for a cash consideration of RM1.00 only from Teng Mee Leng. Consequent thereof, GSSB became a wholly-owned indirect subsidiary of the Company.

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2017

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

On 26 July 2017, SGSB entered into a Shareholders Agreement (“SHA”) with Genlin Development Sdn Bhd (“Genlin”), to mutually cooperate with the common interest to develop two (2) pieces of freehold land measuring total area of approximately 2.23 acres located at Sentul, Kuala Lumpur (“Land”) via GSSB, which has been identified as the joint venture vehicle between SGSB and Genlin to undertake the development of the Land (“Proposed Joint Venture”).

Further to the execution of the SHA, GSSB has on 26 July 2017 entered into a Sale and Purchase Agreement (“SPA”) with Genlin for the acquisition of the Land by the GSSB from Genlin for a total cash consideration of RM28,000,000 (“Purchase Consideration”) (“Proposed Land Acquisition”).

On 16 August 2017, the Proposed Joint Venture has been completed pursuant to the issuance and allotment of shares in GSSB to SGSB and Genlin for a consideration otherwise than cash of RM1.00 per ordinary share. The total shareholdings of SGSB and Genlin in GSSB are as follows:

Name of shareholders	Number of Ordinary Shares Alloted	Total number of Ordinary Shares held after allotment	Percentage
Sunsuria Gateway Sdn Bhd	69,999	70,000	70%
Genlin Development Sdn Bhd	30,000	30,000	30%
Total	99,999	100,000	100%

Further to the above completion of the Proposed Joint Venture, GSSB is now a 70%-owned subsidiary of the Company.

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 as follows:-

- 1) On 28 June 2017, Sunsuria Builders Sdn Bhd (formerly known as Goodwill Atlas Sdn Bhd) (“SBSB”), a wholly owned subsidiary of the Company, entered into a Shareholders’ Agreement (“SHA”) with Citicc International Investment Ltd (“CITIC”) to establish a private company in Malaysia which will be incorporated under the laws of Malaysia (“JV Co”), as the vehicle through which SBSB and CITIC shall undertake and carry out the business of construction work, property development and related activities in Malaysia (“Proposed Joint Venture”).

On 2 August 2017, Citic Sunsuria Sdn Bhd (“CSSB”), the joint venture company for the Proposed Joint Venture, has been incorporated in Malaysia with an initial share capital of 100 ordinary shares and had on the same date issued and allotted the said number of shares to SBSB and CITIC for cash consideration of RM1.00 per ordinary share. Following the allotment, the shareholders of CSSB are as follows:

Name of shareholders	Number of Ordinary Shares hold	Percentage
Citicc International Investment Ltd	51	51%
Sunsuria Builders Sdn Bhd (formerly known as Goodwill Atlas Sdn Bhd)	49	49%
Total	100	100%

Further to the above subscription of shares, CSSB is now 49%-owned by the Company.



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

- 2) On 14 July 2017, Sunsuria Builders Sdn Bhd (formerly known as Goodwill Atlas Sdn Bhd) (“SBSB”), a wholly-owned subsidiary of the Company, had completed the Shares Sale and Purchase Agreement (“SSA”) with Ms Chuah Peak San to acquire 408,000 ordinary shares in Sunsuria Asas Sdn Bhd (formerly known as Prospan Construction Sdn Bhd) (“PPAN”), representing 51% equity interest in PPAN for a cash consideration of RM408,000 (“Shares Acquisition”). As a result, SASB become indirect subsidiary of Company with an effective equity interest of 51%.

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 2016.

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2017

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

The Company's revenue of RM122.7million for the current quarter under review has more than doubled compared to the revenue of RM58.4million reported in the corresponding quarter of the previous year. Profit before tax also leaped by more than four folds to RM41.51million in the current quarter under review compared to RM9.91million in the corresponding quarter of the previous year.

Financial Year-to-date Results

The current year to date revenue also increased to RM290.22million from RM114.68million whilst profit before tax increased to RM91.22million from RM22.94million in the current 9 months under review compared to the corresponding 9-month period in the previous year.

The commendable performance was mainly attributable to the Group's on-going projects, namely Suria Residence at Bukit Jelutong, Forum 1 at Setia Alam, and Jasper Square, Bell Avenue, The Olive and Bell Suites developments in Sunsuria City.

B2. Variation of Results against the Preceding Quarter

On a quarter to quarter basis, the Group's revenue and profit before tax is on the uptrend. The Group reported an 18% increase in revenue of RM122.74million in the current quarter compared to RM103.68million in the preceding quarter whilst profit before tax increased by 32% to RM41.51million in the current quarter from RM31.55million in the preceding quarter as the Group continues to record good sales while work on development sites are progressing as planned.

B3. Prospects

The Smart, Livable and Sustainable development concepts in the Group's Sunsuria City township has propelled the Group's performance in terms of revenue and profit growth. The Group is also planning for more new launches in the coming quarter and expect the revenue and profit to continue improving and contributing to improved performance for FY2017.

B4. Variance from Profit Forecast and Profit Guarantee

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

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2017

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

B5. Income tax expense

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

	Individual quarter		Year To Date	
	30/06/2017 RM'000	30/06/2016 RM'000	30/06/2017 RM'000	30/06/2016 RM'000
Current Taxation	12,794	2,457	29,484	5,857
Deferred Taxation	(2,893)	121	(6,160)	834
Provision based on current year's profit	<u>9,901</u>	<u>2,578</u>	<u>23,324</u>	<u>6,691</u>
Represented by :				
Continuing operations	9,901	2,522	23,324	6,529
Discontinued operations	-	56	-	162
Provision based on current year's profit	<u>9,901</u>	<u>2,578</u>	<u>23,324</u>	<u>6,691</u>

The effective tax rate of the Group for the year-to-date is higher than the applicable statutory tax rate mainly due to certain expenses not being deductible for tax purposes.

B6. Corporate Proposals

Save for Note A11, there were no other corporate proposals announced by the Company that have not been completed as at 18 August 2017 (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 30/06/2017 RM'000	As at 30/06/2016 RM'000
Secured short term borrowings	43,624	37,651
Secured long term borrowings	179,081	159,576
Total	<u>222,705</u>	<u>197,227</u>
Represented by :		
Continuing Operations	222,705	197,227
Discontinued Operations	-	-
Total	<u>222,705</u>	<u>197,227</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.

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2017

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

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	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Net profit attributable to ordinary equity holders of the Company (RM'000)	31,903	6,733	60,546	19,290
Weighted average number of ordinary shares in issues ('000)	798,832	789,086	798,832	753,288
Basic EPS :				
- Continuing Operations (sen)	3.99	0.83	7.58	2.07
- Discontinued Operations (sen)	-	0.02	-	0.49
Total	3.99	0.85	7.58	2.56

(b) Diluted earnings per ordinary share

The diluted 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 outstanding during the period that have been adjusted for the dilutive effects of all potential ordinary shares from the exercise of the Warrants.

	Individual quarter		Year to date	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Net profit attributable to ordinary equity holders of the Company (RM'000)	31,903	6,733	60,546	19,290
Weighted average number of ordinary shares in issues ('000)	798,832	789,086	798,832	753,288
Shares deemed to be issued for no consideration :				
- warrants ('000)	124,585	-	117,429	-
Weighted average number of ordinary shares for diluted earnings per share	923,417	789,086	916,261	753,288
Diluted earnings per share (sen)				
- Continuing Operations (sen)	3.45	0.83	6.61	2.07
- Discontinued Operations (sen)	-	0.02	-	0.49
Total	3.45	0.85	6.61	2.56

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2017

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

During the previous financial period, 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 and, accordingly, the exercise of warrants have been ignored in the calculation of the diluted earnings per share. As a result, the diluted earnings per ordinary share is the same as basic earnings per share.

B11. Realised/Unrealised Retained Profits

	As at 30/06/2017 (Unaudited) RM'000	As at 30/09/2016 (Audited) RM'000
Total retained profits of the Group:		
- Realised	172,549	108,727
- Unrealised	<u>(17,483)</u>	<u>(20,921)</u>
	155,066	87,806
Total share of (accumulated losses) from associate		
- Realised	<u>(277)</u>	<u>(277)</u>
Consolidation Adjustment	<u>(40,528)</u>	<u>(33,814)</u>
Total retained profits c/f	<u>114,261</u>	<u>53,715</u>

B12. Notes to the Statement of Comprehensive Income

Description	Current Quarter 30/06/2017 RM'000	Year to date 30/06/2017 RM'000
Profit for the period is arrived at after crediting/(charging) :		
- Interest income	945	1,977
- Other income including investment income	2,172	2,658
- Interest expense	(431)	(1,136)
- Depreciation and amortisation	(402)	(918)

BY ORDER OF THE BOARD
Secretary
24 August 2017