



**SUNSURIA BERHAD**

Company No.: 8235-K

**INTERIM FINANCIAL STATEMENTS**  
**FOR THE THIRD QUARTER ENDED 30 JUNE 2018**

**SUNSURIA BERHAD**

(Company No.: 8235-K)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Individual Quarter		Year To Date	
		Current Year 30/06/2018 RM'000	Preceding Year 30/06/2017 RM'000	Current Year 30/06/2018 RM'000	Preceding Year 30/06/2017 RM'000
Revenue		107,819	122,739	357,716	290,223
Cost of sales		(53,854)	(43,978)	(168,258)	(133,699)
Gross profit		53,965	78,761	189,458	156,524
Other income		1,160	3,117	2,941	4,635
		55,125	81,878	192,399	161,159
Administrative and other expenses		(14,357)	(39,936)	(64,274)	(68,800)
Finance costs		(658)	(431)	(1,427)	(1,136)
Profit before taxation		40,110	41,511	126,698	91,223
Income tax expense	B5	(7,053)	(9,901)	(27,110)	(23,323)
Profit after taxation		33,057	31,610	99,588	67,900
Other comprehensive income		-	-	-	-
Total comprehensive income		33,057	31,610	99,588	67,900
<b>Profit after taxation attributable to:</b>					
Owners of the Company		25,507	31,903	76,740	60,546
Non-controlling interests		7,550	(293)	22,848	7,354
		33,057	31,610	99,588	67,900
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		25,507	31,903	76,740	60,546
Non-controlling interests		7,550	(293)	22,848	7,354
		33,057	31,610	99,588	67,900
Earnings per share attributable to Owners of the Company:					
(a) Basic (sen)	B9 (a)	3.19	3.99	9.61	7.58
(b) Diluted (sen)	B9 (b)	3.19	3.45	9.61	6.61

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 THIRD QUARTER ENDED 30 JUNE 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As At 30/06/2018 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	27,742	23,414
Investment properties	125,391	122,810
Trade receivables	7,166	-
Goodwill	12,381	12,381
Land held for property development	515,441	496,704
Deferred tax assets	7,706	6,107
	<b>696,697</b>	<b>662,286</b>
<b>Current Assets</b>		
Inventories	34,903	-
Property development costs	331,500	335,877
Accrued billings	95,125	58,664
Trade receivables	68,506	53,797
Other receivables, deposits and prepayments	15,814	15,415
Gross amount due from contract customers for contract works	19	-
Amount owing by related parties	314	3,074
Current tax assets	8,088	5,134
Short-term investment	159	31,977
Fixed deposits with licensed banks	41,144	46,740
Cash and bank balances	109,704	88,769
	<b>705,276</b>	<b>639,447</b>
<b>TOTAL ASSETS</b>	<b>1,401,973</b>	<b>1,301,733</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Ordinary share capital	399,421	399,421
Reserves	446,323	369,583
Equity attributable to owners of the Company	845,744	769,004
Non-controlling interests	50,528	27,072
<b>TOTAL EQUITY</b>	<b>896,272</b>	<b>796,076</b>

**SUNSURIA BERHAD**

(Company No.: 8235-K)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As At 30/06/2018 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	92,923	98,873
Long-term borrowings	<u>153,586</u>	<u>166,722</u>
	<u>246,509</u>	<u>265,595</u>
<b>Current Liabilities</b>		
Trade payables	65,645	54,967
Other payables, deposits received and accruals	82,633	62,670
Progress billings	16,879	28,653
Amount owing to related parties	75,610	77,588
Dividend payable	22	22
Short-term borrowings	17,415	14,626
Current tax liabilities	988	1,536
	<u>259,192</u>	<u>240,062</u>
<b>TOTAL LIABILITIES</b>	<b>505,701</b>	<b>505,657</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>1,401,973</u></b>	<b><u>1,301,733</u></b>
<b>Net assets per share attributable to Owners of the Company (RM)</b>	<b><u>1.06</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 THIRD QUARTER ENDED 30 JUNE 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	-	-	-	-	-	-	76,740	76,740	22,848	99,588
Issuance of shares by a subsidiary to non-controlling interest	-	-	-	-	-	-	-	-	608	608
<b>Balance as at 30 June 2018</b>	<b>399,421</b>	<b>-</b>	<b>175,838</b>	<b>48,299</b>	<b>815</b>	<b>168</b>	<b>221,203</b>	<b>845,744</b>	<b>50,528</b>	<b>896,272</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
Issuance of shares :										
- exercise of warrants	5	-	-	(1)	-	-	-	4	-	4
Profit after taxation/Total comprehensive income	-	-	-	-	-	-	60,546	60,546	7,354	67,900
<b>Balance as at 30 June 2017</b>	<b>399,421</b>	<b>25</b>	<b>178,312</b>	<b>48,299</b>	<b>815</b>	<b>168</b>	<b>114,261</b>	<b>741,301</b>	<b>14,370</b>	<b>755,671</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**

(Company No.: 8235-K)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	9 months ended	
	30/06/2018 RM'000	30/06/2017 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	126,698	91,223
Adjustments for:-		
Depreciation of:		
- property, plant and equipment	1,891	804
- investment properties	138	114
Loss on disposal of:		
- property, plant and equipment	213	-
Gain on disposal of:		
- property, plant and equipment	-	(1,241)
- investment properties	-	(107)
Interest expense	1,427	1,136
Interest income	(2,594)	(1,977)
Operating profit before working capital changes	127,773	89,952
Changes in working capital:-		
Increase in inventories	(34,903)	-
Increase in trade and other receivables	(22,293)	(19,590)
Increase in trade and other payables	30,641	40,803
(Increase)/Decrease in property development costs	(379)	9,497
Decrease in amount owing by related parties	2,877	623
(Increase)/Decrease in accrued billings	(36,461)	38,512
(Decrease)/Increase in progress billings	(11,774)	5,312
Cash from operations	55,481	165,109
Interest paid	(1,427)	(1,136)
Income tax refund	243	1
Income tax paid	(38,404)	(13,418)
Net cash from operating activities	15,893	150,556
<b>Cash Flows For Investing Activities</b>		
Interest income received	2,594	1,977
Decrease/(Increase) in fixed deposits pledged to licensed banks	5,596	(38,330)
Purchase of:		
- property, plant and equipment	(6,542)	(16,129)
- investment properties	(2,586)	(4,719)
Expenditure incurred on property development cost	(14,115)	(7,518)
Proceeds from disposal of:		
- investment properties	-	200
- property, plant and equipment	109	1,400
Dividend received	-	3,204
Net cash for investing activities	(14,944)	(59,915)

**SUNSURIA BERHAD**

(Company No.: 8235-K)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	9 months ended	
	30/06/2018 RM'000	30/06/2017 RM'000
<b>Cash Flows For Financing Activities</b>		
Proceeds from issuance of shares to non-controlling interest in subsidiaries	608	4
Drawdown of term loan	53,334	37,861
Proceeds from hire purchase	944	-
Repayment of hire purchase obligations	(220)	(89)
Repayment of term loans	(64,404)	(36,430)
Advances from related parties	1	-
Repayment to related parties	(2,095)	(13,000)
Net cash for financing activities	<u>(11,832)</u>	<u>(11,654)</u>
<b>Net change in cash &amp; cash equivalents</b>	<b>(10,883)</b>	<b>78,987</b>
<b>Cash &amp; cash equivalents at the beginning of the financial period</b>	<b>120,746</b>	<b>63,401</b>
<b>Cash &amp; cash equivalents at the end of the financial period</b>	<b><u>109,863</u></b>	<b><u>142,388</u></b>

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

	9 months ended	
	30/06/2018 RM'000	30/06/2017 RM'000
Short-term investment	159	54,574
Fixed deposits with licensed banks	41,144	64,705
Cash and bank balances	109,704	87,814
	<u>151,007</u>	<u>207,093</u>
Less: Deposit pledged to licensed banks	(41,144)	(64,705)
Total Cash and cash equivalents for the year	<b><u>109,863</u></b>	<b><u>142,388</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 THIRD QUARTER ENDED 30 JUNE 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.



**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 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 30 June 2018				Year to date ended 30 June 2018			
	Property Development	Construction	Investment Holding and Others	Total	Property Development	Construction	Investment Holding and Others	Total
Revenue								
External revenue	117,193	20	155	<b>117,368</b>	373,176	44	464	<b>373,684</b>
Inter-segment revenue	-	43,040	197	<b>43,237</b>	-	94,714	440	<b>95,154</b>
Consolidation adjustments	117,193	43,060	352	<b>160,605</b>	373,176	94,758	904	<b>468,838</b>
<b>Consolidation Revenue</b>				<b>(52,786)</b>				<b>(111,122)</b>
				<b>107,819</b>				<b>357,716</b>
Results from Operation	53,009	4,622	(3,345)	<b>54,286</b>	160,127	9,609	(12,159)	<b>157,577</b>
- Depreciation	(375)	(42)	(316)	<b>(733)</b>	(1,099)	(95)	(840)	<b>(2,034)</b>
- Finance Cost	(434)	(47)	(177)	<b>(658)</b>	(1,094)	(135)	(198)	<b>(1,427)</b>
Consolidation adjustments	52,200	4,533	(3,838)	<b>52,895</b>	157,934	9,379	(13,197)	<b>154,116</b>
<b>Consolidation Profit Before Taxation</b>				<b>(12,785)</b>				<b>(27,418)</b>
				<b>40,110</b>				<b>126,698</b>

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2018**

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

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

Business Segment Analysis (RM'000)	Quarter ended 30 June 2017				Year to date ended 30 June 2017			
	Property Development	Construction	Investment Holding and Others	Total	Property Development	Construction	Investment Holding and Others	Total
Revenue								
External revenue	121,894	-	161	<b>122,055</b>	290,692	-	489	<b>291,181</b>
Inter-segment revenue	-	1,390	7,506	<b>8,896</b>	-	1,390	9,925	<b>11,315</b>
	121,894	1,390	7,667	<b>130,951</b>	290,692	1,390	10,414	<b>302,496</b>
Consolidation adjustments				<b>(8,212)</b>				<b>(12,273)</b>
<b>Consolidation Revenue</b>				<b>122,739</b>				<b>290,223</b>
Results from Operation	38,657	295	5,621	<b>44,573</b>	99,144	290	1,561	<b>100,995</b>
- Depreciation	(206)	-	(197)	<b>(403)</b>	(375)	-	(543)	<b>(918)</b>
- Finance Cost	(428)	-	(4)	<b>(432)</b>	(1,048)	-	(88)	<b>(1,136)</b>
	38,023	295	5,420	<b>47,738</b>	97,721	290	930	<b>98,941</b>
Consolidation adjustments				<b>(2,227)</b>				<b>(7,718)</b>
<b>Consolidation Profit Before Taxation</b>				<b>41,511</b>				<b>91,223</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 has not been reflected in the interim financial statements.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2018**

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

**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 following:-

On 20 August 2018, Sunsuria Arena Sdn Bhd ("SASB"), a wholly-owned subsidiary of the Company has acquired the entire issued shares of Sunsuria City Amenities Sdn Bhd (formerly known as Sunsuria Oride Sdn Bhd) ("SCASB") comprising one (1) ordinary share each from Sunsuria City Sdn Bhd, an indirect subsidiary of the Company with an effective interest of 99.99%, and Sunsuria Gateway Sdn Bhd, being subsidiary of the Company for a total cash consideration sum of RM2.00. The internal reorganisation has been completed and SCASB becomes a wholly-owned subsidiary of SASB, which in turn is 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 audited financial position as at 30 September 2017.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 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			9 months ended		
	30/06/2018 RM'000	30/06/2017 RM'000	Changes (RM'000 / %)	30/06/2018 RM'000	30/06/2017 RM'000	Changes (RM'000 / %)
Revenue	107,819	122,739	(14,920) / (12%)	357,716	290,223	67,493 / 23%
Cost of sales	(53,854)	(43,978)	(9,876) / (22%)	(168,258)	(133,699)	(34,559) / (26%)
Gross profit	53,965	78,761	(24,796) / (31%)	189,458	156,524	32,934 / 21%
Profit before taxation	40,110	41,511	(1,401) / (3%)	126,698	91,223	35,745 / 39%
Profit after taxation	33,057	31,610	1,447 / 5%	99,588	67,900	31,688 / 47%
Profit attributable to owners of the Company	25,507	31,903	(6,396) / (20%)	76,740	60,546	16,194 / 27%

**Quarterly Results**

The revenue for the Group for the current quarter under review was RM107.82million, 12% lower compared to RM122.74million reported in the corresponding quarter in the previous year. In the previous year's corresponding quarter the Group's commercial developments namely Bell Avenue and Jasper Square contributed a total of RM70.5million to the Group's revenue compared to RM4.84million in the current quarter as construction works have been completed substantially and is now awaiting authorities' clearance before handing over of vacant possession to purchasers. The gap in revenue contribution by Bell Avenue and Jasper Square was compensated by the substantial increase in revenue contribution from the Group's residential development namely The Olive, Bell Suites SOHO and Monet Lily, which contributed RM60.20million to the current quarter's revenue compared to RM15.17million by The Olive and Bell Suites SOHO in the corresponding period in the previous year.

The profit before taxation for the current quarter also reduced marginally by 3% to RM40.11million from RM41.51million in the previous year despite the lower revenue reported, mainly due to improved gross profit margin from the development projects in Sunsuria City, Forum 1 and Suria Residence.

**Financial Year-to date Results**

Year on year, the Group's year to date revenue for the current financial period recorded a 23% increase to RM357.72million as compared to RM290.22million reported in the previous financial period. Profit before taxation also increased by 39% to RM126.70million in the current year to date compared to RM91.22million in the previous financial period. The Group's residential development projects in Sunsuria City namely The Olive, Bell Suites SOHO and Monet Lily contributed substantially to this increase.

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

	Current Quarter 30/06/2018 RM'000	Immediate Preceding Quarter 31/03/2018 RM'000	Changes (RM'000 / %)
Revenue	107,819	139,074	(31,255) / (22%)
Cost of sales	(53,854)	(63,295)	9,441 / (15%)
Gross profit	53,965	75,779	(21,814) / (29%)
Profit before taxation	40,110	48,220	(8,110) / (17%)
Profit after taxation	33,057	36,944	(3,887) / (11%)
Profit after taxation attributable to owners of the company	25,507	30,391	(4,884) / (16%)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2018**

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

**B2. Variation of Results against the Preceding Quarter (Cont'd)**

The revenue reported in the current quarter dropped by 22% or RM31.26million to RM107.82million compared to RM139.07million in the preceding quarter. Bell Avenue and the Jasper Square contributed RM45.30million to the Group's revenue in the previous quarter compared to RM4.84million in the current quarter, as work was substantially completed in the preceding quarter. The shortfall was compensated by increases in revenue contribution by The Olive, Bell Suites SOHO and Monet Lily.

Consequently, profit before taxation also decreased by 17% to RM40.11million in the current quarter compared to RM48.22million in the preceding quarter.

**B3. Prospects**

The abolishment of the Goods and Service Tax and the exemption of construction services and certain building material from the Sales and Service Tax as announced by the Minister of Finance on 12 August 2018 will benefit the property development and construction industries. Although there are no signs yet that demand for new housing will increase significantly in the immediate term, the Group believes that there will always be demand for property development products with unique value propositions. The Group remains optimistic that it will continue to deliver satisfactory results for the current year.

**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	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	RM'000	RM'000	RM'000	RM'000
Current Taxation	8,150	12,794	34,659	29,484
Deferred Taxation	(1,097)	(2,893)	(7,549)	(6,161)
Provision based on current year's profit	<u>7,053</u>	<u>9,901</u>	<u>27,110</u>	<u>23,323</u>

The effective tax rate of the Group is lower than the applicable statutory tax rate mainly due to over-provision of taxation in the previous financial year whereby the applicable income tax rate ranges from 20% to 24% as the chargeable income of some subsidiaries has increased above the qualifying threshold as compared to the immediate preceding year of assessment.

**B6. Corporate Proposals**

There were no other corporate proposals announced by the Company that have not been completed as at 20 August 2018 (being the latest practicable date), which is not earlier than 7 days from the date of issuance of these Interim Financial Statements.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2018**

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

**B7. Group Borrowings**

	As at 30/06/2018	As at 30/06/2017
	RM'000	RM'000
Secured short term borrowings	17,415	43,624
Secured long term borrowings	153,586	179,081
Total	<u>171,001</u>	<u>222,705</u>

The Group's borrowings as at 30 June 2018 were dominated 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**

**(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	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
Net profit attributable to ordinary equity holders of the Company (RM'000)	25,507	31,903	76,740	60,546
Weighted average number of ordinary shares in issues ('000)	798,834	798,832	798,834	798,832
Basic EPS (sen)	<u>3.19</u>	<u>3.99</u>	<u>9.61</u>	<u>7.58</u>

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

In the current 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 during the current financial period. Accordingly, the exercise of warrants have been ignored in the calculation of dilutive earnings per share.

In the previous financial period, 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.

**SUNSURIA BERHAD**

(Company No.: 8235-K)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2018**

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

**B9. Earnings per share (Cont'd)**

	Individual quarter		Year to date	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
Net profit attributable to ordinary equity holders of the Company (RM'000)	<b>25,507</b>	31,903	<b>76,740</b>	60,546
Weighted average number of ordinary shares in issues ('000)	<b>798,834</b>	798,832	<b>798,834</b>	798,832
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	-	916,261
Diluted earnings per share (sen)	<b>3.19</b>	3.45	<b>9.61</b>	6.61

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

Description	Current Quarter	Year to date
	30/06/2018 RM'000	30/06/2018 RM'000
Profit for the period is arrived at after crediting/(charging) :		
- Interest income	975	2,594
- Loss on disposal of properties	-	(213)
- Other income including investment income	185	560
- Interest expense	(658)	(1,427)
- Depreciation and amortisation	(730)	(2,029)

BY ORDER OF THE BOARD

Company Secretary  
27 August 2018