



SUNSURIA BERHAD

Company No.: 8235-K

**INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2017**

SUNSURIA BERHAD

(Company No.: 8235-K)

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

	Note	Individual Quarter		Year To Date	
		Current Year 30/09/2017 RM'000	Preceding Year 30/09/2016 RM'000	Current Year 30/09/2017 RM'000	Preceding Year 30/09/2016 RM'000
Continuing Operations					
Revenue		108,255	87,718	398,479	202,401
Cost of sales		(47,044)	(41,708)	(180,744)	(116,693)
Gross profit		61,211	46,010	217,735	85,708
Other income		2,575	6,422	7,210	14,383
		63,786	52,432	224,945	100,091
Administrative and other expenses		(15,023)	(18,087)	(83,822)	(46,384)
Finance costs		(1,983)	(280)	(3,120)	(313)
Share of results of associates		6	10	6	810
Profit before taxation		46,786	34,075	138,009	54,204
Income tax expense	B5	(6,804)	(5,563)	(30,128)	(12,092)
Profit after taxation from continuing operations		39,982	28,512	107,881	42,112
Discontinued Operations					
Profit after taxation from discontinued operations		-	622	-	7,148
Profit from assets held for sale		-	-	-	-
Profit after taxation for the financial period		39,982	29,134	107,881	49,260
Other comprehensive income		-	-	-	-
Total comprehensive income		39,982	29,134	107,881	49,260
Profit after taxation attributable to:					
Owners of the Company		30,203	24,549	90,748	43,839
Non-controlling interests		9,779	4,585	17,133	5,421
		39,982	29,134	107,881	49,260
Total comprehensive income attributable to:					
Owners of the Company		30,203	24,549	90,748	43,839
Non-controlling interests		9,779	4,585	17,133	5,421
		39,982	29,134	107,881	49,260
Earnings per share attributable to Owners of the Company:					
(a) Basic					
- for Profit from continuing operations (sen)		3.78	2.99	11.36	4.80
- for Profit from discontinued operations (sen)		-	0.08	-	0.93
	B10	3.78	3.07	11.36	5.73
(b) Diluted					
- for Profit from continuing operations (sen)		3.27	2.99	9.88	4.80
- for Profit from discontinued operations (sen)		-	0.08	-	0.93
	B10	3.27	3.07	9.88	5.73

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 FOURTH QUARTER ENDED 30 SEPTEMBER 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At 30/09/2017 RM'000 (Unaudited)	As At 30/09/2016 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Investment in associates	686	680
Other investment	184	28
Property, plant and equipment	23,413	5,421
Investment properties	128,298	104,207
Trade receivables	-	1,513
Goodwill	12,381	18,222
Land held for property development	577,364	387,120
Deferred tax assets	6,107	1,432
	748,433	518,623
Current Assets		
Property development costs	249,050	441,942
Accrued billings	58,664	82,003
Trade receivables	56,787	39,117
Other receivables, deposits and prepayments	15,503	27,986
Amount owing by related parties	2,676	4,013
Dividend receivable	-	3,204
Current tax assets	5,134	22
Short-term investment	31,977	29,051
Fixed deposits with licensed banks	46,740	26,375
Cash and bank balances	88,747	34,350
	555,278	688,063
TOTAL ASSETS	1,303,711	1,206,686
EQUITY AND LIABILITIES		
Equity		
Ordinary share capital	399,417	399,416
Redeemable non-convertible non-cumulative preference shares	-	25
Reserves	372,061	281,310
Equity attributable to owners of the Company	771,478	680,751
Non-controlling interests	24,598	7,016
TOTAL EQUITY	796,076	687,767

SUNSURIA BERHAD

(Company No.: 8235-K)

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2017
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At 30/09/2017 RM'000 (Unaudited)	As At 30/09/2016 RM'000 (Audited)
<u>EQUITY AND LIABILITIES (CONT'D)</u>		
Non-Current Liabilities		
Deferred tax liabilities	98,872	100,653
Long-term borrowings	<u>166,722</u>	<u>212,555</u>
	<u>265,594</u>	<u>313,208</u>
Current Liabilities		
Trade payables	54,840	26,862
Other payables, deposits received and accruals	60,942	44,199
Progress billings	28,653	27,821
Amount owing to related parties	81,444	90,897
Dividend payable	-	22
Short-term borrowings	14,626	8,808
Current tax liabilities	<u>1,536</u>	<u>7,102</u>
	<u>242,041</u>	<u>205,711</u>
TOTAL LIABILITIES	507,635	518,919
TOTAL EQUITY AND LIABILITIES	<u>1,303,711</u>	<u>1,206,686</u>
Net assets per share attributable to Owners of the Company (RM)	<u>1.00</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.

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 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-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
Profit after taxation/Total comprehensive income	-	-	-	-	-	-	90,748	90,748	17,133	107,881
Issuance of shares :										
- exercise of warrants	1	-	4	(1)	-	-	-	4	-	4
Acquisition of shares in subsidiary	-	-	-	-	-	-	-	-	424	424
Reclassification of Redeemable Non-Convertible Non-Cumulative Preference Share to Non-controlling Interests	-	(25)	-	-	-	-	-	(25)	25	-
Balance as at 30 September 2017	399,417	-	178,316	48,299	815	168	144,463	771,478	24,598	796,076

	←—————→ 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-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	-	-	-	-	-	-	43,839	43,839	5,421	49,260
Issuance of shares :										
- private placement	31,673	-	21,220	-	-	-	-	52,893	-	52,893
- share issuance expenses set off against share premium	-	-	(151)	-	-	-	-	(151)	-	(151)
- dividend by a subsidiary to non- controlling interest	-	-	-	-	-	-	(22)	(22)	-	(22)
- issuance of shares by a subsidiary to non- controlling interest	-	-	-	-	-	-	-	-	100	100
Issuance of redeemable non-convertible non-cumulative preference share	-	25	2,474	-	-	-	-	2,499	-	2,499
Acquisition of shares in subsidiary	-	-	-	-	-	-	-	-	1,265	1,265
Changes in a subsidiary's ownership interest that do not result in a loss of control	-	-	-	-	-	-	-	-	(7)	(7)
Balance as at 30 September 2016	399,416	25	178,312	48,300	815	168	53,715	680,751	7,016	687,767

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.

SUNSURIA BERHAD

(Company No.: 8235-K)

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	30/09/2017 RM'000	30/09/2016 RM'000
Cash Flows From Operating Activities		
Profit before taxation :		
- continuing operations	138,009	54,204
- discontinued operations	-	7,349
	138,009	61,553
Adjustments for:-		
Accretion of interest on:		
- trade receivables	(230)	230
- trade payables	(120)	(886)
Impairment loss on :		
- goodwill	5,842	-
- trade receivables	-	1,571
Bad debts recovered	(876)	(3)
Dividend income	-	(3,204)
Depreciation of:		
- property, plant and equipment	1,228	925
- investment properties	223	129
Gain on disposal of:		
- property, plant and equipment	(1,241)	(61)
- investment properties	(107)	(5,788)
- subsidiary	-	(2,494)
Remeasurement gain arising from step acquisition of a subsidiary	-	(4,663)
Income from waiver of liability	-	(37)
Interest expense	2,752	42
Interest income	(3,220)	(3,559)
Share of results in associates	(6)	(810)
Operating profit before working capital changes	142,254	42,945
Changes in working capital:-		
Decrease in inventories	-	828
(Decrease)/Increase in trade and other receivables	611	(29,085)
Increase/(Decrease) in trade and other payables	42,281	(245,507)
(Increase)/Decrease in property development costs	(3,287)	28,222
Decrease/(Increase) in amount owing by related parties	1,337	(1,589)
Increase in amount owing to related parties	-	87,921
Decrease/(Increase) in accrued billings	23,339	(31,927)
Increase/(Decrease) in progress billings	833	(19,842)
Decrease in defined benefits obligation	-	(40)
Cash from/(for) operations	207,368	(168,074)
Interest paid	(2,752)	(42)
Real property gains tax paid	(19)	(264)
Income tax refund	262	-
Income tax paid	(47,505)	(8,198)
Net cash from/(for) operating activities	157,354	(176,578)

SUNSURIA BERHAD

(Company No.: 8235-K)

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	30/09/2017	30/09/2016
	RM'000	RM'000
Cash Flows (For)/From Investing Activities		
Additional investment in an existing subsidiary	-	(7)
Acquisition of a subsidiary, net of cash and cash equivalents acquired	(396)	(2,923)
Net proceeds from disposal of subsidiaries	-	39,179
Expenditure incurred on property development costs	-	(9,098)
Interest income received	3,220	2,700
Increase in fixed deposits pledged to licensed banks	(20,365)	(15,247)
Purchase of:		
- property, plant and equipment	(20,051)	(666)
- investment properties	(6,709)	(3,135)
- other investment	-	(3)
- land held for property development	(11,080)	-
Proceeds from disposal of:		
- property, plant and equipment	1,400	61
- investment properties	200	8,600
- an associate	-	1,848
Dividend received	3,204	-
Repayment from an associate	-	15,492
Repayment from/(Advances to) related parties	-	714
Net cash (for)/from investing activities	<u>(50,577)</u>	<u>37,515</u>
Cash Flows (For)/From Financing Activities		
Dividends to non-controlling interest	-	(22)
Proceed from issuance of:	4	
- ordinary shares	-	52,893
- redeemable non- convertible non- cumulative preference shares	-	2,499
- ordinary shares to non- controlling interest in a subsidiary	33	100
Share issuance expenses	-	(151)
Drawdown of term loan	43,383	192,800
Repayment of hire purchase obligations	(120)	(114)
Repayment of term loans	(83,279)	(2,812)
Repayment to related parties	(9,453)	(120,169)
Dividend paid to non-controlling interests	(22)	-
Net cash (for)/from financing activities	<u>(49,454)</u>	<u>125,024</u>
Net change in cash & cash equivalents	57,323	(14,039)
Cash & cash equivalents at the beginning of the financial period	63,401	77,440
Cash & cash equivalents at the end of the financial period	<u>120,724</u>	<u>63,401</u>

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

	12 months ended	
	30/09/2017	30/09/2016
	RM'000	RM'000
Short-term investment	31,977	29,051
Fixed deposits with licensed banks	46,740	26,375
Cash and bank balances	88,747	34,350
	<u>167,464</u>	<u>89,776</u>
Less: Deposit pledged to licensed banks	(46,740)	(26,375)
Total Cash and cash equivalents for the year	<u>120,724</u>	<u>63,401</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 FOURTH QUARTER ENDED 30 SEPTEMBER 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 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 that affected the assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

A6. Material Changes in Estimates of Amounts

There were no changes in estimates that have had any material effect on the results for the current quarter and current financial year under review.

SUNSURIA BERHAD

(Company No.: 8235-K)

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 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 September 2017				Year to date ended 30 September 2017			
	Property Development	Manufacturing (*)	Investment Holdings and Others	Total	Property Development	Manufacturing (*)	Investment Holdings and Others	Total
Continuing Operations								
Revenue	108,103	-	152	108,255	397,837	-	642	398,479
Results from Operation	65,052	-	(15,757)	49,295	163,607	-	(21,035)	142,572
- Depreciation	(322)	-	(209)	(531)	(696)	-	(753)	(1,449)
- Finance Cost	(1,931)	-	(53)	(1,984)	(2,979)	-	(141)	(3,120)
- Share of results of associate	-	-	6	6	-	-	6	6
Profit/ (Loss) Before Taxation	62,799	-	(16,013)	46,786	159,932	-	(21,923)	138,009
Discontinuing Operations								
Profit Before Taxation from discontinued operations	-	-	-	-	-	-	-	-
Total Profit/ (Loss) Before Taxation	62,799	-	(16,013)	46,786	159,932	-	(21,923)	138,009

SUNSURIA BERHAD

(Company No.: 8235-K)

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2017

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

A9. Segmental Information (continued)

Business Segment Analysis (RM'000)	Quarter ended 30 September 2016				Year to date ended 30 September 2016			
	Property Development	Manufacturing (*)	Investment Holdings and Others	Total	Property Development	Manufacturing (*)	Investment Holdings and Others	Total
Continuing Operations								
Revenue	87,215	-	503	87,718	198,933	-	3,468	202,401
Results from Operation	27,169	-	7,413	34,582	43,443	-	13,958	57,401
- Depreciation	(78)	-	(159)	(237)	(266)	-	(619)	(885)
- Finance Cost	(271)	-	(9)	(280)	(271)	-	(42)	(313)
- Share of results of associates	-	-	10	10	800	-	10	810
Profit Before Taxation	26,820	-	7,255	34,075	43,706	-	13,307	57,013
Discontinuing Operations								
Profit Before Taxation from discontinued operations	(2,545)	-	3,206	661	-	674	3,866	4,540
Total Profit Before Tax	24,275	-	10,461	34,736	43,706	674	17,173	61,553

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 save for the announcement on 14 November 2017 that its 99.99% owned indirect subsidiary, Sunsuria Oride Sdn Bhd, had on 10 November 2017 changed its name to Sunsuria City Amenities Sdn Bhd.

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2017

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 as follows:-

- 1) On 27 March 2017, a wholly-owned subsidiary of the Company, Sunsuria Arena Sdn Bhd (“SASB”), and its 99.99%-owned direct subsidiary, Sunsuria Gateway Sdn Bhd (“SGSB”), entered into a Joint Venture and Shareholders Agreement (“JVA”) with Mr Gan Teck Boon to set-up, operate and manage the landscape, nursery and related businesses in all properties developed or to be developed by the Group and its related and associated companies and any other companies under the management of the Group under a joint venture company called “Sunsuria Landscape & Nursery Sdn Bhd (formerly known as Sunsuria Genlin Sdn Bhd)(“SLNSB”)” (“Proposed Joint Venture”).

On 22 August 2017, the Proposed Joint Venture has been completed pursuant to the issuance and allotment of the said number of shares in SLNSB to Gan Teck Boon and SASB at an issue price of RM1.00 per ordinary share. Following the allotment, the total shareholdings held by SASB, SGSB and Gan Teck Boon in SLNSB are as follows:

Name of shareholders	Number of Ordinary Shares before allotment	Number of Ordinary Shares Allotted	Total number of Ordinary Shares Held after allotment	Percentage
Sunsuria Arena Sdn Bhd	1	6,998	6,999	69.99%
Sunsuria Gateway Sdn Bhd	1	-	1	0.01%
Gan Teck Boon	-	3,000	3,000	30.00%
Total	2	9,998	10,000	100.00%

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

- 2) On 18 August 2016, the Company’s 99.99%-owned indirect subsidiary, Sunsuria City Sdn Bhd (“SCSB”), and its 99.99%-owned direct subsidiary, Sunsuria Gateway Sdn Bhd (“SGSB”), had entered into a Joint Venture and Shareholders Agreement with Oride (M) Sdn Bhd (“Oride”) to carry out the Joint Venture Business in setting-up, operating and managing a public bicycle renting services under Sunsuria Oride Sdn Bhd, of which Oride have agreed to a 30% equity participation.

On 21 September 2017, SCSB, SGSB and Oride have mutually agreed to discontinue the proposed Joint Venture Business effective 21 September 2017 and the Joint Venture and Shareholders Agreement dated 18 August 2016 was terminated accordingly on the same date.

With the discontinuation and mutual termination of the proposed joint venture business, Sunsuria Oride Sdn Bhd (now known as Sunsuria City Amenities Sdn Bnd) will remain a 99.99%-owned subsidiary of the Group.

- 3) 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 Citic 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”).

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2017

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

A12. Changes in the Composition of the Group (continued)

On 2 August 2017, Citic Sunsuria Sdn Bhd (“CSSB”), the joint venture company for the Proposed Joint Venture, was 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
Citic 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.

On 21 November 2017, the Proposed Joint Venture has been completed following the issuance and allotment of 999,900 ordinary shares in CSSB for cash consideration of RM1.00 per ordinary share. Following the allotment, the total shareholdings held by CITIC and SBSB in CSSB are as follows:

Name of shareholders	Number of Ordinary Shares hold	Percentage
Citic International Investment Ltd	510,000	51%
Sunsuria Builders Sdn Bhd (formerly known as Goodwill Atlas Sdn Bhd)	490,000	49%
Total	1,000,000	100%

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 FOURTH QUARTER ENDED 30 SEPTEMBER 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

	3 months ended			12 months ended		
	30/09/2017 RM'000	30/09/2016 RM'000	Changes (RM'000 / %)	30/09/2017 RM'000	30/09/2016 RM'000	Changes (RM'000 / %)
Revenue	108,255	87,718	20,537 / 23%	398,479	202,401	196,078 / 97%
Cost of sales	(47,044)	(41,708)	(5,336)/ (13%)	(180,744)	(116,693)	(64,051)/ (55%)
Gross profit	61,211	46,010	15,201 / 33%	217,735	85,708	132,027 / 154%
Profit before taxation	46,786	34,075	12,711 / 37%	138,009	54,204	83,805 / 155%
Profit after taxation	39,982	28,512	11,470 / 40%	107,881	42,112	65,769 / 156%
Profit attributable to owners of the Company	30,203	24,549	5,654 / 23%	90,748	43,839	46,909 / 107%

Quarterly Results

The Group reported a revenue of RM108.26million for the current quarter under review, a 23% increase compared to the revenue of RM87.72million reported in the corresponding quarter in the previous year due to new revenue streams from 2 projects launched in FY2017 i.e. The Olive and Bell Suites. The launching of The Olive and Bell Suites and further sales and work done from Forum 1, Suria Residence, Bell Avenue and Jasper Square development also contributed to the 37% increase in profit before taxation of RM46.79million in the current quarter under review compared to RM34.08million in the corresponding quarter of the previous year.

Financial Year-to-date Results

The Group's current year to date revenue also increased to RM398.48million from RM202.40million whilst profit before taxation increased to RM138.01million from RM54.20million in the previous year. The Forum 1, Suria Residence, Bell Avenue and Jasper Square contributed substantially to the commendable 97% increase in revenue and 155% increase in profit before taxation as work done gained momentum in FY2017.

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2017

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

	Current Quarter 30/09/2017 RM'000	Immediate Preceding Quarter 30/06/2017 RM'000	Changes (RM'000 / %)
Revenue	108,255	122,739	(14,484) / (12%)
Cost of sales	(47,044)	(43,978)	(3,066) / (7%)
Gross profit	61,211	78,761	(17,550) / (22%)
Profit before taxation	46,786	41,511	5,275 / 13%
Profit after taxation	39,982	31,610	8,372 / 26%
Profit after taxation attributable to owners of the company	30,203	31,903	(1,700) / 5%

For the 3 months ended 30 September 2017, the Group's revenue was lower compared to the preceding quarter due to no new launches in the current quarter. Nevertheless, profit before taxation was 13% higher i.e. RM46.79million compared to RM41.51million in the preceding quarter due to the reversal of provision for sales related cost that is no longer required.

B3. Prospects

The recent concern about the oversupply of residential and commercial properties is a signal of caution to the property sector. Nevertheless, the Group remains cautiously positive that there will always be demand for housing and real estate investments located at strategic locations and believes that its focus on Smart, Livable and Sustainable developments with innovative features will continue to appeal to and attract existing and new buyers. With a healthy level of unbilled sales and series of new development projects ready for launch and sale in FY2018, the Group expects to continue with its present financial year's performance amid a challenging operating environment.

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	
	30/09/2017 RM'000	30/09/2016 RM'000	30/09/2017 RM'000	30/09/2016 RM'000
Current Taxation	7,576	17,286	37,061	23,978
Deferred Taxation	(772)	(11,685)	(6,933)	(11,685)
Provision based on current year's profit	6,804	5,601	30,128	12,293
Represented by :				
Continuing operations	6,804	5,563	30,128	12,092
Discontinued operations	-	38	-	201
Provision based on current year's profit	6,804	5,601	30,128	12,293

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 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 (continued)

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

There were no other corporate proposals announced by the Company that have not been completed as at 16 November 2017 (being the latest practicable date), which is not earlier than 7 days from the date of issuance of these Interim Financial Statements save for the proposal mentioned in Note A12(3).

B7. Group Borrowings

	As at 30/09/2017	As at 30/09/2016
	RM'000	RM'000
Secured short term borrowings	14,626	8,808
Secured long term borrowings	166,722	212,555
Total	<u>181,348</u>	<u>221,363</u>
Represented by:		
Continuing Operations	181,348	221,363
Discontinued Operations	-	-
Total	<u>181,348</u>	<u>221,363</u>

The Group's borrowings as at 30 September 2017 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.

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2017

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

(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	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Net profit attributable to ordinary equity holders of the Company (RM'000)	30,203	24,549	90,748	43,839
Weighted average number of ordinary shares in issues ('000)	798,832	798,831	798,832	764,736
Basic EPS :				
- Continuing Operations (sen)	3.78	2.99	11.36	4.80
- Discontinued Operations (sen)	-	0.08	-	0.93
Total	3.78	3.07	11.36	5.73

(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	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Net profit attributable to ordinary equity holders of the Company (RM'000)	30,203	24,549	90,748	43,839
Weighted average number of ordinary shares in issues ('000)	798,832	798,831	798,832	764,736
Shares deemed to be issued for no consideration :				
- warrants ('000)	124,820	-	119,720	-
Weighted average number of ordinary shares for diluted earnings per share	923,652	798,831	918,552	764,736
Diluted earnings per share (sen)				
- Continuing Operations (sen)	3.27	2.99	9.88	4.80
- Discontinued Operations (sen)	-	0.08	-	0.93
Total	3.27	3.07	9.88	5.73

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2017

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 (continued)

(b) Diluted earnings per ordinary share (continued)

During the previous year's corresponding financial period, the potential conversion of warrants were 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.

B10. Realised/Unrealised Retained Profits

	As at 30/09/2017 (Unaudited) RM'000	As at 30/09/2016 (Audited) RM'000
Total retained profits of the Group:		
- Realised	234,520	108,727
- Unrealised	(19,319)	(20,921)
	<u>215,201</u>	<u>87,806</u>
Total share of accumulated losses from associate		
- Realised	(280)	(277)
	<u>(280)</u>	<u>(277)</u>
Consolidation Adjustment	(70,458)	(33,814)
Total retained profits c/f	<u>144,463</u>	<u>53,715</u>

B11. Notes to the Statement of Comprehensive Income

Description	Current Quarter 30/09/2017 RM'000	Year to date 30/09/2017 RM'000
Profit for the period is arrived at after crediting/(charging) :		
- Interest income	1,033	3,220
- Gain on disposal of properties	-	1,349
- Write back of receivables	270	876
- Other income including investment income	554	1,048
Accretion of interest on :		
- trade receivables	230	230
- trade payables	120	120
- Interest expense	(1,616)	(2,752)
- Depreciation and amortisation	(531)	(1,449)
- Impairment of goodwill	(5,842)	(5,842)

BY ORDER OF THE BOARD

Company Secretary
22 November 2017