



SUNSURIA BERHAD

Company No.: 8235-K

INTERIM FINANCIAL STATEMENTS

FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019

SUNSURIA BERHAD

(Company No.: 8235-K)

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Year To Date	
		Current Year 30/09/2019 RM'000 (Unaudited)	Preceding Year 30/09/2018 RM'000 (Restated)	Current Year 30/09/2019 RM'000 (Unaudited)	Preceding Year 30/09/2018 RM'000 (Restated)
Revenue		104,807	273,574	534,257	712,264
Cost of sales		(58,658)	(105,699)	(273,951)	(339,551)
Gross profit		46,149	167,875	260,306	372,713
Other income		1,083	3,094	10,569	6,035
		47,232	170,969	270,875	378,748
Administrative and other expenses		(19,129)	(53,210)	(59,601)	(98,794)
Finance costs		(5,464)	(3,963)	(6,507)	(5,390)
Share of results of associates		588	(93)	(468)	(93)
Profit before taxation		23,227	113,703	204,299	274,471
Income tax expense	B5	(14,201)	(30,663)	(72,362)	(62,603)
Profit after taxation		9,026	83,040	131,937	211,868
Other comprehensive income		-	-	-	-
Total comprehensive income		9,026	83,040	131,937	211,868
Profit after taxation attributable to:					
Owners of the Company		11,083	84,654	126,824	155,237
Non-controlling interests		(2,057)	(1,614)	5,113	56,631
		9,026	83,040	131,937	211,868
Total comprehensive income attributable to:					
Owners of the Company		11,083	84,654	126,824	155,237
Non-controlling interests		(2,057)	(1,614)	5,113	56,631
		9,026	83,040	131,937	211,868
Earnings per share attributable to Owners of the Company:					
(a) Basic (sen)	B9 (a)	1.24	10.60	14.16	19.43
(b) Diluted (sen)	B9 (b)	1.24	10.60	14.16	19.43

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 September 2018 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 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At 30/09/2019 RM'000 (Unaudited)	As At 30/09/2018 RM'000 (Restated)	As At 01/10/2017 RM'000 (Restated)
ASSETS			
Non-Current Assets			
Investment in associates	616	1,083	686
Other investment	184	184	184
Property, plant and equipment	33,796	29,578	23,414
Investment properties	140,686	153,098	122,810
Goodwill	11,453	11,453	12,381
Inventories	550,721	482,627	496,704
Deferred tax assets	13,341	31,348	55,787
Right-of-use assets	1,462	289	990
	752,259	709,660	712,956
Current Assets			
Inventories	320,912	431,695	501,940
Contract assets	227,903	127,535	57,478
Contract costs	4,642	12,335	16,011
Biological asset	73	20	-
Trade receivables	46,336	63,543	53,790
Other receivables, deposits and prepayments	24,291	16,856	18,912
Amount owing by an associate	1,861	1,912	-
Amount owing by related parties	1,122	1,125	3,074
Current tax assets	9,371	3,909	5,134
Short-term investment	7,281	2,960	31,977
Fixed deposits with licensed banks	31,135	44,023	46,740
Cash and bank balances	87,093	103,236	88,769
	762,020	809,149	823,825
TOTAL ASSETS	1,514,279	1,518,809	1,536,781
EQUITY AND LIABILITIES			
Equity			
Ordinary share capital	640,288	399,421	399,421
Reserves	339,528	403,781	246,745
Equity attributable to owners of the Company	979,816	803,202	646,166
Non-controlling interests	27,249	54,741	(1,991)
TOTAL EQUITY	1,007,065	857,943	644,175

SUNSURIA BERHAD

(Company No.: 8235-K)

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At 30/09/2019 RM'000	As At 30/09/2018 RM'000 (Restated)	As At 01/10/2017 RM'000 (Restated)
<u>EQUITY AND LIABILITIES (CONT'D)</u>			
Non-Current Liabilities			
Deferred tax liabilities	104,600	90,304	100,586
Lease liabilities	1,502	-	990
Long-term borrowings	171,359	234,650	166,722
	<u>277,461</u>	<u>324,954</u>	<u>268,298</u>
Current Liabilities			
Trade payables	78,456	82,455	54,967
Other payables, deposits received and accruals	114,856	91,802	63,031
Contract liabilities	14,916	146,688	412,538
Amount owing to related parties	467	1,518	77,588
Dividend payable	22	22	22
Short-term borrowings	12,039	5,324	14,626
Lease liabilities	1,840	298	-
Current tax liabilities	7,157	7,805	1,536
	<u>229,753</u>	<u>335,912</u>	<u>624,308</u>
TOTAL LIABILITIES	507,214	660,866	892,606
TOTAL EQUITY AND LIABILITIES	<u>1,514,279</u>	<u>1,518,809</u>	<u>1,536,781</u>
Net assets per share attributable to Owners of the Company (RM)	<u>1.09</u>	<u>1.01</u>	<u>0.81</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 September 2018 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 2019
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←—————→ Non-distributable ←—————→					Distributable			Total Equity RM'000
	Ordinary Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Capital Reserve RM'000	Capital Redemption Reserve RM'000	Retained profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	
Balance as at 1 October 2018	399,421	175,838	48,299	815	168	247,859	872,400	54,869	927,269
Effects of adoption of MFRS	-	-	-	-	-	(69,198)	(69,198)	(128)	(69,326)
Balance as at 1 October 2018 (restated)	399,421	175,838	48,299	815	168	178,661	803,202	54,741	857,943
Issuance of shares :									
- reinvestment shares	42,629	-	-	-	-	-	42,629	-	42,629
- private placement	22,400	-	-	-	-	-	22,400	-	22,400
- by subsidiary to non-controlling interest	-	-	-	-	-	-	-	4	4
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(47,680)	(47,680)	-	(47,680)
Adjustment from changes in non-controlling interest	-	-	-	-	-	32,609	32,609	(32,609)	-
Transfer pursuant to Section 618(3) of CA 2016 *	175,838	(175,838)	-	-	(168)	-	(168)	-	(168)
Profit after taxation/Total comprehensive income	-	-	-	-	-	126,824	126,824	5,113	131,937
Balance as at 30 September 2019 (unaudited)	640,288	-	48,299	815	-	290,414	979,816	27,249	1,007,065

* Pursuant to the Companies Act 2016 ("CA2016") which came into effect on 31 January 2017, the credit amounts in the share premium account and capital redemption reserve account has been transferred to the share capital account. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.



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INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←—————→ Non-distributable ←—————→					Distributable			
	Ordinary Share Capital	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
Balance as at 1 October 2017	399,421	175,838	48,299	815	168	144,463	769,004	27,072	796,076
Effects of adoption of MFRS	-	-	-	-	-	(122,838)	(122,838)	(29,063)	(151,901)
Balance as at 1 October 2017 (restated)	399,421	175,838	48,299	815	168	21,625	646,166	(1,991)	644,175
Issuance of shares by subsidiary to non-controlling interest	-	-	-	-	-	-	-	608	608
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(30)	(30)	-	(30)
Effect on deemed disposal of a subsidiary	-	-	-	-	-	1,829	1,829	-	1,829
Profit after taxation/Total comprehensive income	-	-	-	-	-	155,237	155,237	56,124	211,361
Balance as at 30 September 2018 (restated)	399,421	175,838	48,299	815	168	178,661	803,202	54,741	857,943

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 30 September 2018 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	30/09/2019 RM'000 (Unaudited)	30/09/2018 RM'000 (Restated)
Cash Flows From/(For) Operating Activities		
Profit before taxation	204,299	274,471
Adjustments for:		
Accretion of interest on:		
- trade payables	646	860
Depreciation of:		
- property, plant and equipment	5,113	4,217
- investment properties	170	222
- right-of-use assets	973	701
Impairment loss on:		
- goodwill	-	928
- investment properties	-	29,508
- trade receivables	-	6
- other receivables	-	75
- inventories	914	-
Gain on disposal of investment property	(5,439)	-
Loss on disposal of property, plant and equipment	-	75
Property, plant and equipment written off	-	260
Interest expense	5,861	1,767
Interest income	(4,146)	(4,710)
Fair value changes on biological assets	(53)	(712)
Share of results in associates	468	93
Operating profit before working capital changes	<u>208,806</u>	<u>307,761</u>
Changes in working capital:		
Decrease in inventories	67,733	39,174
Decrease/(Increase) in trade and other receivables	9,773	(8,558)
Increase in trade and other payables	18,241	55,484
Increase in contract assets	(100,366)	(70,056)
Decrease in contract cost	7,693	3,676
Decrease in contract liabilities	(131,772)	(265,850)
Increase in lease liabilities	1,789	-
Decrease in amount owing by related parties	4	-
Decrease in amount owing to related parties	-	(71,026)
Cash from operations	<u>81,901</u>	<u>(9,395)</u>
Interest paid	(13,617)	(13,039)
Real property gains tax paid	(312)	-
Income tax refund	675	801
Income tax paid	(46,533)	(41,753)
Net cash from/(for) operating activities	<u>22,114</u>	<u>(63,386)</u>

SUNSURIA BERHAD

(Company No.: 8235-K)

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	30/09/2019 RM'000 (Unaudited)	30/09/2018 RM'000 (Restated)
Cash Flows For Investing Activities		
Deemed disposal of subsidiary, net of cash and cash equivalents acquired	-	(52)
Increase in fixed deposits pledged to licensed banks	(577)	13,437
Interest income received	4,146	4,710
Purchase of:		
- property, plant and equipment	(7,417)	(6,590)
- investment properties	(8,937)	(7,161)
Proceeds from disposal of:		
- investment properties	6,500	-
- property, plant and equipment	-	109
Advance to associate	-	(62)
Repayment from associates	51	-
Net cash for investing activities	<u>(6,234)</u>	<u>4,391</u>
Cash Flows (For)/From Financing Activities		
Proceeds from issuance of:		
- ordinary shares	65,029	510
- ordinary shares to non-controlling interest in subsidiaries	4	98
Drawdown of term loan	30,333	130,995
Repayment of term loans	(86,585)	(73,009)
Repayment of hire purchase obligations	(324)	(304)
Repayment from related parties	-	(3,095)
Repayment to related parties	(1,052)	-
Payments for the principal portion of lease liabilities	(891)	-
Dividend paid to non-controlling interests	(47,680)	(30)
Net cash (for)/from financing activities	<u>(41,166)</u>	<u>55,165</u>
Net change in cash & cash equivalents	(25,286)	(3,830)
Cash & cash equivalents at the beginning of the financial period	128,420	132,250
Cash & cash equivalents at the end of the financial period	<u>103,134</u>	<u>128,420</u>

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

	12 months ended	
	30/09/2019 RM'000 (Unaudited)	30/09/2018 RM'000 (Restated)
Short-term investment	7,281	2,960
Fixed deposits with licensed banks	31,135	44,023
Cash and bank balances	87,093	103,236
	<u>125,509</u>	<u>150,219</u>
Less: Deposit pledged to licensed banks	(22,375)	(21,799)
Total Cash and cash equivalents for the year	<u>103,134</u>	<u>128,420</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 2018 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD
("MFRS") 134**

A1. Basis of Preparation

The unaudited interim financial report has been prepared in accordance with the reporting requirements as set out in the Malaysian Financial Reporting Standards ("MFRS") 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 2018 which were prepared under the Financial Reporting Standards. 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 2018.

A2. Changes in Accounting Policies

The Group is adopting the MFRS framework for the first time in the current financial year beginning 1 October 2018 and MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards has been applied. In presenting its first MFRS financial statements, the Group is required to restate the comparative financial statements to amounts reflecting the application of the MFRS framework as if these policies had always been in effect.

The accounting policies and presentation adopted for this interim report are consistent with those adopted for the audited financials for the financial year ended 30 September 2018, except for the adoption of the following MFRSs, amendments to MFRSs and New and Revised Standards, Amendments and Issues Committee Interpretations ("IC Interpretations") issued by Malaysia Accounting Standards Board (MASB) that are relevant to its operations and effective for annual financial periods beginning on or after 1 October 2018 as follows:

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers (and the related clarifications)
MFRS 141	Agriculture
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to MFRSs	Annual Improvements to MFRSs 2014 - 2016 Cycle

The adoption of these MFRSs, amendments to MFRSs and IC Interpretation did not result in significant changes to the accounting policies of the Group and has no significant effect on the financial performance or position of the Group except as follows:

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD
("MFRS") 134**

A2. Changes in Accounting Policies (continued)

(a) MFRS 9 Financial Instruments

MFRS 9 establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVTOCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. For liabilities, the standard retains most of the MFRS 139 Financial Instruments requirements. MFRS 9 introduces the expected credit losses ("ECL") model for impairment which replaces the incurred loss impairment model which only requires recognition of credit losses incurred as at reporting date under MFRS 139.

The Group's financial instruments previously classified as available-for-sale financial assets are now being classified as FVTPL. The other financial assets held by the Group are debt instruments previously classified as loans and receivables accounted for at amortised cost are now being classified as financial assets at amortised cost under MFRS 9. There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

The new impairment model requires the recognition of impairment loss based on ECL rather than only incurred credit losses as is the case under FRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. It applies to financial assets classified as amortised cost, debt instruments measured as FVTOCI, contract assets under MFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessment performed, the Group concluded that the adoption does not have any significant impact on the financial performance or position of the Group. The restatement of impairment losses on transition to MFRS 9 as a result of applying the expected credit risk model was immaterial.

(b) MFRS 15 Revenue From Contracts with Customers

MFRS 15 Revenue from contracts with customers replaces MFRS 118 Revenue, MFRS 111 Construction Contracts and related interpretations. The Group has assessed the effects of applying the new revenue standard on the Group's financial statements and based on the analysis of the recognition of various revenue sources, no significant differences with existing accounting principles were identified except for the following:

- (i) Determining the transaction price
- (ii) Accounting for separate performance obligations arising from the sale of properties
- (iii) Timing of recognition for the sales of properties
- (iv) Accounting for incremental costs of obtaining a contract
- (v) Classification of land held for property development and property development costs
- (vi) Presentation of contract assets and contract liabilities in the statement of financial position

With the adoption of MFRS 15, revenue is recognised by reference to each distinct performance obligation in the contracts with customers. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group has applied this standard retrospectively.

A2. Changes in Accounting Policies (continued)

(c) MFRS 16 Leases

The Group has on 1 October 2018 elected to early adopt MFRS 16 Leases which will take effect on or after 1 January 2019. MFRS 16 replaces the guidance in MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases – Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. ROU asset is depreciated throughout the lease period in accordance with the depreciation requirements of MFRS 116 Property, Plant and Equipment whereas lease liability is accreted to reflect interest and is reduced to reflect lease payments made. Lease that were classified as finance leases under MFRS 117, the carrying amount of the ROU asset and lease liability at the date of initial application shall be the carrying amount of the lease asset and lease liability immediately before the date of initial application.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently. At lease commencement, a lessee will recognise a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessees shall use their incremental borrowing rate.

MFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee's accounting by removing the distinction between operating and finance lease, requires the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

(d) Amendments to MFRS 123 – Borrowing Costs Eligible for Capitalisation

Amendments to MFRS 123 (effective from 1 January 2019) clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The Group has elected the exemption in MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards which allows the Group not to restate the borrowing cost components that was capitalised under previous framework and that was included in the carrying amount of assets at the date. The Group shall account for borrowing costs incurred on or after 1 October 2017 in accordance with MFRS 123.

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INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019

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

A2. Changes in Accounting Policies (continued)

The impact of the adoption of MFRSs framework on the Group’s financial statements are as follows:

Effects on the Condensed Consolidated Statement of Comprehensive Income

Individual Quarter – 3 months ended 30 Sept 2018

	As previously reported RM'000	Effects on adoption of MFRSs RM'000	Restated RM'000
Revenue	133,763	139,811	273,574
Cost of sales	(38,372)	(67,327)	(105,699)
Gross profit	95,391	72,484	167,875
Other income	2,356	738	3,094
	97,747	73,222	170,969
Administrative and other expenses	(57,303)	4,093	(53,210)
Finance costs	(1,336)	(2,627)	(3,963)
Share of results of associates	(93)	-	(93)
Profit before taxation	39,015	74,688	113,703
Income tax expenses	(9,307)	(21,356)	(30,663)
Profit after taxation	29,708	53,332	83,040
Profit after taxation attributable to:			
Owners of the Company	24,857	59,797	84,654
Non-controlling interests	4,851	(6,465)	(1,614)
	29,708	53,332	83,040

**Cummulative Quarter – 12 months ended
30 September 2018**

	As previously reported RM'000	Effects on adoption of MFRSs RM'000	Restated RM'000
Revenue	491,479	220,785	712,264
Cost of sales	(206,630)	(132,921)	(339,551)
Gross profit	284,849	87,864	372,713
Other income	5,297	738	6,035
	290,146	88,602	378,748
Administrative and other expenses	(121,577)	22,783	(98,794)
Share of results of associates	(2,763)	(2,627)	(5,390)
Finance costs	(93)	-	(93)
Profit before taxation	165,713	108,758	274,471
Income tax expenses	(36,417)	(26,186)	(62,603)
Profit after taxation	129,296	82,572	211,868
Profit after taxation attributable to:			
Owners of the Company	101,597	53,640	155,237
Non-controlling interests	27,699	28,932	56,631
	129,296	82,572	211,868

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(Company No.: 8235-K)

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019

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

A2. Changes in Accounting Policies (continued)

Effects on the Condensed Consolidated Statement of Financial Position

As at 30 September 2018

	Audited As at 30/9/2018 RM'000	Effects on adoption of MFRSs RM'000	Restated As at 30/9/2018 RM'000
ASSETS			
Deferred tax assets	8,370	22,978	31,348
Right-of-use assets	-	289	289
Land held for property development	482,627	(482,627)	-
Inventories	59,397	854,925	914,322
Property development costs	319,359	(319,359)	-
Contract assets	-	127,535	127,535
Contract costs	-	12,335	12,335
Biological asset	192	(172)	20
Trade receivables	63,556	(13)	63,543
Other receivables, deposits and prepayments	12,929	3,927	16,856
EQUITY AND LIABILITIES			
Reserves	472,979	(69,198)	403,781
Non-controlling interests	54,869	(128)	54,741
Deferred tax liabilities	89,107	1,197	90,304
Lease liabilities	-	298	298
Other payables, deposits received and accruals	92,003	(201)	91,802
Contract liabilities	-	146,688	146,688

As at 30 September 2017

	Audited As at 01/10/2017 RM'000	Effects on adoption of MFRSs RM'000	Restated As at 01/10/2017 RM'000
ASSETS			
Deferred tax assets	6,107	49,680	55,787
Right-of-use assets	-	990	990
Land held for property development	496,704	(496,704)	-
Inventories	-	998,644	998,644
Property development costs	335,877	(335,877)	-
Contract assets	-	57,478	57,478
Contract costs	-	16,011	16,011
Other receivables, deposits and prepayments	15,415	3,497	18,912
EQUITY AND LIABILITIES			
Reserves	369,583	(122,838)	246,745
Non-controlling interests	27,072	(29,063)	(1,991)
Deferred tax liabilities	98,873	1,713	100,586
Lease liabilities	-	990	990
Other payables, deposits received and accruals	62,670	361	63,031
Contract liabilities	-	412,538	412,538

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD
("MFRS") 134**

A3. Auditors' Report for the Financial Year Ended 30 September 2018

The auditors' report on the financial statements for the financial year ended 30 September 2018 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.

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.

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019

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

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 September 2019				Year-to-date ended 30 September 2019			
	Property Development	Construction	Investment Holding and Others	Total	Property Development	Construction	Investment Holding and Others	Total
Revenue								
External revenue	92,896	(132)	979	93,743	523,500	246	1,573	525,319
Inter-segment revenue	-	43,944	9,371	53,315	-	179,148	127,196	306,344
	92,896	43,812	10,350	147,058	523,500	179,394	128,769	831,663
Consolidation adjustments				(42,251)				(297,406)
Consolidated Revenue				104,807				534,257
Results from Operation	30,231	9,954	1,730	41,915	228,639	29,227	103,423	361,289
- Depreciation	(736)	(48)	(874)	(1,658)	(4,106)	(181)	(2,058)	(6,345)
- Finance Cost	(7,064)	-	(81)	(7,145)	(8,038)	(170)	(220)	(8,428)
	22,431	9,906	775	33,112	216,495	28,876	101,145	346,516
Share of results in an associates				588				(468)
Consolidation adjustments				(10,473)				(141,749)
Consolidated Profit Before Taxation				23,227				204,299

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019

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

A9. Segmental Information (continued)

Business Segment Analysis (RM'000)	Quarter ended 30 September 2018 (Restated)				Year-to-date ended 30 September 2018 (Restated)			
	Property Development	Construction	Investment Holding and Others	Total	Property Development	Construction	Investment Holding and Others	Total
Revenue External revenue	291,781	241	168	292,190	744,057	285	632	744,974
Inter-segment revenue	70	48,598	91	48,759	70	143,312	531	143,913
Consolidation adjustments	291,851	48,839	259	340,949	744,127	143,597	1,163	888,887
Consolidated Revenue				(67,375)				(176,623)
				273,574				712,264
Results from Operation	148,734	5,295	(7,950)	146,079	351,269	14,904	(20,109)	346,064
- Depreciation	(2,060)	(49)	(1,034)	(3,143)	(3,159)	(144)	(1,874)	(5,177)
- Finance Cost	(14,345)	(270)	(93)	(14,708)	(15,439)	(405)	(291)	(16,135)
	132,329	4,976	(9,077)	128,228	332,671	14,355	(22,274)	324,752
Share of results in an associates				(93)				(93)
Consolidation adjustments				(14,432)				(50,188)
Consolidated Profit Before Taxation				113,703				274,471

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD
("MFRS") 134**

A10. Material Events Subsequent to the End of the Period

There was no material event subsequent to the end of the current quarter and up to the date of this report that has not been reflected in the interim financial statements except for the followings:

- 1) On 28 February 2019, the Company had amongst others proposed to undertake the proposed establishment of an employees' share option scheme ("ESOS") of up to 10% of the total number of issued shares of the Company. On 5 September 2019, the Company had announced that the effective date for the implementation of the ESOS is on 4 September 2019, being the date of full compliance with Paragraph 6.43(1) of the Main Market Listing Requirements of Bursa Securities.
- 2) On 9 October 2019, Bursa Securities had granted the Company an extension of time until 15 April 2020 to complete the implementation of the Private Placement of up to 102,227,576 new ordinary shares in Sunsuria representing up to 10% of the issued shares.
- 3) On 26 October 2019, the Company had manually agreed to extend the Terms of the Memorandum of Understanding ("MoU ") with Sinotrans Limited for another 6 months to foster cooperation with each other on the basis of mutual rights and obligations regarding potential logistic related business in Malaysia.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

A12. 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 2018.

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019

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		
	30/09/2019 RM'000	30/09/2018 RM'000 (Restated)	Changes (RM'000 / %)	30/09/2019 RM'000	30/09/2018 RM'000 (Restated)	Changes (RM'000 / %)
Revenue	104,807	273,574	(168,767) / (62%)	534,257	712,264	(178,007) / (25%)
Cost of sales	(58,658)	(105,699)	47,041 / 45%	(273,951)	(339,551)	65,600 / 19%
Gross profit	46,149	167,875	(121,726) / (73%)	260,306	372,713	(112,407) / (30%)
Profit before taxation	23,227	113,703	(90,476) / (80%)	204,299	274,471	(70,172) / (26%)
Profit after taxation	9,026	83,040	(74,014) / (89%)	131,937	211,868	(79,931) / (38%)
Profit attributable to owners of the Company	11,083	84,654	(73,571) / (87%)	126,824	155,237	(28,413) / (18%)

The Group adopted the MFRS framework for the first time in the current financial year. The impact of the adoption of MFRS 15 on the Group's financial statements was shown in Note A2. In the current financial quarter, the Group reported a revenue and profit before taxation of RM104.81m and RM23.23m respectively as compared to the restated revenue of RM273.57m and restated profit before taxation of RM113.70m in the previous year's corresponding quarter. The Group's on-going projects for the current quarter are The Olive, Bell Suites SOHO & Retails, Monet Lily, Monet Springtime, Monet Garden, Giverny Walk and Tangerine Suites at Sunsuria City and the Forum II SOHO and Offices located at Setia Alam. The Olive, Bell Suites SOHO, Monet Lily and Monet Springtime contribute substantially to the Group's revenue in the current reporting quarter.

In the previous year's corresponding quarter, the Group's restated revenue of RM273.57m was mainly attributable to the recognition of RM168.05m revenue contribution by the Bell Avenue project upon its completion and hand over of keys to purchasers in that quarter. Consequently, the profit before taxation was higher in the previous year's corresponding quarter as compared to the current reporting quarter.

For the financial year ended 30 September 2019, the Group reported a revenue and profit before taxation of RM534.26m and RM204.30m respectively as compared to restated revenue and profit before taxation of RM712.26m and RM274.47m respectively reported in the previous financial year. The reason for the higher restated revenue in the previous financial year was due to the completion of 2 commercial development projects namely Forum 1 and Bell Avenue which were recognised on completion basis in accordance to MFRS 15 recognition criterias.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 30/09/2019 RM'000	Immediate Preceding Quarter 30/06/2019 RM'000	Changes (RM'000 / %)
Revenue	104,807	97,489	7,318 / 8%
Cost of sales	(58,658)	(59,295)	637 / 1%
Gross profit	46,149	38,194	7,955 / 21%
Profit before taxation	23,227	24,308	(1,081) / (4%)
Profit after taxation	9,026	14,497	(5,471) / (38%)
Profit after taxation attributable to owners of the company	11,083	13,492	(2,049) / (18%)

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019

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 (continued)

The Group's revenue of RM104.81m for the current reporting quarter is 8% higher as compared to the preceding quarter mainly due to the higher work completion upon the issuance of the Certificate of Completion and Compliance for Monet Lily and The Olive in the current reporting quarter. Nevertheless, the profit before taxation was RM23.23m in the current reporting quarter as compared to profit before taxation of RM24.31m in the preceding quarter mainly due to the higher charge out of RM4.80m in finance costs arising from the early adoption of MFRS 123 on Borrowing Costs and deferred tax provision.

B3. Prospects

The global and domestic economic sentiment remains bearish exacerbated by the prolonged US-China trade war. Although Malaysia's GDP growth is expected to grow by 4.8% in 2020, external uncertainties and low domestic confidence may hinder the growth prospect. Against this backdrop, the Group shall remain cautious on new property launches and business ventures while continuing to focus on increasing property sales and exercising prudence on spending in order to maintain a sustainable performance.

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	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Current Taxation	11,934	13,786	40,060	48,446
Deferred Taxation	2,267	16,877	32,302	14,157
	<u>14,201</u>	<u>30,663</u>	<u>72,362</u>	<u>62,603</u>

The effective tax rate of the Group is higher than the statutory tax rate mainly due to certain expenses that are not tax deductible for tax purposes and under accrual of deferred taxation in the previous financial year.

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019

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

B6. Corporate Proposals

There were no other corporate proposals announced by the Company that have not been completed as at 20 November 2019 (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 30/09/2019	As at 30/09/2018
	RM'000	RM'000
Secured short term borrowings	12,039	5,324
Secured long term borrowings	171,359	234,650
Total	183,398	239,974

The Group's borrowings as at 30 September 2019 were denominated 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	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
		(Restated)		(Restated)
Net profit attributable to ordinary equity holders of the Company (RM'000)	11,083	84,654	126,824	155,237
Weighted average number of ordinary shares in issues ('000)	895,917	798,834	895,917	798,834
Basic EPS (sen)	1.24	10.60	14.16	19.43

(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 and previous financial period. Accordingly, the exercise of warrants have been ignored in the calculation of dilutive earnings per share.

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2019

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

B10. Notes to the Statement of Comprehensive Income

Description	Current Quarter 30/09/2019 RM'000	Year to date 30/09/2019 RM'000
Profit for the period is arrived at after crediting/(charging) :		
- Interest income	1,083	4,146
- Gain on disposal of properties	-	5,439
- Accretion of interest on trade payables	458	646
- Fair value changes on biological assets	53	53
- Loss on impairment of land held for property development	(709)	(709)
- Interest expense	(4,818)	(5,861)
- Depreciation and amortisation	(1,642)	(6,256)

BY ORDER OF THE BOARD

Company Secretary
27 November 2019