



**SUNSURIA**

Building Today Creating Tomorrow

Annual Report **2014**

## COVER RATIONALE

At Sunsuria, that which we build today will form the foundation of the future. Our aim is to create a future that enriches and sustains life long relationships and strong communities.

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## VISION

To be a progressive corporation which we can take pride in. One that is valued and respected by all our stakeholders.

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## MISSION

To engage and delight our customers by delivering a distinctly Sunsuria experience of service excellence and warmth, through a culture of integrity, quality and reliability.

# CORE VALUES

## **Integrity**

## **Reliability**

### **Respectful**

We respect and value the community in which we operate and strive to enrich it. We take pride in working as a team and believe in earning respect through our actions.

### **Committed**

We are committed to achieving excellence in all that we do and delivering the best experience for our customers.

### **Progressive**

We constantly embrace change to remain relevant in the marketplace. We strive for continuous improvement and innovation as a trendsetter in the industry.

Today We are Building



People



Houses



Processes



Systems



Services



We create



Leaders



Homes



Communities



Places



Nations

of **Tomorrow**



# Building Today

Creating  
Tomorrow



# The Sunsuria story so far...

**Sunsuria Berhad** (formerly known as Malaysia Aica Berhad) (“Sunsuria” or “the Company”) is a holding company whose primary business is property development. The Company’s primary aim is to deliver lifestyle, high value and quality property development projects. Publicly listed since 7 March 1984 under its former name, the Company adopted its current name on 14 May 2014.

In late 2013, the Company ventured into property development by acquiring a commercial development project known as Trivo, as well as a parcel of freehold development land (where the upcoming residential development known as Suria Residence is located), both located in the prime location of Bukit Jelutong.

The “Sunsuria” brand name has been unveiling itself as a genuine Malaysia showpiece in real estate development since 1989, having delivered more than 2,500 properties in varied segments from light industrial factories to commercial units and residences, achieving a gross development value of over RM1.7 billion within the past 5 years. Several notable projects under the “Sunsuria” brand name include Sunsuria Avenue, a mixed commercial development in Kota Damansara; Sunsuria Ampang,

a mixed-use sports complex in Ampang; Sunsuria Seventh Avenue, semi-detached office lots in Setia Alam; as well as signature pieces like the upcoming prime gated and guarded exclusive bungalow residences in Setia Alam known as Suria Hills, and serviced apartments in Bukit Jelutong known as Suria Jelutong.

These projects highlight and reaffirm the diverse capabilities of Executive Chairman Datuk Ter and his senior management team to transform the Company into a multifaceted and well-established property developer.

Apart from its principal activity in property development, Sunsuria also retains its manufacturing business in engineered wooden doors, wooden frames and prefabricated doors.



# OUR DEVELOPMENTS



## SURIA RESIDENCE, BUKIT JELUTONG

Nestled in the refreshing enclave of Suria Jelutong, Suria Residence is a mark of distinguished pinnacle living. This luxurious freehold serviced apartment spans approximately 3.55 acres and is located in the mature neighbourhood of Bukit Jelutong with full amenities.

The open-air deck at Level 5 features an enviable fusion of lifestyle facilities catering to the health and entertainment of all ages such as swimming pool (with wet and dry sundeck), wading pool, jacuzzi, floating gymnasium, therapeutic garden, secret garden (maze garden), party garden (BBQ Area), children's and toddler's play area and entertainment deck (outside multi-purpose hall).

Should you prefer more solitude, head on to Level 6 where the youth play area, chill out deck, chill out sofa lounge, unique seating area in circle form and hanging & terrace planting await you.

The development is easily accessibility via various highways such as New Klang Valley Expressway (NKVE), Guthrie Corridor Expressway (GCE), North-South Expressway Central Link (ELITE), Lebuhraya Shah Alam (KESAS Highway) and Federal Highway.

It is conveniently located close to established amenities and facilities such as the Bukit Cahaya Forest Reserve, Kelab Golf Sultan Abdul Aziz Shah (KGSAAAS), Glenmarie Golf & Country Club, Saujana Golf & Country Club, DEMC Specialist Centre, KPJ Hospital, Holiday Inn, Concorde Hotel, Grand Bluewave Hotel, Subang Airport, Shah Alam Stadium, various university & educational institutions such as MISI, MSU, PTPL College, and UiTM.



## TRIVO, BUKIT JELUTONG

Introducing TRIVO – a vibrant commercial hub strategically located in the heart of Bukit Jelutong, Shah Alam. TRIVO is an integral part of the 11.5 acres Suria Jelutong mixed development situated within the 180 acres Bukit Jelutong Commercial Centre (BJCC). It is also one of the last freehold commercial developments in this upscale neighbourhood with high-income residents.

Designed and planned in collaboration with the internationally-acclaimed GDP Architects firm, the contemporary façade design incorporates full window frontages, ideal for commercial displays. It also features a 7 foot wide unobstructed shopfront walkways and concealed utilities with high ceilings: 14 feet high on the ground floor and 12 feet high on the first floor.

TRIVO's immediate vicinity currently houses over 44,000 high-income residents. It is located within Suria Jelutong, a bustling development featuring 665 units of prime serviced residential suites. TRIVO is well positioned to cater to the growing population in the area, making it a sound investment for the future.

TRIVO integrates seamlessly with well-established townships and amenities in its vicinity. It is just minutes away from neighbouring townships such as Klang, Kota Damansara, Subang Jaya and Ara Damansara, as well as conveniently accessible from Kuala Lumpur, Petaling Jaya, Subang Jaya, Shah Alam, Setia Alam and Klang via NKVE, ELITE, Federal Highway and KESAS Highway.

# DEVELOPMENTS MANAGED BY SUNSURIA



## XIAMEN UNIVERSITY TOWNSHIP, XIAMEN UNIVERSITY MALAYSIA CAMPUS, SALAK TINGGI

Sunsuria is proud to facilitate and be part of the establishment of Xiamen University Malaysia, the overseas campus of the top-ranking Xiamen University in China. It will be the first established overseas campus of a globally ranked university from China and will be located on a 150 acres site in Salak Tinggi, Putrajaya South within the Multimedia Super Corridor in Malaysia (MSC Malaysia). An integrated township development is also in the pipeline on the land adjacent to the Xiamen University Malaysia Campus.

Education plays a powerful and fundamental role in human, social and economic development, be it in our homeland of Malaysia or anywhere else in the world. Through its involvement in the education sector, Sunsuria is able to contribute to our nation's future, living up to the credo of "Building Today, Creating Tomorrow".

## SUNSURIA MEDINI, ISKANDAR MALAYSIA

Sunsuria Medini, Iskandar is a mixed integrated development made up of a total of 82 acres, featuring commercial units, retail parks and serviced suites. Its prime location at Medini Zone C caters to a multitude of businesses and attracts both domestic and international markets. Sunsuria Medini, Iskandar is the first of its kind, built on prime land in Johor and is another visionary project under the "Sunsuria" brand name.

Seamless connectivity between the dynamic and lively commercial precincts and the exclusive urban retreats of the



## THE FORUM @ SUNSURIA SEVENTH AVENUE, SETIA ALAM

This innovative integrated development is set to give businesses and residents a complete lifestyle experience in the heart of Setia Alam.

Its strategic location offers great accessibility via major highway connections and enjoys a constant flow of high traffic due to its proximity to a myriad of existing amenities. Together with Sunsuria Seventh Avenue, this commercial epicentre is spread across 30 acres.



tree-lined residential zones will further enhance the overall experience. Uninterrupted views from the iconic residential towers are complemented with inspiring inward-facing views of the landscape canopy and vibrancy of the central "heart".



### SURIA HILLS, SETIA ALAM

Set amidst 17 acres of prime freehold hillside land overlooking an evergreen enclave of lush forest reserves, Suria Hills is a private sanctuary limited to only 68 exclusive bungalow lots. For this select community, coming home will be an exquisite journey back to nature.



### SURIA JELUTONG, BUKIT JELUTONG

A suburban icon, Suria Jelutong caters to over 25,000 high-income residents in its vicinity in Bukit Jelutong. Its prime location and high-traffic connections to adjoining townships ensure good rental yields and capital appreciation – perfect for both business owners and investors alike.



### SURIA RAFFLESIA & SURIA IXORA, SETIA ALAM

Enjoy delightful breezes and beautiful views over the vibrant urban hub from the windows of these new and gorgeous Setia Alam apartments, perfectly situated in one of Shah Alam's most sought-after inner suburbs.



### SUNSURIA SEVENTH AVENUE, SETIA ALAM

Sunsoria Seventh Avenue is a strategically located, vibrant business hub comprising 57 units of 2 and 3-storey semi-detached retail offices with great accessibility via major highway connections, enjoying a constant flow of high traffic due to its proximity to a myriad of existing amenities.



## DEVELOPMENTS MANAGED BY SUNSURIA

Cont'd



### SUNSURIA AVENUE, KOTA DAMANSARA

Sunsuria Avenue is a commercial hub catering to the bustling township of Kota Damansara. This 8-storey signature office and commercial tower is where you will find the headquarters of Sunsuria, housing both our corporate office and sales gallery.



### THE CORE, KOTA DAMANSARA

The CORE is a 10 acres commercial development comprising of 2 and 3-storey shop lots and retail offices located at Kota Damansara and accessible via NKVE, NSE and LDP highways.



### SUNSURIA TECHNOLOGY CENTER, KOTA DAMANSARA

Sunsuria Technology Centre comprises 48 units of 1.5-storey semi-detached industrial lots. Its prime 17 acres location at the Selangor Science Park 1 is situated in the heart of Kota Damansara, ensuring opportunities for growth and potential returns for discerning entrepreneurs.



### SUNSURIA AMPANG SPORTS COMPLEX, AMPANG JAYA

Sunsuria Ampang Sports Complex spans over 4 acres of prime Ampang Jaya land and offers a complete sports and recreation facility to cater to the residents of Ampang.



### GARDEN VILLAS, SHAH ALAM

Garden Villas, located in the township of Shah Alam, features beautifully landscaped walkways and private lawns for each individual home – the epitome of green living. It comprises 70 units of 2-storey semi-detached homes.

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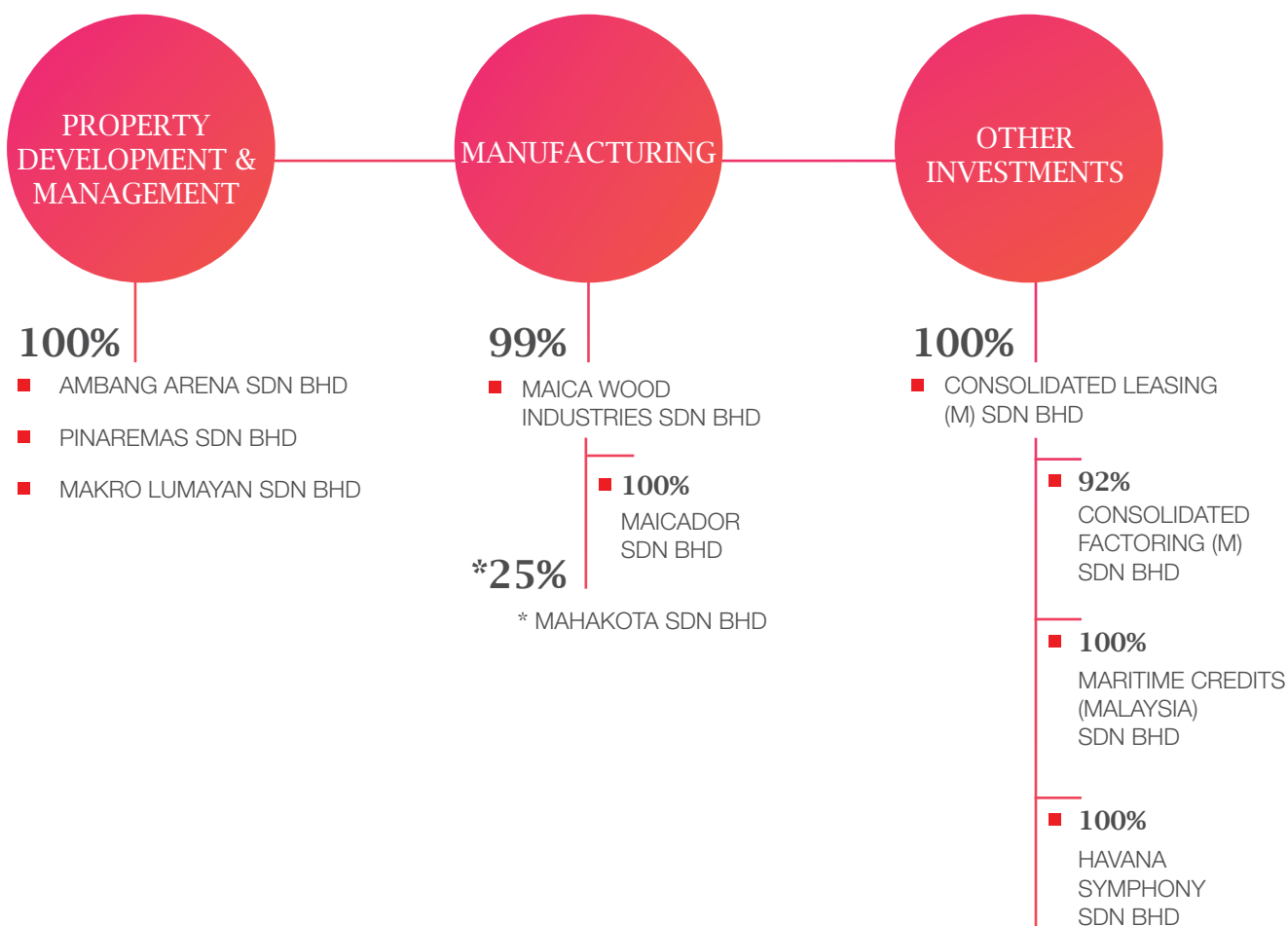
Notice of Annual General  
Meeting

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Proxy Form

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# CORPORATE STRUCTURE



■ Subsidiary  
\* Associated Company

# CORPORATE INFORMATION

## Board Of Directors

**Datuk Ter Leong Yap**  
(Executive Chairman)

**Wong Yuen Teck**  
(Executive Director)

**Koong Wai Seng**  
(Executive Director)

**Dato' Tan Tian Meng**  
(Independent Non-Executive Director)

**Liew Jee Min @ Chong Jee Min**  
(Independent Non-Executive Director)

**Datin Loa Bee Ha**  
(Independent Non-Executive Director)

## Audit Committee

**Liew Jee Min @ Chong Jee Min**  
(Chairman)

**Dato' Tan Tian Meng**

**Datin Loa Bee Ha** (MIA Member)

## Nomination Committee

**Liew Jee Min @ Chong Jee Min**  
(Chairman)

**Dato' Tan Tian Meng**

**Datin Loa Bee Ha**

## Remuneration Committee

**Dato' Tan Tian Meng** (Chairman)

**Datuk Ter Leong Yap**

**Liew Jee Min @ Chong Jee Min**

## Company Secretaries

**See Siew Cheng**  
(MAICSA NO. 7011225)

**Leong Shiak Wan**  
(MAICSA NO. 7012855)

## Registered Office

Level 8 Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya, Selangor, Malaysia  
Tel : (03) 7841 8000  
Fax : (03) 7841 8199

## Head Office

Suite 8, Main Tower, Sunsuria Avenue,  
Persiaran Mahogani, Kota Damansara,  
PJU 5, 47810 Petaling Jaya, Selangor,  
Malaysia  
Tel : (03) 6145 7777  
Fax : (03) 6145 7778  
website : www.sunsuria.com

## Principal Bankers

CIMB Bank Berhad  
AmBank (M) Berhad

## Share Registrar

**Tricor Investor Services Sdn Bhd**  
Level 17, The Gardens North Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur, Malaysia  
Tel : (03) 2264 3883  
Fax : (03) 2282 1886

## Auditors

**Messrs Crowe Horwath (AF 1018)**  
(Chartered Accountants)

## Stock Exchange Listing

**Main Market of Bursa Malaysia  
Securities Berhad**  
Stock Name : SUNSURIA  
Stock Code : 3743  
Sector : Properties



# GROUP FINANCIAL HIGHLIGHTS

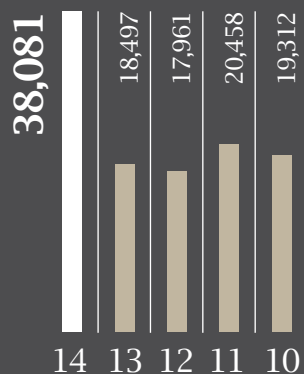
## FOR THE FIVE YEARS ENDED 31 MARCH 2014

| YEAR  |          | 2010    | 2011    | 2012    | 2013    | 2014    |
|---|----------|---------|---------|---------|---------|---------|
| Revenue   | (RM'000) | 19,312  | 20,458  | 17,961  | 18,497  | 38,081  |
| Profit Before Interest, Tax,<br>Depreciation & Amortisation | (RM'000) | 4,262   | 4,414   | 3,805   | 2,546   | 5,698   |
| Profit Before Tax   | (RM'000) | 2,786   | 3,184   | 2,567   | 1,721   | 4,860   |
| Profit After Tax  | (RM'000) | 1,908   | 2,289   | 1,688   | 976     | 3,567   |
| Total Assets  | (RM'000) | 80,630  | 80,049  | 73,562  | 73,985  | 105,636 |
| Total Borrowings  | (RM'000) | 11,801  | 9,375   | 896     | -       | -       |
| Shareholders' Equity  | (RM'000) | 65,775  | 68,063  | 69,536  | 70,525  | 88,254  |
| Return On Equity  | (%)      | 2.90    | 3.36    | 2.43    | 1.38    | 4.04    |
| Return On Total Assets                                      | (%)      | 2.37    | 2.86    | 2.29    | 1.32    | 3.38    |
| Gearing Ratio   | (%)      | 15.21   | 12.11   | 1.29    | -       | -       |
| Interest Cover  | (times)  | 6.48    | 10.03   | 8.42    | 424.33  | -       |
| Earnings Per Share  | (sen)    | 1.46    | 1.76    | 1.29    | 0.75    | 2.25    |
| No Of Shares  |          | 130,360 | 130,360 | 130,360 | 130,360 | 158,360 |
| Net Assets  | (RM)     | 65,775  | 68,063  | 69,536  | 70,525  | 88,254  |
| Net Assets Per Share  | (RM)     | 0.50    | 0.52    | 0.53    | 0.54    | 0.56    |

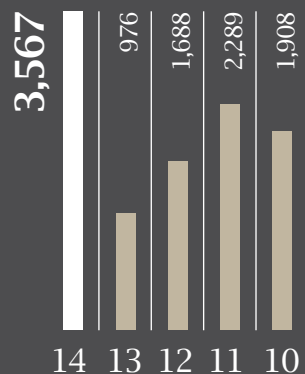
### Segmental : Revenue

| YEAR                 | 2010   | 2011   | 2012   | 2013   | 2014   |
|----------------------|--------|--------|--------|--------|--------|
| Manufacturing        | 14,255 | 15,692 | 13,157 | 14,921 | 16,382 |
| Leasing              | 4,736  | 4,255  | 4,215  | 3,123  | 2,582  |
| Property Development | -      | -      | -      | -      | 18,394 |
| Others               | 321    | 511    | 589    | 453    | 723    |
|                      | 19,312 | 20,458 | 17,961 | 18,497 | 38,081 |

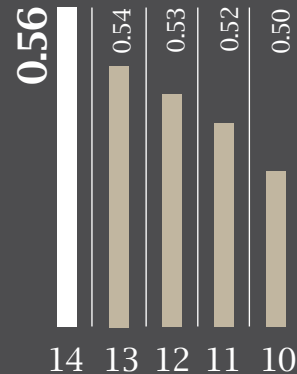
REVENUE (RM'000)



PROFIT AFTER TAX (RM'000)



NET ASSETS PER SHARE (RM)



# Soaring into the future

We develop properties with our customers in mind. We are committed to build long term relationships in order to create properties that exceed expectations.



## CHAIRMAN'S STATEMENT



Datuk Ter Leong Yap  
*Executive Chairman*

## CHAIRMAN'S STATEMENT

*Cont'd*

As the majority shareholder, it is my vision to concentrate on the property development sector as the Group's primary line of business, and to build the Group up as one of the top developers in Malaysia. In the next 5 years, the Group will be on the lookout for additional projects or lands to acquire, targeting to achieve an estimated gross development value of over RM10 billion.

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### Dear Shareholders,

On behalf of the Board of Directors for Sunsuria Berhad (formerly known as Malaysia Aica Berhad) ("the Company"), I am pleased to present the Annual Report and Audited Consolidated Financial Statements of the Company and its subsidiaries ("the Group") for the financial year ended 31 March 2014. I am also delighted to be able to share with you the Group's progress over the year.

Much has changed since the previous Annual General Meeting. In October 2013, the Company decided to diversify its interests and venture into the property development business with the acquisition of a development project and a parcel of freehold land for development purposes. Since then, this segment of the Group has grown tremendously, becoming our top-performing revenue generator. Already, the Group has started seeing the positive impact of intensifying our focus towards property development. In 2013, the Group registered consolidated revenues of RM18.5 million. This year, our revenues have reached RM38.1 million, a substantial increase of 106%. This is solely due to the performance of our property development segment, which contributed more than half of the year's revenues, attributed from the acquisition of the Trivo development project, a freehold commercial development in the upscale neighbourhood of Bukit Jelutong. Given this, several shifts to the Group's makeup and strategic direction moving forward are inevitable.

In addition to various corporate manoeuvres and restructuring exercises in conjunction with our entry into this business sector, the Company has also undertaken a rebranding exercise, setting the property development market as its new business focus and core activity. The Company has brought in a new set of board members, each of whom has vast experience in the property development industry. In furtherance of the Group's goal, as Executive Chairman, I intend to put my 20+ years' experience and expertise in property development to good use. I have over the years garnered extensive knowledge in property development and have nurtured the "Sunsuria" brand to become a leading presence in the property market. On 14 May 2014, the Company changed its name from Malaysia

Aica Berhad to Sunsuria Berhad, which enables it to leverage on the "Sunsuria" brand name and to create synergy between its brand and its property development projects moving forward. Subsequently, the Company was reclassified from the manufacturing sector to the properties sector by Bursa Malaysia Securities Berhad ("Bursa Securities") on 1 July 2014, marking a new epoch in its history.

Over the next 5 years or so, the Group will be concentrating on the property development sector, adhering closely to our two main core values of integrity and reliability. The Group will set its focus on property development that is affordable while still maintaining its standards of high quality and consistency. This is in line with the current trend of population booms in Malaysia, requiring affordable housing, shopping and other lifestyle spaces. In addition, the Group will also look into the possibility of venturing into the Johor and Penang markets. All of these plans will require the Group to identify and acquire more property development projects and land banks in prime locations throughout the Klang Valley, as well as our other geographical target markets.

As the majority shareholder, it is my vision to concentrate on the property development sector as the Group's primary line of business, and to build the Group up as one of the top developers in Malaysia. To this end, the Group has set up a strong senior management team, with extensive experience in property development, and led by CEO Ho Hong Sang. In the next 5 years, the Group will be on the lookout for additional projects or lands to acquire, targeting to achieve an estimated gross development value of over RM10 billion. This is an ambitious target, but one which the Board deems achievable, albeit with the necessary due diligence.

The Group will continue to maintain its manufacturing activities of wooden engineering doors, seeing that this was one of the Group's core businesses since its inception in 1968. However, the Board believes that our future as a whole lies in property development, and that will become our flagship business.

Over time, the Group will work towards its vision of becoming a premium property developer brand known for its product



## CHAIRMAN'S STATEMENT

Cont'd

Over time, the Group will work towards its vision of becoming a premium property developer brand known for its product quality and reliability.

quality and reliability. Additionally, we realise that a healthy Group is one with diverse business interests. As the Group has already done by entering into a new business sector, in the long run, a sustainable business and revenue streams can only be ensured by venturing into other businesses that provide synergistic benefits to our core business of property development, such as education and training, facilities management etc.

Because of the recent corporate exercise and business refocus, the Board will not be recommending any dividend for the year. The Group is now in its growing stage, and needs to conserve as much cash flow as possible for its business expansion plans. However, given that Sunsuria's share price has appreciated from RM0.50 (prior to venturing into the property development sector) to its current price of RM1.30 (as at 4 August 2014), I am confident that Sunsuria's future as one of the premier property developers in Malaysia is a bright one. Our shareholders, as well as our other stakeholders, will soon be the beneficiaries of the additional value that the Group is building up in itself.

As the new Executive Chairman of the Group, and on behalf of the Board of Directors, I would like to extend our deepest appreciation and thanks to the outgoing Board, Chairman and senior management team. They have served the Group long and well, and we wish them the very best in the next phase of their careers and lives.

I would also like to thank all our shareholders who have been with the Group through these halcyon times, as well as those who have recently purchased shares in anticipation of the Group's rapid growth and profitability. Your support is encouraging and is deeply appreciated.

**Datuk Ter Leong Yap**  
Executive Chairman

Xiamen University Campus ▼



Xiamen University ground breaking ▲



# Reaching for greater heights

Sunsuria believes in building and improving communities that builds bonds and creates value from generation to generation.



## PROFILE OF BOARD OF DIRECTORS



**Datuk Ter Leong Yap**  
*Executive Chairman*

Datuk Ter Leong Yap graduated from the University of Malaya with honours in Engineering. His foray into the industry began with a construction and material handling equipment business back in 1989. Since then, Datuk Ter has diversified his business interests to include property development and education.

Armed with a wealth of experience, determination, and an impeccable track record in the property development sector, he has successfully incorporated his personal vision and mission into Sunsuria, making it the very essence of the Company. He also strongly believes in running the Sunsuria's property development business with upmost integrity and ensuring reliability of the Company in delivering its promises, customer experience and product quality with full commitment.

Datuk Ter holds several distinguished positions within the region such as Deputy President of The Associated Chinese Chambers of Commerce and Industry of Malaysia (2012-2015), President of the Chinese Chamber of Commerce & Industry of Kuala Lumpur & Selangor (2012-2015), Director of Bank of China (Malaysia) Bhd, Member of the Malaysia-Singapore Business Council, Ahli Lembaga Pengarah – Universiti Kebangsaan Malaysia, and Honorary member of the Malaysia-China Business Council (since 2010).



**Wong Yuen Teck**  
*Executive Director*

Wong Yuen Teck was awarded a Bachelor of Law (Honours) and a Masters in Business Administration (MBA) from the University of Malaya in 1989 and 1997 respectively. He was admitted as an advocate and solicitor of the High Court of Malaysia in 1990. He was in the legal sector and was specifically involved in corporate banking and infrastructural project financing for 9 years prior to his venture into property development in the year 2000. He has been in the property development industry for more than a decade.

In his capacity as an Executive Director of Sunsuria, Wong continually strives to ensure good governance in achieving the company's objectives.



**Koong Wai Seng**  
*Executive Director*

Koong Wai Seng graduated with a Bachelor of Accountancy (Honours) degree from the University of Malaya in 1993 and is an accountant by profession.

He is a member of the Malaysia Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA). He has more than 20 years of financial and general management experience in a variety of industries including audit, financial advisory, leisure, hospitality, healthcare, property development and property investment.

He began his career at Arthur Andersen & Co. before joining Sunway City Berhad for 13 years where he was appointed as Chief Financial Officer and promoted as the Group Finance Director of the Sunway Group. Subsequently, Koong joined 1Malaysia Development Berhad and Tropicana Corporation Berhad (formerly known as Dijaya Corporation Berhad) as Executive Director before assuming his current position at Sunsuria.



## PROFILE OF BOARD OF DIRECTORS

*Cont'd*



**Dato' Tan Tian Meng**  
*Independent Non-Executive Director*

Dato' Tan Tian Meng graduated with Bachelor of Civil Engineering (Honours) from the University of Malaya in 1988. Since his graduation, he has had 25 years' experience and professional practice career in industries related to construction and property development related industry. He is currently a director of several private limited companies including Lintasan Remaja Sdn. Bhd., Delta Elegance Sdn. Bhd. and Grand Maluri Sdn. Bhd.



**Mr. Liew Jee Min @  
Chong Jee Min**  
*Independent Non-Executive Director*

Liew Jee Min @ Chong Jee Min graduated with LLB (Honours) from the University of Leeds, England and Certificate of Legal Practice, Malaya. He was admitted as an advocate and solicitor of the High Court of Malaysia in 1986. He established the firm of J. M. Chong, Vincent Chee & Co. in December 1986 and has been practicing since the date of admission and concentrating on banking, property and corporate matters.



**Datin Loa Bee Ha**  
*Independent Non-Executive Director*

Datin Loa Bee Ha graduated from the University of Malaya with a Bachelor of Accounting Degree and is currently a member of MIA and MICPA.

She began her career with Price Waterhouse in 1989 and later joined Team Accountants Sdn. Bhd. (an investment holding company) in 1994 as the Finance Manager for 12 years.

She was previously on the Board of Director of Taylor's College Sdn. Bhd., Garden International School Sdn. Bhd. and Taylor's International School (KL) Sdn. Bhd. (formerly known as Sekolah Sri Garden Sdn. Bhd.). Currently, she is also a Director of Rentak Flora Sdn. Bhd.

# CHIEF EXECUTIVE OFFICER'S STATEMENT



**Ho Hon Sang**  
*Chief Executive Officer*

## CHIEF EXECUTIVE OFFICER'S STATEMENT

*Cont'd*

The Group's is backed by a team of professionals which has an aggregated property development experience of more than 100 years. The senior management team will apply their knowledge to deliver the vision and mission of the Group in as short a timeframe as practicable.

### Dear Shareholders,

On behalf of the senior management team, I am pleased to present you an overview of the Group's business activities and operations over this financial year.

### OPERATION REVIEW

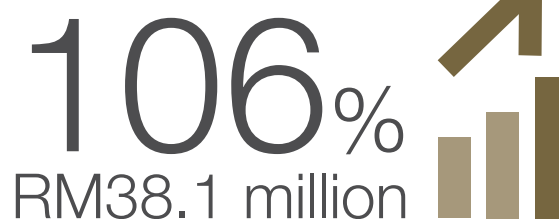
From an operational viewpoint, it has been an interesting year for the Group. The Group started the financial year as primarily a manufacturer of engineering wooden doors, wooden frames, and prefabricated doors, as well as operating a hire-purchase financing business. It ended the year as a fast-growing, aggressively-expanding property developer that, while retaining its manufacturing business, has dispensed with the hire-purchase business altogether.

### FINANCIAL REVIEW

For the financial year under review, the Group's consolidated revenue has increased by 106% to RM38.1 million as compared with RM18.5 million generated in the previous financial year. This substantial increase in revenue is primarily due to the contribution from its recent venture into the property development business. It has recorded a total consolidated revenue of RM18.4 million, representing more than 50% of the total consolidated revenue generated by the Group, and contributed a pre-tax profit of RM3.1 million to the bottom line of the Group for the financial year.

Sales of engineered doors from the manufacturing division of the Group increased by approximately 13% to RM16.4 million for the current financial year, compared with sales of RM14.9 million from the previous financial year. This was mainly due to higher volumes of sales orders received from the Australian

Revenue



and US markets. In tandem with the increase in revenue from the Group's engineered door manufacturing division, pre-tax profit surged to RM1.3 million as compared with RM0.5 million recorded in the previous financial year.

For its hire purchase financing business division, the Group's interest income declined 24% to RM2.5 million, compared with RM3.1 million in the preceding financial year. The pre-tax profit for the hire purchase division decreased to RM2.3 million, compared with the pre-tax profit of RM2.5 million recorded in the previous financial year. The Group initially commenced its hire purchase financing business in the 2009 financial year, and with the redemption of all hire purchase debtors in January 2014, the Group has decided to cease its operations in this segment and has no intention to continue with the hire purchase business.

As a result of venturing into the profitable property development business, the performance of the Group improved substantially whereby the Group's pre-tax profit increased to RM4.9 million for the financial year against the pre-tax profit of RM1.7 million reported in the previous financial year.

## CHIEF EXECUTIVE OFFICER'S STATEMENT

*Cont'd*

Moving forward, despite many challenges ahead, particularly the pressure from escalating production costs, the senior management team is confident that the property development business will continue to be the main driver for the growth of the Group.

Over the next financial year, the Group will be concentrating fully on growing the property development segment of its operations. Already, the units in the on-going Trivo Suria Jelutong commercial development project have been fully sold out, and the project itself is expected to be completed by the end of 2014. The Group will then achieve its first major milestone by handing over the project to its customers. In the same timeframe, the Group will unveil another development plan in the upscale and affluent part of Bukit Jelutong. The plan envisions a 'luxurious lifestyle experience' project known as Suria Residence, which is expected to be launched in the second half of 2014. Suria Residence has an estimated gross developmental value of RM260 million and is scheduled to be developed over the next 3 years.

The Suria Residence development consists of 545 units of serviced apartments, divided between 2 majestic residential towers. The 3.55-acre-wide 'garden sanctuary' development features lushly landscaped gardens and 'green lungs', with state-of-the-art facilities ensuring total peace of mind, courtesy of hi-tech security systems in this gated and guarded residential area. Through this project, we believe we can empower our

customers or residents to build closer bonds and enjoy an ease of living that builds communities in a safe and sustainable environment.

### THE JOURNEY AHEAD

Given the Group's existing property development assets, its business in this segment is expected to continue to grow, and its future prospects are bright. The Group believes in developing products that empower its customers to realise their desires, which is all part of its commitment to promise and provide healthy and holistic lifestyles, great value and high quality to its customers. The Group respects the communities in which it operates, and will continue to ensure that its business operations are environmentally friendly and with minimum disruption to the communities in question.

Although the Group has transformed itself into a company primarily involved in property development only in the past financial year, operationally speaking it is backed by a team of professionals which has an aggregated property development



Suria Hills @ Setia Alam, Shah Alam ▲



## CHIEF EXECUTIVE OFFICER'S STATEMENT

*Cont'd*



Suria Residence @ Bukit Jelutong, Shah Alam ▲

experience of more than 100 years. In conjunction with the guidance and direction set by the Board of Directors, all these professionals in the senior management team will apply their knowledge to deliver the vision and mission of the Group in as short a timeframe as practicable.

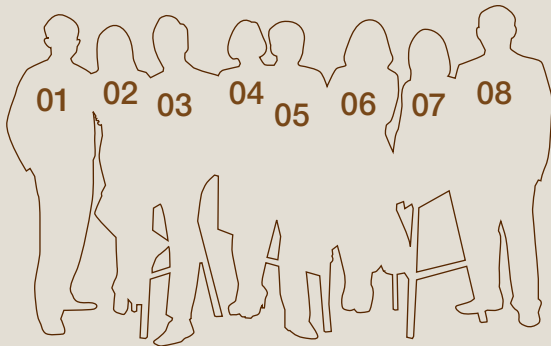
Moving forward, despite many challenges ahead, particularly the pressure from escalating production costs, the senior management team is confident that the property development business will continue to be the main driver for the growth of the Group. The Group will continue to expand its property development division with its continuing effort to look for suitable and prime land banks for development purposes not only in Klang Valley but in other parts of Peninsular Malaysia such as Johor and Penang, thus enhancing the Group's profitability and shareholders' value.

### APPRECIATION

On behalf of the senior management team, I would like to thank the dedicated, loyal and hard-working employees of the Group. Their professionalism and unstinting efforts on behalf of Sunsuria Berhad and all its associated companies have played an important role in the Group's continuing performance and profitability. The Group is cognisant of their work, and strives to create a warm, accepting culture in which its people are fairly remunerated, challenged to perform to the best of their abilities, and recognised for their achievements.

**Ho Hon Sang**  
Chief Executive Officer

## PROFILE OF SENIOR MANAGEMENT TEAM



- |    |                |    |                 |
|----|----------------|----|-----------------|
| 01 | Gan Seong Sze  | 02 | Debbie Wang     |
| 03 | Simon Kwan     | 04 | Susan Tan       |
| 05 | Ho Hon Sang    | 06 | Shirley Leong   |
| 07 | Ter Leong Ping | 08 | Chang Tze Yoong |

### Ho Hon Sang *Chief Executive Officer (CEO)*

Ho Hon Sang obtained a Bachelor of Engineering (Honours) degree from the University of Malaya in 1984. He has been a member of the Institution of Engineers, Malaysia since 1988 and the Board of Engineers, Malaysia since 1989.

He began his professional career as an engineer involved with the development of the North South Expressway. He was with UEM Group Bhd. from 1988 until 1994. Later, he joined Sunway City Berhad as an Assistant General Manager and was promoted as Chief Operating Officer and then as Managing Director, Property Development Division, Sunway Berhad before assuming his current position as CEO of Sunsuria. With over 15 years of experience in the property development industry, Ho Hon Sang brings with him a wealth of management insight and expertise.

## PROFILE OF SENIOR MANAGEMENT TEAM

*Cont'd*

### **Simon Kwan** *Sales & Marketing Director*

Simon Kwan received his tertiary education in Business Administration and Marketing (UK) and began his career as a Technical and Sales Executive in an established engineering company in Malaysia before venturing into the property development industry.

He has undertaken key roles in sales and marketing since 1993, accumulating in-depth knowledge and experience within the property industry. In addition, he is well-exposed to the international trade market and is an accomplished multi-linguist. Since his appointment at Sunsuria, Simon Kwan and his team have successfully conceptualised and launched numerous projects, bringing forth new developments for the company.

### **Chang Tze Yoong** *Project Director*

Chang Tze Yoong obtained a Bachelor of Engineering (Honours) degree from Universiti Kebangsaan Malaysia in 2000 and was awarded an MBA from the Graduate School of Management, Universiti Putra Malaysia in 2008.

He began his career at Hong Leong Property Management before joining Sunway City Berhad for 11 years. He was last appointed as Unit Profit Center Manager for 7 companies in Sunway Berhad before assuming his current position as Project Director of Sunsuria.

### **Gan Seong Sze** *Internal Audit Director*

Gan Seong Sze is a chartered accountant recognised by the MIA, and is a fellow of the Association of Certified Chartered Accountants. He began his career as a Junior Accountant in a certified public accounting firm before joining a public listed property development company as an assistant accountant in 1997. He continued to rise up the ranks from Group Accountant to Group Financial Controller, and was actively involved in the Group's Internal Audit and Financing functions.

Gan Seong Sze has more than 19 years of working experience in auditing & corporate finance and is currently Sunsuria's Internal Audit Director.

### **Susan Tan** *Sime Darby Sunsuria JV Project Director*

Susan Tan has more than 30 years' experience in property development specialising in the areas of marketing, sales, credit administration and customer services.

Having worked with several listed and private companies, she also pursued and obtained a Diploma in Estate Agency and co-founded a property marketing consultancy with a

reputable estate agency. She officially joined Sunsuria in May 2014, having previously worked as a Consultant and Advisor to the Executive Chairman of Sunsuria since early 2013.

### **Ter Leong Ping** *Legal Advisor*

Ter Leong Ping received a bachelor's degree of law from the University of Malaya in 1993, and was admitted as an advocate and solicitor of the High Court of Malaya in 1994.

She joined J.M. Chong, Vincent Chee & Co. in 1994 and started her practice in litigation matters including banking litigation, debt collection, land matters, matrimonial matters and so on for 2 years and has since played an active role in corporate conveyancing matters, mainly in the banking line and housing and commercial related projects and has over 19 years of experience.

### **Shirley Leong** *General Manager, Finance*

Shirley Leong graduated from the Chartered Institute of Management Accountants (CIMA) and is an accountant by profession. She is a member of MIA and CIMA.

She has more than 15 years of working experience in a variety of industries including audit, trading, financial advisory, construction, property development and property investment for major publicly listed companies such as Road Builder Holdings Berhad, Nam Fatt Holdings Berhad and Tropicana Corporation Berhad before joining Sunsuria as General Manager of Finance.

### **Debbie Wang** *General Manager, Human Resource*

Debbie Wang has an Associate Degree in Computer Science and an MSc in Human Resource Management, and is a highly experienced HR and People Development practitioner with extensive hands-on experience in various functions such as Resourcing, Learning and Development, Compensation and Benefits, Communications, Strategic Workforce Planning, and Coaching.

Having had a successful corporate career with Fortune 500 organisations like Intel, Dell, and Celestica, in both local and regional roles, she went on to pioneer transformational HR and People Development strategies for the fast growing employment portal JobStreet.com, for both the local and regional business units. She is very passionate about business and organisation development, and strongly believes that well-engaged and well-equipped people capital within the organisation is a strong source of competitive advantage to any business.

She is also a certified Coach in Business and Workplace coaching. She leads the Human Capital effort in Sunsuria.



## STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY

As good corporate citizens, Sunsuria is firmly committed to an active stance of philanthropy, seeking to help address the nation's various social challenges through a series of people-centric initiatives that focus on the natural environment and affordable education, in order to help build our nation's future. We believe that our activities should be – and are – carried out in a sustainable and positive manner, benefitting all those involved. We are not here just to build homes, shops and business spaces, but to build and secure a better future for our stakeholders: customers, employees, shareholders, and the communities where we work and make an impact. With that in mind, our corporate and social responsibility activities are carefully planned and carried out around our twin commitments towards the environment and education.

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### **Providing Homes for Everyone**

At Sunsuria, our philosophy is all about providing homes for our communities; homes that they can feel secure in, surrounded by family and loved ones. It is our stance that everyone deserves to have a home; towards this end, we have been working with Habitat for Humanity Malaysia to sponsor a home for one of the underprivileged families in Tanjung Sepat.

### **Nurturing the Future Generation**

Sunsuria strongly believes that a well-rounded education is not only essential, but a human right; everyone deserves equal opportunity access to quality education. We are committed to helping the less privileged communities in terms of education, and regularly make financial contributions towards relevant organisations, schools and even at the individual level, to assist them in achieving their life and educational goals.

We also endeavour to help children who are less fortunate through organising educational activities for children from orphanages, as well as donations. In November 2013, for instance, volunteers from Sunsuria brought Orang Asli children from the Semenanjung Malaysia Orang Asli (SEMOA) to the Science Centre for an educational tour.

## STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY *Cont'd*



### Creating Future Leaders

At Sunsuria, we do not take our shared role as nation builders lightly. For us, world-class education is key to helping ensure our nation's future success. The team here at Sunsuria believe that we can play a key role in building a conducive environment for learning that is best-in-class, even on an international level. In light of this, we proactively assumed the role of lead facilitator for the establishment of the Xiamen University campus in Malaysia. The realisation of this will prove to be a ground-breaking move (Xiamen University, one of the top 20 universities in China, is also the first one to establish cross-border campuses) to educate our future leaders, not just in Malaysia but across the globe. We will focus even more on this in 2015/2016.

### Minimising Our Ecological Footprint

In addition to the use of more environmentally-friendly construction materials and techniques where practical, Sunsuria also works at reducing resource consumption at its offices. This includes the printing of employee name cards on recycled paper, as well as the use of cloud-based IT solutions to bring down electricity consumption and the number of servers on-site.

### Adopting Civic Best Practices

Sunsuria, as a property developer, constantly explores new and alternative ways to improve its business and corporate responsibility methodologies, especially if there is synergy to be found between the two. For example, in looking at the City Bike concept (a bicycle sharing system for intra-city transportation) that has found popularity in Europe recently, Sunsuria has also considered the possibility of integrating bicycle paths and ways in its various development projects.

# CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Sunsuria Berhad (formerly known as Malaysia Aica Berhad) (“**Sunsuria**” or “**the Company**”) strongly believes that practising and maintaining good corporate governance in conducting the affairs and business of Sunsuria and its subsidiaries (“**Sunsuria Group**” or “**the Group**”) is fundamental in ensuring that the shareholders’ interests are protected and that the shareholders’ value is enhanced with the Group’s long term sustainable business success and continuous growth. The Board is therefore committed to preserve good corporate governance standards throughout the Group and strives to adopt the substance behind the Principles and Recommendations set out in the Malaysian Code on Corporate Governance 2012 (“**the Code**”) for the achievement of its ultimate goals and objectives.

Pursuant to paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MMLR**”), the Board is pleased to present the following disclosure on the Group’s application of the Principles of the Code, with regard to the Recommendations of the Code during the financial year ended 31 March 2014 (“**FYE 2014**”).

## A. BOARD OF DIRECTORS

### (i) Composition of the Board and Board Balance

As at the FYE 2014, the Board comprised five (5) Board members with two (2) Executive Directors (including the Executive Chairman) and three (3) Non-Executive Directors, two (2) of whom are Independent Non-Executive Directors. Subsequent to the FYE 2014, a new Independent Non-Executive Director was appointed and Koong Wai Seng was redesignated to his current position of Executive Director. As at to-date, the Board comprises six (6) Board Members with three (3) Executive Directors (including the Executive Chairman) and three (3) Independent Non-Executive Directors. With this Board composition, the Company fully complies with the MMLR with regard to the constitution of the Board and the required ratio of Independent Directors, as well as the requirement for a director who is a member of the Malaysian Institute of Accountants (MIA) to sit on the Audit Committee.

The Board currently comprises members with a mixture of backgrounds which provides the Group with the necessary knowledge and experience to discharge their duties and responsibilities effectively. The profiles of Board members are set out in pages 14 to 15 of this Annual Report.

There is a clear segregation of responsibilities between the Board members to ensure that there is a balance of power and authority in the Group where:

- the Executive Chairman assumes the leadership role in the day-to-day operations and overall strategic planning of the Group;
- the Executive Director takes the responsibility of implementing the policies and decisions of the Board, overseeing as well as coordinating the development and implementation of business and corporate strategies; and
- the Non-Executive Directors participate in areas such as the establishment of policies and strategies, performance monitoring as well as improving governance and control and are independent of management and have no relationships which can materially interfere the exercise of their independent judgement so as to ensure that the interests of not only the Group, but also the stakeholders and the public in general are represented.

The Code recommends that the Board of Directors of a public listed company should be composed of a majority of independent directors where the chairman of the board is not an independent director. The Board of Directors of the Company, notwithstanding that the Chairman is an Executive Director, is of the opinion that the element of independence which currently exists is adequate to provide assurance that there is a balance of power and authority on the Board.

## CORPORATE GOVERNANCE STATEMENT

*Cont'd*

### A. BOARD OF DIRECTORS (CONT'D)

#### (ii) Roles and Responsibilities of the Board

Sunsuria Group is currently managed and led by individuals with diverse experience and expertise from varied professions, specialising in the fields of property development, property investment, construction, legal, marketing, finance, accounting, corporate affairs and administration. Together with the Management, they collectively bring a wide range of skills and expertise to effectively discharge their responsibilities towards achieving the Group's business strategies and corporate goals.

The principal roles and responsibilities assumed by the Board are as follows:

- To review, adopt and monitor the strategic plan of the Group as proposed by the management and to adopt and monitor the plan, ensuring that the strategic plan is in line with the Group's overall objectives in driving business growth and sustainability;
- To ensure the operations and business of the Group is managed properly, falling within the code of conduct of the Group and to the best interests of its stakeholders and the general public as a whole;
- To ensure full disclosure of all material information pertaining to the Group to its stakeholders and the general public;
- To identify principal risks involved in the business of the Group and to manage and/or mitigate these risks with proper and adequate internal control and risk management policies and systems;
- To formulate and have in place an appropriate succession plan encompassing the appointment, training, and determination of compensation for senior management of the Group; and
- To oversee the development and implementation of investor relations or shareholder communication policies.

#### (iii) Board Charter

The Board members refer to the Board Charter of the Company as a guide to identify the roles and responsibilities as well as the processes of the Board in performing their responsibilities and accountabilities towards the performance and governance activities of the Group and acting in the best interest of all stakeholders. Key features of the Board Charter are available for reference at the Company's website at [www.sunsuria.com](http://www.sunsuria.com)

The Board Charter also lays out the composition of the Board and the delegation of authority by the Board to various committees which are disclosed in pages 26 to 28 of this Annual Report.

**CORPORATE GOVERNANCE STATEMENT***Cont'd***A. BOARD OF DIRECTORS (CONT'D)****(iv) Board Meetings**

The Executive Directors, together with the Group's management, have regular meetings where operational details and other issues are discussed and considered. Apart from the management meetings, the Executive Directors also hold informal meetings with the other members of the Board whenever necessary. For the FYE 2014, there were three (3) official Board Meetings held and the details of attendance of each Board Member at the Board meetings are as follow:

| Director   | Number of meetings held after<br>appointment as Director | Number of meetings<br>attended |
|--|--|--------------------------------|
| Datuk Ter Leong Yap<br>(Appointed with effect from 22 January 2014)        | 1  | 0                              |
| Wong Yuen Teck<br>(Appointed with effect from 22 January 2014)             | 1  | 0                              |
| Koong Wai Seng<br>(Appointed with effect from 6 November 2013)             | 2  | 2                              |
| Dato' Tan Tian Meng<br>(Appointed with effect from 13 March 2014)          | 0  | 0                              |
| Liew Jee Min @ Chong Jee Min<br>(Appointed with effect from 18 March 2014) | 0  | 0                              |
| Datin Loa Bee Ha<br>(Appointed with effect from 21 August 2014)            | 0  | 0                              |

All the deliberations and conclusions of the Board meetings were properly recorded by the Company Secretary present at the meeting.

**(v) Board Committees**

The Board has delegated specific responsibilities and duties to its three (3) Committees; namely the Audit, Nomination and Remuneration Committees, which operate under their respective defined terms of reference. These Committees, which do not have executive powers, deliberate and examine particular issues and report to the Board with their recommendations. The ultimate responsibility for the final decision, however, lies with the entire Board.

**Audit Committee**

The Audit Committee was established on 19 January 1994. The composition of the Committee, terms of reference and the summary of its activities carried out in the FYE 2014 are set out in pages 38 to 42 of this Annual Report.

**Nomination Committee**

The Nomination Committee, which was established on 25 March 2002 and currently comprises three (3) Independent Non-Executive Directors, is tasked with the responsibility of recommending to the Board suitable candidates for appointment as Directors, and to fill the seats on Board Committees, whenever necessary. It will also carry out the process of assessing the effectiveness of the Board as a whole, the Board Committees, and the contribution of each individual Director.



## CORPORATE GOVERNANCE STATEMENT

*Cont'd*

### A. BOARD OF DIRECTORS (CONT'D)

#### (v) Board Committees (cont'd)

##### Nomination Committee (cont'd)

The Nomination Committee is also entrusted with the role of reviewing the succession plan for Directors by taking into consideration the necessary skills and expertise required by the Company to face the challenges and opportunities moving forward, and thus recommending the appropriate board composition for the Board's consideration and approval.

Currently the Board has one (1) female member. Although the Group does not have a gender diversity policy at the moment, the Board supports gender diversity in the Board composition and as such, as and when the opportunity arises, the Board via its Nomination Committee will take into consideration the appointment of other suitable female candidates.

Decision on appointments of new Directors are made by the full Board on a collective basis after considering the recommendations of the Nomination Committee.

Generally, the Nomination Committee assists the Board to review annually its required mix of skills, experience and other qualities, including core competencies which the Non-Executive Directors should bring to the Board.

The present members of the Nomination Committee are:

- 1) Liew Jee Min @ Chong Jee Min (Chairman) - Independent Non-Executive Director
- 2) Dato' Tan Tian Meng (Member) - Independent Non-Executive Director
- 3) Datin Loa Bee Ha - Independent Non-Executive Director

The past members who served the Nomination Committee during the FYE 2014 were as follows:

- 1) Mohtar Bin Abdullah  
(Resigned with effect from 15 April 2013) - Independent Non-Executive Director
- 2) Tan Sri Dato' Tan Hua Choon  
(Resigned with effect from 1 June 2013) - Non-Independent Non-Executive Director
- 3) Lee Yu-Jin  
(Resigned with effect from 1 August 2013) - Independent Non-Executive Director
- 4) Wong Hok Yim  
(Resigned with effect from 21 January 2014) - Non-Independent Non-Executive Director
- 5) Teh Kay Yeong  
(Resigned with effect from 19 March 2014) - Independent Non-Executive Director
- 6) Haji Azizzuddin Bin Haji Hussein  
(Resigned with effect from 19 March 2014) - Independent Non-Executive Director
- 7) Koong Wai Seng  
(Resigned with effect from 28 August 2014) - Executive Director

During the FYE 2014, the Nomination Committee had a meeting where all the Nomination Committee Members present carried out an annual evaluation process on the Board of Directors as a whole, Board Committees, and each individual Director. The proceedings of the meeting were properly recorded and documented.

## CORPORATE GOVERNANCE STATEMENT

Cont'd

### A. BOARD OF DIRECTORS (CONT'D)

#### (v) Board Committees (cont'd)

##### Remuneration Committee

The Board had also set up a Remuneration Committee on 25 March 2002 which comprises the majority of Non-Executive Directors. The Committee's primary responsibility is to recommend to the Board the remuneration of the Executive Directors in all its forms, drawing from outside resources where necessary.

The present members of the Remuneration Committee are:-

- |    |                                       |                                      |
|----|---------------------------------------|--------------------------------------|
| 1) | Dato' Tan Tian Meng (Chairman)        | - Independent Non-Executive Director |
| 2) | Liew Jee Min @ Chong Jee Min (Member) | - Independent Non-Executive Director |
| 3) | Datuk Ter Leong Yap (Member)          | - Executive Chairman                 |

The past members who served the Remuneration Committee during the FYE 2014 were as follows:

- |    |  |  |
|----|--|--|
| 1) | Tan Sri Dato' Tan Hua Choon<br>(Resigned with effect from 1 June 2013) | - Non-Independent Non-Executive Director |
| 2) | Lee Yu-Jin<br>(Resigned with effect from 1 August 2013)                | - Independent Non-Executive Director     |
| 3) | Wong Hok Yim<br>(Resigned with effect from 21 January 2014)            | - Non-Independent Non-Executive Director |
| 4) | Teh Kay Yeong<br>(Resigned with effect from 19 March 2014)             | - Independent Non-Executive Director     |

The Remuneration Committee members met once during the financial year and it reviewed the remuneration packages and benefits accorded to the Executive Directors as well as the Non-Executive Directors. The Directors concerned abstained from deliberating on their own remuneration packages.

#### (vi) Supply of Information

All the Board and Committee members have timely access to the relevant information pertaining to the Group as well as to the advice and services of the Company Secretary, management representatives and independent professional advisers wherever necessary at the Company's expense, to enable the Board and committee members to discharge their duties with adequate knowledge on the matters being deliberated. They are also kept informed of the requirements and updates issued by the regulatory authorities from time to time.

Prior to each scheduled Board Meeting, all the Board members are provided with the requisite notice, agenda and Board Papers containing information relevant to the business of the meeting to enable them to have sufficient time to peruse the papers to assess all aspects of the Group's performance and for a comprehensive understanding of the issues to be deliberated and, if necessary, obtain further information or clarification from the management to ensure effectiveness of the proceedings at the meeting. Senior management members are invited to attend these meetings to explain and clarify matters.

## CORPORATE GOVERNANCE STATEMENT

*Cont'd*

### A. BOARD OF DIRECTORS (CONT'D)

#### (vi) Supply of Information (cont'd)

In addition, there is a formal schedule of matters specifically reserved for the Board's decisions including, among other things, business strategies, operational policies and efficacies, acquisitions and disposals of material assets, investment policies and approval of financial statements. Minutes of every Board meeting are circulated to the Board members prior to their confirmation at the following Board meeting. The Board also receives minutes of Audit Committee meetings and is briefed on significant issues which merits its special attention and approval.

#### (vii) Appointments to the Board

Appointments of new Directors are first be considered and evaluated by the Nomination Committee, through a formal and transparent selection procedure, after which appropriate recommendations are put forward to the Board for its consideration and approval.

#### (viii) Directors' Training

All the existing Directors of the Company have completed the Mandatory Accreditation Programme in accordance with the MMLR. Pursuant to that, the Board members have also taken part in various accredited seminars under the Continuing Education Programme prescribed by Bursa Securities.

The Board recognises the importance of continual education for its members to gain an insight into statutory and regulatory updates, as well as developments in the industry and business environment within which the Group operates, and is committed to ensure that its Directors are equipped with the appropriate knowledge and skills through formal and informal training/briefings to keep abreast with recent developments in laws, regulations and the industry.

Some of the training programmes attended by the Directors of the Company during the FYE 2014 covered the following topics:

- i. Driving Peak Performance – The Balanced Scorecard Approach;
- ii. Training and Development Workshop: Job Analysis and Competency Identification;
- iii. Performance Management Planning; and
- iv. Real Estate CEO Forum by Rehda Institute;

The Directors are also briefed by the Company Secretary from time to time during Board meetings on changes in statutory requirements, where relevant.

#### (ix) Re-election of Directors

In accordance with the Company's Memorandum and Articles of Association, one-third of the Directors for the time being or, if their number is not a multiple of three (3), the number nearest to one-third shall retire from office and be eligible for re-election at each Annual General Meeting. Newly appointed Directors shall hold office until the conclusion of the next Annual General Meeting and shall be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meetings.

The Articles also require that all Directors are subject to retirement by rotation at least once every three (3) years.

**CORPORATE GOVERNANCE STATEMENT***Cont'd***B. DIRECTORS' REMUNERATION****(i) Level and make-up**

The Remuneration Committee annually reviews the levels of remuneration offered for Directors to ensure that they are sufficient to attract and retain Directors with the relevant experience and expertise needed to manage the Group successfully, while at the same time taking into consideration the state of the economy in general and the performance of the industry and the Group in particular.

In the case of Executive Directors, the component parts of remuneration are structured to link rewards to Group and individual performance. As for Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities and participation by the particular Non-Executive Director concerned.

**(ii) Procedure**

The Remuneration Committee is responsible for recommending to the Board the policy framework of executive remuneration and the fixing of the remuneration of individual Director. Directors concerned shall abstain from deliberation and decision in respect of their own remuneration packages.

**(iii) Disclosure**

The details of Directors' remuneration paid or payable to all the Directors of the Company who served during the FYE 2014 are as follows:-

- a) Aggregate remuneration of Directors categorised into the following components:

| Category of Remuneration                | Executive<br>Directors<br>(RM'000) | Non-<br>Executive<br>Directors<br>(RM'000) | Total<br>(RM'000) |
|---|------------------------------------|--|-------------------|
| (a) Fees                                | -                                  | 42   | 42                |
| (b) Salaries and other emoluments       | 505                                | -  | 505               |
| (c) Bonuses                             | 104                                | -  | 104               |
| (d) Estimated value of benefits-in-kind | -                                  | -  | -                 |
| <b>Total</b>                            | <b>609</b>                         | <b>42</b>                                  | <b>651</b>        |



CORPORATE GOVERNANCE STATEMENT  
Cont'd**B. DIRECTORS' REMUNERATION (CONT'D)****(iii) Disclosure (cont'd)**

b) The number of Directors whose remuneration fall within the following bands:

| Band (RM)         | No. of Executive Directors | No. of Non-Executive Directors | Total     |
|-------------------|----------------------------|--------------------------------|-----------|
| 1 – 50,000        | -                          | 8                              | 8         |
| 50,001 – 100,000  | 1                          | -                              | 1         |
| 100,001 – 150,000 | 1                          | -                              | 1         |
| 150,001 – 200,000 | -                          | -                              | -         |
| 200,001 – 250,000 | -                          | -                              | -         |
| 250,001 – 300,000 | -                          | -                              | -         |
| 300,001 – 400,000 | 1                          | -                              | 1         |
| <b>Total</b>      | <b>3</b>                   | <b>8</b>                       | <b>11</b> |

Note : (1) The above disclosures, which do not reveal the details of the remuneration of each Director for security and confidentiality reasons, conform with the requirement under Appendix 9C Part A (11) of the MMLR

(2) The above number of Directors are inclusive of Directors who have resigned during the FYE 2014

**C. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS****(i) Timely and High Quality Disclosure**

The Board acknowledges the importance of being accountable to the shareholders and the investors via a direct and effective line of communication. As such, the Group always ensures the timely release of quarterly financial results, audited financial statements, corporate developments and announcements of the Group via the BURSA LINK, the Company's annual reports and other circulars to shareholders and where appropriate, *ad hoc* press statements which serve as the principal channel in keeping the shareholders and the investing public informed of the Group's major developments and overviews of its financial performance and progress throughout the year.

The Group also maintains a website at [www.sunsuria.com](http://www.sunsuria.com) which can be accessed by the shareholders and public for information on the Group.

**(ii) General Meetings of Shareholders**

The Annual General Meetings ("AGMs") of the shareholders of the Company represent the main communication channel for interaction between the Board and the shareholders. Extraordinary General Meetings ("EGMs") of the Company are held as and when shareholders' approvals are required on specific matters.

Notices of AGMs and EGMs are distributed to shareholders within a reasonable and sufficient time frame and are published in a nationally circulated daily newspaper.

## CORPORATE GOVERNANCE STATEMENT

*Cont'd*

### C. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS (CONT'D)

#### (ii) General Meetings of Shareholders (cont'd)

At each AGM, the Board presents the progress and performance of the business of the Group during the particular financial year under review as contained in the Annual Report. Shareholders are given the opportunity to express their views or seek clarification on issues pertaining to the Group's financial statements, transactions, business activities and prospects of the Group, whereby the Directors, Financial Controller and the external auditors are available to respond to the queries before each resolution is carried. A press conference is normally held after each AGM or EGM of the Company, where the Board members are available to answer questions posed by journalists pertaining to the business operations and directions of the Group.

Apart from that, the Group's financial highlights and other significant issues affecting the Group are disseminated via BURSA LINK in a timely manner.

Any queries and concerns pertaining to the Group may also be conveyed to Liew Jee Min @ Chong Jee Min, the Independent Non-Executive Director of the Company at the head office of the Company.

### D. ACCOUNTABILITY AND AUDIT

#### (i) Financial Reporting

It is the Board's commitment to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects through annual financial statements and quarterly results to the shareholders. In this respect, the Board is assisted by the Audit Committee to scrutinise the Group's financial reporting process for quarterly results and annual financial statements to ensure correctness and adequacy of disclosure prior to their release by the Company Secretary via BURSA LINK.

A statement by Directors of their responsibilities in preparing the financial statements is set out in page 34 of this Annual Report.

#### (ii) Risk Management and Internal Control

The Board is fully aware of its overall responsibility of continually maintaining a sound system of internal control, which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investments and the Company's assets. The internal control system is designed to identify the risks to which the Group are exposed and mitigate the impacts thereof to meet the particular needs of the Group.

As an effort to enhance the system of internal control, the Group continues to review the adequacy, effectiveness and integrity of its internal control system to ensure that it is in line with the changing operating environments within which the Group operates.

The Statement on Risk Management & Internal Control by the Board, which provides an overview of the Group's state of internal control, is set out in pages 35 to 37 of this Annual Report.

## CORPORATE GOVERNANCE STATEMENT

*Cont'd*

### D. ACCOUNTABILITY AND AUDIT (CONT'D)

#### (iii) Code of Conduct

With the core values of the Group rooted in integrity and reliability, it continues to promote and inculcate a healthy working culture and environment through a common code of conduct. The code of conduct is comprehensively listed within the Employee handbook, which is accessible through the corporate intranet.

The Code of Conduct lists down the basic policies of Compliance and Ethical Considerations, Health and Safety Consideration, the use of Confidentiality and Intellectual Property and Employee Conduct Expectation.

#### (iv) Relationship with External Auditors

The Board and the management have established a professional relationship with the external auditors and always maintains a formal and transparent relationship with the auditors in seeking their professional advice and opinion with regard to the Group's compliance with the relevant approved accounting standards to enable them to provide independent reporting. The auditors are invited to meetings of the Audit Committee or Board as and when the need arises.

The role of the Audit Committee in relation to its relationship with the external auditors is set out in page 40 of this Annual Report.

### E. ADDITIONAL COMPLIANCE INFORMATION

#### Share Buy Back

The Company did not buy back any of its own shares in the FYE 2014.

#### Options, Warrants and Convertible Securities

There were no options, warrants or convertible securities issued to any party during the FYE 2014.

#### Sanctions and/or Penalties

There were no public sanctions and/or penalties imposed on the Group, Directors or management by any regulatory body during the FYE 2014.

#### Depository Receipt Programme

The Company did not sponsor any depository receipt programme during the FYE 2014.

#### Non-Audit Fee Paid/ Payable

A total of RM18,500 in non-audit fees was incurred for services rendered to the Group for the FYE 2014 by the Company's external auditors and a firm affiliated to the external auditors' firm.

#### Material Contract Involving Directors' and Major Shareholders' Interest

Save as in the ordinary course of business, there were no material contracts entered into by the Group which involved Directors' and major shareholders' interests during the FYE 2014.

## CORPORATE GOVERNANCE STATEMENT

*Cont'd*

### E. ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

#### **Recurrent Related Party Transactions of a Revenue or Trading in Nature**

Details of recurrent related party transactions of revenue or trading in nature which took place during the FYE 2014 are disclosed in Note 23 to the Financial Statements set out in page 90 of this Annual Report.

#### **Variation in Results**

There were no material variations between the results for the FYE 2014 and the unaudited results previously announced.

#### **Profit Guarantee**

No profit guarantee was given by the Company during the FYE 2014.

#### **Utilisation of Proceeds from Corporate Proposal**

The Company did not implement any corporate exercise to raise proceeds during the FYE 2014.

#### **Employees' Share Option Scheme (ESOS)**

The Company has not implemented any share option scheme for its employees.

This Statement was made in accordance with a Board Resolution passed on 12 August 2014.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Board has a collective responsibility of ensuring that the financial statements of the Company and the Group are drawn up in accordance with the applicable approved accounting standards of Malaysia, the MMLR, and the provisions of the Companies Act, 1965 to reflect a true and fair view of the Company and the Group's state of affairs, results and cash flow position for the FYE 2014.

In assuming the above compliance responsibilities, the Directors affirmed that they have taken into consideration the following aspects in preparing the financial statements of the Group for the FYE 2014:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgments and estimates that were prudent and reasonable;
- Ensured the applicable accounting standards were complied with; and
- Prepared the financial statements on the 'going concern' basis.

The Directors are responsible for ensuring that the Company and its subsidiaries keep sufficient accounting records which disclose with reasonable accuracy the financial position of the Group and the Company at any time and which enable them to confirm that the financial statements comply with the requirements of the Act. In addition, the Directors have the general responsibility for taking reasonable steps to safeguard the assets of the Company and the Group to prevent and detect fraud and other irregularities.

This Statement was approved by the Board on 12 August 2014.



# STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

The Board is committed to continually improve the Group's risk management and internal control systems and is pleased to present the following Statement on Risk Management & Internal Control for the FYE 2014. This statement is made in pursuant to Paragraph 15.26 (b) of the MMLR and the Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Issuers, 2012.

## 1. Board's Responsibility

The Board recognises the importance of sound controls and risk management practices to good corporate governance. The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system within the Group. The Board is equally aware that the risk management framework and internal control system are designed to manage the Group's risks within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the policies, goals and objectives of the Group. In this regard, the risk management framework and internal control system can only provide reasonable assurance, and not absolute assurance, against material misstatements of financial information and records or against financial losses or fraud.

## 2. Risk Management Framework

The Risk Management Team, comprising management staff from the Corporate, Property Development and Manufacturing Divisions, is charged with the responsibilities of continual monitoring and management of the risks of the Group. The overall risk management practice of the Group involves an ongoing process designed to identify the principal risks to the achievement of the Group's policies, goals and objectives, to evaluate the nature and extent of those risks, and to proactively manage them efficiently, effectively and economically. The Group adopts an enterprise-wide risk management approach and all the active business of the companies within the Group are considered and categorised in accordance with their main functional activities. This process has been in place for the financial year under review and up to the date of issuance of the annual report and financial statements.

### *Risk identification and evaluation process*

The risks are identified through a series of interviews and discussions with the key personnel and management of the Group. The risk identification process includes consideration of both internal and external environmental factors. External environmental factors include economic and political changes, changes in the behavior of competitors, new regulations or legislations and technological developments. Internal factors include changes in key personnel, introduction of new (or revision of existing) policies and procedures.

Next, the risks identified are evaluated by examining the potential impact on the Group if a risk was to crystallise, as well as the likelihood of occurrence. The impact is rated on a scale of A to E, A to indicate the lowest impact and E to indicate the highest impact. The likelihood of a risk crystallising is rated on a scale of 1 to 5, 1 to indicate lowest probability and 5 indicate the highest probability. The risk level is rated low, medium, and high and determined according to the Risk Analysis Matrix. The risks are also classified into four (4) categories according to their potential impact on the Group:

- Business Risks
- Strategic Risks
- Operational Risks
- Financial Risks

### *Risk adoption and monitoring process*

All the risks identified are documented into a "Business Risk Profile". The Business Risk Profile of the Group is updated on an ongoing basis and approved by the Board.

## STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

*Cont'd*

### 2. Risk Management Framework (cont'd)

#### *Risk adoption and monitoring process (cont'd)*

The Business Risk Profile serves as a tool for the heads of department/business unit for managing key risks applicable to their areas of business activities on a continual basis. All key risks and issues are regularly reviewed and resolved by the Management team at regular meetings. Through these mechanisms, key risks identified in the Business Risk Profile are assessed in a timely fashion and control procedures or mitigating factors are re-evaluated accordingly in order to ensure that the key risks are mitigated to an acceptable level.

The Internal Audit Function reviews, on a regular basis, the effectiveness and adequacy of control procedures adopted by the Company in mitigating the key risks identified in the Business Risk Profile. Any weaknesses noted during the review are reported to the Audit Committee. Through these mechanisms, the Audit Committee can be assured that the key risks of the Company are regularly reviewed and appropriately managed to an acceptable level.

### 3. Internal Controls

The keys elements of the Group's system of internal controls that the Board has established in reviewing the adequacy and effectiveness of the risk management framework and internal control system are as follows:-

- The Group has an appropriate organisational structure for planning, executing, controlling and monitoring business operations with clear lines of responsibility and delegations of authority.
- To ensure uniformity and consistency of practices and controls within the Group, certain key processes in the Corporate, Property Development and Manufacturing Divisions of the Group have been formalised and documented in the form of Standard Operating Procedures & Policies ("SOPPs") which were endorsed by both the Management and the Board.  
  
These SOPPs are subject to review and improvement alongside the internal audit review of the selected area of operations.
- The Group's manufacturing arm namely Maicador Sdn. Bhd. was accredited with the ISO 9001: 2000 (now ISO9001: 2008) international quality system standard on 15 January 2008. The ISO system provides the Group with improved control of key processes and a foundation for improving quality and customer satisfaction. The policies and procedures are regularly updated to reflect changes in the operations and business processes.
- Business units prepare an annual budget and present it to the Board for approval. Any variances of actual performance against budget are monitored and reported regularly. The results are consolidated and presented to the Board on a regular basis.
- Clearly defined authorisation levels for all aspects of the business. These authorisation levels are formalised in the Group's Discretionary Authority Limit.
- As for occupational safety and health, the Group has put in place the necessary safety guidelines; among others, setting up a safety committee to enhance the safety procedures and address all the safety issues which may arise from time to time.
- The Audit Committee meets at least four (4) times a year and reviews the effectiveness of the Group's system of internal control. The Committee meets with the Internal Auditors and external auditors regularly to review their report.
- Regular internal audit visits which provide independent assurance on the effectiveness of the Group's system of internal controls and advise the Management on the areas for improvement.
- Periodic review of Recurrent Related Party Transaction and *ad hoc* meeting of Related Party Transaction to ensure compliance with the MMLR.

## STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL *Cont'd*

#### **4. Assurance from Management**

In accordance with the Statement on Risk Management & Internal Control – Guidelines for Directors of Listed issuers, the Board has received assurance from the Chief Executive Officer and Executive Directors that to the best of their knowledge the risk management and internal control of the Group are operating effectively and adequately, in all material respects, based on the risk management and internal control framework adopted by the Group.

#### **5. Review of the Statement by External Auditors**

As required by Paragraph 15.23 of the MMLR, the external auditors has reviewed this Statement on Risk Management & Internal Control. The external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal control and risk management of the Group.

This statement was made in accordance with a resolution of the Board dated 12 August 2014.

# AUDIT COMMITTEE REPORT

The Board is pleased to present the report of the Audit Committee for the financial year ended 31 March 2014.

## **COMPOSITION OF AUDIT COMMITTEE**

The Audit Committee was established by the Board on 19 January, 1994. Its current members are as follows:

### **Present Members**

#### ***Chairman***

Liew Jee Min @ Chong Jee Min  
(appointed with effect from 18 March 2014)

Independent Non-Executive Director

#### ***Members***

Dato' Tan Tian Meng  
(appointed with effect from 13 March 2014)

Independent Non-Executive Director

Datin Loa Bee Ha (MIA Member)  
(appointed with effect from 21 August 2014)

Independent Non-Executive Director

### **Past Members**

#### ***Chairman***

Teh Kay Yeong (MIA Member)  
(resigned with effect from 19 March 2014)

Independent Non-Executive Director

Lee Yu-Jin  
(resigned with effect from 01 August 2014)

Independent Non-Executive Director

#### ***Members***

Lim Jian Hoo  
(resigned with effect from 07 March 2014)

Non-Independent Non-Executive Director

Haji Azizzuddin Bin Haji Hussein  
(resigned with effect from 19 March 2014)

Independent Non-Executive Director

Koong Wai Seng (MIA Member)  
(resigned with effect from 21 August 2014)

Executive Director

## AUDIT COMMITTEE REPORT *Cont'd*

### TERMS OF REFERENCE

#### 1. Membership

The Audit Committee is appointed by the Board from amongst their number and consists of no fewer than three (3) members, a majority of whom are independent non-executive directors. Executive director(s) and alternate director(s) are never appointed as member(s) of the Committee. In the event of any vacancy in the Committee which results in non-compliance of paragraph 15.09(1) of the MMLR, the vacancy is to be filled within three (3) months.

At least one (1) member of the Committee must be qualified under paragraph 15.09 (1)(c) of the MMLR.

The Chairman of the Committee is an independent non-executive director appointed by the Board.

#### 2. Frequency of Meetings

Meetings are held no fewer than four (4) times a year. In addition, the Chairman of the Committee may call a meeting of the Committee upon the request of the external auditors, to consider any matter the external auditors believe should be brought to the attention of the Board and shareholders.

Majority members present in person who are independent non-executive directors constitute a quorum.

#### 3. Secretary

The Company Secretary is also the Secretary of the Committee.

#### 4. Authority

The Audit Committee, at the Company's expense, has the following authority and rights:-

- i) Full and unrestricted access to any information and documents from the external auditors and senior management of the Company and the Group which are relevant to the activities of the Company.
- ii) Provided with the necessary resources which are required to perform its duties.
- iii) The right to investigate into any matter within its Terms of Reference and as such, a direct communication channel with the external auditors and persons carrying out the internal audit function of the Company.
- iv) The liberty to obtain independent professional advice and to secure the attendance of such external parties with relevant experience and expertise at its meeting if it considers this necessary.
- v) Convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary.
- vi) Extend invitations to other non-member directors and officers of the Company to attend a specific meeting, whenever deemed necessary.



## AUDIT COMMITTEE REPORT

*Cont'd*

### TERMS OF REFERENCE (CONT'D)

#### 5. Duties

The Audit Committee reports to the Board either formally in writing or verbally, as it considers appropriate on the matters within its Terms of Reference.

The duties of the Audit Committee are:-

- i) To review the audit plan with the external auditors;
- ii) To review the audit report with the external auditors;
- iii) To review the assistance given by the Company's officers to the external auditors and to meet with the external auditors without executive board members' presence at least twice a year;
- iv) To review the quarterly results and year-end financial statements of the Company and the Group, prior to the approval by the Board, focusing particularly on:
  - a. changes in or implementation of major accounting policies;
  - b. significant and unusual events; and
  - c. compliance with accounting standards, regulatory and other legal requirements.
- v) To review any related party transactions and conflict of interest situations that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- vi) To review the adequacy of the scope, functions, competency and resources of the internal audit functions and to ensure that it has the necessary authority to carry out its work;
- vii) To take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resigning, if the staff member concerned so desires;
- viii) To review any internal audit programme, processes, the results of the internal audit programme, processes or investigations undertaken, and whether or not appropriate action is taken on the recommendations of the internal audit function;
- ix) To review any evaluation made on the systems of internal controls with the internal auditor and external auditors;
- x) To recommend to the Board the appointment of the external auditors and the level of their fees;
- xi) To consider any resignation or removal of the external auditors, and to furnish such written explanation or representation from the external auditors to Bursa Securities;
- xii) To review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointments;
- xiii) The Chairman of the Audit Committee should engage on a continual basis with senior management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company; and
- xiv) To undertake such other functions as may be agreed by the Audit Committee and the Board.

## AUDIT COMMITTEE REPORT

*Cont'd*

### TERMS OF REFERENCE (CONT'D)

#### 6. Performance Review

The term of office and performance of the Audit Committee and each of its members is reviewed by the Board at least once every three (3) years to determine whether the committee and members have carried out their duties in accordance with the Audit Committee's Terms of Reference.

### MEETINGS

The Audit Committee held four (4) meetings with due notice of issues to be discussed circulated to the Committee Members during the FYE 2014.

The attendance records of the Audit Committee members at the meetings held during their tenure are as follows:

| Member                           | Date of Meeting |           |            |           | % of Attendance |
|----------------------------------|-----------------|-----------|------------|-----------|-----------------|
|                                  | 29/5/2013       | 22/8/2013 | 22/11/2013 | 28/2/2014 |                 |
| Mr Teh Kay Yeong                 | N/A             | √         | √          | √         | 100             |
| Mr Lee Yu-Jin                    | √               | N/A       | N/A        | N/A       | 100             |
| Mr Lim Jian Hoo                  | √               | √         | √          | √         | 100             |
| Haji Azizzuddin Bin Haji Hussein | √               | √         | √          | √         | 100             |
| Liew Jee Min @ Chong Jee Min     | N/A             | N/A       | N/A        | N/A       | N/A             |
| Dato' Tan Tian Meng              | N/A             | N/A       | N/A        | N/A       | N/A             |
| Koong Wai Seng                   | N/A             | N/A       | N/A        | N/A       | N/A             |
| Datin Loa Bee Ha                 | N/A             | N/A       | N/A        | N/A       | N/A             |

*N/A : not applicable as the person was not a member of the Audit Committee on the particular date shown.*

The Executive Director(s), Financial Controller and Internal Audit Consultants were usually invited to attend the Audit Committee meetings for briefings on the activities involving their areas of responsibilities. The Audit Committee was also briefed by the external auditors on their annual audit findings and on new provisions introduced by the Malaysian Accounting Standards Board ("MASB"), where applicable.

During the FYE 2014, the Audit Committee met with the external auditors twice without the presence of any Executive Director and senior management team.

The proceedings and conclusions of each Audit Committee meeting are documented and distributed to each member of the Audit Committee and also to the other Board members.

### ACTIVITIES OF THE COMMITTEE

During the FYE 2014, the activities carried out by the Audit Committee included, among others, the following:-

- a. Reviewed the unaudited quarterly reports on the consolidated results and financial statements prior to tabling of the same to the Board.

## AUDIT COMMITTEE REPORT

*Cont'd*

### ACTIVITIES OF THE COMMITTEE (CONT'D)

- b. Reviewed the year-end financial statements of the Company and the Group, prior to their adoption by the Board, focusing on:-
- i) changes in or implementation of major accounting policies, if any
  - ii) significant and unusual events, if any
  - iii) compliance with MMLR, provisions of the Companies Act, 1965 and the applicable approved financial reporting standards set by the MASB.
- c. Reviewed the Group's Budget for the FYE 2014.
- d. Reviewed the quarterly performance of the Group's property development, manufacturing and hire purchase divisions individually.
- e. Reviewed quarterly the records on the Group's Recurrent Related Party Transactions.
- f. Reviewed the Audit Review Memorandum prepared by the external auditors which comprised the significant accounting and audit matters for the FYE 2013.
- g. Reviewed the Audit Planning Memorandum prepared by the external auditors for the FYE 2014.
- h. Discussed with the external auditors with regard to their audit review without the presence of any Executive Director and senior management team.
- i. Reviewed the updated Business Risk Profile, new Audit Plan and the internal audit reports comprising audit findings on the following aspects of the Group's operations process on top to the revision of SOPPs:
- Hire Purchase financing
  - Sales & Marketing

### INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to external consultants. The principal objective of the internal audit function is to assist the Board of Directors of Sunsuria in maintaining a sound system of internal controls within the Group in order to safeguard the shareholders' investments and the Group's assets. The internal audit function reports directly to the Audit Committee.

The internal audit function assists the Management to identify, evaluate and update significant risks and develop risks based audit plans for approval by the Audit Committee. The scope of the internal audit function covers the audits of all units and operations of the Group.

The total cost incurred for the internal audit function of the Group in respect of the FYE 2014 amounted to RM102,500.

A summary of activities of the internal audit function is set out in the Statement on Risk Management & Internal Control in pages 35 to 37 of this Annual Report.

This statement was made in accordance with a resolution of the Board dated 12 August 2014.

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# DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 March 2014. All values shown in this report are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

## CHANGE OF NAME

The Company changed its name from Malaysia Aica Berhad to Sunsuria Berhad with effect from 14 May 2014.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries and their changes during the financial year are disclosed in Note 6 to the financial statements.

## RESULTS

|  | The Group<br>RM'000 | The Company<br>RM'000 |
|--|---------------------|-----------------------|
| Profit/(Loss) for the financial year attributable to:- |                     |                       |
| - Owners of the Company                                | 3,564               | (1,236)               |
| - Non-controlling interests                            | 3                   | -                     |
|  | 3,567               | (1,236)               |

## DIVIDENDS

No dividends were proposed, declared or paid by the Company since the end of the previous financial year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year apart from those disclosed in the financial statements.

## ISSUE OF SHARES OR DEBENTURES

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM65,180,000 to RM79,180,000 by way of:-

- (i) an issuance of 8,000,000 new ordinary shares of RM0.50 each at par as part of the purchase consideration for the acquisition of a development project; and
- (ii) an issuance of 20,000,000 new ordinary shares of RM0.50 each at par as part of the purchase consideration for the acquisition of a parcel of development land.

There was no issue of debentures by the Company during the financial year.



## DIRECTORS' REPORT *Cont'd*

### OPTIONS GRANTED OVER UNISSUED SHARES

No share options were granted by the Company during the financial year.

### BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of the allowance made for doubtful debts inadequate to any substantial extent.

### CURRENT ASSETS

Before the financial statements of the Group and the Company were made out, the directors took reasonable steps to ascertain whether any current assets, other than debts, were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and the Company and to the extent so ascertained were written down to an amount that they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and the Company misleading.

### VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

### CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (i) any charge on the assets of the Group or the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group or the Company has become enforceable, or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and the Company to meet their obligations as and when they fall due.

### CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or in the financial statements of the Group and the Company, that would render any amount stated in the respective financial statements misleading.

## DIRECTORS' REPORT

*Cont'd*

### ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.

### DIRECTORS OF THE COMPANY

The directors who served since the date of the last report are:-

|                                  |  |
|----------------------------------|--|
| Lim Jian Hoo                     | (Resigned on 7.3.2014)                         |
| Thor Poh Seng                    | (Resigned on 21.3.2014)                        |
| Lee Yu-Jin                       | (Resigned on 1.8.2013)                         |
| Haji Azizzuddin Bin Haji Hussein | (Resigned on 19.3.2014)                        |
| Boon Shi Hou                     | (Resigned on 19.3.2014)                        |
| Wong Hok Yim                     | (Resigned on 21.1.2014)                        |
| Teh Kay Yeong                    | (Appointed on 1.8.2013; resigned on 19.3.2014) |
| Koong Wai Seng                   | (Appointed on 6.11.2013)                       |
| Datuk Ter Leong Yap              | (Appointed on 22.1.2014)                       |
| Wong Yuen Teck                   | (Appointed on 22.1.2014)                       |
| Dato' Tan Tian Meng              | (Appointed on 13.3.2014)                       |
| Liew Jee Min @ Chong Jee Min     | (Appointed on 18.3.2014)                       |

Particulars of the interests in shares in the Company of the directors in office at the end of the financial year, as shown in the Register of Directors' Shareholdings, are as follows:-

| Name of Director    | Number of Ordinary Shares of RM0.50 Each |            |      | Balance at 31.3.2014 |
|---------------------|--|------------|------|----------------------|
|                     | Balance at date of appointment           | Bought     | Sold |                      |
| Datuk Ter Leong Yap |  |            |      |                      |
| - Direct interest   | 33,728,000                               | -          | -    | 33,728,000           |
| - Deemed interest   | 6,341,200                                | 39,298,144 | -    | 45,639,344           |
| Dato' Tan Tian Meng |  |            |      |                      |
| - Direct interest   | 6,957,200                                | -          | -    | 6,957,200            |

By virtue of his interests in shares in the Company, Datuk Ter Leong Yap is also deemed to have interests in shares in the subsidiaries to the extent of the Company's interests, pursuant to Section 6A of the Companies Act 1965.

Save as disclosed above, none of the other directors in office at the end of the financial year held any interests in shares in the Company or its related corporations during the financial year.

## **DIRECTORS' REPORT** *Cont'd*

### **DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than the directors' remuneration disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to have arisen by virtue of those related party transactions as disclosed in Note 23 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### **AUDITORS**

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

### **SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 16 MAY 2014**

**Datuk Ter Leong Yap**

**Koong Wai Seng**

## STATEMENT BY DIRECTORS

We, Datuk Ter Leong Yap and Koong Wai Seng, being two of the directors of Sunsuria Berhad (formerly known as Malaysia Aica Berhad), do hereby state that in the opinion of the directors, the financial statements set out on pages 51 to 96 give a true and fair view of the financial position of the Group and the Company as at 31 March 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

In the opinion of the directors, the supplementary information set out on page 97 is prepared, in all material respects, in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

### **SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 16 MAY 2014**

**Datuk Ter Leong Yap**

**Koong Wai Seng**

## STATUTORY DECLARATION

I, Teoh Beng Chong, being the officer primarily responsible for the financial management of Sunsuria Berhad (formerly known as Malaysia Aica Berhad), do solemnly and sincerely declare that the financial statements set out on pages 51 to 96 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by  
Teoh Beng Chong at Georgetown in the  
State of Penang on this 16 May 2014

**Teoh Beng Chong**

Before me  
Nachatar Singh A/L Bhag Singh, PKT, PJK, PK  
No. P 126  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF SUNSURIA BERHAD

(FORMERLY KNOWN AS MALAYSIA AICA BERHAD)

### Report on the Financial Statements

We have audited the financial statements of Sunsuria Berhad (formerly known as Malaysia Aica Berhad), which comprise the statements of financial position as at 31 March 2014 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 51 to 96.

#### *Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 March 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

### Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (i) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (ii) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (iii) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SUNSURIA BERHAD (FORMERLY KNOWN AS MALAYSIA AICA BERHAD)

*Cont'd*

The supplementary information set out on page 97 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants ("the MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

### Other Matters

- (i) As stated in Note 2.1 to the financial statements, the Group and the Company resumed the application of Financial Reporting Standards in preparing their financial statements for the financial year ended 31 March 2014 with a transition date of 1 April 2012. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2013 and 1 April 2012, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 31 March 2013 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and the Company for the financial year ended 31 March 2014 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2013 do not contain misstatements that materially affect the financial position as at 31 March 2014 and financial performance and cash flows for the financial year then ended.
- (ii) This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

### Crowe Horwath

Firm No: AF 1018  
Chartered Accountants

Date: 16 May 2014

Penang

### Chan Kheng Hoe

Approval No: 2979/03/16(J)  
Chartered Accountant

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS AT 31 MARCH 2014

|  | Note | 31.3.2014<br>RM'000 | 31.3.2013<br>RM'000 | 1.4.2012<br>RM'000 |
|--|------|---------------------|---------------------|--------------------|
| <b>NON-CURRENT ASSETS</b>                    |      |                     |                     |                    |
| Property, plant and equipment                | 4    | 3,593               | 3,377               | 3,496              |
| Investment properties                        | 5    | 6,704               | 6,907               | 7,110              |
| Investment in associate                      | 7    | 666                 | 638                 | 620                |
| Investment in club membership, at cost       |      | 25                  | 25                  | 25                 |
| Receivables                                  | 10   | -                   | 9,477               | 17,535             |
|  |      | 10,988              | 20,424              | 28,786             |
| <b>CURRENT ASSETS</b>                        |      |                     |                     |                    |
| Property development costs                   | 8    | 48,807              | -                   | -                  |
| Inventories                                  | 9    | 4,285               | 4,151               | 4,082              |
| Receivables                                  | 10   | 7,863               | 21,803              | 29,793             |
| Prepayments                                  |      | 108                 | 265                 | 123                |
| Current tax assets                           |      | 86                  | 28                  | 83                 |
| Cash and cash equivalents                    | 11   | 33,499              | 27,314              | 10,695             |
|  |      | 94,648              | 53,561              | 44,776             |
| <b>CURRENT LIABILITIES</b>                   |      |                     |                     |                    |
| Progress billings                            | 8    | 9,691               | -                   | -                  |
| Payables                                     | 12   | 5,779               | 1,656               | 1,469              |
| Loans and borrowings                         |      | -                   | -                   | 896                |
| Advance payments from customers              |      | -                   | 278                 | 127                |
| Retirement benefits                          | 13   | -                   | 63                  | 77                 |
| Current tax liabilities                      |      | 772                 | 155                 | 228                |
|  |      | 16,242              | 2,152               | 2,797              |
| <b>NET CURRENT ASSETS</b>                    |      | 78,406              | 51,409              | 41,979             |
| <b>NON-CURRENT LIABILITIES</b>               |      |                     |                     |                    |
| Retirement benefits                          | 13   | 1,104               | 1,275               | 1,193              |
| Deferred tax liabilities                     | 14   | 6                   | 6                   | 9                  |
|  |      | 1,110               | 1,281               | 1,202              |
| <b>NET ASSETS</b>                            |      | 88,284              | 70,552              | 69,563             |
| <b>EQUITY</b>                                |      |                     |                     |                    |
| Share capital                                | 15   | 79,180              | 65,180              | 65,180             |
| Share premium                                |      | 13,296              | 13,296              | 13,296             |
| Capital reserve                              |      | 815                 | 815                 | 815                |
| Accumulated losses                           |      | (5,037)             | (8,766)             | (9,755)            |
| Equity attributable to owners of the Company |      | 88,254              | 70,525              | 69,536             |
| Non-controlling interests                    | 16   | 30                  | 27                  | 27                 |
| <b>TOTAL EQUITY</b>                          |      | 88,284              | 70,552              | 69,563             |

The annexed notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

|   | Note | 2014<br>RM'000 | 2013<br>RM'000 |
|---|------|----------------|----------------|
| <b>Continuing Operations</b>                                  |      |                |                |
| Revenue   | 17   | 35,462         | 15,343         |
| Cost of sales   |      | (27,075)       | (13,101)       |
| Gross profit  |      | 8,387          | 2,242          |
| Other income  |      | 267            | 138            |
| Administrative and general expenses                           |      | (5,319)        | (3,051)        |
| Selling and distribution expenses                             |      | (863)          | (175)          |
| Share of profit of associate                                  |      | 28             | 18             |
| Profit/(Loss) before tax                                      | 18   | 2,500          | (828)          |
| Tax expense   | 20   | (723)          | (79)           |
| Profit/(Loss) from continuing operations                      |      | 1,777          | (907)          |
| <b>Discontinued Operation</b>                                 |      |                |                |
| Profit from discontinued operation                            | 21   | 1,790          | 1,896          |
| Profit for the financial year                                 |      | 3,567          | 989            |
| Other comprehensive income:-                                  |      |                |                |
| <i>Item that will not be reclassified to profit or loss:-</i> |      |                |                |
| - Remeasurements of defined benefit liabilities               |      | 165            | -              |
| Other comprehensive income for the financial year             |      | 165            | -              |
| Total comprehensive income for the financial year             |      | 3,732          | 989            |

The annexed notes form an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

|   | Note | 2014<br>RM'000 | 2013<br>RM'000 |
|---|------|----------------|----------------|
| Profit/(Loss) from continuing operations attributable to:-          |      |                |                |
| - Owners of the Company   |      | 1,775          | (907)          |
| - Non-controlling interests   |      | 2              | -              |
|   |      | 1,777          | (907)          |
| Profit from discontinued operation attributable to:-                |      |                |                |
| - Owners of the Company   |      | 1,789          | 1,896          |
| - Non-controlling interests   |      | 1              | -              |
|   |      | 1,790          | 1,896          |
| Profit for the financial year attributable to:-                     |      |                |                |
| - Owners of the Company   |      | 3,564          | 989            |
| - Non-controlling interests   | 16   | 3              | -              |
|   |      | 3,567          | 989            |
| Total comprehensive income for the financial year attributable to:- |      |                |                |
| - Owners of the Company   |      | 3,729          | 989            |
| - Non-controlling interests   |      | 3              | -              |
|   |      | 3,732          | 989            |
| Basic earnings/(loss) per share (sen):-                             | 22   |                |                |
| - Continuing operations   |      | 1.29           | (0.69)         |
| - Discontinued operation  |      | 1.30           | 1.45           |
|   |      | 2.59           | 0.76           |
| Diluted earnings/(loss) per share (sen):-                           | 22   |                |                |
| - Continuing operations   |      | 1.29           | (0.69)         |
| - Discontinued operation  |      | 1.30           | 1.45           |
|   |      | 2.59           | 0.76           |

The annexed notes form an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

|  | ← Non-distributable →      |                            |                              |                                 | Equity  |  | Total<br>equity<br>RM'000 |
|--|----------------------------|----------------------------|------------------------------|---------------------------------|---|--|---------------------------|
|  | Share<br>capital<br>RM'000 | Share<br>premium<br>RM'000 | Capital<br>reserve<br>RM'000 | Accumulated<br>losses<br>RM'000 | attributable<br>to owners of<br>the Company<br>RM'000 | Non-<br>controlling<br>interests<br>RM'000 |                           |
| Balance at 1 April 2012  | 65,180                     | 13,296                     | 815                          | (9,755)                         | 69,536  | 27   | 69,563                    |
| Profit (representing total comprehensive income) for the financial year  | -                          | -                          | -                            | 989                             | 989   | -  | 989                       |
| Balance at 31 March 2013   | 65,180                     | 13,296                     | 815                          | (8,766)                         | 70,525  | 27   | 70,552                    |
| Profit for the financial year  | -                          | -                          | -                            | 3,564                           | 3,564   | 3  | 3,567                     |
| Remeasurements of defined benefit liabilities (representing other comprehensive income for the financial year) | -                          | -                          | -                            | 165                             | 165   | -  | 165                       |
| Total comprehensive income for the financial year  | -                          | -                          | -                            | 3,729                           | 3,729   | 3  | 3,732                     |
| Issuance of shares (representing total transactions with owners)   | 14,000                     | -                          | -                            | -                               | 14,000  | -  | 14,000                    |
| Balance at 31 March 2014   | 79,180                     | 13,296                     | 815                          | (5,037)                         | 88,254  | 30   | 88,284                    |

The annexed notes form an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

|   | Note | 2014<br>RM'000 | 2013<br>RM'000 |
|---|------|----------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>             |      |                |                |
| Granting of hire purchase financing                     |      | (14,951)       | (17,220)       |
| Cash receipts from customers                            |      | 85,444         | 51,548         |
| Cash payments to suppliers                              |      | (21,340)       | (15,840)       |
| Acquisition of development project and land             |      | (42,000)       | -              |
| Cash generated from operations                          |      | 7,153          | 18,488         |
| Interest paid   |      | -              | (6)            |
| Retirement benefits paid                                |      | (68)           | (77)           |
| Tax paid  |      | (734)          | (845)          |
| Tax refunded  |      | -              | 79             |
| Net cash from operating activities                      |      | 6,351          | 17,639         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>             |      |                |                |
| Interest received                                       |      | 685            | 363            |
| Proceeds from disposal of property, plant and equipment |      | -              | 27             |
| Purchase of property, plant and equipment               |      | (851)          | (514)          |
| Net cash used in investing activities                   |      | (166)          | (124)          |
| <b>CASH FLOWS FROM FINANCING ACTIVITY</b>               |      |                |                |
| Net decrease in loans and borrowings                    |      | -              | (896)          |
| Net cash used in financing activity                     |      | -              | (896)          |
| Net increase in cash and cash equivalents               |      | 6,185          | 16,619         |
| Cash and cash equivalents brought forward               |      | 27,314         | 10,695         |
| Cash and cash equivalents carried forward               | 11   | 33,499         | 27,314         |

The annexed notes form an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

## AS AT 31 MARCH 2014

|                                | Note | 31.3.2014<br>RM'000 | 31.3.2013<br>RM'000 | 1.4.2012<br>RM'000 |
|--------------------------------|------|---------------------|---------------------|--------------------|
| <b>NON-CURRENT ASSETS</b>      |      |                     |                     |                    |
| Property, plant and equipment  | 4    | 493                 | 234                 | 263                |
| Investment properties          | 5    | 1,854               | 1,892               | 1,929              |
| Investments in subsidiaries    | 6    | 23,543              | 63,543              | 63,543             |
| Investment in associate        | 7    | 594                 | 594                 | 594                |
|                                |      | 26,484              | 66,263              | 66,329             |
| <b>CURRENT ASSETS</b>          |      |                     |                     |                    |
| Receivables                    | 10   | 43,456              | 4,399               | 3,906              |
| Current tax assets             |      | 5                   | 1                   | 80                 |
| Cash and cash equivalents      | 11   | 15,770              | 1,482               | 1,495              |
|                                |      | 59,231              | 5,882               | 5,481              |
| <b>CURRENT LIABILITIES</b>     |      |                     |                     |                    |
| Payables                       | 12   | 943                 | 156                 | 143                |
|                                |      | 943                 | 156                 | 143                |
| <b>NET CURRENT ASSETS</b>      |      |                     |                     |                    |
|                                |      | 58,288              | 5,726               | 5,338              |
| <b>NON-CURRENT LIABILITIES</b> |      |                     |                     |                    |
| Retirement benefits            | 13   | 68                  | 212                 | 184                |
| <b>NET ASSETS</b>              |      |                     |                     |                    |
|                                |      | 84,704              | 71,777              | 71,483             |
| <b>EQUITY</b>                  |      |                     |                     |                    |
| Share capital                  | 15   | 79,180              | 65,180              | 65,180             |
| Share premium                  |      | 13,296              | 13,296              | 13,296             |
| Capital reserve                |      | 1,800               | 1,800               | 1,800              |
| Accumulated losses             |      | (9,572)             | (8,499)             | (8,793)            |
| <b>TOTAL EQUITY</b>            |      |                     |                     |                    |
|                                |      | 84,704              | 71,777              | 71,483             |

## STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

|   | Note | 2014<br>RM'000 | 2013<br>RM'000 |
|---|------|----------------|----------------|
| Revenue   | 17   | 2,130          | 1,643          |
| Administrative and general expenses                           |      | (3,366)        | (1,342)        |
| (Loss)/Profit before tax                                      | 18   | (1,236)        | 301            |
| Tax expense   | 20   | -              | (7)            |
| (Loss)/Profit for the financial year                          |      | (1,236)        | 294            |
| Other comprehensive income:-                                  |      |                |                |
| <i>Item that will not be reclassified to profit or loss:-</i> |      |                |                |
| - Remeasurements of defined benefit liabilities               |      | 163            | -              |
| Other comprehensive income for the financial year             |      | 163            | -              |
| Total comprehensive income for the financial year             |      | (1,073)        | 294            |

The annexed notes form an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

|   | ← Non-distributable →      |                            |                              |                                 | Total<br>equity<br>RM'000 |
|---|----------------------------|----------------------------|------------------------------|---------------------------------|---------------------------|
|   | Share<br>capital<br>RM'000 | Share<br>premium<br>RM'000 | Capital<br>reserve<br>RM'000 | Accumulated<br>losses<br>RM'000 |                           |
| Balance at 1 April 2012   | 65,180                     | 13,296                     | 1,800                        | (8,793)                         | 71,483                    |
| Profit (representing total comprehensive<br>income) for the financial year  | -                          | -                          | -                            | 294                             | 294                       |
| Balance at 31 March 2013  | 65,180                     | 13,296                     | 1,800                        | (8,499)                         | 71,777                    |
| Loss for the financial year   | -                          | -                          | -                            | (1,236)                         | (1,236)                   |
| Remeasurements of defined<br>benefit liabilities (representing<br>other comprehensive income<br>for the financial year) | -                          | -                          | -                            | 163                             | 163                       |
| Total comprehensive income<br>for the financial year  | -                          | -                          | -                            | (1,073)                         | (1,073)                   |
| Issuance of shares (representing<br>total transactions with owners)   | 14,000                     | -                          | -                            | -                               | 14,000                    |
| Balance at 31 March 2014  | 79,180                     | 13,296                     | 1,800                        | (9,572)                         | 84,704                    |

# STATEMENT OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

|  | Note | 2014<br>RM'000 | 2013<br>RM'000 |
|--|------|----------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>          |      |                |                |
| Cash receipts from customers                         |      | 381            | 411            |
| Cash payments to suppliers                           |      | (2,868)        | (1,232)        |
| Cash absorbed by operations                          |      | (2,487)        | (821)          |
| Tax paid   |      | (4)            | (4)            |
| Tax refunded   |      | -              | 76             |
| Net cash used in operating activities                |      | (2,491)        | (749)          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>          |      |                |                |
| Interest received                                    |      | 66             | 39             |
| Net (advance to)/repayment from subsidiaries         |      | (22,964)       | 700            |
| Purchase of property, plant and equipment            |      | (323)          | (3)            |
| Redemption of preference shares by subsidiary        |      | 40,000         | -              |
| Net cash from investing activities                   |      | 16,779         | 736            |
| Net increase/(decrease) in cash and cash equivalents |      | 14,288         | (13)           |
| Cash and cash equivalents brought forward            |      | 1,482          | 1,495          |
| Cash and cash equivalents carried forward            | 11   | 15,770         | 1,482          |

The annexed notes form an integral part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

### 1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company changed its name from Malaysia Aica Berhad to Sunsuria Berhad with effect from 14 May 2014.

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries and their changes during the financial year are disclosed in Note 6.

The registered office of the Company is located at Level 8, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor and its principal place of business is located at Suite 8, Main Tower, Sunsuria Avenue, Persiaran Mahogany, Kota Damansara, PJU5, 47810 Petaling Jaya, Selangor.

The consolidated financial statements set out on pages 51 to 55 together with the notes thereto cover the Company and its subsidiaries ("the Group") and the Group's interest in an associate. The separate financial statements of the Company set out on pages 56 to 59 together with the notes thereto cover the Company solely.

The presentation currency of the financial statements is Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 16 May 2014.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Preparation of Financial Statements

The financial statements of the Group and the Company are prepared under the historical cost convention, modified to include other bases of measurement as disclosed in other sections of the significant accounting policies, and in accordance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act 1965 in Malaysia.

In November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") Framework. The MFRS Framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for Construction of Real Estate*, including their parents, significant investors and venturers ("Transitioning Entities"). Transitioning Entities are allowed to continue applying the FRS Framework until when the MFRS Framework is mandated by the MASB.

The Group and the Company applied the FRS Framework up to the financial year ended 31 March 2012. Not being a Transitioning Entity then, the Group and the Company adopted the MFRS Framework on 1 April 2012 in preparing their financial statements for the financial year ended 31 March 2013.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.1 Basis of Preparation of Financial Statements (cont'd)

In January 2014, the Group became a Transitioning Entity upon diversification of its existing core businesses to include property development business. Accordingly, the Group and the Company resumed the application of the FRS Framework in preparing their financial statements for the financial year ended 31 March 2014 with a transition date of 1 April 2012, and FRS 1 *First-time Adoption of Financial Reporting Standards* has been applied. The FRS Framework was applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2013 and 1 April 2012, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 31 March 2013 and related disclosures. The effects of transition from MFRSs to FRSs are disclosed in Note 2.2.

For the existing FRS Framework, the MASB has issued the following FRSs which are not yet effective:-

| FRS (Issued as at the end of the reporting period)  | Effective for<br>annual periods<br>beginning on or<br>after |
|---|---|
| FRS 9 <i>Financial Instruments</i>  | To be announced   |
| FRS 9 <i>Financial Instruments</i><br>(Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139)             | To be announced   |
| IC Interpretation 21 <i>Levies</i>  | 1 January 2014  |
| Amendments to FRS 10, FRS 12 and FRS 127 <i>Investment Entities</i>   | 1 January 2014  |
| Amendments to FRS 119 <i>Defined Benefit Plans: Employee Contributions</i>                                      | 1 July 2014   |
| Amendments to FRS 132 <i>Offsetting Financial Assets and Financial Liabilities</i>                              | 1 January 2014  |
| Amendments to FRS 136 <i>Recoverable Amount Disclosures for Non-Financial Assets</i>                            | 1 January 2014  |
| Amendments to FRS 139 <i>Novation of Derivatives and Continuation of Hedge Accounting</i>                       | 1 January 2014  |
| Amendments to FRSs contained in the document entitled<br><i>"Annual Improvements to FRSs 2010 - 2012 Cycle"</i> | 1 July 2014   |
| Amendments to FRSs contained in the document entitled<br><i>"Annual Improvements to FRSs 2011 - 2013 Cycle"</i> | 1 July 2014   |

Management foresees that the initial application of the above FRSs will not have any significant impacts on the financial statements except as follows:-

#### FRS 9 *Financial Instruments*

FRS 9 replaces the guidance in FRS 139 *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets by dividing them into 3 classifications: (1) those measured at amortised cost; (2) those measured at fair value through profit or loss; and (3) those measured at fair value through other comprehensive income. Management foresees that the adoption of these new classifications will not result in any significant changes in the existing measurement bases of financial assets of the Group and the Company.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

Cont'd

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 Transition from MFRSs to FRSs

Upon transition to FRSs, the Group and the Company applied FRS 119 *Employee Benefits* (amended in 2011) which eliminates the use of the "corridor" approach in deferring the recognition of actuarial gains and losses on defined benefit plans and instead mandates all such gains and losses to be recognised in other comprehensive income. The effects of transition were accounted for retrospectively in accordance with FRS 1 *First-time Adoption of Financial Reporting Standards* by restating the following comparative figures:-

|   | MFRSs<br>RM'000 | Effects of<br>transition<br>RM'000 | FRSs<br>RM'000 |
|---|-----------------|------------------------------------|----------------|
| <u>Consolidated Statement of Financial Position (Extract)</u>   |                 |                                    |                |
| <u>As at 1 April 2012</u>                                       |                 |                                    |                |
| Retirement benefits   | 1,056           | 214                                | 1,270          |
| Accumulated losses  | (9,541)         | (214)                              | (9,755)        |
| Total equity  | 69,777          | (214)                              | 69,563         |
| <u>As at 31 March 2013</u>                                      |                 |                                    |                |
| Retirement benefits   | 1,137           | 201                                | 1,338          |
| Accumulated losses  | (8,565)         | (201)                              | (8,766)        |
| Total equity  | 70,753          | (201)                              | 70,552         |
| <u>Consolidated Statement of Comprehensive Income (Extract)</u> |                 |                                    |                |
| <u>For the financial year ended 31 March 2013</u>               |                 |                                    |                |
| Cost of sales   | (13,113)        | 12                                 | (13,101)       |
| Administrative and general expenses                             | (3,639)         | 1                                  | (3,638)        |
| Total comprehensive income                                      | 976             | 13                                 | 989            |
| <u>Statement of Financial Position (Extract)</u>                |                 |                                    |                |
| <u>As at 1 April 2012</u>                                       |                 |                                    |                |
| Retirement benefits   | 225             | (41)                               | 184            |
| Accumulated losses  | (8,834)         | 41                                 | (8,793)        |
| Total equity  | 71,442          | 41                                 | 71,483         |
| <u>As at 31 March 2013</u>                                      |                 |                                    |                |
| Retirement benefits   | 249             | (37)                               | 212            |
| Accumulated losses  | (8,536)         | 37                                 | (8,499)        |
| Total equity  | 71,740          | 37                                 | 71,777         |

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 Transition from MFRSs to FRSs (cont'd)

|  | MFRSs<br>RM'000 | Effects of<br>transition<br>RM'000 | FRSs<br>RM'000 |
|--|-----------------|------------------------------------|----------------|
| <u>Statement of Comprehensive Income (Extract)</u> |                 |                                    |                |
| <u>For the financial year ended 31 March 2013</u>  |                 |                                    |                |
| Administrative and general expenses                | (1,338)         | (4)                                | (1,342)        |
| Total comprehensive income                         | 298             | (4)                                | 294            |

The transition from MFRSs to FRSs did not have any significant effects on the reported cash flows as it mainly involved adjustments for non-cash items.

### 2.3 Basis of Consolidation

A subsidiary is an entity that is controlled by another entity. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to the end of the reporting period using the acquisition method. Under the acquisition method, the consideration transferred, the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. The components of non-controlling interests that are present ownership interests are measured at the present ownership instruments' proportionate share in the recognised amounts of the identifiable net assets acquired. All other components of non-controlling interests are measured at their acquisition-date fair values. In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. All acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss as incurred.

Goodwill at the acquisition date is measured as the excess of (a) over (b) below:-

- (a) the aggregate of:-
- (i) the acquisition-date fair value of the consideration transferred;
  - (ii) the amount of any non-controlling interests; and
  - (iii) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree.
- (b) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Goodwill is recognised as an asset at the aforementioned amount less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 Basis of Consolidation (cont'd)

A subsidiary is consolidated from the acquisition date, being the date on which control is obtained, and continues to be consolidated until the date when control is lost. Intragroup balances, transactions, income and expenses are eliminated in full on consolidation. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Upon loss of control of a subsidiary, the assets (including any goodwill) and liabilities of, and any non-controlling interests in the subsidiary are derecognised. All amounts recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the related assets or liabilities had been directly disposed of. Any consideration received and any investment retained in the former subsidiary are recognised at their fair values. The resulting difference is then recognised as a gain or loss in profit or loss.

### 2.4 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10.

Leasehold land is depreciated on a straight-line basis over the lease terms of 87 to 91 years. Other property, plant and equipment, except for spare parts and loose tools, are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:-

|                                   |        |
|-----------------------------------|--------|
| Buildings                         | 2%     |
| Plant and machinery               | 5-10%  |
| Furniture, fittings and equipment | 10-25% |
| Motor vehicles                    | 20%    |

Initial purchases of spare parts and loose tools have been capitalised and depreciated at annual rates ranging from 20% to 100%. Subsequent purchases of such items are recognised in profit or loss.

The residual value, useful life and depreciation method of an asset are reviewed at least at the end of each reporting period and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.

### 2.5 Investment Properties

Investment property, being a property held to earn rentals and/or for capital appreciation, is stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10.

Freehold land is not depreciated. Leasehold land is depreciated on a straight-line basis over the lease terms of 88 to 94 years. Buildings are depreciated on a straight-line basis over their estimated useful lives of 50 years.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.6 Investments in Subsidiaries

As required by the Companies Act 1965, the Company prepares separate financial statements in addition to the consolidated financial statements. In the separate financial statements of the Company, investments in subsidiaries are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.10.

### 2.7 Investment in Associate

An associate is an entity over which an investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

In the consolidated financial statements, investment in associate is accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of the investee's net assets. After application of the equity method, the carrying amount of the investment is subject to further impairment assessment. The impairment policy is disclosed in Note 2.10.

In the separate financial statements of the Company, investment in associate is stated at cost less impairment loss, if any. The impairment policy is disclosed in Note 2.10.

### 2.8 Investment in Club Membership

Investment in club membership is stated at cost less impairment loss, if any. The impairment policy is disclosed in Note 2.10.

### 2.9 Property Development Activities

Land held for property development is stated at cost less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10. The portion of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle is classified as non-current assets.

Property development revenue comprises the selling price agreed in the sale and purchase agreement and any additional revenue due to variation in development work. Property development costs comprise costs associated with the acquisition of land, costs related directly to a specific development project and other costs attributable to development activities in general and can be allocated to the project.

When the outcome of a development activity can be estimated reliably, property development revenue and costs attributable to the development units sold are recognised in profit or loss by reference to the stage of completion of the development activity at the end of the reporting period. The stage of completion is determined by reference to the proportion that property development costs incurred to date bear to the estimated total costs.

When the outcome of a development activity cannot be estimated reliably, property development revenue is recognised in profit or loss only to the extent of property development costs incurred that are probable to be recoverable whereas property development costs attributable to the development units sold are recognised in profit or loss in the period in which they are incurred. Any expected loss on a development project is recognised in profit or loss immediately.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.10 Impairment of Non-financial Assets

At the end of each reporting period, the Group and the Company assess whether there is any indication that a non-financial asset, other than inventories, may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs of disposal and its value in use, is estimated. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised in profit or loss.

An impairment loss on an asset, other than goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. The reversal is recognised in profit or loss. An impairment loss on goodwill is not reversed.

### 2.11 Inventories

Inventories of materials and goods are valued at the lower of cost (determined principally on the weighted average basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

### 2.12 Financial Assets

Financial assets of the Group and the Company consist of receivables and cash and cash equivalents.

#### Recognition and Measurement

A financial asset is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A financial asset is initially recognised at fair value plus directly attributable transaction costs. After initial recognition, the financial asset is measured at amortised cost using the effective interest method. Any gain or loss is recognised in profit or loss when the financial asset is derecognised or impaired as well as through the amortisation process.

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset have expired or all the risks and rewards of ownership have been substantially transferred.

#### Impairment

At the end of each reporting period, the Group and the Company assess whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted using the asset's original effective interest rate. The asset's carrying amount is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. The gross carrying amount and the associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the increased carrying amount does not exceed what the amortised cost would have been had no impairment loss been recognised at the reversal date. The reversal is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.13 Financial Liabilities

Financial liabilities of the Group and the Company consist of payables, loans and borrowings and financial guarantee contracts.

#### Recognition and Measurement

A financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is initially recognised at fair value less directly attributable transaction costs. After initial recognition, all financial liabilities, except for financial guarantee contracts, are measured at amortised cost using the effective interest method. Any gain or loss is recognised in profit or loss when the financial liability is derecognised as well as through the amortisation process. After initial recognition at fair value, if any, financial guarantee contracts are measured at the higher of the amount initially recognised less appropriate amortisation and the estimate of any probable obligation.

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

### 2.14 Foreign Currency Transactions and Translation

The consolidated financial statements and separate financial statements of the Company are presented in Ringgit Malaysia, which is also the Company's functional currency, being the currency of the primary economic environment in which the entity operates. Items included in the financial statements of each individual entity within the Group are measured using the individual entity's own functional currency.

A foreign currency transaction is recorded in the functional currency using the exchange rate at transaction date. At the end of the reporting period, foreign currency monetary items are translated into the functional currency using the closing rate. Foreign currency non-monetary items measured at cost are translated using the exchange rate at transaction date whereas those measured at fair value are translated using the exchange rate at valuation date. Exchange differences arising from the settlement or translation of monetary items are recognised in profit or loss. Any exchange component of the gain or loss on a non-monetary item is recognised on the same basis as that of the gain or loss, i.e. in profit or loss or in other comprehensive income.

### 2.15 Share Capital

Ordinary shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

Dividends on shares declared and unpaid at the end of the reporting period are recognised as a liability whereas dividends proposed or declared after the reporting period are disclosed in the notes to the financial statements.

### 2.16 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.16 Fair Value Measurement (cont'd)

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The valuation techniques used include the following:-

- (i) Market approach - which uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.
- (ii) Cost approach - which reflects the amount that would be required currently to replace the service capacity of an asset.
- (iii) Income approach - which converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:-

- (i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- (ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (iii) Level 3 - unobservable inputs for the asset or liability.

Any transfers between the levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

#### Non-financial Assets

The fair values of land and buildings are measured using the market comparison approach. Under this approach, the fair values are derived from observable market data such as prices per square foot for comparable properties in similar locations (i.e. Level 2).

#### Financial Assets and Financial Liabilities

The carrying amounts of receivables, cash and cash equivalents, payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term receivables are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar assets (i.e. Level 2).

### 2.17 Income Recognition

Income from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Income from the rendering of services is recognised when the services are performed.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.17 Income Recognition (cont'd)

Property development revenue is recognised in accordance with Note 2.9.

Dividend income is recognised when the shareholder's right to receive payment is established.

Interest income is recognised using the effective interest method.

Rental income is recognised on an accrual basis.

### 2.18 Employee Benefits

#### Short-term Employee Benefits

Short-term employee benefits such as wages, salaries, bonuses and social security contributions are recognised in profit or loss in the period in which the associated services are rendered by the employee.

#### Defined Contribution Plans

As required by law, employers in Malaysia make contributions to the statutory pension scheme, Employees Provident Fund ("EPF"). Contributions to defined contribution plans are recognised in profit or loss in the period in which the associated services are rendered by the employee.

#### Defined Benefit Plans

The Group and the Company operate an unfunded final salary defined benefit plan for their employees. The liability in respect of the defined benefit plan is the present value of the future benefits that employees have earned in return for their services rendered in the current and prior periods. The calculation is performed using the projected unit credit method, with actuarial valuations being carried out with sufficient regularity at an interval of not more than three years such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period. All components of defined benefit costs are recognised in profit or loss in the period in which they are incurred, except for remeasurements of the defined benefit liability which are recognised in other comprehensive income.

### 2.19 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset, until such time as the asset is substantially ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.20 Income Taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax represents the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.20 Income Taxes (cont'd)

Deferred tax is provided for under the liability method in respect of all temporary differences between the carrying amount of an asset or liability and its tax base except for those temporary differences associated with goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting nor taxable results at the time of the transaction.

A deferred tax liability is recognised for all taxable temporary differences whereas a deferred tax asset is recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

### 2.21 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, bank balances, demand deposits, term deposits, short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

## 3. JUDGEMENTS AND ESTIMATION UNCERTAINTY

### Judgements Made in Applying Accounting Policies

In the process of applying the accounting policies of the Group and the Company, management is not aware of any judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

### Sources of Estimation Uncertainty

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

#### Property development activities

The Group recognises property development revenue and costs by reference to the stage of completion of the development activity. The determination of the stage of completion involves estimating the outcome of the development activity based on past experience and work of specialists. The carrying amounts of items relating to property development activities are disclosed in Note 8.

#### Allowance for inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews require the use of judgements and estimates. Possible changes in these estimates may result in revisions to the valuation of inventories. The carrying amounts of inventories are disclosed in Note 9.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

#### 4. PROPERTY, PLANT AND EQUIPMENT

##### The Group

|   | Long-term<br>leasehold<br>land<br>RM'000 | Buildings<br>RM'000 | Plant and<br>machinery<br>RM'000 | Furniture,<br>fittings and<br>equipment<br>RM'000 | Motor<br>vehicles<br>RM'000 | Spare parts<br>and<br>loose tools<br>RM'000 | Total<br>RM'000 |
|---|--|---------------------|----------------------------------|---|-----------------------------|---|-----------------|
| <b>Cost</b>                               |  |                     |                                  |   |                             |   |                 |
| Balance at 1 April 2012                   | 1,409                                    | 2,436               | 17,203                           | 2,776   | 1,189                       | 65  | 25,078          |
| Additions                                 | -  | 62                  | 266                              | 54  | 132                         | -   | 514             |
| Disposals                                 | -  | -                   | -                                | -   | (83)                        | -   | (83)            |
| Balance at 31 March 2013                  | 1,409                                    | 2,498               | 17,469                           | 2,830   | 1,238                       | 65  | 25,509          |
| Additions                                 | -  | -                   | 498                              | 353   | -                           | -   | 851             |
| Balance at 31 March 2014                  | 1,409                                    | 2,498               | 17,967                           | 3,183   | 1,238                       | 65  | 26,360          |
| <b>Depreciation and Impairment Losses</b> |  |                     |                                  |   |                             |   |                 |
| Balance at 1 April 2012                   | 454                                      | 1,229               | 14,793                           | 2,547   | 943                         | 65  | 20,031          |
| Accumulated depreciation                  | -  | -                   | 1,401                            | 150   | -                           | -   | 1,551           |
| Accumulated impairment losses             | 454                                      | 1,229               | 16,194                           | 2,697   | 943                         | 65  | 21,582          |
| Depreciation                              | 16                                       | 49                  | 412                              | 25  | 114                         | -   | 616             |
| Disposals                                 | -  | -                   | -                                | -   | (66)                        | -   | (66)            |
| Balance at 31 March 2013                  | 470                                      | 1,278               | 15,205                           | 2,572   | 991                         | 65  | 20,581          |
| Accumulated depreciation                  | -  | -                   | 1,401                            | 150   | -                           | -   | 1,551           |
| Accumulated impairment losses             | 470                                      | 1,278               | 16,606                           | 2,722   | 991                         | 65  | 22,132          |
| Depreciation                              | 16                                       | 49                  | 402                              | 54  | 114                         | -   | 635             |
| Balance at 31 March 2014                  | 486                                      | 1,327               | 15,607                           | 2,626   | 1,105                       | 65  | 21,216          |
| Accumulated depreciation                  | -  | -                   | 1,401                            | 150   | -                           | -   | 1,551           |
| Accumulated impairment losses             | 486                                      | 1,327               | 17,008                           | 2,776   | 1,105                       | 65  | 22,767          |
| <b>Carrying Amount</b>                    |  |                     |                                  |   |                             |   |                 |
| Balance at 1 April 2012                   | 955                                      | 1,207               | 1,009                            | 79  | 246                         | -   | 3,496           |
| Balance at 31 March 2013                  | 939                                      | 1,220               | 863                              | 108   | 247                         | -   | 3,377           |
| Balance at 31 March 2014                  | 923                                      | 1,171               | 959                              | 407   | 133                         | -   | 3,593           |

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

Cont'd

#### 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

##### The Company

|                                 | Buildings<br>RM'000 | Furniture,<br>fittings and<br>equipment<br>RM'000 | Motor<br>vehicles<br>RM'000 | Total<br>RM'000 |
|---------------------------------|---------------------|---|-----------------------------|-----------------|
| <u>Cost</u>                     |                     |   |                             |                 |
| Balance at 1 April 2012         | 317                 | 512   | 119                         | 948             |
| Additions                       | -                   | 3   | -                           | 3               |
| Balance at 31 March 2013        | 317                 | 515   | 119                         | 951             |
| Additions                       | -                   | 323   | -                           | 323             |
| Balance at 31 March 2014        | 317                 | 838   | 119                         | 1,274           |
| <u>Accumulated Depreciation</u> |                     |   |                             |                 |
| Balance at 1 April 2012         | 126                 | 501   | 58                          | 685             |
| Depreciation                    | 7                   | 2   | 23                          | 32              |
| Balance at 31 March 2013        | 133                 | 503   | 81                          | 717             |
| Depreciation                    | 6                   | 35  | 23                          | 64              |
| Balance at 31 March 2014        | 139                 | 538   | 104                         | 781             |
| <u>Carrying Amount</u>          |                     |   |                             |                 |
| Balance at 1 April 2012         | 191                 | 11  | 61                          | 263             |
| Balance at 31 March 2013        | 184                 | 12  | 38                          | 234             |
| Balance at 31 March 2014        | 178                 | 300   | 15                          | 493             |

#### 5. INVESTMENT PROPERTIES

##### The Group

|                          | Freehold<br>land<br>RM'000 | Short-term<br>leasehold<br>land<br>RM'000 | Long-term<br>leasehold<br>land<br>RM'000 | Buildings<br>RM'000 | Total<br>RM'000 |
|--------------------------|----------------------------|---|--|---------------------|-----------------|
| <u>Cost</u>              |                            |   |  |                     |                 |
| Balance at 1 April 2012  | 944                        | 652                                       | 1,750                                    | 8,570               | 11,916          |
| Movement during the year | -                          | -   | -  | -                   | -               |
| Balance at 31 March 2013 | 944                        | 652                                       | 1,750                                    | 8,570               | 11,916          |
| Movement during the year | -                          | -   | -  | -                   | -               |
| Balance at 31 March 2014 | 944                        | 652                                       | 1,750                                    | 8,570               | 11,916          |

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

#### 5. INVESTMENT PROPERTIES (CONT'D)

##### The Group (cont'd)

|                                       | Freehold<br>land<br>RM'000 | Short-term<br>leasehold<br>land<br>RM'000 | Long-term<br>leasehold<br>land<br>RM'000 | Buildings<br>RM'000 | Total<br>RM'000 |
|---------------------------------------|----------------------------|---|--|---------------------|-----------------|
| <u>Accumulated Depreciation</u>       |                            |   |  |                     |                 |
| Balance at 1 April 2012               | -                          | 327                                       | 308                                      | 4,171               | 4,806           |
| Depreciation                          | -                          | 11  | 21                                       | 171                 | 203             |
| Balance at 31 March 2013              | -                          | 338                                       | 329                                      | 4,342               | 5,009           |
| Depreciation                          | -                          | 11  | 21                                       | 171                 | 203             |
| Balance at 31 March 2014              | -                          | 349                                       | 350                                      | 4,513               | 5,212           |
| <u>Carrying Amount</u>                |                            |   |  |                     |                 |
| Balance at 1 April 2012               | 944                        | 325                                       | 1,442                                    | 4,399               | 7,110           |
| Balance at 31 March 2013              | 944                        | 314                                       | 1,421                                    | 4,228               | 6,907           |
| Balance at 31 March 2014              | 944                        | 303                                       | 1,400                                    | 4,057               | 6,704           |
| <u>Fair Value</u>                     |                            |   |  |                     |                 |
| Estimated fair value at 31 March 2014 | 3,185                      | 5,000                                     | 1,472                                    | 7,918               | 17,575          |

##### The Company

|                                 | Freehold<br>land<br>RM'000 | Long-term<br>leasehold<br>land<br>RM'000 | Buildings<br>RM'000 | Total<br>RM'000 |
|---------------------------------|----------------------------|--|---------------------|-----------------|
| <u>Cost</u>                     |                            |  |                     |                 |
| Balance at 1 April 2012         | 594                        | 873                                      | 1,402               | 2,869           |
| Movement during the year        | -                          | -  | -                   | -               |
| Balance at 31 March 2013        | 594                        | 873                                      | 1,402               | 2,869           |
| Movement during the year        | -                          | -  | -                   | -               |
| Balance at 31 March 2014        | 594                        | 873                                      | 1,402               | 2,869           |
| <u>Accumulated Depreciation</u> |                            |  |                     |                 |
| Balance at 1 April 2012         | -                          | 281                                      | 659                 | 940             |
| Depreciation                    | -                          | 9  | 28                  | 37              |
| Balance at 31 March 2013        | -                          | 290                                      | 687                 | 977             |
| Depreciation                    | -                          | 10                                       | 28                  | 38              |
| Balance at 31 March 2014        | -                          | 300                                      | 715                 | 1,015           |

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

#### 5. INVESTMENT PROPERTIES (CONT'D)

##### The Company (cont'd)

|                                       | Freehold<br>land<br>RM'000 | Long-term<br>leasehold<br>land<br>RM'000 | Buildings<br>RM'000 | Total<br>RM'000 |
|---------------------------------------|----------------------------|--|---------------------|-----------------|
| <u>Carrying Amount</u>                |                            |  |                     |                 |
| Balance at 1 April 2012               | 594                        | 592                                      | 743                 | 1,929           |
| Balance at 31 March 2013              | 594                        | 583                                      | 715                 | 1,892           |
| Balance at 31 March 2014              | 594                        | 573                                      | 687                 | 1,854           |
| <u>Fair Value</u>                     |                            |  |                     |                 |
| Estimated fair value at 31 March 2014 | 2,085                      | 5,800                                    | 2,955               | 10,840          |

The fair values of investment properties were measured based on appraisals performed by independent professional valuers using the market comparison approach. The appraised values were derived from observable prices per square foot for comparable properties in similar locations (i.e. Level 2).

#### 6. INVESTMENTS IN SUBSIDIARIES

##### The Company

|                                     | 2014<br>RM'000 | 2013<br>RM'000 |
|-------------------------------------|----------------|----------------|
| Unquoted ordinary shares, at cost   | 19,124         | 19,124         |
| Unquoted preference shares, at cost | 25,800         | 65,800         |
|                                     | 44,924         | 84,924         |
| Impairment losses                   | (21,381)       | (21,381)       |
|                                     | 23,543         | 63,543         |

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

#### 6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

| Name of Subsidiary  | Principal Place of Business/<br>Country of Incorporation | Effective Ownership Interest |       | Principal Activity  |
|---|--|------------------------------|-------|---|
|   |  | 2014                         | 2013  |   |
| Maica Wood Industries Sdn. Bhd.                           | Malaysia   | 99.8%                        | 99.8% | Investment holding  |
| Consolidated Leasing (M) Sdn. Bhd.                        | Malaysia   | 100%                         | 100%  | Investment holding and granting of lease and hire purchase financing <sup>1</sup> |
| Pinaremas Sdn. Bhd.                                       | Malaysia   | 100%                         | 100%  | Property development <sup>2</sup>   |
| Ambang Arena Sdn. Bhd.                                    | Malaysia   | 100%                         | 100%  | Property development <sup>2</sup>   |
| <u>Subsidiary of Maica Wood Industries Sdn. Bhd.</u>      |  |                              |       |   |
| Maicador Sdn. Bhd.  | Malaysia   | 99.8%                        | 99.8% | Manufacture of prefabricated doors and door frames                                |
| <u>Subsidiaries of Consolidated Leasing (M) Sdn. Bhd.</u> |  |                              |       |   |
| Consolidated Factoring (M) Sdn. Bhd.                      | Malaysia   | 91.9%                        | 91.9% | Inactive  |
| Maritime Credits (Malaysia) Sdn. Bhd.                     | Malaysia   | 100%                         | 100%  | Inactive  |

<sup>1</sup>The subsidiary discontinued its financing business in January 2014 (Note 21).

<sup>2</sup>The subsidiary commenced its property development business in January 2014.

#### 7. INVESTMENT IN ASSOCIATE

|   | The Group      |                | The Company    |                |
|---|----------------|----------------|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Unquoted shares, at cost                        | 672            | 672            | 672            | 672            |
| Share of post-acquisition changes in net assets | 570            | 542            | -              | -              |
| Impairment loss                                 | (576)          | (576)          | (78)           | (78)           |
|   | 666            | 638            | 594            | 594            |

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

Cont'd

#### 7. INVESTMENT IN ASSOCIATE (CONT'D)

The details of the associate are as follows:-

| Name of Associate  | Principal Place of Business | Effective Ownership Interest |       | Principal Activity                                   |
|--------------------|-----------------------------|------------------------------|-------|--|
|                    |                             | 2014                         | 2013  |  |
| Mahakota Sdn. Bhd. | Malaysia                    | 25.4%                        | 25.4% | Woodworks manufacturer and dealer in timber and wood |

The summarised financial information of the associate is as follows:-

|  | 2014<br>RM'000 | 2013<br>RM'000 |
|--|----------------|----------------|
| Non-current assets                               | 4,591          | 4,706          |
| Current assets                                   | 5,824          | 5,661          |
| Current liabilities                              | (5,524)        | (5,587)        |
| Net assets                                       | 4,891          | 4,780          |
| Revenue  | 7,824          | 8,502          |
| Profit (representing total comprehensive income) | 111            | 71             |

The reconciliation of the above summarised financial information to the carrying amount of the investment in associate is as follows:-

|                              | The Group      |                |
|------------------------------|----------------|----------------|
|                              | 2014<br>RM'000 | 2013<br>RM'000 |
| Net assets                   | 4,891          | 4,780          |
| Effective ownership interest | 25.4%          | 25.4%          |
| Share of net assets          | 1,242          | 1,214          |
| Impairment loss              | (576)          | (576)          |
| Carrying amount              | 666            | 638            |



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

## 8. PROPERTY DEVELOPMENT ACTIVITIES

### The Group

#### Property Development Costs

|   | 2014<br>RM'000 | 2013<br>RM'000 |
|---|----------------|----------------|
| Balance at 1 April                              | -              | -              |
| Acquisition of development project <sup>1</sup> | 25,000         | -              |
| Acquisition of development land <sup>2</sup>    | 31,000         | -              |
| Development costs incurred                      | 6,304          | -              |
| Costs recognised in profit or loss              | (13,497)       | -              |
| Balance at 31 March                             | 48,807         | -              |

<sup>1</sup> In January 2014, the Group acquired a development project for a total purchase consideration of RM25,000,000 satisfied by cash payment of RM21,000,000 and issuance of 8,000,000 new ordinary shares of RM0.50 each in the Company at par.

<sup>2</sup> In January 2014, the Group acquired a parcel of development land for a total purchase consideration of RM31,000,000 satisfied by cash payment of RM21,000,000 and issuance of 20,000,000 new ordinary shares of RM0.50 each in the Company at par.

#### Progress Billings

|   | 2014<br>RM'000 | 2013<br>RM'000 |
|---|----------------|----------------|
| Billings to purchasers                                    | 28,085         | -              |
| Property development revenue recognised in profit or loss | (18,394)       | -              |
|   | 9,691          | -              |

## 9. INVENTORIES

### The Group

|                  | 2014<br>RM'000 | 2013<br>RM'000 |
|------------------|----------------|----------------|
| Raw materials    | 2,128          | 2,420          |
| Work-in-progress | 1,427          | 864            |
| Finished goods   | 171            | 353            |
| Consumables      | 203            | 180            |
| Goods-in-transit | 356            | 334            |
|                  | 4,285          | 4,151          |

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

Cont'd

#### 10. RECEIVABLES

|  | The Group      |                | The Company    |                |
|--|----------------|----------------|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Trade receivables                      | 7,732          | 559            | -              | -              |
| Allowance for impairment               | (147)          | (212)          | -              | -              |
|  | 7,585          | 347            | -              | -              |
| Hire purchase receivables (fixed rate) | -              | 30,822         | -              | -              |
| Other receivables:-                    |                |                |                |                |
| - Subsidiaries                         | -              | -              | 43,402         | 4,356          |
| - Unrelated parties                    | 278            | 111            | 54             | 43             |
|  | 278            | 111            | 43,456         | 4,399          |
|  | 7,863          | 31,280         | 43,456         | 4,399          |
| Disclosed as:-                         |                |                |                |                |
| - Non-current assets                   | -              | 9,477          | -              | -              |
| - Current assets                       | 7,863          | 21,803         | 43,456         | 4,399          |
|  | 7,863          | 31,280         | 43,456         | 4,399          |

#### Trade Receivables

Trade receivables are unsecured, non-interest bearing and generally on 14 to 90 day terms.

The movements in allowance for impairment are as follows:-

|                             | The Group      |                |
|-----------------------------|----------------|----------------|
|                             | 2014<br>RM'000 | 2013<br>RM'000 |
| Balance at 1 April          | 212            | 78             |
| Impairment loss recognised  | -              | 134            |
| Impairment loss written off | (65)           | -              |
| Balance at 31 March         | 147            | 212            |

All the above impairment losses were individually determined after considering the adverse financial conditions of the debtors who have defaulted/delayed in payments.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

## 10. RECEIVABLES (CONT'D)

### Trade Receivables (cont'd)

The ageing analysis of trade receivables not impaired is as follows:-

|                             | The Group      |                |
|-----------------------------|----------------|----------------|
|                             | 2014<br>RM'000 | 2013<br>RM'000 |
| Not past due                | 120            | 216            |
| Past due 1 to 30 days       | 2,735          | 131            |
| Past due 31 to 120 days     | 2,026          | -              |
| Past due more than 120 days | 2,704          | -              |
|                             | 7,585          | 347            |

Trade receivables that are neither past due nor impaired mainly relate to creditworthy customers who have regular transactions and good payment records with the Group.

Management determines credit risk concentration in terms of counterparties. As at 31 March 2014, the Group did not have any major credit risk concentration relating to any individual customer or counterparty.

### Hire Purchase Receivables

These represented hire purchase financing granted to a company in which a former director/substantial shareholder of the Company and his close family members have substantial financial interests. The financing was secured through ownership claims over the motor vehicles financed. The effective interest rates as at 31 March 2013 ranged from 6% to 7% per annum. The repayment analysis is as follows:-

|  | The Group      |                |
|--|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 |
| Minimum hire purchase payments:-               |                |                |
| - Within 1 year                                | -              | 22,621         |
| - Later than 1 year and not later than 5 years | -              | 9,853          |
|  | -              | 32,474         |
| Unearned finance income                        | -              | (1,652)        |
| Present value of hire purchase receivables:-   |                |                |
| - Within 1 year                                | -              | 21,345         |
| - Later than 1 year and not later than 5 years | -              | 9,477          |
|  | -              | 30,822         |

The fair values of hire purchase receivables were measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar assets (i.e. Level 2). The fair values measured were considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximated to the effective interest rates of hire purchase receivables.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

#### 10. RECEIVABLES (CONT'D)

##### Other Receivables

Other receivables are unsecured and non-interest bearing. The amounts owing by subsidiaries are repayable on demand. The amounts owing by unrelated parties mainly consist of refundable deposits which have no fixed repayment terms.

#### 11. CASH AND CASH EQUIVALENTS

|  | The Group      |                | The Company    |                |
|--|----------------|----------------|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Term deposits with licensed banks (fixed rate) | 21,509         | 6,054          | 12,347         | 1,337          |
| Cash and bank balances:-                       |                |                |                |                |
| - Interest earning (fixed rate)                | 11,614         | 20,982         | 3,418          | 123            |
| - Non-interest earning                         | 376            | 278            | 5              | 22             |
|  | 33,499         | 27,314         | 15,770         | 1,482          |

The effective interest rates of term deposits and interest earning bank balances as at 31 March 2014 ranged from 0.5% to 3.3% (2013 : 2.3% to 3.1%) per annum.

#### 12. PAYABLES

|                                      | The Group      |                | The Company    |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
|                                      | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Trade payables                       | 4,078          | 898            | -              | -              |
| Other payables:-                     |                |                |                |                |
| - Subsidiary                         | -              | -              | 410            | -              |
| - Other related parties <sup>1</sup> | 103            | -              | 103            | -              |
| - Unrelated parties                  | 1,598          | 758            | 430            | 156            |
|                                      | 1,701          | 758            | 943            | 156            |
|                                      | 5,779          | 1,656          | 943            | 156            |

<sup>1</sup> Being companies in which a director/substantial shareholder of the Company has substantial financial interests

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

## 12. PAYABLES (CONT'D)

The currency profile of payables is as follows:-

|                  | The Group      |                | The Company    |                |
|------------------|----------------|----------------|----------------|----------------|
|                  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Ringgit Malaysia | 5,405          | 1,524          | 943            | 156            |
| US Dollar        | 374            | 107            | -              | -              |
| Others           | -              | 25             | -              | -              |
|                  | 5,779          | 1,656          | 943            | 156            |

Payables are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

### Trade Payables

Trade payables are unsecured, non-interest bearing and generally on 14 to 90 day terms.

### Other Payables

Other payables are unsecured and non-interest bearing. The amount owing to subsidiary is repayable on demand. The amounts owing to other related parties and unrelated parties mainly consist of sundry payables and accruals for operating expenses which are generally due within 30 to 90 days.

## 13. RETIREMENT BENEFITS

|   | The Group      |                | The Company    |                |
|---|----------------|----------------|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Balance at 1 April  | 1,338          | 1,270          | 212            | 184            |
| Defined benefit costs   | (166)          | 145            | (144)          | 28             |
| Payments  | (68)           | (77)           | -              | -              |
| Balance at 31 March   | 1,104          | 1,338          | 68             | 212            |
| Being present value of defined benefit obligations disclosed as:- |                |                |                |                |
| - Current liabilities   | -              | 63             | -              | -              |
| - Non-current liabilities   | 1,104          | 1,275          | 68             | 212            |
|   | 1,104          | 1,338          | 68             | 212            |

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

Cont'd

#### 13. RETIREMENT BENEFITS (CONT'D)

The components of defined benefit costs are as follows:-

|  | The Group      |                | The Company    |                |
|--|----------------|----------------|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Current service cost                               | 65             | 77             | 9              | 18             |
| Past service cost                                  | (135)          | -              | (1)            | -              |
| Interest expense                                   | 69             | 68             | 11             | 10             |
| Remeasurements arising from experience adjustments | (165)          | -              | (163)          | -              |
|  | (166)          | 145            | (144)          | 28             |

The principal actuarial assumptions used to determine the present value of the defined benefit obligations are as follows:-

|                      | The Group |           | The Company |           |
|----------------------|-----------|-----------|-------------|-----------|
|                      | 2014<br>% | 2013<br>% | 2014<br>%   | 2013<br>% |
| Discount rate        | 5.50      | 5.50      | 5.50        | 5.50      |
| Future salary growth | 5.00      | 5.00      | 5.00        | 5.00      |

The following table demonstrates the sensitivity of the defined benefit obligations to changes in each principal actuarial assumption that were reasonably possible at the end of the reporting period, with all other variables held constant:-

|  | Increase/(Decrease) in Defined Benefit Obligations |                |                |                |
|--|--|----------------|----------------|----------------|
|  | The Group  |                | The Company    |                |
|  | 2014<br>RM'000                                     | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Increase in discount rate by 1%        | (106)  | N/A            | (8)            | N/A            |
| Decrease in discount rate by 1%        | 121  | N/A            | 9              | N/A            |
| Increase in future salary growth by 1% | 50   | N/A            | 10             | N/A            |
| Decrease in future salary growth by 1% | (46)   | N/A            | (9)            | N/A            |

As at 31 March 2014, the weighted average duration of the defined benefit obligations was 10.8 years.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

#### 14. DEFERRED TAX LIABILITIES

##### The Group

|   | 2014<br>RM'000 | 2013<br>RM'000 |
|---|----------------|----------------|
| Balance at 1 April  | 6              | 9              |
| Deferred tax income relating to origination and reversal of temporary differences | -              | (3)            |
| Balance at 31 March   | 6              | 6              |
| In respect of taxable temporary differences of:-                                  |                |                |
| - Property, plant and equipment   | 4              | 4              |
| - Investment properties   | 2              | 2              |
|   | 6              | 6              |

Save as disclosed above, as at 31 March 2014, deferred tax liabilities and deferred tax assets have also effectively been recognised and offset against each other by the Group and the Company to the extent of RM560,000 and RM20,000 (2013 : RM570,000 and RM9,000) respectively. No further deferred tax assets have been recognised for the excess of the deductible temporary differences, unused capital allowances and tax losses over the taxable temporary differences as follows:-

|                                       | The Group      |                | The Company    |                |
|---------------------------------------|----------------|----------------|----------------|----------------|
|                                       | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Deductible temporary differences of:- |                |                |                |                |
| - Property, plant and equipment       | 57             | 58             | -              | -              |
| - Inventories                         | 60             | 13             | -              | -              |
| - Retirement benefits                 | 1,104          | 1,338          | 68             | 212            |
| Unused capital allowances             | 15,635         | 16,888         | 553            | 454            |
| Unused tax losses                     | 33,924         | 35,027         | 76             | 76             |
| Taxable temporary differences of:-    |                |                |                |                |
| - Property, plant and equipment       | (1,206)        | (1,305)        | (80)           | (36)           |
| - Investment properties               | (1,033)        | (973)          | -              | -              |
|                                       | 48,541         | 51,046         | 617            | 706            |

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014  
*Cont'd*

**15. SHARE CAPITAL**

|                                | 2014               |         | 2013               |         |
|--------------------------------|--------------------|---------|--------------------|---------|
|                                | No. of Shares '000 | RM'000  | No. of Shares '000 | RM'000  |
| Ordinary shares of RM0.50 each |                    |         |                    |         |
| Authorised                     | 200,000            | 100,000 | 200,000            | 100,000 |
| Issued and fully paid-up:-     |                    |         |                    |         |
| Balance at 1 April             | 130,361            | 65,180  | 130,361            | 65,180  |
| Issuance during the year       | 28,000             | 14,000  | -                  | -       |
| Balance at 31 March            | 158,361            | 79,180  | 130,361            | 65,180  |

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM65,180,000 to RM79,180,000 by way of:-

- (i) an issuance of 8,000,000 new ordinary shares of RM0.50 each at par as part of the purchase consideration for the acquisition of a development project (Note 8); and
- (ii) an issuance of 20,000,000 new ordinary shares of RM0.50 each at par as part of the purchase consideration for the acquisition of a parcel of development land (Note 8).

**16. NON-CONTROLLING INTERESTS (“NCI”)**

**The Group**

|   | Accumulated NCI |                | Profit Allocated to NCI |                |
|---|-----------------|----------------|-------------------------|----------------|
|   | 2014<br>RM'000  | 2013<br>RM'000 | 2014<br>RM'000          | 2013<br>RM'000 |
| Maica Wood Industries Sdn. Bhd. and its subsidiary,<br>Maicador Sdn. Bhd. | 3               | 1              | 2                       | -              |
| Consolidated Factoring (M) Sdn. Bhd.                                      | 27              | 26             | 1                       | -              |
|   | 30              | 27             | 3                       | -              |

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

#### 16. NON-CONTROLLING INTERESTS ("NCI") (CONT'D)

The details of the subsidiaries that have NCI are as follows:-

| Name of Subsidiary                   | Principal Place of Business/<br>Country of Incorporation | Effective Ownership Interest Held by NCI |      | Principal Activity                                 |
|--------------------------------------|--|--|------|--|
|                                      |  | 2014                                     | 2013 |  |
| Maica Wood Industries Sdn. Bhd.      | Malaysia   | 0.2%                                     | 0.2% | Investment holding                                 |
| Maicador Sdn. Bhd.                   | Malaysia   | 0.2%                                     | 0.2% | Manufacture of prefabricated doors and door frames |
| Consolidated Factoring (M) Sdn. Bhd. | Malaysia   | 8.1%                                     | 8.1% | Inactive   |

The summarised financial information of the above subsidiaries is as follows:-

|                                       | 2014<br>RM'000 | 2013<br>RM'000 |
|---------------------------------------|----------------|----------------|
| Non-current assets                    | 7,495          | 7,639          |
| Current assets                        | 9,995          | 8,722          |
| Non-current liabilities               | (1,037)        | (1,063)        |
| Current liabilities                   | (1,813)        | (1,840)        |
| Net assets                            | 14,640         | 13,458         |
| Revenue                               | 16,880         | 15,104         |
| Profit                                | 1,180          | 47             |
| Other comprehensive income            | 2              | -              |
| Total comprehensive income            | 1,182          | 47             |
| Net cash from operating activities    | 1,940          | 1,042          |
| Net cash used in investing activities | (441)          | (427)          |
| Net cash used in financing activities | (410)          | -              |
| Net cash inflow                       | 1,089          | 615            |

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

Cont'd

#### 17. REVENUE

|                                   | The Group |        | The Company |        |
|-----------------------------------|-----------|--------|-------------|--------|
|                                   | 2014      | 2013   | 2014        | 2013   |
|                                   | RM'000    | RM'000 | RM'000      | RM'000 |
| <b>Continuing Operations</b>      |           |        |             |        |
| Income from sale of goods         | 16,382    | 14,921 | -           | -      |
| Income from rendering of services | -         | -      | 712         | 240    |
| Property development revenue      | 18,394    | -      | -           | -      |
| Dividend income                   | -         | -      | 1,200       | 1,200  |
| Interest income                   | 66        | 106    | 66          | 39     |
| Rental income                     | 620       | 316    | 152         | 164    |
|                                   | 35,462    | 15,343 | 2,130       | 1,643  |
| <b>Discontinued Operation</b>     |           |        |             |        |
| Interest income                   | 2,582     | 3,123  | -           | -      |
| Rental income                     | 36        | 31     | -           | -      |
|                                   | 2,618     | 3,154  | -           | -      |
|                                   | 38,080    | 18,497 | 2,130       | 1,643  |

#### 18. PROFIT/(LOSS) BEFORE TAX

|   | The Group |        | The Company |        |
|---|-----------|--------|-------------|--------|
|   | 2014      | 2013   | 2014        | 2013   |
|   | RM'000    | RM'000 | RM'000      | RM'000 |
| Profit/(Loss) before tax is arrived at after charging:-                             |           |        |             |        |
| Allowance for slow moving inventories   | 47        | 28     | -           | -      |
| Auditors' remuneration  | 82        | 52     | 38          | 20     |
| Depreciation of:-   |           |        |             |        |
| - Investment properties   | 203       | 203    | 38          | 37     |
| - Property, plant and equipment   | 635       | 616    | 64          | 32     |
| Direct operating expenditure for investment properties                              | 479       | 103    | 48          | 42     |
| Directors' remuneration:-   |           |        |             |        |
| - Fees  | 37        | 45     | 37          | 45     |
| - Other emoluments  | 609       | 421    | 609         | 421    |
| Fee expense for financial instruments not at fair value through profit or loss      | 13        | 24     | 1           | 1      |
| Impairment loss on loans and receivables  | -         | 134    | -           | -      |
| Interest expense for financial liabilities not at fair value through profit or loss | -         | 6      | -           | -      |
| Property development costs  | 13,497    | -      | -           | -      |
| Realised loss on foreign exchange   | -         | 8      | -           | -      |
| Rental of motor vehicles  | 20        | -      | 20          | -      |
| Rental of premises  | 83        | -      | 83          | -      |

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

#### 18. PROFIT/(LOSS) BEFORE TAX (CONT'D)

|   | The Group |        | The Company |        |
|---|-----------|--------|-------------|--------|
|   | 2014      | 2013   | 2014        | 2013   |
|   | RM'000    | RM'000 | RM'000      | RM'000 |
| and crediting:-   |           |        |             |        |
| Dividend income from investments in subsidiaries                                | -         | -      | 1,200       | 1,200  |
| Gain on disposal of property, plant and equipment                               | -         | 10     | -           | -      |
| Interest income for financial assets not at fair value through profit or loss:- |           |        |             |        |
| - Hire purchase financing   | 2,146     | 2,931  | -           | -      |
| - Cash and cash equivalents   | 685       | 363    | 66          | 39     |
| Realised gain on foreign exchange   | 10        | -      | -           | -      |
| Rental income from investment properties  | 656       | 347    | 152         | 164    |
| Reversal of allowance for slow moving inventories                               | -         | 67     | -           | -      |

#### 19. EMPLOYEE BENEFITS EXPENSE

|                              | The Group |        | The Company |        |
|------------------------------|-----------|--------|-------------|--------|
|                              | 2014      | 2013   | 2014        | 2013   |
|                              | RM'000    | RM'000 | RM'000      | RM'000 |
| Short-term employee benefits | 6,284     | 4,740  | 2,001       | 790    |
| Defined contribution plan    | 518       | 421    | 185         | 89     |
| Defined benefit plan         | (1)       | 145    | 19          | 28     |
|                              | 6,801     | 5,306  | 2,205       | 907    |

#### 20. TAX EXPENSE

|   | The Group |        | The Company |        |
|---|-----------|--------|-------------|--------|
|   | 2014      | 2013   | 2014        | 2013   |
|   | RM'000    | RM'000 | RM'000      | RM'000 |
| Tax based on results for the year:-     |           |        |             |        |
| Malaysian income tax                    | 1,313     | 741    | -           | 3      |
| Deferred tax                            | -         | (3)    | -           | -      |
|   | 1,313     | 738    | -           | 3      |
| Tax (over)/under provided in prior year | (20)      | 7      | -           | 4      |
|   | 1,293     | 745    | -           | 7      |

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

Cont'd

#### 20. TAX EXPENSE (CONT'D)

|                          | The Group      |                | The Company    |                |
|--------------------------|----------------|----------------|----------------|----------------|
|                          | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Attributable to:-        |                |                |                |                |
| - Continuing operations  | 723            | 79             | -              | 7              |
| - Discontinued operation | 570            | 666            | -              | -              |
|                          | 1,293          | 745            | -              | 7              |

The numerical reconciliation between the applicable tax rate, which is the statutory income tax rate, and the average effective tax rate is as follows:-

|   | The Group |           | The Company |           |
|---|-----------|-----------|-------------|-----------|
|   | 2014<br>% | 2013<br>% | 2014<br>%   | 2013<br>% |
| Applicable tax rate                                     | 25.00     | 25.00     | (25.00)     | 25.00     |
| Non-taxable income                                      | -         | (0.46)    | (24.26)     | (99.48)   |
| Non-deductible expenses                                 | 14.20     | 21.95     | 47.79       | 77.66     |
| Share of profit of associate                            | (0.14)    | (0.26)    | -           | -         |
| Expenses eligible for double deduction                  | -         | (1.26)    | -           | -         |
| (Decrease)/Increase in unrecognised deferred tax assets | (12.04)   | (2.41)    | 1.47        | (2.18)    |
| Average effective tax rate                              | 27.02     | 42.56     | -           | 1.00      |

The tax saving of the Group for which credit has been taken in the current year as a result of the realisation of unused tax losses brought forward that had not been accounted for previously amounted to RM276,000 (2013 : NIL).

#### 21. DISCONTINUED OPERATION

##### The Group

A subsidiary, Consolidated Leasing (M) Sdn. Bhd., was previously engaged in the granting of lease and hire purchase financing. In order to streamline the Group's operations, the directors decided to discontinue the subsidiary's financing business in January 2014. The results and cash flows attributable to the discontinued operation are as follows:-

|                                     | Note | 2014<br>RM'000 | 2013<br>RM'000 |
|-------------------------------------|------|----------------|----------------|
| <b>Results</b>                      |      |                |                |
| Revenue                             | 17   | 2,618          | 3,154          |
| Other income                        |      | 1              | 1              |
| Administrative and general expenses |      | (259)          | (587)          |
| Finance costs                       |      | -              | (6)            |

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

#### 21. DISCONTINUED OPERATION (CONT'D)

##### The Group (cont'd)

|                                       | Note | 2014<br>RM'000 | 2013<br>RM'000 |
|---------------------------------------|------|----------------|----------------|
| Profit before tax                     | 18   | 2,360          | 2,562          |
| Tax expense                           | 20   | (570)          | (666)          |
| Profit from discontinued operation    |      | 1,790          | 1,896          |
| <b>Cash Flows</b>                     |      |                |                |
| Net cash from operating activities    |      | 32,486         | 17,560         |
| Net cash from investing activities    |      | -              | 17             |
| Net cash used in financing activities |      | (44,010)       | (1,596)        |
| Net cash (outflow)/inflow             |      | (11,524)       | 15,981         |

#### 22. EARNINGS/(LOSS) PER SHARE

##### The Group

The basic earnings/(loss) per share is calculated by dividing the Group's profit/(loss) for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year as follows:-

|  | 2014    | 2013    |
|--|---------|---------|
| Profit/(Loss) attributable to owners of the Company (RM'000):- |         |         |
| - Continuing operations  | 1,775   | (907)   |
| - Discontinued operation                                       | 1,789   | 1,896   |
|  | 3,564   | 989     |
| Number of shares in issue at 1 April ('000)                    | 130,361 | 130,361 |
| Effect of shares issued ('000)                                 | 7,000   | -       |
| Weighted average number of shares in issue ('000)              | 137,361 | 130,361 |
| Basic earnings/(loss) per share (sen):-                        |         |         |
| - Continuing operations  | 1.29    | (0.69)  |
| - Discontinued operation                                       | 1.30    | 1.45    |
|  | 2.59    | 0.76    |

The diluted earnings/(loss) per share equals the basic earnings/(loss) per share as the Company did not have any dilutive potential ordinary shares during the financial year.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

### 23. RELATED PARTY DISCLOSURES

Significant transactions with related parties during the financial year are as follows:-

|  | The Group      |                | The Company    |                |
|--|----------------|----------------|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Key management personnel compensation:-                                    |                |                |                |                |
| - Short-term employee benefits   | 628            | 614            | 581            | 421            |
| - Defined contribution plan  | 70             | 66             | 65             | 45             |
|  | 698            | 680            | 646            | 466            |
| Dividend declared from subsidiary  | -              | -              | 1,200          | 1,200          |
| Management fee charged to subsidiaries                                     | -              | -              | 712            | 240            |
| Redemption of preference shares by subsidiary                              | -              | -              | 40,000         | -              |
| Rental of premises charged to subsidiary                                   | -              | -              | 30             | 30             |
| Granting of hire purchase financing to other related party <sup>1</sup> :- |                |                |                |                |
| - Principal financed   | 14,951         | 17,220         | -              | -              |
| - Principal repaid   | 45,773         | 32,754         | -              | -              |
| - Interest charged and repaid  | 2,146          | 2,931          | -              | -              |
| Rental of motor vehicles charged by other related party <sup>2</sup>       | 20             | -              | 20             | -              |
| Rental of premises charged by other related parties <sup>2</sup>           | 83             | -              | 83             | -              |

<sup>1</sup> Being a company in which a former director/substantial shareholder of the Company and his close family members have substantial financial interests

<sup>2</sup> Being companies in which a director/substantial shareholder of the Company has substantial financial interests

### 24. SEGMENT REPORTING

#### The Group

#### Operating Segments

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:-

- (i) Manufacture of wood products
- (ii) Property development
- (iii) Granting of financing (discontinued operation)

The accounting policies and measurement bases of the segment items reported are the same as those disclosed in Note 2. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with external parties.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

## 24. SEGMENT REPORTING (CONT'D)

### The Group (cont'd)

#### Operating Segments (cont'd)

|   | Manufacture<br>of wood<br>products<br>RM'000 | Property<br>development<br>RM'000 | Granting of<br>financing<br>(discontinued<br>operation)<br>RM'000 | Unallocated<br>non-operating<br>segments<br>RM'000 | Consolidation<br>adjustments<br>and<br>eliminations<br>RM'000 | Total<br>RM'000 |
|---|--|-----------------------------------|---|--|---|-----------------|
| <u>31.3.2014</u>  |  |                                   |   |  |   |                 |
| Segment assets  | 18,295                                       | 60,700                            | 9,039   | 17,602   | -   | 105,636         |
| Included in the measure<br>of segment assets are:-        |  |                                   |   |  |   |                 |
| - Investment in associate                                 | 666  | -                                 | -   | -  | -   | 666             |
| - Additions to non-current<br>assets                      | 528  | -                                 | -   | 323  | -   | 851             |
| Segment liabilities                                       | 2,737  | 13,821                            | 193   | 601  | -   | 17,352          |
| Segment profit/(loss)<br>attributable to:-                |  |                                   |   |  |   |                 |
| - Continuing operations                                   | 1,232  | 3,122                             | -   | (1,257)  | (1,320)   | 1,777           |
| - Discontinued operation                                  | -  | -                                 | 1,670   | -  | 120   | 1,790           |
|   | 1,232  | 3,122                             | 1,670   | (1,257)  | (1,200)   | 3,567           |
| Included in the measure<br>of segment profit/(loss) are:- |  |                                   |   |  |   |                 |
| - External revenue  | 16,880                                       | 18,394                            | 2,618   | 188  | -   | 38,080          |
| - Intersegment revenue                                    | -  | -                                 | -   | 1,912  | (1,912)   | -               |
| - Interest income   | 87   | 96                                | -   | -  | -   | 183             |
| - Allowance for slow<br>moving inventories                | 47   | -                                 | -   | -  | -   | 47              |
| - Depreciation  | 675  | -                                 | 71  | 92   | -   | 838             |
| - Share of profit of<br>associate                         | 28   | -                                 | -   | -  | -   | 28              |
| - Tax expense   | 19   | 704                               | 570   | -  | -   | 1,293           |
| <u>31.3.2013</u>  |  |                                   |   |  |   |                 |
| Segment assets  | 17,147                                       | -                                 | 51,460  | 5,378  | -   | 73,985          |
| Included in the measure<br>of segment assets are:-        |  |                                   |   |  |   |                 |
| - Investment in associate                                 | 638  | -                                 | -   | -  | -   | 638             |
| - Additions to non-current<br>assets                      | 511  | -                                 | -   | 3  | -   | 514             |
| Segment liabilities                                       | 2,792  | -                                 | 271   | 370  | -   | 3,433           |

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

Cont'd

#### 24. SEGMENT REPORTING (CONT'D)

##### The Group (cont'd)

##### Operating Segments (cont'd)

|  | Manufacture<br>of wood<br>products<br>RM'000 | Property<br>development<br>RM'000 | Granting of<br>financing<br>(discontinued<br>operation)<br>RM'000 | Unallocated<br>non-operating<br>segments<br>RM'000 | Consolidation<br>adjustments<br>and<br>eliminations<br>RM'000 | Total<br>RM'000 |
|--|--|-----------------------------------|---|--|---|-----------------|
|--|--|-----------------------------------|---|--|---|-----------------|

##### 31.3.2013 (cont'd)

Segment profit attributable to:-

|                          |    |   |       |     |         |       |
|--------------------------|----|---|-------|-----|---------|-------|
| - Continuing operations  | 86 | - | -     | 327 | (1,320) | (907) |
| - Discontinued operation | -  | - | 1,776 | -   | 120     | 1,896 |
|                          | 86 | - | 1,776 | 327 | (1,200) | 989   |

Included in the measure  
of segment profit are:-

|   |        |   |       |       |         |        |
|---|--------|---|-------|-------|---------|--------|
| - External revenue  | 15,103 | - | 3,154 | 240   | -       | 18,497 |
| - Intersegment revenue                                    | -      | - | -     | 1,440 | (1,440) | -      |
| - Interest income   | 65     | - | -     | -     | -       | 65     |
| - Allowance for slow<br>moving inventories                | 28     | - | -     | -     | -       | 28     |
| - Reversal of allowance<br>for slow moving<br>inventories | 67     | - | -     | -     | -       | 67     |
| - Depreciation  | 683    | - | 76    | 60    | -       | 819    |
| - Impairment loss on<br>loans and receivables             | 134    | - | -     | -     | -       | 134    |
| - Interest expense  | -      | - | 6     | -     | -       | 6      |
| - Share of profit of<br>associate                         | 18     | - | -     | -     | -       | 18     |
| - Tax expense   | 60     | - | 666   | 19    | -       | 745    |

##### 1.4.2012

|                     |        |   |        |       |   |        |
|---------------------|--------|---|--------|-------|---|--------|
| Segment assets      | 16,738 | - | 51,352 | 5,472 | - | 73,562 |
| Segment liabilities | 2,434  | - | 1,237  | 328   | - | 3,999  |

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

## 24. SEGMENT REPORTING (CONT'D)

### Geographical Segments

Information about geographical location of segment assets has not been reported separately as the Group operates principally within Malaysia. Segment revenue based on geographical location of customers is analysed as follows:-

|                          | 2014<br>RM'000 | 2013<br>RM'000 |
|--------------------------|----------------|----------------|
| Malaysia                 | 35,818         | 16,124         |
| United States of America | 2,233          | 2,373          |
| Others                   | 29             | -              |
|                          | 38,080         | 18,497         |

### Major Customers

The major customers that contributed 10% or more of the Group's total revenue are as follows:-

|                          | External Revenue |                | Operating Segment            |
|--------------------------|------------------|----------------|------------------------------|
|                          | 2014<br>RM'000   | 2013<br>RM'000 |                              |
| Customer I <sup>1</sup>  | 14,049           | 11,875         | Manufacture of wood products |
| Customer II <sup>1</sup> | 2,146            | 2,931          | Granting of financing        |

<sup>1</sup> The identity of the major customer has not been disclosed as permitted by FRS 8 Operating Segments.

## 25. COMMITMENT FOR PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

### The Group

|                                 | 2014<br>RM'000 | 2013<br>RM'000 |
|---------------------------------|----------------|----------------|
| Contracted but not provided for | -              | 160            |

## 26. CONTINGENT LIABILITIES - UNSECURED

### The Company

The Company has entered into financial guarantee contracts to provide financial guarantees to financial institutions for credit facilities granted to certain subsidiaries up to a total limit of RM1,300,000 (2013 : RM16,300,000). The total utilisation of these credit facilities as at 31 March 2014 amounted to RM565,000 (2013 : RM292,000).

The aforementioned financial guarantee contracts should have been recognised in the statement of financial position in accordance with the recognition and measurement policies as stated in Note 2.13. After considering that the probability of the subsidiaries defaulting on the credit lines is remote, the financial guarantee contracts have not been recognised as the fair values on initial recognition are not expected to be material.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

#### 27. FINANCIAL RISK MANAGEMENT

The activities of the Group expose it to certain financial risks, including credit risk, liquidity risk, currency risk and interest rate risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

##### **Credit Risk**

The Group's exposure to credit risk arises mainly from receivables and deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statement of financial position. The Company is also exposed to credit risk in respect of its financial guarantees provided for credit facilities granted to certain subsidiaries. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted as disclosed in Note 26.

As the Group only deals with reputable financial institutions, the credit risk associated with deposits placed with them is minimal. The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an ongoing basis, setting and monitoring counterparties' limits and credit terms. The Group also obtained collateral in mitigating its credit risk exposure of hire purchase receivables through ownership claims over the motor vehicles financed. The credit risk in respect of property development activities is negligible as title will only be transferred upon receipt of full payment or undertaking of end-financing by the purchaser's end-financier.

##### **Liquidity Risk**

The Group's exposure to liquidity risk relates to its ability to meet obligations associated with financial liabilities as and when they fall due. The remaining contractual maturities of financial liabilities are disclosed in their respective notes.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

##### **Currency Risk**

The Group's exposure to currency risk arises mainly from transactions entered into in currencies other than its functional currency, i.e. Ringgit Malaysia ("RM"). The major foreign currency transacted is US Dollar ("USD").

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk. The Group's foreign currency sales and purchases also provide a natural hedge against fluctuations in foreign currencies.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

## 27. FINANCIAL RISK MANAGEMENT (CONT'D)

### Currency Risk (cont'd)

Based on a symmetric basis which uses the foreign currency as a stable denominator, the following table demonstrates the sensitivity of profit or loss to changes in exchange rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

|                                       | The Group  |  |
|---------------------------------------|--|--|
|                                       | Increase/<br>(Decrease)<br>in Profit<br>2014<br>RM'000 | Increase/<br>(Decrease)<br>in Profit<br>2013<br>RM'000 |
| Appreciation of USD against RM by 10% | (37)   | (11)   |
| Depreciation of USD against RM by 10% | 37   | 11   |

### Interest Rate Risk

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely hire purchase receivables and cash and cash equivalents.

The Group observes the movements in interest rates and always strives to obtain the most favourable rates available for new financing or during repricing.

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss or as available-for-sale, any change in interest rates at the end of the reporting period would not affect its profit or loss or other comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

*Cont'd*

#### 28. CAPITAL MANAGEMENT

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group considers its total equity (including non-controlling interests) and total loans and borrowings to be the key components of its capital structure and may, from time to time, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group monitors capital using a debt-to-equity ratio, which is calculated as total loans and borrowings divided by total equity as follows:-

|                            | The Group      |                |
|----------------------------|----------------|----------------|
|                            | 2014<br>RM'000 | 2013<br>RM'000 |
| Total loans and borrowings | -              | -              |
| Total equity               | 88,284         | 70,552         |
| Total capital              | 88,284         | 70,552         |
| Debt-to-equity ratio       | 0 : 1          | 0 : 1          |

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.



## SUPPLEMENTARY INFORMATION - REALISED AND UNREALISED PROFITS OR LOSSES

|   | The Group      |                | The Company    |                |
|---|----------------|----------------|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Total accumulated losses of the Company and its subsidiaries:-  |                |                |                |                |
| - Realised  | (38,437)       | (41,714)       | (9,572)        | (8,499)        |
| - Unrealised  | 100            | 106            | -              | -              |
|   | (38,337)       | (41,608)       | (9,572)        | (8,499)        |
| Total share of accumulated losses of associate:-                |                |                |                |                |
| - Realised  | (286)          | (314)          | -              | -              |
| - Unrealised  | -              | -              | -              | -              |
|   | (38,623)       | (41,922)       | (9,572)        | (8,499)        |
| Consolidation adjustments and eliminations                      | 33,586         | 33,156         | -              | -              |
| Total accumulated losses as per statement of financial position | (5,037)        | (8,766)        | (9,572)        | (8,499)        |

The above supplementary information is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

# LIST OF GROUP PROPERTIES

## AS AT 31 MARCH 2014

| Ref | Date of Acquisition/<br>Revaluation | Property Address/<br>Location  | Description                 | Existing Use     | Tenure/<br>Approximate Age of Building                          | Land Area (sq meters) | NBV @ 31 March 2014 (RM) |
|-----|-------------------------------------|--|-----------------------------|------------------|---|-----------------------|--------------------------|
| 1   | 31.03.1985                          | Lot 1772 Section 2, Mak Mandin Industrial Estate, Seberang Perai, Pulau Pinang | Land & Industrial Building  | Factory          | Leasehold land with lease period expiring 20.5.2071 / 45 years  | 5,052                 | 584,454                  |
| 2   | 31.03.1983 (Revaluation)            | Lot 1780 Section 3, Mak Mandin Ind Estate, Seberang Perai, Pulau Pinang        | Land & Industrial Building  | Factory          | Leasehold land with lease period expiring 15.8.2073 / 38 years  | 13,575                | 1,331,199                |
| 3   | 31.03.1987                          | Plot 23, Kulim Industrial Estate, Kulim Kedah                                  | Land & Industrial Building  | Bonded Warehouse | Leasehold Land with lease period expiring 09.11.2080 / 33 years | 59,934                | 3,036,051                |
| 4   | 31.03.1987                          | Plot 44, Kulim Industrial Estate, Kulim, Kedah                                 | Land & Industrial Building  | Vacant           | Leasehold Land with lease period expiring 06.04.2082 / 14 years | 14,164                | 1,952,550                |
| 5   | 30.11.1992                          | No :68-5-1, Maica Court, 68 Jalan Cantonment, Pulau Pinang                     | Residential Apartment       | Residential      | Freehold/Strata / 29 years                                      | 255                   | 177,627                  |
| 6   | 31.03.1983 (Revaluation)            | Lot 822, Taman Seluang, Kulim Kedah  | Land & Residential Building | Vacant           | Freehold / 33 years   | 418                   | 98,320                   |
| 7   | 31.03.1987                          | No : 9 , Jalan Zainal Abidin, Pulau Pinang                                     | Land & Residential Building | Office           | Freehold / 26 years   | 360                   | 1,182,827                |
| 8   | 15.12.1981 (Revaluation)            | No : 15 Jalan Zainal Abidin, Pulau Pinang                                      | Land & Residential Building | Office           | Freehold / 36 years   | 203                   | 434,321                  |

# ANALYSIS OF SHAREHOLDINGS AS AT 04 AUGUST 2014

## A. SHARE CAPITAL

|                            |   |
|----------------------------|---|
| Authorised Share Capital   | : RM100,000,000.00 (200,000,000 ordinary shares of RM0.50 each) |
| Issued and Paid-up Capital | : RM 79,180,736 (158,361,472 ordinary shares of RM0.50 each)    |
| Voting Rights              | : One vote for each ordinary share held                         |

## B. DISTRIBUTION OF SHAREHOLDINGS

| Size of Holdings         | No. of Holders | % of Holders   | Total Shares Held  | % of Shares Held |
|--------------------------|----------------|----------------|--------------------|------------------|
| 1 - 99                   | 233            | 6.081          | 9,044              | 0.005            |
| 100 - 1,000              | 502            | 13.103         | 381,368            | 0.240            |
| 1,001 - 10,000           | 2,415          | 63.038         | 9,576,757          | 6.047            |
| 10,001 - 100,000         | 599            | 15.635         | 19,128,338         | 12.078           |
| 100,001 - 7,918,072 (*)  | 80             | 2.088          | 55,618,621         | 35.121           |
| 7,918,073 And Above (**) | 2              | 0.052          | 73,647,344         | 46.505           |
| <b>Total</b>             | <b>3,831</b>   | <b>100.000</b> | <b>158,361,472</b> | <b>100.000</b>   |

Remark : \* Less than 5% of Issued Shares  
          \*\* 5% and above of Issued Shares

## C. SUBSTANTIAL SHAREHOLDERS

| Name of Shareholders    | Direct     | No. of Shares Held |             | %      |
|-------------------------|------------|--------------------|-------------|--------|
|                         |            | %                  | Indirect    |        |
| 1. Ter Equity Sdn. Bhd. | 45,639,344 | 28.819             | -           | -      |
| 2. Datuk Ter Leong Yap  | 33,897,400 | 21.405             | 46,117,844* | 29.122 |

\* Deemed interested by virtue of his interest in Ter Equity Sdn. Bhd. and Ter Capital Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

## D. DIRECTOR'S INTEREST IN SHARES

| Name of Directors               | Direct     | No. of Shares Held |             | %      |
|---------------------------------|------------|--------------------|-------------|--------|
|                                 |            | %                  | Indirect    |        |
| 1. Datuk Ter Leong Yap          | 33,897,400 | 21.405             | 46,117,844* | 29.122 |
| 2. Dato' Tan Tian Meng          | 6,957,200  | 4.393              | -           | -      |
| 3. Wong Yuen Teck               | 1,800,000  | 1.136              | -           | -      |
| 4. Koong Wai Seng               | -          | -                  | -           | -      |
| 5. Liew Jee Min @ Chong Jee Min | -          | -                  | -           | -      |
| 6. Datin Loa Bee Ha**           | -          | -                  | -           | -      |

\* Deemed interested by virtue of his interest in Ter Equity Sdn. Bhd. and Ter Capital Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

\*\* Datin Loa Bee Ha was appointed as Director on 21 August 2014.

## ANALYSIS OF SHAREHOLDINGS

AS AT 04 AUGUST 2014

Cont'd

## E. THIRTY LARGEST REGISTERED SHAREHOLDERS

| Name of Shareholders  | No. of Shares Held | %      |
|---|--------------------|--------|
| 1. Ter Equity Sdn. Bhd.   | 45,639,344         | 28.819 |
| 2. Ter Leong Yap  | 28,008,000         | 17.686 |
| 3. Lai Ming Chun @ Lai Poh Lin  | 7,200,000          | 4.546  |
| 4. Tan Tian Meng  | 6,957,200          | 4.393  |
| 5. Ter Leong Yap  | 5,889,400          | 3.718  |
| 6. Ruby Technique Sdn Bhd   | 5,000,000          | 3.157  |
| 7. HDM Nominees (Tempatan) Sdn. Bhd.<br>Sow Kin Hai   | 3,064,900          | 1.935  |
| 8. HLB Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Tan Kim Heung                              | 3,000,000          | 1.894  |
| 9. Ng Lee Ling  | 3,000,000          | 1.894  |
| 10. CIMSEC Nominees (Tempatan) Sdn. Bhd.<br>CIMB Bank for Koh Kin Lip (MY0502)                                    | 2,070,000          | 1.307  |
| 11. Wong Yuen Teck  | 1,800,000          | 1.136  |
| 12. CIMSEC Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Tee Boon Kee                           | 1,000,000          | 0.631  |
| 13. Hussein Noordin Sdn. Berhad   | 695,250            | 0.439  |
| 14. RHB Nominees (Asing) Sdn. Bhd.<br>Maybank Kim Eng Securities Pte. Ltd. for Exquisite Holdings Limited         | 650,000            | 0.410  |
| 15. Liu Sin   | 630,000            | 0.397  |
| 16. Public Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Sim Leong Thun (E-SS2)                 | 601,500            | 0.379  |
| 17. Gan Boon Khim   | 500,000            | 0.315  |
| 18. Lai Ngan Foong  | 500,000            | 0.315  |
| 19. Lee Yew Chen  | 500,000            | 0.315  |
| 20. Public Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Yip Tuck Leong (E-KLC)                 | 480,000            | 0.303  |
| 21. Ter Capital Sdn. Bhd.   | 478,500            | 0.302  |
| 22. Lee Fah On  | 464,000            | 0.293  |
| 23. Mohammad Allaudin & Co. Sdn. Bhd.   | 406,000            | 0.256  |
| 24. Syarikat Jeragan (Holdings) Sdn. Bhd.   | 354,450            | 0.223  |
| 25. Lim Sew Hua @ Lim Seow Hua  | 335,000            | 0.211  |
| 26. CIMSEC Nominees (Tempatan) Sdn. Bhd.<br>CIMB Bank for Yang Boo Ta @ Yang Yuh Pang (MM1223)                    | 323,000            | 0.203  |
| 27. Maybank Securities Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Foo Chi Ching (Dealer 060) | 310,000            | 0.195  |
| 28. Attractive Features Sdn. Bhd.   | 300,000            | 0.189  |
| 29. Tan Teng Fook   | 300,000            | 0.189  |
| 30. HDM Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Chai Chau @ Peh Chai Chau (M09)           | 288,600            | 0.182  |

# CORPORATE DIRECTORY

## **SUNSURIA BERHAD (8235-K)**

### **Head Office**

Suite 8, Main Tower, Sunsuria Avenue,  
Persiaran Mahogani, Kota Damansara, PJU 5,  
47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia  
Tel: +603 61457777 Fax: +603 61457778

### **Property Division**

#### **Sunsuria Sales Gallery**

Suite 1-3A, Main Tower, Sunsuria Avenue,  
Persiaran Mahogani, Kota Damansara, PJU 5,  
47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia  
Tel: +603 61422727 Fax: +603 61422222

#### **Johor Bahru Sales Gallery**

No. 1, Jalan Bukit Indah 15/3,  
Taman Bukit Indah,  
81200 Johor Bahru, Johor.  
Tel: +607 2381117 Fax: +607 2391117

### **Manufacturing Division**

#### **Maicador Sdn Bhd**

5100-A, Lorong Mak Mandin 5,  
Mak Mandin Industrial Estate,  
13400 Butterworth, Penang, Malaysia.  
Tel: +604 3312150 Fax: +604 3321889

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Forty-Fifth Annual General Meeting of the Company will be convened and held at the Banquet Hall, Unique Seafood Damansara, Sunsuria Avenue, Persiaran Mahogani, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor on Tuesday, 30 September 2014 at 10.30 a.m. to transact the following items of business:

## AGENDA

### As Ordinary Business

- |    |  |  |
|----|--|--|
| 1. | To receive the Statutory Financial Statements for the year ended 31 March 2014 together with the Directors' and Auditors' Reports thereon.   | <b>Please refer Explanatory Note A</b> |
| 2. | To approve the payment of Directors' Fees amounting to RM 42,209.68 for the financial year ended 31 March 2014.                              | <b>Ordinary Resolution 1</b>           |
| 3. | To re-elect the following Directors who retire in accordance with Article 92 of the Company's Articles of Association:-                      |  |
|    | (a) Datuk Ter Leong Yap;   | <b>Ordinary Resolution 2</b>           |
|    | (b) Wong Yuen Teck;  | <b>Ordinary Resolution 3</b>           |
|    | (c) Koong Wai Seng;  | <b>Ordinary Resolution 4</b>           |
|    | (d) Dato' Tan Tian Meng;   | <b>Ordinary Resolution 5</b>           |
|    | (e) Liew Jee Min @ Chong Jee Min; and  | <b>Ordinary Resolution 6</b>           |
|    | (f) Datin Loa Bee Ha.  | <b>Ordinary Resolution 7</b>           |
| 4. | To re-appoint Messrs Crowe Horwath as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | <b>Ordinary Resolution 8</b>           |

### As Special Business

- |    |  |                              |
|----|--|------------------------------|
| 5. | To consider and if thought fit, pass the following ordinary resolutions:   |                              |
|    | (a) <b>Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965</b>   | <b>Ordinary Resolution 9</b> |
|    | "THAT subject always to the Companies Act, 1965, the Company's Articles of Association and the approvals of the relevant Governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue and allot new shares in the Company from time to time upon such terms and conditions, and for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being, and THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued and THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." |                              |

## NOTICE OF ANNUAL GENERAL MEETING

*Cont'd*

**(b) Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature ("Proposed New Shareholders' Mandate")** **Ordinary Resolution 10**

"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby be given to the Company and/or its subsidiaries ("Sunsuria Group") to enter into new recurrent related party transactions of a revenue or trading nature with those related parties as set out in Section 2.1.1 of the Circular to Shareholders dated 8 September 2014 which are necessary for the Sunsuria Group's day-to-day operations.

AND THAT the aforesaid recurrent transactions of a revenue or trading nature are subject to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and not to the detriment of minority shareholders; and
- (ii) disclosure of the aggregate value of recurrent transactions conducted pursuant to the Proposed New Shareholders' Mandate will be disclosed in the Annual Report for the said financial year AND THAT such approval shall continue to be in force until:-
  - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at the meeting the authority is renewed; or
  - (b) the expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
  - (c) revoked or varied by resolution passed by the shareholders in a general meeting.

whichever is earlier.

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed New Shareholders' Mandate."

6. To consider any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

SEE SIEW CHENG (MAICSA 7011225)  
LEONG SHIAK WAN (MAICSA 7012855)  
Company Secretaries

Petaling Jaya  
8 September 2014



## NOTICE OF ANNUAL GENERAL MEETING

*Cont'd*

### NOTES:

- (i) A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies (but not more than two) to attend and vote instead of him. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his shareholding to be represented by each proxy, failing which the appointment shall be invalid.
- (ii) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it shall be entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

Where an authorised nominee or an exempt authorised nominee appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

- (iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation’s common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- (iv) The instrument appointing a proxy shall be deposited with the Company’s Share Registrar, Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the above meeting or any adjournment thereof.
- (v) Depositors whose names appear in the Record of Depositors as at 24 September 2014 (not less than three (3) Market Days before the general meeting) shall be entitled to attend and vote at the general meeting or appoint proxies to attend and vote on his behalf.

### EXPLANATORY NOTE A

This Agenda item is meant for discussion only as under the provisions of Section 169(1) of the Companies Act, 1965, the audited financial statements do not require formal approval of members and hence, this matter will not be put forward for voting.

### EXPLANATORY NOTE ON THE SPECIAL BUSINESS

- (a) The proposed Resolution 9, if approved, will empower the Directors to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at general meeting, will expire at the next Annual General Meeting. The directors did not obtain the same mandate at last year’s AGM. The said mandate is sought to avoid any delay and cost involved such as convening general meeting. Should the mandate be exercised, the directors would utilise the proceeds raised from this mandate for working capital or such other application they may in their absolute discretion deem fit.
- (b) The proposed Resolution 10, if approved, will empower the Directors of Sunsuria Group from the date of the Forty-Fifth Annual General Meeting, to deal with the related party transactions involving recurrent transactions of revenue or trading nature which is necessary for its day-to-day operations. These Recurrent Related Party Transactions are in the ordinary business and are on terms not more favourable to the related parties than those generally available to the public. This authority, unless revoke or varied at a general meeting, will expire at the next Annual General Meeting.

# PROXY FORM

## SUNSURIA BERHAD

(FORMERLY KNOWN AS MALAYSIA AICA BERHAD) (COMPANY NO. 8235-K) (INCORPORATED IN MALAYSIA)



I/We, ..... NRIC No. / Company No. ....  
of ..... being a member  
/ members of **SUNSURIA BERHAD** (8235-K) hereby appoint .....  
NRIC No.: ..... of .....  
representing ..... percentage (%) of my/our shareholdings in the Company and/or failing him/her  
..... NRIC No.: .....  
of ..... representing .....  
percentage (%) of my / our shareholdings in the Company OR failing him/her/them, the Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Forty-Fifth Annual General Meeting of the Company to be held at the Banquet Hall, Unique Seafood Damansara, Sunsuria Avenue, Persiaran Mahogani, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor on Tuesday, 30 September 2014 at 10.30 a.m. and at any adjournment thereof on the following resolutions in the manner indicated below:-

|                               | RESOLUTIONS   | FOR | AGAINST |
|-------------------------------|---|-----|---------|
| <b>ORDINARY RESOLUTION 1</b>  | Approval of Directors' Fees of RM 42,209.68 for the financial year ended 31 March 2014  |     |         |
| <b>ORDINARY RESOLUTION 2</b>  | Re-election of Datuk Ter Leong Yap as Director  |     |         |
| <b>ORDINARY RESOLUTION 3</b>  | Re-election of Mr Wong Yuen Teck as Director  |     |         |
| <b>ORDINARY RESOLUTION 4</b>  | Re-election of Mr Koong Wai Seng as Director  |     |         |
| <b>ORDINARY RESOLUTION 5</b>  | Re-election of Dato' Tan Tian Meng as Director  |     |         |
| <b>ORDINARY RESOLUTION 6</b>  | Re-election of Mr Liew Jee Min @ Chong Jee Min as Director                              |     |         |
| <b>ORDINARY RESOLUTION 7</b>  | Re-election of Datin Loa Bee Ha as Director   |     |         |
| <b>ORDINARY RESOLUTION 8</b>  | Appointment of Messrs Crowe Horwath as Auditors   |     |         |
| <b>ORDINARY RESOLUTION 9</b>  | Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965 |     |         |
| <b>ORDINARY RESOLUTION 10</b> | Proposed New Shareholders' Mandate for Recurrent Related Party Transactions             |     |         |

Dated this ..... day of ..... 2014

No. of Ordinary Shares Held:

Signature/Common Seal of Shareholder

CDS Account No.: .....

Tel No. ....

### Notes:-

- (i) A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies (but not more than two) to attend and vote instead of him. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his shareholding to be represented by each proxy, failing which the appointment shall be invalid.
- (ii) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it shall be entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.  
  
Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.  
  
Where an authorised nominee or an exempt authorised nominee appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- (iv) The instrument appointing a proxy shall be deposited with the Company's Share Registrar, Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the above meeting or any adjournment thereof.
- (v) Depositors whose names appear in the Record of Depositors as at 24 September 2014 (not less than three (3) Market Days before the general meeting) shall be entitled to attend and vote at the general meeting or appoint proxies to attend and vote on his behalf.

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**AFFIX  
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The Share Registrar

**SUNSURIA BERHAD**

*(Formerly known as MALAYSIA AICA BERHAD)* (Company No. 8235-K)

**c/o Tricor Investor Services Sdn Bhd**

Level 17, The Gardens North Tower

Mid Valley City, Lingkaran Syed Putra

59200 Kuala Lumpur, Malaysia


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[www.sunsuria.com](http://www.sunsuria.com)



**SUNSURIA BERHAD** (Formerly known as Malaysia Aica Berhad) (Company No. 8235-K)  
Suite 8, Main Tower, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara  
PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

 + (60)3-6145 7777

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