

CREATING A  
**SMART, LIVABLE, SUSTAINABLE CITY.**

ANNUAL REPORT 2016



# CREATING A **SMART,** **LIVABLE, SUSTAINABLE** CITY.

Heaven on earth is a place called Sunsuria City.

An *intelligent* township where digital technologies are deeply integrated, enabling everyone to enjoy communications, improved service efficiency and performance, while reducing costs and optimising the use of resources.

A truly *livable* place that embraces innovation, ubiquitous greenery that draws people closer to nature, and communal social events and cultural activities that build togetherness.

And *sustainable*, because development has been designed for long-term growth, with bicycle and pedestrian-friendly paths that promote healthier, more eco-friendly lifestyles, and extensive connectivity to Kuala Lumpur and the world.





## ● OUR VISION

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

## ● OUR 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.



INTEGRITY

RELIABILITY

## ● OUR VALUES

### 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 achieve excellence in all that we do and delivering the best experience to 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.





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# CORPORATE INFORMATION

## **BOARD OF DIRECTORS**

**DATUK TER LEONG YAP**  
(EXECUTIVE CHAIRMAN)

**KOONG WAI SENG**  
(CHIEF EXECUTIVE OFFICER)

**DATO' TAN TIAN MENG**  
(INDEPENDENT NON-EXECUTIVE DIRECTOR)

**LIEW JEE MIN @ CHONG JEE MIN**  
(SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR)

**DATIN LOA BEE HA**  
(INDEPENDENT NON-EXECUTIVE DIRECTOR)

**TAN PEI GEOK**  
(INDEPENDENT NON-EXECUTIVE DIRECTOR)

# CORPORATE INFORMATION

(Cont'd)



#### AUDIT COMMITTEE

Liew Jee Min @ Chong Jee Min (Chairman)  
Datin Loa Bee Ha  
Tan Pei Geok

#### 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

Tan Hsiao Yuen (MAICSA 7056952)  
Lee Swee Kheng (MIA 12754)

#### AUDITORS

Messrs Crowe Horwath (AF 1018)  
(Chartered Accountants)  
Level 16, Tower C  
Megan Avenue II  
12 Jalan Yap Kwan Seng  
50450 Kuala Lumpur

#### STOCK EXCHANGE LISTING

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

#### REGISTERED OFFICE AND 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](http://www.sunsuria.com)

#### PRINCIPAL BANKERS

Public Bank Berhad  
CIMB Bank Berhad  
AmBank (M) Berhad  
OCBC Bank (Malaysia) Berhad

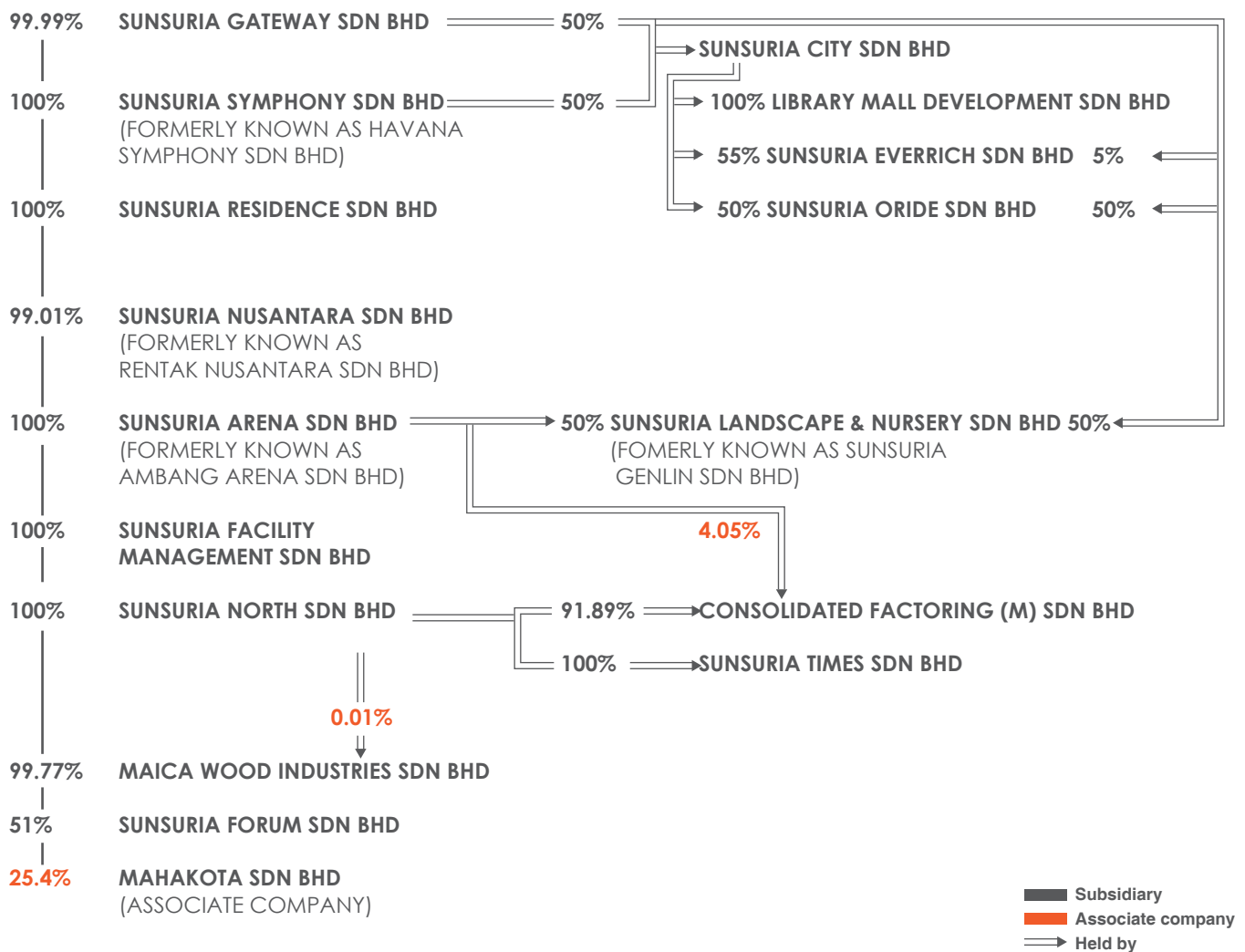
#### SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd ("TIS")  
Office:  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel: (603) 2783 9299  
Fax: (603) 2783 9222

#### CUSTOMER SERVICE CENTRE OF TIS :

Unit G-3, Ground Floor, Vertical Podium  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

# CORPORATE STRUCTURE





# GROUP FINANCIAL HIGHLIGHTS

For The Five Years Ended 30 September 2016

YEAR	2012	2013	2014	2015 (18 MONTHS ENDED SEP 2015)	2016
REVENUE (RM'000)					
- CONTINUING OPERATIONS	17,961	15,343	35,462	110,163	202,401
- DISCONTINUED OPERATIONS	-	3,154	2,618	25,316	12,353
PROFIT AFTER TAXATION ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)	1,687	989	3,564	15,103	43,839
TOTAL BORROWINGS (RM'000)	896	-	-	31,489	221,363
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)	69,750	70,525	88,254	581,693	680,751
GEARING RATIO (TIMES)	0.01	-	-	0.05	0.32
BASIC EARNING/(LOSS) PER SHARE (SEN) *					
- CONTINUING OPERATIONS	1.29	(0.69)	1.29	11.74	4.80
- DISCONTINUED OPERATIONS	-	1.45	1.30	(5.24)	0.93
NET ASSET PER SHARE (RM) **	0.54	0.54	0.56	0.79	0.86
NO. OF SHARES ("000")	130,361	130,361	158,361	735,487	798,833

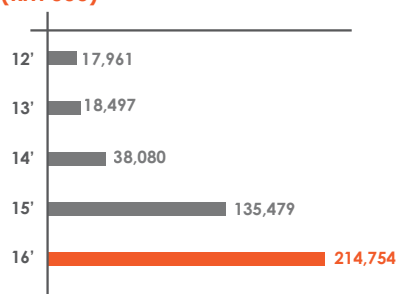
\* BASED ON WEIGHTED AVERAGE NUMBER OF SHARES ISSUED DURING THE PERIOD/YEAR.

\*\* BASED ON NUMBER OF SHARES ISSUED AS AT END OF FINANCIAL YEAR.

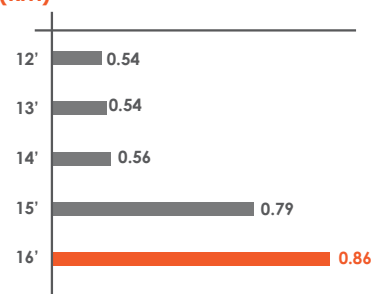
## SEGMENTAL : REVENUE

YEAR	2012	2013	2014	2015 (18 MONTHS ENDED SEP 2015)	2016
MANUFACTURING	13,577	15,103	16,880	25,316	9,301
LEASING	4,153	3,154	2,618	-	-
PROPERTY DEVELOPMENT	-	-	18,394	95,158	198,933
OTHERS	231	240	188	15,005	6,520
	17,961	18,497	38,080	135,479	214,754

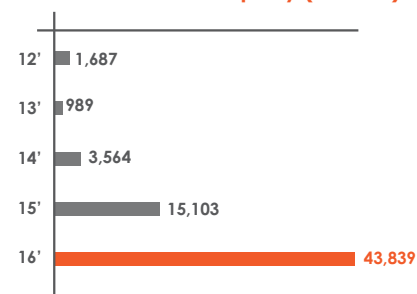
### REVENUE (RM'000)



### NET ASSETS PER SHARE (RM)



### Profit after taxation attributable to owners of the Company (RM'000)



A hand holding a smartphone is the central focus. The phone screen shows the time 19:00 PM, Wi-Fi, and signal strength icons. The background is a light gray with a network of white lines and circular icons representing smart home devices: a power button, a clock, a television, a lightbulb, a microwave, a printer, and a Wi-Fi symbol. A teal hexagon is positioned above the phone, and a white hexagon with the word 'SMART' is to the left. The overall theme is smart technology and connectivity.

**SMART**

A VIBRANT  
TOWNSHIP THAT SEAMLESSLY  
CONNECTS PEOPLE,  
PLACES AND INTELLIGENCE.



# EXECUTIVE CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

I am pleased to report to you that Sunsuria Berhad ("Sunsuria" or "The Group") has performed remarkably for the financial year ended 30 September 2016 ("FY2016"), recording a revenue of RM214.8 million and a net profit of RM49.3 million, compared to RM135.5 million and RM15.1 million respectively in the previous 18-month financial period.

Indeed, 93% of the RM214.8 million revenue came from the Group's property development activities, which underlines our focus as a property-centric company.

In particular, Suria Residence, a luxurious 545-units serviced apartment with full amenities in the matured neighbourhood of Bukit Jelutong, and The Forum (Phase 1), which comprises 264 units of retail lots and offices in Setia Alam, contributed 63% of the Group's revenue.

The first commercial components of Sunsuria City were also successfully launched in February 2016. Jasper Square, an 86-unit commercial shop office development, and Bell Avenue, which comprises 78 units of retail shops, contributed 16% to the Group's revenue.



## Overview

Sunsuria has achieved commendable growth in revenue and net profit in FY2016 despite the challenging domestic and international economic environment caused by a host of factors including plummeting crude oil prices, Bank Negara Malaysia's cooling measures, strict lending guidelines affecting mortgage availability, the withdrawal of RPGT exemption, and generally weak consumer confidence. This challenging economic overtone is expected to overflow into 2017.

Nevertheless, the property industry has immense potential for growth due to the underlying belief that property investments are relatively safe assets with long-term prospects for capital growth. Thus, despite the current subdued market sentiments, we remain confident that Sunsuria's focus on property development as well as commitment towards developing properties with the utmost standards of quality and reliability will continue to propel Sunsuria towards greater heights and success.

## Outlook and Future Prospects

In terms of Sunsuria's future growth, we will continue to nurture the major development projects that we began in the previous year.

Our flagship project, Sunsuria City, will be launched in phases over the next 10 years. It will consist of integrated commercial developments comprising retail units, shops and office lots; residential developments comprising condominiums, bungalows, villas, semi-detached units, terraced houses and townhouses; and mixed-developments such as serviced apartments, SOHOs, hotel, shopping mall and corporate office buildings.

Based on the key principles of Smart, Livable and Sustainable, our key focus is to build homes, workplaces and lifestyle developments within a township that is future-ready for the new generation of buyers. Furthermore, we are keen to create a refreshing and attractive environment that will also draw more footprints, including tourists, to the township, which will further enhance the value and sustainability for both residents and investors of Sunsuria City.

# EXECUTIVE CHAIRMAN'S STATEMENT

(Cont'd)

With Sunsuria City, we hope to create a new intelligent city that will co-exist with and complement Xiamen University Malaysia, a world-class research university and also the first overseas campus of a top-ranked university from China. We are confident that this will become an international landmark.

In addition, our vision is for Sunsuria City to be a community filled with insights and knowledge, where the little touches within the township, such as park benches, pedestrian walkways and landscape designs in public spaces, will inspire a curiosity to learn more about the arts and cultures from other parts of the world. This means more than just creating a smart city with a high-tech infrastructure and facilities. In fact, we hope to create a livable community that constantly grows in knowledge and strives for improvements.

For the Financial Year 2017 ("FY2017"), Sunsuria is planning to launch several projects with a Gross Development Value of RM1.55 billion, with Sunsuria City contributing 65% of these launches.

We are looking forward to launching our first residential developments at Sunsuria City, initially with The Olive condominium and subsequently with Bell Suites serviced apartments, which will face the main entrance of Xiamen University Malaysia. We will also be launching a landed residential development known as Monet Residences, comprising 519 units of terraced houses and 360 units of townhouses.

We will also focus on a mixed commercial development in Setia Alam called The Forum (Phase 2), which comes under the Group's 51%-owned subsidiary, Sunsuria Forum Sdn Bhd. The first phases of The Forum (Phase 2) are expected to be launched by the final quarter of FY2017.

Lastly, we will continue to actively seek opportunities to further expand our landbank as part of the Group's long-term growth strategies.

## Awards and Achievements

Sunsuria continues to garner recognition as a conscientious developer who seeks to make real impact in the communities residing within and around our developments, particularly with landmark projects that shape the landscape of Malaysia's nation building and development progress. Notable awards won by Sunsuria in 2016 include "The Edge Top 30 Property Developers Award"; "Top 10 Developers Award" by Property Insights; "Best Sustainable Township Development" by Property Insights; "Best Township Development" by iProperty.com Malaysia People's Choice Awards; and the Noble Excellence Awards 2016 as the "National Catalytic Developer".

## Dividend

In line with our growth strategy, the Board has not recommended the payment of any dividend for the financial year ended 30 September 2016 (2015: Nil).

## Acknowledgement

On behalf of the Board of Directors of Sunsuria, I wish to express my heartfelt appreciation to all our shareholders, business partners, associates, customers, suppliers, local authorities and other stakeholders for your continuing support and cooperation throughout the years.

I would also like to take this opportunity to thank the Board of Directors and all Sunsurians for your unwavering commitment to Sunsuria – you are the reason why we continue to succeed.

## Datuk Ter Leong Yap

*Executive Chairman*



# LIVABLE

A PLEASANT  
NEIGHBOURHOOD THAT  
PLACES A PREMIUM  
ON THE QUALITY AND  
BEAUTY OF LIFE.





# BOARD OF DIRECTORS

>>>>From Left To Right

**KOONG WAI SENG**  
Chief Executive Officer  
Key Senior Management

**TAN PEI GEOK**  
Independent Non-Executive Director  
Member of Audit Committee

**DATUK TER LEONG YAP**  
Executive Chairman  
Member of Remuneration Committee  
Key Senior Management





**LIEW JEE MIN @ CHONG  
JEE MIN**

*Senior Independent Non-Executive Director  
Chairman of Audit Committee  
Chairman of Nomination Committee  
Member of Remuneration Committee*

**DATIN LOA BEE HA**

*Independent Non-Executive Director  
Member of Nomination Committee  
Member of Audit Committee*

**DATO' TAN TIAN MENG**

*Independent Non-Executive Director  
Chairman of Remuneration Committee  
Member of Nomination Committee*

# DIRECTORS' PROFILE

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## DATUK TER LEONG YAP

*Executive Chairman*

*Member of Remuneration Committee*

*Key Senior Management*

Datuk Ter Leong Yap, male, age 53, a Malaysian, was appointed to the Board on 22 January 2014. He 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 Sunsuria with upmost integrity and ensuring reliability in delivering its promises, customer experience and product quality with commitment.

Datuk Ter holds several distinguished positions within the region. He is President of The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCIM) (2015-2018), President of the Chinese Chamber of Commerce & Industry of Kuala Lumpur & Selangor (KLSCCCI) (2015-2018), Director of Bank of China (Malaysia) Bhd, Member of the Malaysia-Singapore Business Council, Director of Xiamen University Malaysia, and Honorary Member of the Malaysia-China Business Council (MCBC) (since 2010).

In November 2016, Datuk Ter was officially elected as the new President of the National Chamber of Commerce and Industry Malaysia (NCCIM) (2016-2018).

He attended five (5) of five (5) Board Meetings held in the financial year ended 30 September 2016.



# DIRECTORS' PROFILE

(Cont'd)

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## KOONG WAI SENG

*Chief Executive Officer  
Key Senior Management*



Mr. Koong Wai Seng, male, age 49, a Malaysian, was appointed to the Board on 6 November 2013. He graduated with a Bachelor of Accountancy (Honours) degree from the University of Malaya in 1993.

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 with a chartered accounting firm before joining a property listed company for 13 years where he was appointed as Chief Financial Officer and later as the Group Finance Director of the listed group. Subsequently, he joined another property listed company as Executive Director before assuming his current position at Sunsuria Berhad.

He attended five (5) of five (5) Board Meetings held in the financial year ended 30 September 2016.

# DIRECTORS' PROFILE

(Cont'd)

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## LIEW JEE MIN @ CHONG JEE MIN

*Senior Independent Non-Executive Director  
Chairman of Audit Committee  
Chairman of Nomination Committee  
Member of Remuneration Committee*

Mr LiewJee Min @ Chong Jee Min, male, age 58, a Malaysian, was appointed to the Board on 18 March 2014. Mr Chong graduated from the University of Leeds, England in 1984 with an Honours degree in Law. He obtained his Certificate of Legal Practice, Malaya in 1985. He was admitted as an advocate and solicitor at the High Court of Malaya in 1986. He established the firm of J.M. Chong, Vincent Chee & Co in December 1986 and has been practising since, concentrating on banking, property and corporate matters.

Mr Chong is the Vice President of the Klang Chinese Chamber of Commerce & Industry ("KCCCI"), the Chairman of the Legal Affairs Committee of the KCCCI and The Associated Chinese Chamber of Commerce & Industry of Coastal Selangor, the Deputy Chairman of the Legal Affairs Committee of Kuala Lumpur & Selangor Chinese Chamber of Commerce & Industry, a member of the Legal Affairs Committee of The Associated Chinese Chamber of Commerce & Industry of Malaysia, and a legal advisor of Malaysia Used Vehicle Autoparts Traders' Association, The Kuala Lumpur & Selangor Furniture Entrepreneurs' Association and Sekolah Menengah Chung Hua (PSDN) Klang.

Mr Chong is also a Director of Jaks Resources Berhad, YKGI Holdings Berhad, Lion Industries Corporation Bhd and Weida (M) Berhad, which are all public listed companies.

He attended five (5) of five (5) Board Meetings held in the financial year ended 30 September 2016.



# DIRECTORS' PROFILE

(Cont'd)



## **DATO' TAN TIAN MENG**

*Independent Non-Executive Director  
Chairman of Remuneration Committee  
Member of Nomination Committee*

Dato' Tan Tian Meng, male, age 53, a Malaysian, was appointed to the Board on 13 March 2014. He graduated with a Bachelor of Civil Engineering (Honours) degree from the University of Malaya in 1988.

Since his graduation, he has had 25 years' experience and professional practice careers in industries related to construction and property development. He is currently a director of several private limited companies including Lintasan Remaja Sdn. Bhd., Delta Elegance Sdn. Bhd. and Grand Maluri Sdn. Bhd.

He attended five (5) of five (5) Board Meetings held in the financial year ended 30 September 2016.

## **DATIN LOA BEE HA**

*Independent Non-Executive Director  
Member of Nomination Committee  
Member of Audit Committee*

Datin Loa Bee Ha, female, age 53, a Malaysian, was appointed to the Board on 21 August 2014. She graduated from the University of Malaya with a Bachelor of Accounting (Honours) degree and is currently a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (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. Currently, she is also a Director of Rentak Flora Sdn. Bhd.

She attended five (5) of five (5) Board Meetings held in the financial year ended 30 September 2016.



# DIRECTORS' PROFILE

(Cont'd)

## TAN PEI GEOK

*Independent Non-Executive Director  
Member of Audit Committee*

Ms. Tan Pei Geok, female, age 55, a Malaysian, was appointed to the Board on 1 October 2015. She graduated with a Bachelor of Economics degree from Monash University in 1983. She is also a member of the Certified Practising Accountants (CPA Australia) and the Malaysian Institute of Accountants (MIA).

She began her career as an auditor with Binder Hamlyn before joining Public Bank Berhad, where she served for over 20 years in various credit-related departments, most recently as the Deputy Director of Corporate Banking. Since 2004, she has been the Chief Executive Officer of Health Scan Malaysia Sdn. Bhd., a leading medical and diagnostic centre.

She attended five (5) of five (5) Board Meetings held in the financial year ended 30 September 2016.



### Notes:

#### 1. Family Relationship with Director and/or Major Shareholder

- (i) Datuk Ter Leong Yap is a substantial shareholder of Sunsuria Berhad.
- (ii) Datin Loa Bee Ha is the spouse of Dato' Tan Tian Meng, a Director of Sunsuria Berhad.

Save as disclosed herein, none of the Directors has any family relationship with any Director and/or major shareholder of Sunsuria Group.

#### 2. Conflict of Interest

Save for related party disclosures as disclosed under Note 43 to the Audited Financial Statements of this Annual Report and the Circular to Shareholders pertaining to Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or Trading Nature with Related Parties, the Directors have no conflict of interest in any business arrangement with the Company and its subsidiaries.

#### 3. Conviction of Offences

None of the Directors has been convicted of any offence within the past 5 years other than possible traffic offences.

There were no sanctions and/or penalties imposed on the Directors by any relevant regulatory bodies, which were material and made public during the financial year ended 30 September 2016.

#### 4. Directors' Shareholdings

The details of Directors' interest in securities of the Company are set out in the Analysis of Shareholdings on pages 195 and 199 of this Annual Report.

# CHIEF EXECUTIVE OFFICER'S STATEMENT

Dear Shareholders,

On behalf of the management team it is my pleasure to present to you an overview of Sunsuria Berhad's ("Sunsuria or "The Group") financial performance and business activities for the financial year ended 30 September 2016 ("FY2016").

## Performance Review

FY2016 has been an incredible year for Sunsuria. The Group achieved cumulative sales of RM766.3 million, with the Group's flagship project, Sunsuria City contributing RM216.6 million to the sales. This translates into a revenue of RM198.9 million and profit before interest and taxation of RM51.4 million from the Group's property development segment.

The on-going projects of the Group for FY2016 are the commercial components of the Sunsuria City, namely the Jasper Square and Bell Avenue, Suria Residence and Suria Hills at Bukit Jelutong and The Forum (Phase 1) at Setia Alam.

## Development Projects

### Jasper Square

With a total Gross Development Value ("GDV") of RM153.9 million, Jasper Square is located near the main entrance of the township, adjacent to the upcoming Horizon Village Outlets. The 86-unit commercial shop office development is surrounded by charming greenery, offering an array of commercial conveniences with a touch of nature.

Jasper Square is set to bring vibrant and colorful atmosphere to the commercial components of Sunsuria City, promising business opportunities and sustainable growth for investors, entrepreneurs and business owners.

### Bell Avenue and Bell Suites

Bell Avenue will be the icon of Sunsuria City, setting the standards for a smarter, more livable and more sustainable environment. Strategically located at the main gate of Xiamen University Malaysia, this 78-unit retail shop development with a GDV of RM172 million is designed to promote the boundless innovation and creativity that will be the hallmark of our township's smart retail space and urban living concept.

There will also be 478-unit SOHO development called Bell Suites, which will be next to Bell Avenue. This RM164.1 million GDV development is expected to be launched by the second quarter of 2017.

### The Olive

The Olive, with a GDV of RM283.8 million, is the first residential development of Sunsuria City. Comprising 663 units housed in 3 blocks, this freehold condominium development is orientated in a north-south direction not only to minimize exposure to solar heat, but also to take advantage of stunning views overlooking the pool deck and recreation areas. The Olive is punctuated by lush greenery as well as 1,000 metres of jogging and cycling tracks that encircle the entire project, enabling joggers and cyclists to carry out their activities in a safe and secure environment.



# CHIEF EXECUTIVE OFFICER'S STATEMENT

(Cont'd)

With breath-taking views of Xiamen University Malaysia, The Olive is designed for the new generation of buyers, first-time homeowners, parents of students who study in or around Putrajaya South, business-owners and investors.

## Monet Residences

An upcoming landed residential development known as Monet Residences will be launched in 2017. With a total GDV of RM583.4 million, Monet Residences will comprise 519 units of terraced houses and 360 units of townhouses.

Named after the renowned French impressionist painter Claude Monet, Monet Residences will take inspiration from Monet's many masterpieces, bringing his philosophy and experience to life in the homes that we will build.

## The Forum (Phase 2)

Following the success of The Forum (Phase 1), The Forum (Phase 2) will utilise the same concept of combining business and leisure, giving 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.

Located on 6.6 acres of freehold land, The Forum (Phase 2) will comprise retail units, a 21-storey office tower, a 33-storey SOHO serviced suites and a 41-storey serviced apartment. The Group is targeting to launch the SOHO service suites and the office tower by the final quarter of FY2017.



## Focusing on Our Customers

Our customers' interest in new and unique product concepts, and how products are made and last, are of great importance to Sunsuria. As part of the leadership team, we have continuously urged for forward-thinking in innovation and value engineering in achieving cost savings, reducing risk and adding value to our products by mainstreaming sustainability development. Forming of partnerships with trusted contractors and suppliers to manage quality development at an early stage is key to Sunsuria.

We are proud to be recognised as new, up and coming leaders within our industry. To maintain our growing position, we will raise our commitment as a conscientious developer by integrating all relevant aspects into the business, including building our very own Sunsuria Dream Team that aims to continuously improve our leadership proficiencies and foster a unique performance culture.

We will also be taking bold steps in enhancing Sunsuria's corporate branding and positioning, ensuring that our core values of Respectful, Committed and Progressive remain distinctly visible and relevant in everything that we do. This is our promise to our customers.

## Corporate Exercises

In FY2016 the Group has embarked on several corporate exercises as part of its growth strategies and enhancement of shareholders' value.

Sunsuria completed the acquisition of 51% interest in Sunsuria Forum Sdn. Bhd. ("SFBSB") on 25 March 2016. SFBSB is the developer of The Forum (Phase 1) and The Forum (Phase 2). The acquisition enables Sunsuria to consolidate the earnings generated from The Forum (Phase 1) and The Forum (Phase 2) and augment Sunsuria's presence in Setia Alam.

On 15 April 2016, Sunsuria issued 63,344,588 new ordinary shares of RM0.50 each in Sunsuria via a Private Placement exercise at an issue price of RM0.8350 per share. Funds raised from the private placement exercise was to further grow and expand the Group's property development businesses.



# CHIEF EXECUTIVE OFFICER'S STATEMENT

(Cont'd)

Following the completion of the private placement exercise and in a strategic move to unlock the value of a 8.48 acres of land within the Group's flagship Sunsuria City development, the Group has entered into a joint venture with Welcome Global Co. Ltd on 9 May 2016, for the proposed unique Korean-French themed-designed mixed development comprising serviced apartments, retail outlets, mall and a boutique hotel, together with the necessary infrastructure, amenities and public utilities. This joint venture is set to bring unique content and elements from Korea into Sunsuria City riding on the strong "Korean Wave" influence in South East Asia region including Malaysia. Boutique hotel with strong touches of designer vintage concept, romantic glass-wedding house that is designed with interesting themed garden to cater for weddings and private functions, interesting chic French restaurant and an European bakery and cafes are the crucial elements to make Sunsuria City as one of the most sought after destination for lifestyle photo and video shooting, documentary and more. We are also very proud and excited to bring in the Korean Beauty Mall, a one-stop fashion and beauty care boutique mall that aims to fulfill the craze and obsessions on anything and everything to do with Korean beauty care products and services.

Also in line with Sunsuria's key principles to build low carbon and green township, the Group has on 18 August 2016, signed a Joint Venture Agreement with Oride (M) Sdn Bhd to set up, manage and operate public bicycle renting services in Sunsuria City to help to promote the township's Smart, Livable and Sustainable concept through Sunsuria Oride Sdn Bhd.

The Sunsuria Oride Bicycle Sharing Programme allows users to rent bicycles from designated bicycle stations. The Bicycle Sharing Programme will be rolled out with the introduction of bicycle- and pedestrian-friendly walkways across key components of Sunsuria City, starting from Xiamen University Malaysia to the Express Rail Link Salak Tinggi train station.

Along with plans to expand the bicycle stations across the entire township, dedicated bicycle lanes will be built to help promote a healthier lifestyle in Sunsuria City and to reduce the need for personal vehicle trips and encourages the habit of cycling within the community.

## Appreciation

On behalf of the management team, I would like to take this opportunity to thank all Sunsurians for your dedication, commitment and loyalty throughout the year. Sunsuria's wonderful performance is directly due to you.

I would also like to express my gratitude and appreciation to our Executive Chairman and the Board of Directors for your continuing support, hard-work and contribution to Sunsuria.

**Koong Wai Seng**  
*Chief Executive Officer*





# **SUSTAINABLE**

AN EXCITING COMMUNITY  
THAT IS DESIGNED TO  
CARRY US FAR INTO THE FUTURE.

# STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY

At Sunsuria, we believe that corporate social responsibility is more than a business practice –it is an integral part of our culture.

Encapsulated in our tagline “Building Today, Creating Tomorrow”, we aim to make a deep, positive and lasting impact on our people, our society and our environment through initiatives that promote volunteerism, compassion and sustainability.



## **Nurturing the Best for Tomorrow**

Education is the fundamental building block to success and Sunsuria have been especially dedicated in ensuring that those in need have a better chance to fulfil their potential.

Apart from contributions to schools, universities and welfare organisations, we have also assisted countless deserving children with full or partial scholarships as well as providing less fortunate families with assistance for their children's education.

Furthermore, scholarship recipients are chosen based on need and merit, with no discrimination to race, culture or course of study. Currently, our Sunsuria Scholars represent different ethnicities and cover a multitude of subject matters, ranging from Finance to Medicine.

We also strongly believe in inculcating the virtues of learning among our staff, with incentives being awarded to the children of Sunsuria employees for excellent academic achievements.

Through our close collaboration with Xiamen University Malaysia, which is the first overseas campus of a top-ranked research university from China, we aspire not only to build a smart, livable and sustainable community in Sunsuria City, but also to ensure that the township integrates meaningfully with its surrounding.

As one of the most significant collaborations between Malaysia and China, Xiamen University Malaysia not only provides Malaysians with affordable access to top quality education, but ensures that funds into the university will be reinvested back into the university for scholarships, research and development.

# STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY

(Cont'd)



## Striving for greater Ecological Sustainability

At Sunsuria, we are committed advocates for eco-conscious operations and environmental sustainability. As such, we are proud to have promoted these causes in our office environment, business processes and commercial ventures including:

- Introducing education programmes on the environment to raise awareness amongst employees and other stakeholders
- Establishing a smart bicycle-sharing programme in Sunsuria City to reduce emissions and promote healthier lifestyles
- Initiating tree-planting exercises in Sunsuria City
- Establishing a "Cash for Trash" programme whereby all proceeds collected from the sale of recyclables are used to aid the less fortunate

Above all, we believe that sustainability begins with ourselves. Thus, we have also taken the initiative to educate Sunsurians to Reduce, Reuse and Recycle in their daily activities.



## Fostering national unity and racial harmony

As a responsible corporate citizen, Sunsuria has also supported and contributed to various nation-building initiatives aimed at fostering national unity and racial harmony.

Sunsuria was a corporate partner for the "MyHero Award 2.0", which was organized by the Chinese Chamber of Commerce & Industry of Kuala Lumpur & Selangor (KLSCCCI) and Nanyang Siang Pau. This award recognizes everyday unsung heroes from all walks of life for going above and beyond to help others regardless of racial, cultural or religious differences.

In taking the initiative to participate in important social causes, we hope to play an active part in helping to shape a better world for our future generations.



# CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Sunsuria Berhad ("**Sunsuria**" or "**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.

This Statement sets out the key aspects of how the Company has applied the Principles and Recommendations of the Code during the financial year ended 30 September 2016 and any non-observation of the Recommendations of the Code, including the reasons thereof, has been included in this Statement.

## PRINCIPLES 1 – ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

### Clear Functions of the Board and Management

The Board leads the Group and plays a strategic role in overseeing the Group's corporate objectives, directions and long term goals of the business. The Board is responsible for the oversight of the overall management of the Group.

The Executive Chairman is primarily responsible for the vision and strategic direction of the Group. The Chief Executive Officer ("CEO") is responsible in overseeing the overall implementation of objectives and business plans for the Group in accordance with the code of conducts approved by the Board.

Management is responsible in assisting the Board on the implementation of business plans and the day-to-day operations of the Group.

To ensure the effective discharge of its functions and responsibilities, the Board has delegated specific responsibilities to the Audit Committee, Nomination Committee and Remuneration Committee. Each of the Committee is entrusted with specific responsibilities to oversee the Company's affairs, in accordance with their respective written Terms of Reference.

### Clear Roles and Responsibilities

There is clear segregation of responsibility between the Board members to ensure that there is a balance of power and authority in the Group. The role and responsibilities of Executive Chairman, CEO, Independent Director and Non-Independent Director are set out in the Company's Board Charter.

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 of the Group;
- To ensure the operation and business of the Group is managed properly falling within the code of conduct of the Group and to the best interest of its stakeholders and general public as a whole;

# CORPORATE GOVERNANCE STATEMENT

*(Cont'd)*

## **PRINCIPLES 1 – ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)**

### **Clear Roles and Responsibilities (Cont'd)**

- To ensure full disclosure of all material information pertaining to the Group to its stakeholders and 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.

### **Formalised Ethical Standards through Code of Conduct**

With the core values of the Company rooted in integrity and reliability, it continues to promote and inculcate a healthy working culture and environment through the 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.

### **Whistle Blowing Policy**

The Board is targeting to formalise a set of Whistle Blowing Policy and Procedures by 2018. Such policy will provide an avenue for stakeholders of the Company to raise concerns related to possible breach of business conduct, non-compliance with laws and regulatory requirements as well as other malpractices.

The Whistle Blowing Policy will be uploaded to the Company's website or intranet upon obtaining the Board's approval.

### **Strategies promoting Sustainability**

The Board is mindful of the importance of building a sustainable business and is committed to the promotion of best practice principles in this regard. The Board recognises that enhancing sustainability is a long-term commitment and therefore takes into consideration the environmental, social and governance impact when developing the corporate strategy.

The Group is committed to provide a safe workplace for its employees in term of health, safety and environment and conduct its business in a way that is environmentally sound. The Group is also committed to protect the environment through conscientious efforts to ensure pollution levels are kept to a minimum in respect of its construction works. The Group also aims to eliminate all occupational injuries, prevent pollution at its source and optimise the use of natural resources.



# CORPORATE GOVERNANCE STATEMENT

(Cont'd)

## PRINCIPLES 1 – ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

### Access to Information and Advice

All the Board and committee members have timely access to the relevant information pertaining to the Group as well as to the advices 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 at least three days before the meeting to enable them to have sufficient time to peruse the papers to assess all aspects of the Group's performance. They can request for further information or clarification from Management to ensure effectiveness of the proceedings at the meeting, if necessary. Senior management members are invited to attend these meetings to explain and clarify matters.

### Qualified and Competent Company Secretaries

The Company has appointed two qualified named secretaries for the Company and its subsidiaries. Both secretaries are qualified under Section 139A of the Companies Act 1965 ("the Act"). The Company Secretary plays an important advisory role and is a source of information and advice to the Board and Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group. All Directors have access to the advices and services of the Company Secretary.

The roles and responsibilities of the Company Secretary are as follows:

- (i) Advise the Board and Management on corporate governance issues;
- (ii) Ensure compliance of listing and related statutory obligations under the Act, Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR") and Capital Market and Services Act 2007;
- (iii) Ensure that the Board comply with the applicable rules and regulations for the conduct of the affairs;
- (iv) Attend the Board, Board Committee and general meetings, and to ensure proper recording of minutes;
- (v) Ensure proper upkeep of statutory registers and records of the Company; and
- (vi) Assist the Chairman in the preparation for and conduct of meetings.

The appointment and resignation of the Company Secretary are subject to Board's approval.

### 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 will regularly review the Board Charter to ensure that they remain consistent with the Board's objectives, responsibilities and the relevant standards of corporate governance. The Board is targeting to review the Board Charter by 2017.

# CORPORATE GOVERNANCE STATEMENT

*(Cont'd)*

## PRINCIPLES 2 – STRENGTHEN COMPOSITION

### Nomination Committee

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.

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:

#### Chairman

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

#### Members

Datin Loa Bee Ha  
(Independent Non-Executive Director)

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

The Nomination Committee is guided by its terms of reference, among others, the responsibilities of the Nomination Committee include:

- (a) Propose new nominees for the board, taking into consideration the candidates' skills, knowledge, expertise and experience; professionalism; integrity; and in the case of candidates for the position of independent non-executive directors, the nomination committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors;
- (b) Make appropriate recommendations to the Board on matters of renewal or extension of directors appointment and re-appointment of retiring directors;
- (c) Consider, in making its recommendations, candidates for directorships proposed by the Executive Chairman and, within bounds of practicability, by any other senior executive or any director or shareholder;
- (d) Recommend to the Board, directors to fill the seats on Board Committees;
- (e) Assess directors on an ongoing basis;
- (f) Review annually and assess performance of non-executive directors on annual basis; based on skills, experience and core competencies which non-executive directors should bring to the board and submit its recommendations to the board; and

# CORPORATE GOVERNANCE STATEMENT

*(Cont'd)*

## PRINCIPLES 2 – STRENGTHEN COMPOSITION (CONT'D)

### Nomination Committee (Cont'd)

- (g) Carry out a process implemented by the board on an annual basis for assessing the effectiveness of the board as a whole, the committees of the board and for assessing the contribution, time commitment and protocols for new directorships of each individual director including Independent Non-Executive Directors and Chief Executive Officer.
- (h) Assisting the Board in an annual review of the independence of the Independent Non-Executive Director.
- (i) To review succession planning for the Board chairman, directors and key management personnel
- (j) To review the term of office and performance of the Audit Committee and each of its members annually to determine whether such audit committee members have carried out their duties in accordance with their terms of reference.
- (k) Identifying and recommending the appropriate continuing education/training programmes for the Board members, and Board Induction Programmes for newly appointed Board Members.
- (l) The Board, subject to the assessment of the Nomination Committee, shall justify and seek Shareholders' approval in the event it retains as an independent director, a person who has served in that capacity for more than nine (9) years.
- (m) Ensuring that women candidate(s) is/are sought as part of its recruitment exercise to maintain the boardroom diversity in the Company.
- (n) Each Committee Member should abstain from discussion or voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

During the financial year, the Nomination Committee conducted one (1) meeting. The Nomination Committee reviewed the following matters during the meeting:

- (i) Re-election of directors who are subject to retirement by rotation at the Annual General Meeting; and
- (ii) Summary of the performance appraisal forms of the Board and Board Committee, Audit Committee, Individual Director and independence of Independent Director.

The Nomination Committee had on 25 November 2016 assessed the term of office and performance of Audit Committee and was of the view that the Audit Committee members have carried out their duties in accordance with its terms of reference.

The proceedings of the meeting were properly recorded and documented.

# CORPORATE GOVERNANCE STATEMENT

(Cont'd)

## PRINCIPLES 2 – STRENGTHEN COMPOSITION (CONT'D)

### Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

#### Appointments to the Board

Appointment of new Directors will 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.

In assessing the suitability of candidates, the Nomination Committee shall consider the candidates' character, industrial experiences, competencies, professionalism, time commitment, and board diversity including gender diversity and the mix of skills, qualifications, expertise and experience, knowledge, professionalism and integrity which would contribute to the overall desired composition of the Board.

#### Re-election of Directors

In accordance with the Article 85 of the Company's Articles of Association ("AA"), 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 ("AGM"). Newly appointed Directors shall hold office until the conclusion of the next AGM 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 pursuant to Article 92 of the Company's AA.

The Article 85 of the Company's AA also require that all Directors be subjected to retirement by rotation at least once every three (3) years.

Section 129(2) of the Act states that the office of a director of a public company or a subsidiary of a public company who is over the age of seventy (70) years shall become vacant at the conclusion of the AGM. Nevertheless, Section 129(6) of the Act provides provision that the Director may be appointed or re-appointed as a Director of the Company by the shareholders at the AGM and to hold office until the next AGM of the Company. The said re-appointment must be approved by a majority of not less than three-fourths of the shareholders at the AGM.

The Nomination Committee had reviewed all Directors who are due for retirement by rotation, and standing for re-election at the Company's 48th AGM during its meeting held on 25 November 2016.

#### Gender, Ethnicity and Age Group Diversity Policies

The Group has no immediate plan to implement a diversity policy as it is of the view that employment is dependent on each candidate's skills, experience, core competencies and other qualities, regardless of gender and age. However, Sunsuria is committed to diversity and have an equal employment opportunity policy in promoting diversity in the Group. There are no barriers in employment or development in the Group because of an individual's gender, race, religion and age. As Sunsuria believes that employees with diverse cultural backgrounds bring unique experiences and perceptions to the work team and benefit of the Group by strengthening productivity and responsiveness to changing conditions.

The Group's workforce statistics in terms of age, ethnic and gender as at 30 September 2016 are disclosed under "Additional Compliance Information" as stated in page 58 of this Annual Report.

# CORPORATE GOVERNANCE STATEMENT

(Cont'd)

## PRINCIPLES 2 – STRENGTHEN COMPOSITION (CONT'D)

### Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors (Cont'd)

#### Annual Assessment

The Nomination Committee is responsible for assessing the performance of the existing directors and evaluating and recommending suitable candidates for Board appointment.

The Nomination Committee is empowered to review annually the effectiveness, contribution and performance of the Board, Board Committees and Board members and the independence of its Independent Directors. The objective of this review is to ensure that the Board's size, structure and composition meet the needs and expectations of the Company and the MMLR as well as the mix of skills, gender diversity, character, experience, integrity, competence and time to effectively discharge roles and responsibilities of the Board Members.

The Board evaluation questionnaires comprise Board and Board Committee Evaluation Form, Audit Committee Evaluation Form, Directors' Evaluation Form (Self/Peer Assessment), and Assessment of Independence of the Independent Directors on an annual basis.

The assessment of the Audit Committee is based on specific criteria such as quality and composition, skills and competencies, meeting administration and conduct. For Peers' Assessment, the assessment areas include fit and proper, contribution and performance.

The Board and Board Committee assessment form includes board mix and composition quality of information and decision making boardroom activities.

These questionnaires are sent to Directors for their completion. The results of these assessments questionnaires were compiled by the Company Secretary and tabled to the Nomination Committee and Board for review and deliberation.

The Board was satisfied with the results of the assessment and the current size and composition of the Board are appropriate and well-balanced with the right mix of skills with the Board composition comprising individuals of high caliber, credibility and with necessary skills and qualifications to enable the Board to discharge its duties and responsibilities effectively.

# CORPORATE GOVERNANCE STATEMENT

(Cont'd)

## PRINCIPLES 2 – STRENGTHEN COMPOSITION (CONT'D)

### Remuneration Policies

#### Remuneration Committee

The Board had also set up a Remuneration Committee which comprises the majority of Non-Executive Directors. The Remuneration 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:

#### Chairman

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

#### Members

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

Datuk Ter Leong Yap  
(Executive Chairman)

The duties of the Remuneration Committee include the following:

- (a) To formulate and review the policy framework and making recommendation to the Board on the annual remuneration packages and benefits extended to the executive members of the Board, taking into account the performance of each individual as well as corporate performance.
- (b) To review the remuneration and benefits accorded to the non-executive directors to ensure that the level of remuneration commensurate with the experience and level of responsibilities undertaken.

Whilst discharging the above duties, directors should abstain from discussion of their own remuneration.

Details on the functions of the Remuneration Committee are set out in its Terms of Reference, which is available under the "investor relations" section on the Company's website [www.sunsuria.com](http://www.sunsuria.com).

#### Level and make-up

The Remuneration Committee reviews the levels of remuneration offered to the 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 remuneration are structured to link rewards to the 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.

# CORPORATE GOVERNANCE STATEMENT

(Cont'd)

## PRINCIPLES 2 – STRENGTHEN COMPOSITION (CONT'D)

### Remuneration Policies (Cont'd)

#### Disclosure

The recent amendments to the MMLR states that the Company is required to disclose the remuneration of the Directors of the Company (including the remuneration for services rendered to the listed corporation as a group) for the financial year, stating the amount received from the listed corporation and the amount received on a group basis respectively.

The aggregate remuneration paid to Executive Directors and Non-Executive Directors of the Company for the financial year ended 30 September 2016 are as follows:

	Group (RM)		Company (RM)	
	Executive Director	Non-Executive Director	Executive Director	Non-Executive Director
Salaries and allowance	2,260,200	–	2,260,200	–
Other emoluments	351,359	–	351,359	–
Benefits-in-kind	61,228	–	61,228	–
Bonuses	650,300	–	650,300	–
Director's Fee	–	222,000	–	222,000
<b>TOTAL</b>	<b>3,323,087</b>	<b>222,000</b>	<b>3,323,087</b>	<b>222,000</b>

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

Band (RM)	No. of Non-Executive Directors	No. of Executive Directors	Total
1 - 50,000	4	–	4
50,001 - 100,000	1	–	1
950,001 - 1,000,000	–	1	1
2,300,001 - 2,350,000	–	1	1
<b>Total</b>	<b>5</b>	<b>2</b>	<b>7</b>

\* This includes fees paid to Alexon Khor Swek Chen who resigned on 29 July 2016.

# CORPORATE GOVERNANCE STATEMENT

*(Cont'd)*

## **PRINCIPLES 3 – REINFORCE INDEPENDENCE**

### **Annual Assessment of Independence**

The Board recognises the importance of independence and objectivity in the decision-making process as advocated in the Code. The Board is committed to ensure that the Independent Directors are capable to exercise independent judgment and act in the best interest of the Company.

In line with Recommendation 3.1 of the Code, the Board via the Nomination Committee conducted an independent annual assessment on the Independent Directors of the Company. The Nomination Committee is satisfied with the results whereby all the Independent Directors fulfilled the criteria of "Independence" as prescribed under the MMLR.

### **Tenure of Independent Directors**

The Board is aware that the tenure of an independent director should not exceed a cumulative term of nine years as recommended by the Code. Upon completion of the nine years, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director.

Presently, none of the Independent Non-Executive Directors hold office for more than (9) years as at the date of this Statement.

### **Shareholders' Approval for the Appointment as an Independent Director after serving nine (9) years in that capacity**

Subject to the Board's justification and shareholders' approval, the independent director who serves the Company for more than nine years may continue to retain as independent director.

In view of none of the Independent Non-Executive Directors hold office for more than (9) years, no shareholders' approval is required for the subject matter.

### **Separation of Positions of the Chairman and CEO**

The roles and responsibilities of the Executive Chairman and the CEO are clearly defined and segregated to ensure a balance of power and authority such that no one individual has unfettered power of decision. The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role.

The Chairman is elected by the Board and is responsible for the leadership and management of the Board and to ensure that the Board and Board Committees function effectively. He oversees and evaluates the conduct and performance of the Group and undertakes to ensure efficient functioning of the Board and that procedural rules are followed and to provide quality information to the Board members on a timely basis to facilitate decision-making.

The CEO will be the person responsible to lead the management team in the day-to-day operations of the Company and relinquish the Chairman that plays an executive role from such responsibility. The CEO will report directly to the Board and furnish the Board with sufficient and quality information for the Board decision-making. The CEO implements the policies, strategies and decisions adopted by the Board. The role and responsibilities of a CEO are clearly stated in his job description during employment.



# CORPORATE GOVERNANCE STATEMENT

*(Cont'd)*

## **PRINCIPLES 3 – REINFORCE INDEPENDENCE (CONT'D)**

### **Separation of Positions of the Chairman and CEO (Cont'd)**

The Board is aware of Recommendation 3.4 of the Code that the positions of chairman and CEO should be held by different individuals, and the chairman must be a non-executive member of the board.

Despite our Chairman is an executive member of the Board, the Board has a majority presence of Non-Executive Directors, of whom four (4) are Independent Non-Executive Directors with distinguished records and credentials to ensure that there is independence of judgement and balance of power and authority on the Board.

The Nomination Committee was satisfied that notwithstanding Datuk Ter's executive chairmanship, he has continued to discharge his duties effectively and has shown tremendous commitment and has played an integral role in the stewardship of Sunsuria Group.

### **Composition of the Board**

The Board comprises six (6) Board members with two (2) Executive Directors (the Executive Chairman and CEO) and four (4) Independent Non-Executive Directors. This Board composition complies with Paragraph 15.02 of MMLR, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be independent. Such Board composition also complies with Recommendation 3.5 of the Codes whereby the board must comprise a majority of independent directors where the chairman of the board is not an independent director.

The profile of each Director is set out on pages 16 to 20 of this Annual Report.

The composition of the Board is further balanced by the presence of Independent Non-Executive Directors. Although all Directors have equal responsibility for the Group's business directions and operations, the role of these Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the Management are fully discussed and evaluated, having considered the long-term interests of all interested parties, including shareholders, employees, customers, suppliers and the community as a whole.

The appointment of Datin Loa Bee Ha and Ms Tan Pei Geok in the Board is evidence that the Board has implemented diversity principle even though there is no gender diversity policy established for the time being. The Board membership is dependent on each candidate's skills, experience, core competencies and other qualities.

Mr Liew Jee Min @ Chong Jee Min who is the Chairman of Nomination Committee, was appointed as Senior Independent Director on 25 November 2016. Any queries and concerns pertaining to the Group may be conveyed to him.

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

# CORPORATE GOVERNANCE STATEMENT

(Cont'd)

## PRINCIPLE 4 – FOSTER COMMITMENT

### Time Commitment

The Executive Directors, together with the Group's management, have regular meetings where operational details and other issues are discussed and considered.

Board and Board Committee meetings are scheduled at the onset of the calendar year and an annual corporate calendar with an indication of the key business items for each meeting is circulated to all Directors, to facilitate the Directors' time planning.

For the financial year ended 30 September 2016, the Board met five (5) times to discuss the issues on the Group's financial performance, significant investments corporate development, strategy and business plan and other matters reserved for the decision by the Board. All proceedings of the Board meetings are minuted.

The details of attendance of each Director for the financial year ended 30 September 2016 are as follows:

<b>Name of Board members</b>	<b>Attendance (1/10/2015 to 30/9/2016)</b>
Datuk Ter Leong Yap (Executive Chairman)	5/5
Koong Wai Seng	5/5
Dato' Tan Tian Meng	5/5
Liew Jee Min @ Chong Jee Min	5/5
Datin Loa Bee Ha	5/5
Alexon Khor Swek Chen (Resigned on 29 July 2016)	3/4
Tan Pei Geok (Appointed on 1 October 2015)	5/5

Effective from 1st June 2013, the maximum directorships of a director in Malaysian public listed companies is reduced from 10 to 5 under the MMLR. The Board confirms that all directors do not exceed five directorships as of to-date.

The Board is aware the recommendation of the Code that they are required to notify the Chairman on the Board before accepting any new directorships and to indicate the time expected to be spent on the new appointment.

In this respect, Directors are at liberty to accept other board appointments (outside the Group) so long as the appointment is not in conflict with the business of the Group and that it would not detrimentally affect his or her performance as a board member of the Company. The Board is satisfied with the level of time committed by its members in discharging their duties and roles as directors of the Company for the time being.

# CORPORATE GOVERNANCE STATEMENT

(Cont'd)

## PRINCIPLE 4 – FOSTER COMMITMENT (CONT'D)

### Directors' Training

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 industry.

The Board is notified of a series of training programmes or workshop conducted by Bursa Securities for its consideration of participation and the Board receives updates of the MMLR from the Company Secretary from time to time.

The training programmes that the Directors had attended are as follows:-

Name of Director	Date of training	Title/subject matter for the training
Ms Tan Pei Geok	9 & 10 December 2015	Mandatory Accreditation Programme for Directors of Public Listed Companies
Datin Loa Bee Ha	2 November 2015 11 April 2016	CG Breakfast Series with Directors: Future of Auditor Reporting – The Game Changer for Boardroom Nominating Committee Programme Part 2 – Effective Board Evaluations
Datuk Ter Leong Yap	22 October 2015 20 November 2015 2 December 2015  3 to 14 March 2016  27 April 2016 26 May 2016  30 May 2016 29 June 2016 28 July 2016  16 August 2016 17 August 2016 19 August 2016  27 August 2016 3 September 2016 17 September 2016	Workshop on "Using Mobile Apps and Facebook" China-Malaysia High-level Economic Forum Talk on RMB Qualified Foreign Institutional Investor (RQF II) & Treasurer Bonds 4th Session of the 12th National Committee of the Chinese People's Political Consultative Conference Seminar on "Family Business Succession" China (Shenzhen) – Malaysia (Kuala Lumpur) Economic and Trade Cooperation Conference 2016 SERC Global Economic Conference 2016 ACCCIM OBOR Malaysia – China Economic Conference International Workshop on "Great Fall or New Normal? China's Economic Restructuring and its impact on Southeast Asia Seminar on "New Company Law's Impact on Your Business and Duties" Towards the Diamond Era between ASEAN and China Opportunities and Challenges Malaysian Stock Market & Real Estate Investment Strategies and Trends" Forum Seminar on Confucianism in Businesses Belt and Road Initiative: Malaysia-China Business Dialogue" Seminar on "Unleash the Power of Social Media"

# CORPORATE GOVERNANCE STATEMENT

(Cont'd)

## PRINCIPLE 4 – FOSTER COMMITMENT (CONT'D)

### Directors' Training (Cont'd)

Name of Director	Date of training	Title/subject matter for the training
Dato' Tan Tian Meng	20 November 2015	China-Malaysia High-level Economic Forum
	2 December 2015	Talk on RMB Qualified Foreign Institutional Investor (RQF II) & Treasurer Bonds
	30 May 2016	SERC Global Economic Conference 2016
	16 August 2016	Seminar on "New Company Law's Impact on Your Business and Duties"
	19 August 2016	Malaysian Stock Market & Real Estate Investment Strategies and Trends" Forum
	3 September 2016	Belt and Road Initiative: Malaysia - China Business Dialogue"
Liew Jee Min @ Chong Jee Min	8 October 2015	Sustainability Symposium: Responsible Business, Responsible Investing
	2 November 2015	Future of Auditor Reporting: The Game Changer for Boardroom
	7 January 2016	New Auditor Reporting: Why it matters to you
	20 January 2016	Finance for Non Finance – "Finance Language in the Boardroom"
		a) The Key Factors of Goods and Services Tax (GST) & Its Implementation
		b) Transfer Pricing
	11 April 2016	Nomination Committee Programme Part 2: Effective Board Evaluations
	4 August 2016	Risk Management Programme – I Am Ready to Manage Risk!
	16 August 2016	New Company Law's Impact on your Business and Duties
Koong Wai Seng	26 September 2016	Advocacy Sessions on Management Discussion & Analysis for CEO and CFO of listed issuers

## PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING

### Compliance with Applicable Financial Reporting Standards

It is the Board's commitment to provide and present a clear, balanced and meaningful assessment of the Group's financial performance and prospects in presenting the annual financial statements and quarterly results as well as announcement to Bursa Securities.

In this respect, the Board is assisted by the Audit Committee in reviewing the Group's financial reporting processes and accuracy of its financial results, and scrutinising information for disclosure to ensure compliance with applicable approved accounting standards in Malaysia and provision of the Act.

A statement by Directors of their responsibilities in preparing the financial statements is set out in page 56 of this Annual Report.

# CORPORATE GOVERNANCE STATEMENT

*(Cont'd)*

## **PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONT'D)**

### **Assessment of Sustainability and Independence of External Auditors**

The Company has always maintained a formal and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The role of the Audit Committee in relation to the External Auditors is set out in the Audit Committee Report on pages 46 to 51 of this Annual Report.

The External Auditors have an obligation to bring any significant defects in the Group's system of control and compliance to the attention of the Management; and if necessary, to the Audit Committee and the Board. This includes the communication of fraud.

The External Auditors are invited to attend the Audit Committee meeting to discuss their audit plan, audit findings and the Company's financial statements. The Audit Committee met once with the External Auditors without the presence of Executive Directors during the financial year.

In addition, the External Auditors are invited to attend the Company's Annual General Meeting and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and content of the Annual Report.

Furthermore, the Audit Committee had on its meeting held on 20 January 2017 assessed the suitability and independence of External Auditors by obtaining affirmation from the External Auditors that it maintains its independence in accordance with its internal requirements and with the Bye-Laws (On Professional Ethics, Conduct and Independence) of the Malaysian Institute of Accountants.

The Audit Committee recommended the re-appointment of Messrs Crowe Horwath as External Auditors for the financial year ending 30 September 2017 after having considered the adequacy of experience and resources of the firm and the professional staff assigned to the audit, level of non-audit services to be rendered by the External Auditors to the Company.

The Board reviews the independence, performance, remuneration of the External Auditors based on the recommendation by the Audit Committee before recommending them to the shareholders for re-appointment in the AGM.

## **PRINCIPLE 6 – RECOGNISE AND MANAGE RISKS**

### **Sound Framework to manage Risks**

The Board is fully aware of its overall responsibility of continuously 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' investment and the Company's assets. The internal control system is designed to identify the risk to which the Group are exposed and mitigate the impact thereon 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 systems to ensure that it is in line with the changing operating environment within which the Group operates.

Details of the Company's Risk Management Framework are set out in the Statement on Risk Management and Internal Control of this Annual Report on pages 52 to 56.

# CORPORATE GOVERNANCE STATEMENT

*(Cont'd)*

## **PRINCIPLE 6 – RECOGNISE AND MANAGE RISKS (CONT'D)**

### **Internal Audit Function**

The Group has outsourced its internal audit function to external consultants. The external consultants assist the Audit Committee in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control process.

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' investment 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 Statement on Risk Management & Internal Control which provides an overview of the Group's state of internal control is set out in pages 52 and 56 of this Annual Report.

## **PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE**

### **Corporate Disclosure Policies**

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 financial performance and progress throughout the year.

### **Leverage on Information Technology for Effective Dissemination of Information**

The Board has established a dedicated section for corporate information on the Company's website where information on the Company announcements, financial information, stock information, Director's profile and all other information can be accessed.

# CORPORATE GOVERNANCE STATEMENT

*(Cont'd)*

## **PRINCIPLE 8 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE**

### **Encourage Shareholders' Participation at General Meeting**

The AGM is the main communication channel for interaction between the Board and the shareholders. Notice of the AGM and annual reports are sent out to shareholders at least twenty-one (21) days before the date of the meeting to enable the shareholders have sufficient time to go through the Annual Report and the information supporting the resolutions proposed. The additional time given to shareholders allows them to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney.

Extraordinary General Meetings ("EGM") are held as and when required. When an EGM is held to obtain shareholders' approval on certain businesses or corporate proposals, comprehensive circulars to shareholders will be sent within prescribed deadlines in accordance with regulatory and statutory provisions.

Each item of the special business included in the Notice of AGM or EGM will be accompanied by a full explanation of effects of a proposed resolution.

At the AGM, the Board encourages shareholders to participate in the question and answer session whereby the Directors are available to discuss aspects of the Group's performance and its business activities. The External Auditors are also present to respond to the shareholders' queries relating to the Company's Audited Financial Statements.

### **Poll Voting**

Pursuant to the Paragraph 8.29A(1) of MMLR, the Company is required to ensure that any resolutions set out in the notice of general meetings are voted by poll.

The Company shall be conducting poll voting for all resolutions set out in the Notice of the 48th Annual General Meeting. The Company will explore providing facilities for poll voting via electronic means to expedite verification and counting of votes.

### **Effective Communication and Proactive Engagements**

The Board believes that a constructive and effective relationship with all investors is essential in enhancing shareholders' values and recognises the importance of timely dissemination of information to the investor community, shareholders and other stakeholders. The Board is committed to ensure that the shareholders and stakeholders are well informed of major developments of the Group and the information is communicated to them through the Annual Report, Quarterly Financial Results, announcements, press releases.

Investor information of the Company, the Annual Report, Board Charter, Terms of Reference of Audit Committee and Nomination Committee can be accessed on the Company's website at [www.sunsuria.com](http://www.sunsuria.com).

Sunsuria encourages shareholders to provide feedbacks and raise queries to the Company through other channels of communication such as corporate website, by emails or sending written communications to the Company directly.

This Statement was approved by the Board on 20 January 2017.

# AUDIT COMMITTEE REPORT

The Board of Directors of Sunsuria Berhad ("Sunsuria" or "Company") is pleased to present the Audit Committee Report for financial year ended 30 September 2016.

## 1. COMPOSITION

As at the date of this report, the members of the Committee are as follows:

### Chairman

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

### Members

Datin Loa Bee Ha  
(Independent Non-Executive Director)

Tan Pei Geok  
(Independent Non-Executive Director)

## 2. MEETINGS

During the financial year ended 30 September 2016, the Committee held five (5) meetings. The details of the attendance of each Committee members are as follows:

Name of Committee members	Attendance (1/10/2015 to 30/9/2016)
Liew Jee Min @ Chong Jee Min (Chairman)	5/5
Dato' Tan Tian Meng (Resigned as member on 29 July 2016)	4/4
Tan Pei Geok (Appointed as member on 29 July 2016)	1/1
Datin Loa Bee Ha	5/5

## 3. TERMS OF REFERENCE OF THE COMMITTEE

### (a) Membership

The Audit Committee shall be appointed by the Board from amongst their number and shall consist of not less than 3 members, all of whom must be non-executive directors, with a majority of them being independent non-executive directors. Executive director(s) and alternate director(s) cannot be appointed as member(s) of the Committee. In the event of any vacancy in the Audit Committee which results in non-compliance of paragraph 15.09(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), the vacancy shall be filled within 3 months.

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

The Chairman of the Committee shall be an independent non-executive director appointed by the Board. If there is any vacancy in the position of the Chairman of the Audit Committee, the Board shall within three (3) months appoint a new Chairman of the Audit Committee to fill the vacancy.



# AUDIT COMMITTEE REPORT

(Cont'd)

### 3. TERMS OF REFERENCE OF THE COMMITTEE (CONT'D)

#### (b) Meetings

Meetings shall be held not less than four 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 attention to the Board and shareholders.

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

The Minutes of each Meeting shall be made available to all members of the Board upon request.

The Audit Committee may, as and when deemed necessary, invite other Board members, senior management personnel, a representative of the External Auditors and external independent professional advisers to attend the meetings.

The Audit Committee Members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting. Minutes of such a meeting signed by the Chairman of the Committee shall be conclusive evidence of any resolution of any meeting conducted in the manner as aforesaid.

A resolution in writing signed or approved via letter, telex or facsimile by all Committee members shall be effective for all purposes as a resolution passed at a meeting of the Audit Committee duly convened, held and constituted. Any such resolution may be contained in a single document or may consist of several documents all in the like form signed by one or more members.

#### (c) Secretary

The Company Secretary shall be the secretary of the Committee.

#### (d) Authority

The Audit Committee shall, at the Company's expense, have the following authority and rights:

- (a) 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.
- (b) Be provided with the necessary resources which are required to perform its duties.
- (c) The right to investigate into any matter within its Terms of Reference and as such, have direct communication channel with the external auditors and persons carrying out the internal audit function of the Company.
- (d) 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.
- (e) Be able to 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.
- (f) May extend invitation to other non-member directors and officers of the Company to attend a specific meeting, whenever deemed necessary.

# AUDIT COMMITTEE REPORT

*(Cont'd)*

## 3. TERMS OF REFERENCE OF THE COMMITTEE (CONT'D)

### (e) Duties

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

The duties of the Audit Committee shall be:-

- (a) To review the audit plan with the external auditors;
- (b) To review the audit report with the external auditors;
- (c) To review the assistance given by the Company's auditors and to meet with the external auditors without executive board members' presence at least twice a year;
- (d) 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:-
  - (i) Changes in or implementation of major accounting policies changes;
  - (ii) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and
  - (iii) Compliance with accounting standards, regulatory and other legal requirements.
- (e) To review any related party transaction and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (f) 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;
- (g) 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;
- (h) To review any evaluation made on the systems of internal controls with the internal and external auditors;
- (i) To recommend to the Board of Directors the appointment or re-appointment of the external auditors at the general meeting, after taking into consideration the independence and suitability of the external auditors and matters relating to the resignation or removal of the external auditors;
- (j) To consider any resignation or removal of the external auditors, and to furnish such written explanation or representation from the external auditors to Bursa Malaysia Securities Berhad ("Bursa Securities");

# AUDIT COMMITTEE REPORT (Cont'd)

### 3. TERMS OF REFERENCE OF THE COMMITTEE (CONT'D)

#### (e) Duties (Cont'd)

- (k) To review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointments;
- (l) The Chairman of the Audit Committee should engage on a continuous basis with senior management, the internal audit and the external auditors in order to be kept informed of matters affecting the Company; and
- (m) To report promptly to Bursa Securities on any matter reported by it to the Board of Directors, which has not been satisfactorily resolved resulting in the breach of the Listing Requirements of Bursa Securities.
- (n) To undertake such other functions as may be agreed by the Audit Committee and the Board.

#### (f) Performance Review

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Nomination Committee annually to determine whether the Audit Committee members have carried out their duties in accordance with the terms of reference.

### 4. SUMMARY OF ACTIVITIES OF THE COMMITTEE

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

Members of Senior Management are invited to attend meetings of the Audit Committee to appropriately brief and furnish members of the Audit Committee with the relevant information and clarification to relevant items on the agenda. The Group's Internal and External Auditors will attend the meeting upon invitation by Management. The Audit Committee met with the External Auditors once during the financial year ended 30 September 2016 without the presence of Executive Board members and Management.

During the financial year, the Committee carried out the following activities as set out in the Terms of Reference:

- (i) Reviewed the unaudited quarterly reports on the consolidated results and Audited Financial Statements prior to tabling of the same to the Board of Directors;
- (ii) Reviewed the Audit Review Memorandum prepared by the External Auditors which comprised the significant accounting and audit matters for the financial period ended 30 September 2015;
- (iii) Reviewed the Audit Planning Memorandum prepared by the external auditors for the financial year ended 30 September 2016;
- (iv) Reviewed quarterly the records on the Group's Recurrent Related Party Transactions;

# AUDIT COMMITTEE REPORT

*(Cont'd)*

## 4. SUMMARY OF ACTIVITIES OF THE COMMITTEE (CONT'D)

- (v) Reviewed the Risk Management Report;
- (vi) Reviewed the Audit Committee Report and Statements of Risk Management and Internal Control for the inclusion into the Annual Report 2015;
- (vii) Reviewed the Terms of Reference and made the necessary amendments in line with the MMLR; and
- (viii) Reviewed the internal audit plan and internal audit reports, recommendations made and Management's response to those recommendations.

Furthermore, the Audit Committee had also on 20 January 2017 assessed the suitability and independence of External Auditors by obtaining affirmation from the External Auditors that it maintained its independence in accordance with its internal requirements and with the Bye-Laws (On Professional Ethics, Conduct and Independence) of the Malaysian Institute of Accountants.

The Audit Committee recommended the re-appointment of Messrs Crowe Horwath as External Auditors for the financial year ending 30 September 2017 after having considered the adequacy of experience and resources of the firm and the professional staff assigned to the audit, level of non-audit services to be rendered by the External Auditors to the Company.

## 5. 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' investment and the Group's assets. The internal audit function reports directly to the Sunsuria 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 financial year ended 30 September 2016 amounted to RM90,000.

# AUDIT COMMITTEE REPORT

*(Cont'd)*

## 6. SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

During the financial year, the outsourced Internal Auditors assisted the Committee to discharge their duties and responsibilities by executing independent reviews to determine the effectiveness and adequacy of the Group's internal control system. The work performed by the internal audit function includes:

- (i) Prepared the Group's Internal Audit Plan for the Committee's review;
- (ii) Reviewed the adequacy of internal controls in the various auditable areas such as Sales and Marketing, Project Management, Cash and Bank Function and Payment Function, Tender and Procurement function of the Company.
- (iii) Reviewed the risk profile and internal audit plan for Property Development Division;
- (iv) Followed up on the implementation of audit recommendations and action plans agreed upon by Management;
- (v) Reviewed and recommended improvements to the existing system of internal controls, risk management and corporate governance processes.

In the course of auditing, the Internal Auditors have found the overall control environment of the Group to be effective and no significant issues have been brought to the attention of Audit Committee.

The Internal Auditors updated the Audit Committee on the internal audit plan of the Group on a quarterly basis to ensure that the Audit Committee was kept abreast of the internal control environment of the Group.

## 7. STATEMENT ON SHARE ISSUANCE SCHEME BY AUDIT COMMITTEE

There was no Share Issuance Scheme in place during the financial year ended 30 September 2016.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Sunsuria Berhad is committed to continuously improving the Group's risk management and internal control system and is pleased to present the following Statement on Risk Management & Internal Control for the financial year ended 30 September 2016. This statement is made pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (the "Listing Requirement") and in accordance with the Principles as stipulated in the Malaysian Code of Corporate Governance 2012 ("the Code") and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"). This Statement outlines the nature and scope of risk management and internal control of the Group and covers all of the Group's operations except for associate companies.

## 1. BOARD'S RESPONSIBILITY

The Board of Directors (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 to safeguard shareholders' investment and the Group's assets.

The Board continually reviews the adequacy and integrity of the Group's risk management and internal control system, which has been embedded in all aspects of the Group's activities, and its alignment with business objectives. 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 misstatement of financial information and records or against financial losses or fraud.

## 2. RISK MANAGEMENT FRAMEWORK

The Internal Auditors, together with the Management Team, are charged with the responsibility of continuously recognising, monitoring and managing the potential 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 these risks efficiently, effectively and economically.

The purpose of the Risk Management framework is to outline policies and practices for effective risk mitigation, which allows the Group to:

- establish clear functional responsibilities and accountabilities within organisational structures for the management of risks;
- determine risk appetite and risk tolerance based on measurable parameters related to critical risks that may impact the strategy, performance or reputation of the Group;
- set risk policies and limits consistent with the risk appetite and risk tolerance of the Group; and
- ensure appropriate skills and resources are applied to risk management.

The Group adopts an enterprise-wide risk management approach and all active businesses 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 approval of this statement for inclusion in the annual report.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

## 2. RISK MANAGEMENT FRAMEWORK (CONT'D)

### *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, which is then incorporated into Internal Audit Report that includes details on the nature of the risk as well as the severity and probability of an occurrence.

The risk identification process includes consideration of both internal and external environmental factors. External environmental factors include political, economic, social technological, legal and environment changes. 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 were 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 shall be rated low, medium low, medium, medium high or high and be determined according to the Risk Analysis Matrix.

The identified risks are classified into six (6) categories according to their potential impact on the Group:

- **Financial Risks**

These risks relate to the financial structure of the business, including transactions with third parties as well as other finance-related arrangements or issues.

- **Operational Risks**

These risks concern the execution of day-to-day activities or functions of the company, which may include the risk of loss arising from the failures of the internal systems or the people who operate these functions.

- **Safety Risks**

These risks refer to certain work conditions at work that may harm and affect the occupational safety or cause adverse health to the members or stakeholders of the company .

- **Legal & Regulatory Risks**

These are risks of financial loss or reputational damage arising from the company failing to comply with the laws, regulations or codes applicable to the company.

- **Reputational Risks**

This is a risk of loss resulting from damages to the company's reputation, lost of revenue; increased operating, capital or regulatory costs; or destruction of shareholders' value and the company's assets, consequent to an adverse or potentially criminal event even if the company is not found guilty.

- **Strategic Risks**

These risks may arise from the formulation of strategy, the implementation of business decisions or potential uncertainties concerning the objectives of the Group.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

## 2. RISK MANAGEMENT FRAMEWORK (CONT'D)

### *Risk adoption and monitoring process*

All risks identified are documented in the Business Risk Profile and Internal Audit Report, and submitted for notation by the Board. The Internal Audit Report serves as a tool for heads of departments or business units to manage key risks applicable to their areas of business activities on a continual basis.

All key risks and issues are quarterly reviewed and resolved by the Management team on regular meetings. Through these mechanisms, key risks identified in the Business Risk Profile and Internal Audit Report are assessed in a timely manner 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 Auditors, on a quarterly basis, reviews the effectiveness and adequacy of control procedures adopted by the Company in mitigating the key risks identified in the Business Risk Profile. Together with the Management Team, the Internal Auditors shall ascertain if controls are sufficient and reliable in mitigating the identified risks. These controls are broadly defined into 4 categories: Preventive, Detective, Corrective and Back-up.

After due analysis and discussions with the Management Team, the Internal Auditors will revise the risk ratings where applicable, taking into account the overall evaluation of internal controls. 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 quarterly reviewed and appropriately managed to an acceptable level.

## 3. INTERNAL CONTROLS

The Group's internal audit function, which has been outsourced to an independent professional services firm since 24 July 2015, assists the Board and Audit Committee in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system.

During the financial year ended 30 September 2016, outsourced internal audit reviews were carried out in accordance with the risk-based internal audit plan approved by the Audit Committee. Risk-based Internal Audit methodology was adopted, which entails focusing on the inherent risk involved in the activities or system and providing assurance that the risk is being managed by the management within the defined risk appetite level. Based on the internal audit reviews, the findings of the internal audit, including the recommended corrective actions, potential risks, implications and Management responses, were presented directly to the Audit Committee on a quarterly basis.

The results of the internal audit reviews, recommendations for improvements, and corrective measures implemented or planned were deliberated during the Audit Committee meetings. Minutes of the Audit Committee meetings that recorded the deliberations were then presented to the Board.

Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this annual report.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

*(Cont'd)*

## 3. INTERNAL CONTROLS (CONT'D)

Established by the Board, key elements in the Group's review of the adequacy and effectiveness of the risk management framework and system of internal controls include:-

- Developing an appropriate organisation structure for planning, executing, controlling and monitoring business operations with clear lines of responsibility and delegations of authority.
- Ensuring uniformity and consistency of practices and controls within the Group, whereby key processes in the Group's management and operations have been formalised and documented in the form of Standard Operating Policies and Procedures ("SOPP").
- These SOPPs are subject to review and improvements, particularly through periodic internal audit reviews of selected areas of operations.
- Preparing annual budgets for business units and presenting them to the Board for approval. Any variances of actual performance against the budget are monitored and reported regularly. The results are consolidated and presented to the Board on a quarterly basis.
- Defining clear authorisation levels for all aspects of the business, which are formalised in the Group's Discretionary Authority Limit ("DAL") and organisation chart.
- Putting in place the necessary occupational safety and health ("OSH") guidelines, which include setting up a safety committee to enhance OSH procedures and address OSH issues that may arise from time to time.
- Convening Audit Committee Meetings at least four (4) times a year to review the effectiveness of the Group's system of internal controls. The Audit Committee meets with the Internal Auditors and External Auditors quarterly to review their reports.
- Conducting quarterly internal audit visits to provide independent assurances on the effectiveness of the Group's system of internal controls and advice to the Management on the areas for improvement.
- Performing periodic reviews of Recurrent Related Party Transactions by the Audit Committee and Board to ensure compliance with the Listing Requirements.

## 4. ASSURANCE FROM MANAGEMENT

In accordance with the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers, the Board has received assurances from the Executive Chairman and the Chief Executive Officer-cum-Executive Director, being the director primarily responsible for the financial management of the Group, 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 frameworks adopted by the Group.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

*(Cont'd)*

## **5. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS**

Pursuant to Paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Statement on Risk Management & Internal Control for inclusion in the 2016 Annual Report. Their review was performed in accordance with recommended Practice Guide (RPG) 5 (revised 2015): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. Based on their review, nothing has come to their attention that causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

## **6. CONCLUSION**

The Board is of the view that the system of internal control and risk management is in place for the period under review and, up to the date of approval of this statement for inclusion in the annual report, is sound and sufficient to safeguard the Group's assets, as well as the shareholders' investments, the interests of customers, regulators, employees and other stakeholders. There were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

This statement was approved by the Board on 24 January 2017.

# ADDITIONAL COMPLIANCE INFORMATION

## Share Buy Back

The Company did not buy back any of its own shares during the financial year ended 30 September 2016 ("FY2016").

## Options or Convertible Securities

There were no options or convertible securities issued during FY2016.

## 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 FY2016.

## Depository Receipt Programme

The Company did not sponsor any depository receipt programme during FY2016.

## Non-Audit Fees

A total of RM126,000 in non-audit fees was incurred for services rendered to the Group for the FY2016 by the Company's external auditors and a firm affiliated to the external auditors' firm.

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

Aside from the ordinary course of business, the Company entered into the following agreements which involved Directors' and Major Shareholders' interests during FY2016:

- 1) Shares Sale and Purchase agreement dated 3 February 2016 entered into between Sunsuria, Carefeel Cotton Industries (M) Sdn Bhd and Peekay Global Sdn Bhd for acquisition by Sunsuria of 9,500 ordinary shares of RM1.00 each in Sunsuria Forum Sdn Bhd ("SFSB"), representing 19% equity interest in SFSB for a cash consideration of RM2,805,680.
- 2) Shares Sale and Purchase Agreement dated 25 March 2016 entered into between Sunsuria and Sunsuria Development Sdn Bhd ("SDSB") for the acquisition by Sunsuria of 16,000 ordinary shares of RM1.00 each in SFSB, representing 32% equity interest in SFSB for a cash consideration of RM4,500,000. Upon completion of the acquisitions, Sunsuria owns an aggregate of 51% equity interests in SFSB and the remaining 49% is held by SDSB.
- 3) On 7 September 2016, Sunsuria and its wholly-owned subsidiary, Sunsuria North Sdn. Bhd. ("SNSB"), through the Exercise of Put Option, entered into an unconditional share purchase agreement with Creed Investments Pte. Ltd. and Datuk Ter Leong Yap for the following:
  - Disposal of two ordinary shares of RM1.00 each in Concord Property Management Sdn Bhd ("Concord") representing 100% of the entire issued and paid-up share capital of Concord for a cash consideration of RM38,095,742.79; and
  - Disposal of 12,500 ordinary shares of RM1.00 each in CI Medini Sdn Bhd (formerly known as Sunsuria Medini Sdn Bhd) ("CI Medini") representing 0.95% of the issued and paid-up share capital of CI Medini by SNSB for a cash consideration of RM1,848,399.97.

# ADDITIONAL COMPLIANCE INFORMATION

(Cont'd)

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

Details of recurrent related party transactions of revenues or trading in nature which took place during FY2016 are disclosed in Note 43 to the Financial Statements of this Annual Report.

## Variation in Results

There is no variation by 10% or more in the audited financial results for the financial year ended 30 September 2016 from the unaudited results as previously announced.

## Profit Guarantee

No profit guarantee was given by the Company during FY2016.

## Utilisation of Proceeds

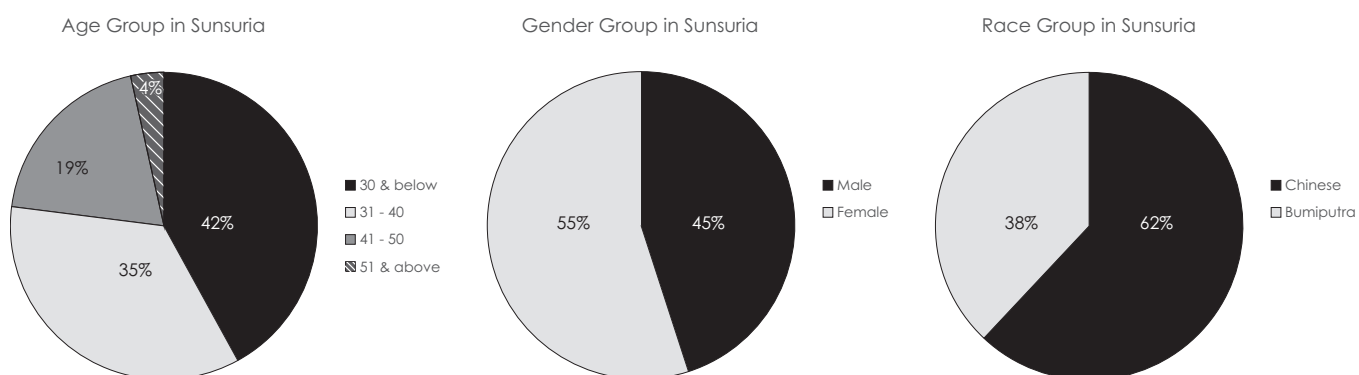
There were no corporate proposals carried out during the financial year under review. The proceeds raised from the Right Issue exercise had been fully utilised in 2016.

## Employee Share Scheme ("ESS")

The Company has not implemented ESS during FY2016.

## Workforce Diversity

The Group's workforce statistics in terms of gender, ethnicity and age as at 30 September 2016 are disclosed below:



# ADDITIONAL COMPLIANCE INFORMATION

*(Cont'd)*

## **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 FY2016.

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 FY2016:

- 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 20 January 2017.

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# DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2016.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	49,260	12,500
<hr/>		
Attributable to:-		
Owners of the Company	43,839	12,500
Non-controlling interests	5,421	-
	<hr/>	<hr/>
	49,260	12,500
	<hr/>	

## DIVIDENDS

No dividend was paid since the end of the previous financial period and the directors do not recommend payment of any dividend for the current financial year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the statements of changes in equity, Notes 34 and 36 to the financial statements.

# DIRECTORS' REPORT

*(Cont'd)*

## ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the authorised share capital of the Company;
- (b) the Company increased its issued and paid-up share capital from RM367,743,352 to RM399,415,646 by the issuance of 63,344,588 ordinary shares of RM0.50 each pursuant to Private Placement exercise ("Placement Share") at an issue price of RM0.835 per Placement Share. The new ordinary shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 15 April 2016.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company; and

- (c) there were no issues of debentures by the Company.

## TREASURY SHARES

The shareholders of the Company had on 26 February 2016 approved the Company to purchase up to 10% of its prevailing issued and paid-up share capital. At the end of the reporting period, no shares was repurchased and held as treasury shares in accordance with Section 67A of the Companies Act 1965.

## OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

## WARRANTS

At the end of the reporting period, the Company had 158,361,472 warrants in issue. The salient features of the warrants are disclosed in Note 25.2 to the financial statements.



# DIRECTORS' REPORT

(Cont'd)

## **BAD AND DOUBTFUL DEBTS**

Before the financial statements of the Group and of 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 impairment losses on receivables, and satisfied themselves that there were no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

## **CURRENT ASSETS**

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

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

## **CONTINGENT AND OTHER LIABILITIES**

The contingent liability is disclosed in Note 46 to the financial statements. At the date of this report, there does not exist:-

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

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve 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 of the Company to meet their obligations when they fall due.

# DIRECTORS' REPORT

*(Cont'd)*

## **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 the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

## **ITEMS OF AN UNUSUAL NATURE**

The results of the operations of the Group and of the Company during 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 and of the Company for the financial year.

## **DIRECTORS**

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

Datuk Ter Leong Yap  
Koong Wai Seng  
Dato' Tan Tian Meng  
Liew Jee Min @ Chong Jee Min  
Datin Loa Bee Ha  
Tan Pei Geok  
Alexon Khor Swek Chen (Resigned on 29 July 2016)

# DIRECTORS' REPORT

(Cont'd)

## DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares and options over shares of the Company and its related corporations during the financial year are as follows:-

	← Number Of Ordinary Shares Of RM0.50 Each →			
	At 1.10.2015	Bought	Sold	At 30.9.2016
<b>Direct Interests in the Company</b>				
Datuk Ter Leong Yap	165,921,872	-	-	165,921,872
Dato' Tan Tian Meng	14,828,800	-	-	14,828,800
Tan Pei Geok	830,000	-	-	830,000
<b>Indirect Interest in the Company</b>				
Datuk Ter Leong Yap #	295,316,008	2,209,200	-	297,525,208

	← Number Of Warrants →			
	At 1.10.2015	Bought	Sold	At 30.9.2016
<b>Direct Interests in the Company</b>				
Datuk Ter Leong Yap	37,300,106	-	-	37,300,106
Dato' Tan Tian Meng	6,957,200	-	-	6,957,200
Tan Pei Geok	210,000	-	-	210,000
<b>Indirect Interest in the Company</b>				
Datuk Ter Leong Yap #	49,638,810	1,500,000	-	51,138,810

### Note:-

# - Deemed interested by virtue of his substantial shareholdings in Ter Equity Sdn. Bhd., Ter Capital Sdn. Bhd. and THK Capital Sdn. Bhd..

By virtue of his shareholdings in the Company, Datuk Ter Leong Yap is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 6A of the Companies Act 1965.

The other directors holding office at the end of the financial year had no interest in shares and options over shares of the Company or its related corporations during the financial year.

# DIRECTORS' REPORT

*(Cont'd)*

## **DIRECTORS' BENEFITS**

Since the end of the previous financial period, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) 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 arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 43 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements 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.

## **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

The significant events during the financial year are disclosed in Note 48 to the financial statements.

## **AUDITORS**

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

Signed in accordance with a resolution of the directors dated 24 January 2017.

**Datuk Ter Leong Yap**

**Koong Wai Seng**

# STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

We, **Datuk Ter Leong Yap** and **Koong Wai Seng**, being two of the directors of **Sunsuria Berhad**, state that, in the opinion of the directors, the financial statements set out on pages 70 to 191 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 30 September 2016 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 50, which is not part of the financial statements, 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 Disclosure 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 24 January 2017.

**Datuk Ter Leong Yap**

**Koong Wai Seng**

# STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

I, **Koong Wai Seng**, I/C No. 670301-10-6259, being the director primarily responsible for the financial management of **Sunsuria Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 70 to 191 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  
**Koong Wai Seng**, I/C No. 670301-10-6259,  
at Kuala Lumpur in the Federal Territory  
on this 24 January 2017.

**Koong Wai Seng**

Before me

**Datin Hajah Raihela Wanchik**  
**No. W-275**  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SUNSURIA BERHAD (INCORPORATED IN MALAYSIA)

## **Report on the Financial Statements**

We have audited the financial statements of **Sunsuria Berhad**, which comprise the statements of financial position as at 30 September 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 70 to 191.

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

The directors of the Company are responsible for the preparation of financial statements so as to 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 of the Company as of 30 September 2016 and of their financial performance and cash flows for the financial period then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SUNSURIA BERHAD (INCORPORATED IN MALAYSIA)

*(Cont'd)*

## Report on Other Legal and Regulatory Requirements

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

- (a) 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.
- (b) We have considered the financial statements and the auditors' reports of the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.
- (c) 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.
- (d) 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.

## Other Reporting Responsibilities

The supplementary information set out in Note 50 on page 192 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 Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("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

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

24 January 2017

Kuala Lumpur

**Chin Kit Seong**  
Approval No: 03030/01/19 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

AT 30 SEPTEMBER 2016

	Note	The Group		The Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	5	–	–	359,141	357,655
Investments in associates	6	680	670	594	594
Other investment	7	28	25	3	–
Property, plant and equipment	8	5,421	8,908	2,734	3,020
Investment properties	9	104,207	74,778	7,346	1,798
Trade receivables	15	1,513	–	–	–
Goodwill	10	18,222	6,769	–	–
Land held for property development	11	387,120	508,089	–	–
Deferred tax assets	12	1,432	261	–	–
		518,623	599,500	369,818	363,067
<b>CURRENT ASSETS</b>					
Inventories	13	–	4,930	–	–
Property development costs	14	441,942	223,123	–	–
Accrued billings	14	82,003	50,076	–	–
Trade receivables	15	39,117	13,607	–	–
Other receivables, deposits and prepayments	16	27,986	1,738	17,165	576
Amount owing by subsidiaries	17	–	–	303,738	174,050
Amount owing by related parties	18	4,013	3,138	4,013	3,138
Dividend receivable		3,204	–	3,052	15,123
Current tax assets		22	27	–	–
Short-term investment	19	29,051	7,303	29,051	7,303
Fixed deposits with licensed banks	20	26,375	11,128	23,143	10,596
Cash and bank balances	21	34,350	70,137	972	258
		688,063	385,207	381,134	211,044
Assets of disposal group/ Non-current asset classified as held for sale	22	–	54,576	–	38,095
		688,063	439,783	381,134	249,139
<b>TOTAL ASSETS</b>		1,206,686	1,039,283	750,952	612,206

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



# STATEMENTS OF FINANCIAL POSITION

AT 30 SEPTEMBER 2016

(Cont'd)

	Note	The Group		The Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Ordinary share capital	23	399,416	367,743	399,416	367,743
Redeemable non-convertible non-cumulative preference shares	24	25	–	–	–
Reserves	25	281,310	213,950	228,852	195,283
Equity attributable to owners of the Company		680,751	581,693	628,268	563,026
Non-controlling interests	5	7,016	237	–	–
<b>TOTAL EQUITY</b>		<b>687,767</b>	<b>581,930</b>	<b>628,268</b>	<b>563,026</b>
<b>NON-CURRENT LIABILITIES</b>					
Defined benefit obligation	26	–	1,297	–	87
Deferred tax liabilities	12	100,653	102,246	–	–
Long-term borrowings	27	212,555	28,875	255	375
		313,208	132,418	255	462
<b>CURRENT LIABILITIES</b>					
Trade payables	30	26,862	11,300	–	–
Other payables, deposits received and accruals	31	44,199	288,012	2,016	2,783
Progress billings	14	27,821	17,591	–	–
Amount owing to subsidiaries	17	–	–	120,022	45,462
Amount owing to related parties	18	90,897	3,568	–	50
Dividend payable		22	–	–	–
Short-term borrowings	32	8,808	2,614	120	114
Current tax liabilities		7,102	1,651	271	309
		205,711	324,736	122,429	48,718
Liabilities of disposal group classified as held for sale	22	–	199	–	–
		205,711	324,935	122,429	48,718
<b>TOTAL LIABILITIES</b>		<b>518,919</b>	<b>457,353</b>	<b>122,684</b>	<b>49,180</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,206,686</b>	<b>1,039,283</b>	<b>750,952</b>	<b>612,206</b>

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

	Note	The Group		The Company	
		1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
<b>CONTINUING OPERATIONS</b>					
REVENUE	33	202,401	110,163	25,338	39,935
COST OF SALES		(116,693)	(64,472)	–	–
GROSS PROFIT		85,708	45,691	25,338	39,935
OTHER INCOME		14,383	24,415	1,877	1,152
		100,091	70,106	27,215	41,087
ADMINISTRATIVE AND OTHER EXPENSES		(46,384)	(37,434)	(13,401)	(40,348)
FINANCE COSTS		(313)	(379)	(41)	(379)
SHARE OF RESULTS IN ASSOCIATES, NET OF TAX		810	4	–	–
PROFIT BEFORE TAXATION	34	54,204	32,297	13,773	360
INCOME TAX EXPENSE	35	(12,092)	(5,019)	(1,273)	(374)
PROFIT/(LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS		42,112	27,278	12,500	(14)
<b>DISCONTINUED OPERATIONS</b>					
PROFIT/(LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS	36	7,148	(12,150)	–	–
PROFIT/(LOSS) AFTER TAXATION		49,260	15,128	12,500	(14)
OTHER COMPREHENSIVE INCOME		–	–	–	–
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR/PERIOD		49,260	15,128	12,500	(14)

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

	Note	The Group		The Company	
		1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		43,839	15,103	12,500	(14)
Non-controlling interests		5,421	25	-	-
		49,260	15,128	12,500	(14)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		43,839	15,103	12,500	(14)
Non-controlling interests		5,421	25	-	-
		49,260	15,128	12,500	(14)
EARNINGS/(LOSS) PER SHARE (SEN)	37				
Basic:					
- continuing operations		4.80	11.74		
- discontinued operations		0.93	(5.24)		
Diluted:					
- continuing operations		4.80	11.74		
- discontinued operations		0.93	(5.24)		

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

The Group	Note	← Non-distributable →						Distributable			
		Ordinary Share Capital RM'000	Redeemable Non-Convertible Non-Cumulative Preference Share RM'000	Share Premium RM'000	Warrant Reserve RM'000	Capital Reserve RM'000	Capital Redemption Reserve RM'000	(Accumulated Losses)/ Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 1.4.2014		79,180	-	13,296	-	815	-	(5,037)	88,254	30	88,284
Profit after taxation/Total comprehensive income for the financial period		-	-	-	-	-	-	15,103	15,103	25	15,128
Contributions by and distributions to owners of the Company:											
- Issuance of shares:											
- reinvestment shares for acquisition of a subsidiary	23, 25.1	51,020	-	48,980	-	-	-	-	100,000	-	100,000
- rights issue with free warrants	23, 25.1	237,543	-	94,225	48,300	-	-	-	380,068	-	380,068
- share issuance expenses set off against share premium	25.1	-	-	(1,732)	-	-	-	-	(1,732)	-	(1,732)
- Transfer to capital redemption reserve	25.4	-	-	-	-	-	168	(168)	-	-	-
- Acquisition of subsidiaries (Note 38)		-	-	-	-	-	-	-	-	182	182
Total transaction with owners		288,563	-	141,473	48,300	-	168	(168)	478,336	182	478,518
Balance at 30.9.2015		367,743	-	154,769	48,300	815	168	9,898	581,693	237	581,930

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

The Group	Note	← Non-distributable →					Distributable				Total Equity RM'000
		Ordinary Share Capital RM'000	Redeemable Non-Convertible Non-Cumulative Preference Share RM'000	Share Premium RM'000	Warrant Reserve RM'000	Capital Reserve RM'000	Capital Redemption Reserve RM'000	(Accumulated Losses)/ Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non- Controlling Interests RM'000	
Balance at 1.10.2015		367,743	-	154,769	48,300	815	168	9,898	581,693	237	581,930
Profit after taxation/Total comprehensive income for the financial year		-	-	-	-	-	-	43,839	43,839	5,421	49,260
Contributions by and distributions to owners of the Company:											
- Issuance of shares:											
- private placement	23, 25.1	31,673	-	21,220	-	-	-	-	52,893	-	52,893
- share issuance expenses set off against share premium	25.1	-	-	(151)	-	-	-	-	(151)	-	(151)
- dividend by a subsidiary to non-controlling interest		-	-	-	-	-	-	(22)	(22)	-	(22)
- issuance of shares by a subsidiary to non-controlling interest		-	-	-	-	-	-	-	-	100	100
- Acquisition of a subsidiaries (Note 38)		-	-	-	-	-	-	-	-	1,265	1,265
Changes in a subsidiary's ownership interests that do not result in a loss of control		-	-	-	-	-	-	-	-	(7)	(7)
Total transactions with owners		31,673	-	21,069	-	-	-	(22)	52,720	1,358	54,078
Issuance of redeemable non-convertible non-cumulative preference shares	24	-	25	2,474	-	-	-	-	2,499	-	2,499
Balance at 30.9.2016		399,416	25	178,312	48,300	815	168	53,715	680,751	7,016	687,767

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

The Company	Note	← Non-distributable →				Distributable (Accumulated Losses)/	Total Equity RM'000
		Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	
Balance at 1.4.2014		79,180	13,296	–	1,800	(9,572)	84,704
Loss after taxation/Total comprehensive expenses for the financial period		–	–	–	–	(14)	(14)
Contributions by owners of the Company:							
- Issuance of shares							
- reinvestment shares for acquisition of a subsidiary	23, 25.1	51,020	48,980	–	–	–	100,000
- rights issue with free warrants	23, 25.1	237,543	94,225	48,300	–	–	380,068
- share issuance expenses set off against share premium	25.1	–	(1,732)	–	–	–	(1,732)
Total transactions with owners		288,563	141,473	48,300	–	–	478,336
Balance at 30.9.2015/1.10.2015		367,743	154,769	48,300	1,800	(9,586)	563,026
Profit after taxation/Total comprehensive income for the financial year		–	–	–	–	12,500	12,500
Contributions by owners of the Company:							
- Issuance of shares							
- share issuance expenses set off against share premium	25.1	–	(151)	–	–	–	(151)
- private placement	23, 25.1	31,673	21,220	–	–	–	52,893
Total transactions with owners		31,673	21,069	–	–	–	52,742
Balance at 30.9.2016		399,416	175,838	48,300	1,800	2,914	628,268

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

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

	Note	The Group		The Company	
		1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>					
Profit/(Loss) before taxation					
- continuing operations		54,204	32,297	13,773	360
- discontinued operations		7,349	(11,968)	-	-
		61,553	20,329	13,773	360
Adjustments for:-					
Accretion of interest on:					
- trade receivables		230	-	-	-
- trade payables		(886)	(450)	-	-
Bad debts written off		-	2	-	-
Depreciation of:					
- property, plant and equipment		925	1,180	444	528
- investment properties		129	277	102	56
Impairment loss on:					
- net assets of disposal group classified as held for sale		-	15,684	-	-
- goodwill		-	7	-	-
- investment in a subsidiary		-	-	-	15,026
- trade receivables		1,571	-	-	-
Interest expense		42	378	42	378
Inventories written down		-	25	-	-
Property, plant and equipment written off		-	3	-	3
Bad debts recovered		(3)	(88)	-	-
Dividend income		(3,204)	-	(13,648)	(20,961)
Gain on bargain purchase		-	(22,007)	-	-
(Gain)/Loss on disposal of:					
- property, plant and equipment		(61)	(115)	(50)	-
- investment properties		(5,788)	(454)	-	-
- subsidiaries	39	(2,494)	-	129	-
Gain on remeasurement of existing equity interests in the former associate	38	(4,663)	-	-	-
Interest income		(3,559)	(2,010)	(1,824)	(1,165)
Income from waiver of liability		(37)	-	-	-
Share of results in associates		(810)	(662)	-	-
Operating profit/(loss) before working capital changes carried forward		42,945	12,099	(1,032)	(5,775)

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

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

	Note	The Group		The Company	
		1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
Operating profit/(loss) before working capital changes brought forward		42,945	12,099	(1,032)	(5,775)
Changes in working capital:-					
Decrease/(Increase) in inventories		828	(672)	-	-
(Increase)/Decrease in trade and other receivables		(29,085)	4,866	(16,589)	(522)
Decrease in property development costs		28,222	18,287	-	-
(Decrease)/Increase in trade and other payables		(245,507)	16,547	(767)	2,352
Decrease/(Increase) in amount owing by subsidiaries		-	-	1,719	(3,901)
Increase in amount owing by related parties		(1,589)	(2,424)	(1,550)	(2,424)
Increase/(Decrease) in amount owing to related parties		87,921	881	(50)	50
Increase in accrued billings		(31,927)	(60,692)	-	-
Decrease in progress billings		(19,842)	-	-	-
(Decrease)/Increase in defined benefit obligation		(40)	193	(87)	19
<b>CASH FOR OPERATIONS</b>		<b>(168,074)</b>	<b>(10,915)</b>	<b>(18,356)</b>	<b>(10,201)</b>
Interest paid		(42)	(378)	(42)	(378)
Real property gains tax paid		(264)	(28)	(6)	-
Income tax paid		(8,198)	(4,344)	(1,305)	(60)
<b>NET CASH FOR OPERATING ACTIVITIES</b>		<b>(176,578)</b>	<b>(15,665)</b>	<b>(19,709)</b>	<b>(10,639)</b>

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



# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

	Note	The Group		The Company	
		1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
<b>CASH FLOWS FROM/(FOR)</b>					
<b>INVESTING ACTIVITIES</b>					
Additional investment in an existing subsidiary		(7)	–	–	–
Advances to subsidiaries		–	–	(131,407)	(126,747)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	38	(2,923)	(204,546)	(7,306)	(79,123)
Dividend received		–	–	25,719	5,838
Disposal of subsidiaries, net of cash and cash equivalents disposed of	39	39,179	–	37,966	–
Expenditure incurred on property development costs		(9,098)	–	–	–
Interest income received		2,700	1,339	1,785	1,152
Investment in an associate		–	(1,848)	–	–
Increase in fixed deposits pledged to licensed banks		(15,247)	(11,128)	(12,547)	(10,596)
Purchase of:					
- property, plant and equipment	40	(666)	(5,910)	(158)	(2,458)
- investment properties	9	(3,135)	–	(5,650)	–
- other investment		(3)	–	(3)	–
Proceeds from disposal of:					
- property, plant and equipment		61	141	50	–
- investment properties		8,600	2,380	–	–
- an associate	22	1,848	–	–	–
Redemption of preference shares in subsidiaries		–	–	5,820	7,770
Repayment from an associate		15,492	727	–	–
Repayment from/(Advances to) related parties		714	(714)	714	(701)
Subscription of preference shares in subsidiaries		–	–	–	(215,880)
<b>NET CASH FROM/(FOR) INVESTING ACTIVITIES</b>		<b>37,515</b>	<b>(219,559)</b>	<b>(85,017)</b>	<b>(420,745)</b>

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

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

	Note	The Group		The Company	
		1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Advances from subsidiaries		–	–	74,560	45,052
Dividends to non-controlling interest		(22)	–	–	–
Drawdown of term loan		192,800	31,000	–	–
Proceeds from issuance of:					
- ordinary shares		52,893	380,068	52,893	380,068
- redeemable non-convertible non-cumulative preference shares		2,499	–	–	–
- ordinary shares to non-controlling interest in a subsidiary		100	–	–	–
Share issuance expenses		(151)	(1,732)	(151)	(1,732)
Repayment of hire purchase obligations		(114)	(110)	(114)	(110)
Repayment of term loans		(2,812)	–	–	–
Repayment to related parties		(120,169)	(61,671)	–	(103)
Redemption of redeemable preference shares		–	(68,390)	–	–
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>125,024</b>	<b>279,165</b>	<b>127,188</b>	<b>423,175</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(14,039)</b>	<b>43,941</b>	<b>22,462</b>	<b>(8,209)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR</b>		<b>77,440</b>	<b>33,499</b>	<b>7,561</b>	<b>15,770</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD</b>	41	<b>63,401</b>	<b>77,440</b>	<b>30,023</b>	<b>7,561</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

## 1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business of the Company are located at Suite 8, Main Tower, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 24 January 2017.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION

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

- 3.1 No new accounting standards and interpretations (including the consequential amendments) have been adopted by the Group during the current financial year.
- 3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

<b>FRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
FRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
FRS 14 Regulatory Deferral Accounts	1 January 2016
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to FRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 4: Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts	1 January 2018*
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

### 3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year (Cont'd):-

FRSs and/or IC Interpretations (Including The Consequential Amendments) (Cont'd)	Effective Date
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities - Applying the Consolidation Exception	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 101: Disclosure Initiative	1 January 2016
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 140: Transfers of Investment Property	1 January 2018
Annual Improvements to FRSs 2012 - 2014 Cycle	1 January 2016
Annual Improvements to FRS Standards 2014 - 2016 Cycles:	1 January 2017
• Amendments to FRS 12: Clarification of the Scope of Standard	
Annual Improvements to FRS Standards 2014 - 2016 Cycles:	
• Amendments to FRS 1: Deletion of Short-term Exemptions for First-time Adopters	
• Amendments to FRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018

\* *Entities that meet the specific criteria in FRS 4.20B may choose to defer the application of FRS 9 until the earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.*

As disclosed in Note 3.3 to the financial statements, the Group will be applying the Malaysian Financial Reporting Standards Framework for the annual period beginning on or after 1 October 2018. Therefore, the FRSs which are effective for annual periods beginning on or after 1 January 2018 above will not be applicable to the Group. The adoption of the above other accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

## 3. BASIS OF PREPARATION (CONT'D)

- 3.3 MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), that are to be applied by all entities other than private entities; with the exception of entities that are within the scope of MFRS 141 (Agriculture) and IC Interpretation 15 (Agreements for Construction of Real Estate), including its parent, significant investor and venturer (herein called "transitioning entities").

As further announced by MASB on 28 October 2015, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2018.

Accordingly, as a transitioning entity as defined above, the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRS financial statements for the financial year ending 30 September 2019. The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

#### (a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

#### (b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### (c) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

#### (d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

#### (e) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

#### (f) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### (g) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

#### (h) Property Development

The Group recognised property development revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that the property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

#### (i) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

#### (j) Fair Value Estimates for Certain Financial Assets and Financial Liabilities

The Group carries certain financial assets and financial liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to 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. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

## 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.2 BASIS OF CONSOLIDATION (CONT'D)

#### **Business combinations from 1 April 2011 onwards**

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

#### **Business combinations before 1 April 2011**

All subsidiaries are consolidated using the purchase method. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Non-controlling interests are initially measured at their share of the fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition.

### 4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

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

### 4.3 GOODWILL (CONT'D)

#### **Business combinations from 1 April 2011 onwards**

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

#### **Business combinations before 1 April 2011**

Under the purchase method, goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised as income immediately in profit or loss.

### 4.4 FUNCTIONAL AND FOREIGN CURRENCIES

#### **(a) Functional and Presentation Currency**

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

#### **(b) Transactions and Balances**

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in FRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

#### (a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

##### (i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current assets or non-current assets. Financial assets that are held primarily for trading purposes are presented as current assets whereas financial assets that are not held primarily for trading purposes are presented as current assets or non-current assets based on the settlement date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.5 FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial Assets (Cont'd)

##### (ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

##### (iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.5 FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial Assets (Cont'd)

##### (iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

#### (b) Financial Liabilities

##### (i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

##### (ii) Other Financial Liabilities

Other financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.5 FINANCIAL INSTRUMENTS (CONT'D)

#### (c) Equity Instruments

Equity instruments classified as equity are measured at cost and are not remeasured subsequently.

##### (i) Ordinary Shares

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction net of tax from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

##### (ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are sold, the difference between the sales consideration and the carrying amount of the treasury shares are shown as a movement in equity. When the consideration received is more than the carrying amount, the credit difference arising is taken to the share premium account. Where the consideration received is less than the carrying amount, the debit difference is offset against reserves.

##### (iii) Preference Shares

Preference shares are classified as equity if they are non-redeemable, or are redeemable but only at the Company's option, and any dividends are discretionary. Dividends on preference shares are recognised as distributions within equity.

Preference shares are classified as financial liabilities if they are redeemable on a specific date or at the option of the preference shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.5 FINANCIAL INSTRUMENTS (CONT'D)

#### (d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### 4.6 WARRANTS

Amount allocated in relation to the issuance of warrants are credited to the warrant reserve which is non-distributable. The warrant reserve is transferred to the share premium account upon exercise of the warrants and the warrant reserve in relation to the unexercised at the expiry of the warrants period will be transferred to retained earnings.

### 4.7 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

### 4.8 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

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

### 4.8 INVESTMENTS IN ASSOCIATES (CONT'D)

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 30 September 2016. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with FRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate into profit or loss when the equity method is discontinued.

### 4.9 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Long-term leasehold land	Over the lease period of 87 years
Buildings	2%
Plant and machinery	5% - 10%
Furniture, fittings and equipment	10% - 25%
Motor vehicles	20%
Spare parts and loose tools	20% to 100%
Renovation	20%
Signboard	20%



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

### 4.10 INVESTMENT PROPERTIES

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is not depreciated. Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. Leasehold land is depreciated on a straight-line basis over the lease terms of 55 to 90 years. Buildings are depreciated on a straight-line basis over their estimated useful lives of 50 years.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.11 PROPERTY DEVELOPMENT COSTS

#### (a) Non-Current Property Development

Non-current property development costs consist of land and development costs where no development activities are carried out or where development activities are not expected to be completed within the normal operating cycle. Such land and development costs are carried at cost less any accumulated impairment losses, if any.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Pre-acquisition costs are charged to profit or loss as incurred unless such costs are directly identifiable to the consequent property development activity.

Non-current property development costs are transferred to current asset when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

#### (b) Current Property Development

Current property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs that are not recognised as an expense are recognised as an asset and carried at the lower of cost and net realisable value.

When the financial outcome of a development activity can be reliably estimated, the amount of property revenues and expenses recognised in profit or loss are determined by reference to the stage of completion method. The stage of completion is determined based on the proportion that the property development costs incurred for work performed to date bear to the estimated total property development costs at the end of the reporting period.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that will be recoverable. The property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Where it is probable that property development costs will exceed property development revenue, any expected loss is recognised as an expense in profit or loss immediately, including costs to be incurred over the defects liability period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.12 PROGRESS BILLINGS/ACCRUED BILLINGS

In respect of progress billings:-

- (i) where revenue recognised in profit or loss exceeds the billings to purchasers, the balance is shown as accrued billings under current assets; and
- (ii) where billings to purchasers exceed the revenue recognised to profit or loss, the balance is shown as progress billings under current liabilities.

### 4.13 IMPAIRMENT

#### (a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss, investment in subsidiaries and investment in associates), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be an objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale debt instruments, if, in a subsequent period, the amount of 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 through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.13 IMPAIRMENT (CONT'D)

#### (b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow using a pre-tax discount rate. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rate basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.14 LEASED ASSETS

#### (a) Finance Assets

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statement of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

#### (b) Operating Lease

All leases that do not transfer substantially to the Group all the risks and rewards incidental to ownership are classified as operating leases and, the leased assets are not recognised on the Group's statement of financial position.

Payments made under operating leases are recognised as an expense in the profit or loss on a straight-line method over the term of the lease. Lease incentives received are recognised as a reduction of rental expense over the lease term on a straight-line method. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

### 4.15 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and comprises the purchase price, conversion costs and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.16 INCOME TAXES

#### (a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

#### (b) Deferred Tax

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.16 INCOME TAXES (CONT'D)

#### (c) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of GST. However, when the GST incurred are related to purchases of assets or services which are recoverable from the taxation authorities, the GST are included as part of the costs of the assets acquired or as part of the expense item whichever is applicable.

Receivables and payables are stated with the amount of GST included (where applicable).

The net amount of the GST recoverable from or payable to the taxation authorities at the end of the reporting period is included in other receivables or other payables.

### 4.17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and 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 with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

### 4.18 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
  - (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the reporting entity.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

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

### 4.18 RELATED PARTIES (CONT'D)

- (b) An entity is related to a reporting entity if any of the following conditions applies:-
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
  - (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly, including any director (whether executive or otherwise) of that entity.

### 4.19 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.20 FAIR VALUE MEASUREMENTS

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, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

### 4.21 EMPLOYEE BENEFITS

#### (a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

#### (b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.21 EMPLOYEE BENEFITS (CONT'D)

#### (c) Defined Benefits Plans

The Group operates an unfunded final salary defined benefit plan for their employees.

The liability recognised in the statements of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

The present value of the defined benefit obligation is calculated using the projected unit credit method, with actuarial valuations being carried out by independent actuaries 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.

The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual reporting period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. The net interest expense or income is recognised in profit or loss in staff costs.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and will not be reclassified to profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

The Group recognises gains or losses on the settlement of a defined benefit plan when the settlement occurs.

### 4.22 REVENUE AND OTHER INCOME

#### (a) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns, cash and trade discounts.

#### (b) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.22 REVENUE AND OTHER INCOME (CONT'D)

#### (c) Property Development

Revenue from property development is recognised from the sale of completed and uncompleted development properties.

Revenue from the sale of completed properties is recognised when the sale is contracted.

Revenue on uncompleted properties contracted for sale is recognised based on the stage of completion method unless the outcome of the development cannot be reliably determined in which case the revenue on the development is only recognised to the extent of development costs incurred that are recoverable.

The stage of completion is determined based on the proportion that the development costs incurred for work performed to date bear to the estimated total development costs.

Foreseeable losses, if any, are provided in full as and when it can be reasonably ascertained that the development will result in a loss.

#### (d) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

#### (e) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

#### (f) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

### 4.23 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non current assets (or disposal group comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets (or the disposal group) are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets (the disposal group) are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss. In addition, equity accounting of equity accounted associates ceases once classified as held for sale or distribution.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

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

### 4.24 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

### 4.25 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### 4.26 EARNING PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise warrants.

### 4.27 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 5. INVESTMENT IN SUBSIDIARIES

	The Company	
	2016 RM'000	2015 RM'000
Unquoted ordinary shares, at cost:-		
At 1 October 2015/1 April 2014	45,126	19,124
Acquisition during the financial year/period (Note 38)	4,500	79,123
Disposal during the financial year/period	*	-
Reclassification to non-current asset held for sale (Note 22)	-	(53,121)
Transfer from investment in associates (Note 6)	2,806	-
At 30 September	52,432	45,126
Accumulated impairment losses:-		
At 1 October 2015/1 April 2014	(18,081)	(18,081)
Addition during the financial year/period	-	(15,026)
Reclassification to non-current asset held for sale (Note 22)	-	15,026
At 30 September	(18,081)	(18,081)
	34,351	27,045
Unquoted preference shares, at cost:-		
At 1 October 2015/1 April 2014	333,910	25,800
Addition during the financial year/period	-	315,880
Redemption during the financial year/period	(5,820)	(7,770)
At 30 September	328,090	333,910
Accumulated impairment losses	(3,300)	(3,300)
	324,790	330,610
Total	359,141	357,655

### Note:

\* - Represents RM100.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, which the principal place of business are all in Malaysia, are as follows:-

Name of Subsidiary	Effective Equity Interest		Principal Activities
	2016 %	2015 %	
Maica Wood Industries Sdn. Bhd. ("MWISB") #	99.78	99.78	Investment holding.
Sunsuria North Sdn. Bhd. ("SNSB") #	100	100	Investment holding and property investment.
Sunsuria Residence Sdn. Bhd.	100	100	Property development.
Sunsuria Arena Sdn. Bhd. (formerly known as ("FKA") Ambang Arena Sdn. Bhd.)	100	100	Property development.
Sunsuria Symphony Sdn. Bhd. (FKA Havana Symphony Sdn. Sdn.) ("SSSB") #	100	100	Investment holding.
Sunsuria Facility Management Sdn. Bhd. #	100	100	Service management and investment holding.
Sunsuria Nusantara Sdn. Bhd. (FKA Rentak Nusantara Sdn. Bhd.) ("SNTSB")	99.01	99.01	Property development.
Sunsuria Gateway Sdn. Bhd. ("SGSB") #	99.99	99.99	Investment holding.
Concord Property Management Sdn. Bhd. ("CPMSB") # ^	–	100	Investment holding.
Sunsuria Forum Sdn Bhd ("SFSB")	51	–	Property development.
<b>Subsidiary of SSSB</b>			
Sunsuria City Sdn. Bhd. ("SCSB")	99.99	99.99	Property development.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Subsidiary	Effective Equity Interest		Principal Activities
	2016 %	2015 %	
<b>Subsidiary of SCSB</b>			
Library Mall Development Sdn. Bhd. ("LMD") #	100	100	Investment holding. LMD has not commenced its operations.
Sunsuria Everrich Sdn. Bhd. #	60	–	Property development.
Sunsuria Oride Sdn. Bhd.	100	–	Public bicycle renting services.
<b>Subsidiary of MWISB</b>			
Maicador Sdn. Bhd. #	–	100	Manufacturer of prefabricated doors and door frames.
<b>Subsidiary of SGSB</b>			
Sunsuria Landscape & Nursery Sdn. Bhd. (FKA Sunsuria Genlin Sdn. Bhd.) #	100	–	Landscape and nursery.
<b>Subsidiaries of SNSB</b>			
Consolidated Factoring (M) Sdn. Bhd. #	95.94	91.89	Dormant.
Sunsuria Times Sdn. Bhd. #	100	100	Dormant.

### Notes:-

# - These subsidiaries were audited by other firms of chartered accountants.

^ - In the previous financial period, this subsidiary was classified as disposal group classified as held for sale as disclosed in Note 22 to the financial statements.

On 12 April 2016, CPMSB served a written notice to Creed Investments Pte Ltd ("Creed") requiring Creed to purchase the entire equity interest held by the Company in CPMSB ("Put Option") for a consideration of RM38,095,742.79. The Put Option exercise was completed on 30 September 2016. Accordingly, CPMSB ceased to be a subsidiary of the Company.

(a) During the financial year, the Company acquired 51% equity interest in SFSB. The details of the acquisition are disclosed in Note 38 to the financial statements.

(b) During the financial year, the Company disposed of its entire equity interest in CPMSB and Maicador Sdn Bhd. The details of the disposals are disclosed in Note 39 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) During the financial year, the Company has redeemed 5,820,000 redeemable non-convertible non-cumulative preference shares of RM0.01 each in Maicador Sdn. Bhd. at a cash consideration of RM1 per share.

(d) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective equity interest		The Group	
	2016 %	2015 %	2016 RM'000	2015 RM'000
SFSB	49	–	6,666	–
Other individual immaterial subsidiaries			350	237
			7,016	237

(e) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	SFSB	
	2016 RM'000	2015 RM'000
<b><u>At 30 September</u></b>		
Non-current assets	27,352	–
Current assets	124,275	–
Current liabilities	(134,559)	–
Net assets	17,068	–
<b><u>Financial Year Ended 30 September</u></b>		
Revenue	65,647	–
Profit for the financial year	20,917	–
Total comprehensive income	20,917	–
Total comprehensive income attributable to non-controlling interests	5,401	–
Net cash flows for operating activities	(13,176)	–
Net cash flows for investing activities	(1,701)	–
Net cash flows from financial activities	9,444	–



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 6. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Unquoted shares in Malaysia, at cost				
At 1 October 2015/1 April 2014	672	672	672	672
Acquisition during the financial year/period (Note 38)	2,806	54,969	–	–
Reclassification to non-current asset held for sale (Note 22)	–	(54,969)	–	–
Transfer to investment in subsidiaries (Note 5)	(2,806)	–	–	–
At 30 September	672	672	672	672
Share of post-acquisition profits				
At 1 October 2015/1 April 2014	574	570	–	–
For the financial year/period	810	662	–	–
Transfer to investment in subsidiaries (Note 38)	(800)	–	–	–
Reclassification to non-current asset held for sale (Note 22)	–	(658)	–	–
At 30 September	584	574	–	–
Accumulated impairment losses				
At 1 October 2015/1 April 2014	(576)	(576)	(78)	(78)
Addition during the financial year/period	–	(15,684)	–	–
Reclassification to non-current asset held for sale (Note 22)	–	15,684	–	–
At 30 September	(576)	(576)	(78)	(78)
	680	670	594	594

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 6. INVESTMENT IN ASSOCIATES (CONT'D)

The details of the associates are as follows:-

Name of Associate	Principal Place of Business	Effective Equity Interest		Principal Activities
		2016 %	2015 %	
Mahakota Sdn. Bhd.	Malaysia	25.4	25.4	Woodworks manufacturer and dealer in timber and wood.
CI Medini Sdn. Bhd. ("CIMS B")	Malaysia	–	21.0	Property development.

(a) The Group recognised its share of results in Mahakota Sdn. Bhd. based on the unaudited financial statements of the associate as the share of results is not material to the Group.

(b) In this previous financial period, CIMS B was classified as non-current asset classified as held for sale as disclosed in Note 22 to the financial statements.

On 12 April 2016, CPMSB served a written notice to Creed by requiring Creed to purchase 12,500 ordinary shares of RM1 each held by SNSB in CIMS B ("Put Option") for a consideration of RM1,848,399.97. The Put Option exercise was completed on 30 September 2016. Accordingly, CIMS B ceased to be an associate of the Company.

(c) On 3 February 2016, the Company has acquired 19% equity interest in SFSB. Although the Group holds less than 20% of the voting power in SFSB, the Group is able to exercise significant influence because it has representations on the board of directors of that associate.

On 25 March 2016, the Company has further acquired 32% in SFSB. In consequent thereof, SFSB became a 51% owned subsidiary of the Company.

(d) Summarised financial information has not been presented as the associates are not individually material to the Group.

## 7. OTHER INVESTMENT

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Investment in golf club membership	25	25	–	–
Others	3	–	3	–
	28	25	3	–

Investment in gold club membership of the Group are designated as available-for-sale financial assets but are stated at cost as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the investment.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 8. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.10.2015 RM'000	Additions RM'000	Transfer to Investment Properties (Note 9) RM'000	Acquisition of Subsidiaries (Note 38) RM'000	Disposal of Subsidiaries (Note 39) RM'000	Depreciation Charges RM'000	At 30.9.2016 RM'000
<b>2016</b>							
<b>Net Book Value</b>							
Long-term leasehold land	899	–	(559)	–	(337)	(3)	–
Buildings	2,793	–	–	–	(947)	(58)	1,788
Plant and machinery	1,333	14	–	–	(1,225)	(122)	–
Furniture, fittings and equipment	2,660	432	–	215	(110)	(463)	2,734
Motor vehicles	670	182	–	–	(265)	(170)	417
Renovation	517	38	–	–	–	(99)	456
Signboard	36	–	–	–	–	(10)	26
	8,908	666	(559)	215	(2,884)	(925)	5,421

The Group	At 1.4.2014 RM'000	Acquisition of subsidiaries (Note 38) RM'000	Additions RM'000	Disposals RM'000	Written Off RM'000	Depreciation Charges RM'000	At 30.9.2015 RM'000
<b>2015</b>							
<b>Net Book Value</b>							
Long-term leasehold land	923	–	–	–	–	(24)	899
Buildings	1,171	–	1,703	–	–	(81)	2,793
Plant and machinery	959	–	661	(4)	–	(283)	1,333
Furniture, fittings and equipment	407	14	2,700	–	(3)	(458)	2,660
Motor vehicles	133	–	788	(22)	–	(229)	670
Renovation	–	–	618	–	–	(101)	517
Signboard	–	–	40	–	–	(4)	36
	3,593	14	6,510	(26)	(3)	(1,180)	8,908

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

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

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment Losses RM'000	Net Book Value RM'000
<b>2016</b>				
Buildings	1,982	(194)	–	1,788
Furniture, fittings and equipment	4,193	(1,459)	–	2,734
Motor vehicles	717	(300)	–	417
Renovation	656	(200)	–	456
Signboard	40	(14)	–	26
	7,588	(2,167)	–	5,421

### 2015

Long-term leasehold land	1,409	(510)	–	899
Buildings	4,201	(1,408)	–	2,793
Plant and machinery	10,701	(8,333)	(1,035)	1,333
Furniture, fittings and equipment	4,789	(2,129)	–	2,660
Motor vehicles	1,381	(711)	–	670
Spare parts and loose tools	65	(65)	–	–
Renovation	618	(101)	–	517
Signboard	40	(4)	–	36
	23,204	(13,261)	(1,035)	8,908

The Company	At 1.10.2015 RM'000	Additions RM'000	Depreciation Charges RM'000	At 30.9.2016 RM'000
<b>2016</b>				
<b>Net Book Value</b>				
Buildings	168	–	(6)	162
Furniture, fittings and equipment	2,070	113	(269)	1,914
Motor vehicles	545	7	(141)	411
Renovation	237	38	(28)	247
	3,020	158	(444)	2,734

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

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

The Company	At 1.4.2014 RM'000	Additions RM'000	Written Off RM'000	Depreciation Charges RM'000	At 30.9.2015 RM'000
<b>2015</b>					
<b>Net Book Value</b>					
Buildings	178	–	–	(10)	168
Furniture, fittings and equipment	300	2,087	(3)	(314)	2,070
Motor vehicles	15	704	–	(174)	545
Renovation	–	267	–	(30)	237
	493	3,058	(3)	(528)	3,020

The Company	At Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
<b>2016</b>			
Buildings	317	(155)	162
Furniture, fittings and equipment	3,036	(1,122)	1,914
Motor vehicles	710	(299)	411
Renovation	305	(58)	247
	4,368	(1,634)	2,734

<b>2015</b>			
Buildings	317	(149)	168
Furniture, fittings and equipment	2,923	(853)	2,070
Motor vehicles	823	(278)	545
Renovation	267	(30)	237
	4,330	(1,310)	3,020

- (a) Included in the property, plant and equipment of the Group and the Company at the end of the reporting period were motor vehicles with a total net book value of RM400,000 (2015 - RM539,000), which were acquired under hire purchase terms. The leased assets have been pledged as security for the related finance lease liabilities of the Group and of the Company.
- (b) The buildings of the Group and of the Company with a total net book value of RM162,000 (2015 - RM168,000) have been pledged to a licensed bank as security for banking facilities granted to the Group and the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 9. INVESTMENT PROPERTIES

	Freehold Land RM'000	Short-term Leasehold Land RM'000	Long-term Leasehold Land RM'000	Buildings Under Construction RM'000	Buildings RM'000	Total RM'000
<b>The Group</b>						
<b>At cost:-</b>						
At 1 April 2014	944	652	1,750	–	8,570	11,916
Disposals during the financial period	–	–	(1,750)	–	(767)	(2,517)
Acquisition of subsidiaries (Note 38)	71,515	–	–	–	–	71,515
Adjustments on land costs #	(1,238)	–	–	–	–	(1,238)
At 30 September 2015/ 1 October 2015	71,221	652	–	–	7,803	79,676
Additions during the financial year	1,289	–	–	1,846	–	3,135
Disposals during the financial year	–	(652)	–	–	(6,151)	(6,803)
Acquisition of subsidiaries (Note 38)	23,379	–	–	1,614	–	24,993
Disposal of subsidiaries (Note 39)	–	–	1,900	–	3,750	5,650
Adjustments on the change of the basis of the allocation for land costs (Note 11) ^	(3,186)	–	–	–	–	(3,186)
Transfer from property, plant and equipment (Note 8)	–	–	875	–	–	(875)
Transfer from property development cost (Note 14)	898	–	–	321	–	1,219
At 30 September 2016	93,601	–	2,775	3,781	5,402	105,559

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 9. INVESTMENT PROPERTIES (CONT'D)

	Freehold Land RM'000	Short-term Leasehold Land RM'000	Long-term Leasehold Land RM'000	Buildings Under Construction RM'000	Buildings RM'000	Total RM'000
<b>The Group</b>						
<b>Accumulated depreciation:-</b>						
At 1 April 2014	–	349	350	–	4,513	5,212
Depreciation during the financial period	–	16	15	–	246	277
Disposals during the financial period	–	–	(365)	–	(226)	(591)
At 30 September 2015/ 1 October 2015	–	365	–	–	4,533	4,898
Depreciation during the financial year	–	2	30	–	97	129
Disposals during the financial year	–	(367)	–	–	(3,624)	(3,991)
Transfer from property, plant and equipment (Note 8)	–	–	316	–	–	316
At 30 September 2016	–	–	346	–	1,006	1,352
<b>Net book value:-</b>						
2015	71,221	287	–	–	3,270	74,778
2016	93,601	–	2,429	3,781	4,396	104,207

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 9. INVESTMENT PROPERTIES (CONT'D)

	Freehold Land RM'000	Long-term Leasehold Land RM'000	Buildings RM'000	Total RM'000
<b>The Company</b>				
<b>At cost:-</b>				
At 1 April 2014	594	873	1,402	2,869
Addition during the financial period	–	–	–	–
At 30 September 2015/1 October 2015	594	873	1,402	2,869
Addition during the financial year	–	1,900	3,750	5,650
At 30 September 2016	594	2,773	5,152	8,519
<b>Accumulated depreciation:-</b>				
At 1 April 2014	–	300	715	1,015
Depreciation during the financial period	–	15	41	56
At 30 September 2015/1 October 2015	–	315	756	1,071
Depreciation during the financial year	–	30	72	102
At 30 September 2016	–	345	828	1,173
<b>Net book value:-</b>				
2015	594	558	646	1,798
2016	594	2,428	4,324	7,346



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 9. INVESTMENT PROPERTIES (CONT'D)

### Notes:-

# - The adjustments were made on land area due to water retention and open area which is in excess of the respective agreed 5% and 10% of each plot area respectively as provided under the respective Sale and Purchase Agreements.

The land area has further been adjusted for land to be designated and surrendered to authority for purpose of school and town park.

The adjusted land areas were in line with the Master Layout Plan dated 14 January 2015 issued by Majlis Perbandaran Sepang which now formed the basis of computation of the final purchase consideration under the respective supplementary agreements dated 20 June 2015.

^ - The adjustments were arose from the change in the basis of the allocation of land costs from gross floor area to land acres.

(a) The net book value of certain properties have been pledged to a licensed bank as security for banking facilities granted to the Group and the Company as disclosed in Note 29 to the financial statements. Details are as follows:-

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Freehold land	29,477	944	594	594
Buildings under construction	802	-	-	-
Buildings	689	722	617	646
	30,968	1,666	1,211	1,240

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 9. INVESTMENT PROPERTIES (CONT'D)

(b) The fair value of investment properties are analysed as follows:-

The Group	2016			2015		
	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Freehold land	7,303	92,658	99,961	6,440	70,277	76,717
Short-term leasehold land	–	–	–	4,886	–	4,886
Long-term leasehold land	5,315	–	5,315	–	–	–
Buildings	6,632	–	6,632	6,194	–	6,194
	19,250	92,658	111,908	17,520	70,277	87,797
<b>The Company</b>						
Freehold land	4,903	–	4,903	4,260	–	4,260
Long-term leasehold land	5,315	–	5,315	4,600	–	4,600
Buildings	6,332	–	6,332	2,160	–	2,160
	16,550	–	16,550	11,020	–	11,020

The fair value of the buildings under construction are unable to be determined reliably as there are uncertainties in estimating its fair value at this juncture.

### Level 2 fair value

Level 2 fair value of the investment properties are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered valuers having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 9. INVESTMENT PROPERTIES (CONT'D)

(b) The fair value of investment properties are analysed as follows (Cont'd):-

### Level 3 fair value

Description of valuation technique and inputs used	Significant Unobservable inputs	Relationship of Unobservable Inputs to Fair Value
(a) Discounted cash flows ("DCF"). The DCF method is applied by discounting the expected future cash flows back to present value and applying the rate of return expected from an investment after considering the risks involved in Suria City project as the discount rate.	• Discount rate of 18% (2015 - 18%)	The estimated fair value would increase/ (decrease) if discount rate were lower/ (higher).
	• Estimated gross development value ("GDV")	The estimated fair value would increase/ (decrease) if the GDV was higher/(lower).
	• Estimated construction cost ("GDC")	The estimated fair value would increase/ (decrease) if the GDC was lower/(higher).
(b) Residual method, determined by external, independent property valuers, having appropriate professional qualifications and recent experience in the location and category of property being valued. In the residual method, consideration is given to the gross development value of the project and deducting there from the estimated costs of development including preliminaries, development and statutory charges, construction costs and professional fees, financing charges and developer's profit and resultant amount deferred over a period of time for the completion of the Forum 1 & Forum II project.	• Discount rate of 8.5% (2015 - Nil)	The estimated fair value would increase/ (decrease) if discount rate were lower/ (higher).
	• Estimated GDV	The estimated fair value would increase/ (decrease) if the GDV was higher/(lower).
	• Estimated GDC	The estimated fair value would increase/ (decrease) if the GDC was lower/(higher).
(c) Included in investment properties is interest expenses capitalised during the financial year/period amounting to RM369,000 (2015 - Nil).		

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 10. GOODWILL

	The Group	
	2016 RM'000	2015 RM'000
At cost:-		
At 1 October 2015/1 April 2014	6,776	-
Acquisition of subsidiaries (Note 38)	11,453	6,776
At 30 September	18,229	6,776
Accumulated impairment losses:-		
At 1 October 2015/1 April 2014	(7)	-
Addition during the financial year/period	-	(7)
At 30 September	(7)	(7)
Carrying amount	18,222	6,769

(a) The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	The Group	
	2016 RM'000	2015 RM'000
Property Development	18,222	6,769

(b) In the previous financial period, an impairment loss amounting to RM7,000 was recognised in respect of a subsidiary, Library Mall Development Sdn. Bhd.. The impairment loss was recognised in "Administrative and Other Expenses" line item of the statements of profit or loss and other comprehensive income. The goodwill belonged to the Group's "Investment holding and others" reportable segment.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 10. GOODWILL (CONT'D)

- (c) The Group has assessed the recoverable amount of goodwill allocated and determined that no additional impairment is required. The recoverable amount of the cash-generating unit is determined using the value in use approach, and this is derived from the present value of the future cash flows from each cash-generating unit computed based on the projections of financial budgets approved by management throughout the development period.

The key assumptions used in the determination of the recoverable amounts are as follows:-

	Gross Margin		Growth Rate		Discount Rate	
	2016 %	2015 %	2016 %	2015 %	2016 %	2015 %
SNTSB	17 – 24	15 – 19	Refer (ii) (aa)	Refer (ii) (aa)	9.47	5.50
SFSB	27 – 41	–	Refer (ii) (ab)	–	9.47	–

- (i) Budgeted gross margin : The budgeted gross margin range from 17% to 41%, determined based on historical achieved margins and assumes no significant changes in cost structure or input prices.
- (ii) Growth rate : (aa) Based on the expected projection of the sales generated from Suria Hills project.  
(ab) Based on the expected projection of the sales generated from Forum I and II projects.
- (iii) Discount rate (pre-tax) : The discount rate used is 9.47% per annum, computed based on the weighted average cost of capital of the Company.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating unit and are based on both external sources and internal historical data.

- (d) The directors believe that there is no reasonable possible change in the above key assumptions applied that is likely to materially cause the respective cash-generating unit carrying amount to exceed its recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 11. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group	
	2016 RM'000	2015 RM'000
At cost:-		
At 1 October 2015/1 April 2014	508,089	-
Additions during the financial year/period	9,098	-
Acquisition of subsidiaries (Note 38)	-	517,039
Adjustments on land costs #	(32,216)	(8,950)
Adjustments on the change of the basis of the allocation for land costs (Note 9)	3,186	-
Transfer from property development cost (Note 14)	27,460	-
Transfer to property development cost (Note 14)	(128,497)	-
At 30 September	387,120	508,089
Represented by:-		
Freehold land	382,534	508,089
Property development costs	4,586	-
	387,120	508,089

### Notes:

# - 2016

Please refer to Note 9 to the financial statements for the explanation and details on the adjustments on land costs.

2015

Arose from the adjustments on land area due to the change in the business plan which resulted in the reclassification of land size in the respective phases.

- (a) Included in property development costs is interest expense capitalised during the financial year amounting to RM2,020,000 (2015 - Nil).
- (b) The entire land held for property development have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 29 to the financial statements (2015 - Nil).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 12. DEFERRED TAX ASSETS/(LIABILITIES)

The deferred tax assets/(liabilities) presented after appropriate offsetting are as follows:-

	The Group	
	2016 RM'000	2015 RM'000
Deferred tax assets	1,432	261
Deferred tax liabilities	(100,653)	(102,246)
	(99,221)	(101,985)

The components of deferred tax assets and deferred tax liabilities prior to offsetting are as follows:-

The Group	At 1.10.2015 RM'000	Recognised in Profit or Loss (Note 35) RM'000	Acquisition of Subsidiaries (Note 38) RM'000	At 30.9.2016 RM'000
<b>2016</b>				
Deferred Tax Assets:-				
Provision for costs	-	1,131	-	1,131
Temporary difference on property development costs	261	(725)	1,896	1,432
	261	406	1,896	2,563
Deferred Tax Liabilities:-				
Accelerated of capital allowance over depreciation of:				
- property, plant and equipment	(4)	(15)	-	(19)
- investment properties	(2)	-	-	(2)
Temporary difference on property development costs	(102,240)	477	-	(101,763)
	(102,246)	462	-	(101,784)
	(101,985)	868	1,896	(99,221)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The Group	At 1.4.2014 RM'000	Recognised in Profit or Loss (Note 35) RM'000	Acquisition of Subsidiaries (Note 38) RM'000	At 30.9.2015 RM'000
<b>2015</b>				
Deferred Tax Assets:-				
Temporary difference on property development costs	-	261	-	261
Deferred Tax Liabilities:-				
Accelerated of capital allowance over depreciation of:				
- property, plant and equipment	(4)	-	-	(4)
- investment properties	(2)	-	-	(2)
Temporary difference on property development costs	-	-	(102,240)	(102,240)
	(6)	-	(102,240)	(102,246)
	(6)	261	(102,240)	(101,985)

The deferred tax assets have been recognised on the basis of the Company's previous history of recording profits and to the extent that is probable that future taxable profits will be available against which temporary differences can be utilised.

No deferred tax assets are recognised in the statements of financial position on the following items:-

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Deductible temporary differences of:				
- impairment loss on trade receivables	1,571	-	-	-
- provision for costs	3	5,487	-	-
Unabsorbed capital allowances	13,212	13,212	-	-
Unutilised tax losses	17,186	29,935	-	-
Accelerated capital allowances over depreciation	-	(746)	-	-
	31,972	47,888	-	-



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

No deferred tax assets are recognised in respect of the above items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised. The unused tax losses and unabsorbed capital allowances do not expire under current tax legislation. However, the availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act 1967 and guidelines issued by the tax authority.

## 13. INVENTORIES

	The Group	
	2016	2015
	RM'000	RM'000
At cost:-		
Raw materials	–	2,699
Work-in-progress	–	1,654
Finished goods	–	388
Consumables	–	189
	–	4,930
Recognised in profit or loss:-		
Inventories recognised as cost of sales	–	13,565
Inventories written down	–	25

The inventories in the previous financial year were held by Maicador Sdn. Bhd., which was disposed of during the financial year.

None of inventories is carried at net realisable value.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 14. PROPERTY DEVELOPMENT COSTS

	The Group	
	2016 RM'000	2015 RM'000
At 1 October 2015/1 April 2014		
- land	240,987	56,000
- development costs	60,552	6,304
	301,539	62,304
Acquisition of subsidiaries (Note 38):		
- land	116,142	212,155
- development costs	20,267	14,409
	136,409	226,564
Cost incurred during the financial year/period:		
- land	2,844	-
- development costs	85,901	48,352
	88,745	48,352
Adjustments on land costs: #		
- land	32,216	(2,168)
- development costs	-	-
	32,216	(2,168)
Transfer to investment properties (Note 9):		
- land	-	-
- development costs	(1,219)	-
	(1,219)	-
Transfer to land held for property development (Note 11):		
- land	(20,748)	-
- development costs	(6,712)	-
	(27,460)	-
Transfer from land held for property development (Note 11):		
- land	128,497	-
- development costs	-	-
	128,497	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 14. PROPERTY DEVELOPMENT COSTS (CONT'D)

	The Group	
	2016 RM'000	2015 RM'000
Reclassification		
- land	2,834	-
- development costs	(2,834)	-
	-	-
Reversal of completed projects		
- land	-	(25,000)
- development costs	-	(12,006)
	-	(37,006)
At 30 September		
- land	502,772	240,987
- development costs	155,955	57,059
	658,727	298,046
Costs recognised in profit or loss:-		
Cumulative costs recognised at 1 October 2015/1 April 2014	(78,416)	(13,497)
Acquisition of subsidiaries (Note 38)	(21,402)	(33,960)
Reversal of completed projects	-	37,006
Costs recognised during the financial year/period	(116,967)	(64,472)
Cumulative costs recognised at 30 September	(216,785)	(74,923)
Property development costs at 30 September	441,942	223,123
Cumulative revenue recognised in profit or loss	346,920	156,438
Less: Cumulative billings to purchasers	(292,738)	(123,953)
Accrued billings	54,182	32,485
The net accrued billings are represented by:-		
Accrued billings	82,003	50,076
Progress billings	(27,821)	(17,591)
	54,182	32,485

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 14. PROPERTY DEVELOPMENT COSTS (CONT'D)

- (a) The land under development of the Group with a carrying amount of RM139,218,000 (2015 - RM38,840,000) has been pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 29 to the financial statements.
- (b) Included in development costs is interest expense capitalised during the financial period amounting to RM2,977,000 (2015 - RM284,000).

## 15. TRADE RECEIVABLES

	The Group	
	2016 RM'000	2015 RM'000
<b><u>Non-current</u></b>		
Trade receivables	1,513	-
<b><u>Current</u></b>		
Trade receivables	40,688	13,616
Allowance for impairment losses	(1,571)	(9)
	39,117	13,607
	40,630	13,607
Allowance for impairment losses:-		
At 1 October 2015/1 April 2014	(9)	(147)
Written off during the financial year/period	-	138
Addition during the financial year/period	(1,571)	-
Disposal of subsidiaries (Note 39)	9	-
At 30 September	(1,571)	(9)

- (a) The non-current trade receivables are repayable in the financial year ending 2019 (2015 - Nil).
- (b) The Group's normal trade credit terms for current trade receivables range from 14 to 30 (2015 - 14 to 90) days.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Other receivables				
- interest bearing	16,500	–	16,500	–
- non interest bearing	1,997	217	57	152
Deposits	2,105	627	308	312
Prepayments	769	437	300	112
Goods and services tax recoverable	6,615	457	–	–
	27,986	1,738	17,165	576

Included in other receivables of the Group and of the Company is an amount of RM16.5 million owing by Creed, representing the remaining unpaid shares purchase consideration for the disposal of the entire issued and paid-up share capital in CPMSB to Creed as disclosed in Notes 22 and 39 to the financial statements.

The amount owing by Creed is subject to interest rate of 5.4% per annum and Creed shall repay the outstanding balance of RM16.5 million together with the interest latest by 31 March 2017.

## 17. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2016 RM'000	2015 RM'000
Amount owing by:		
- Trade balances	2,182	3,901
- Non-trade balances	301,556	170,149
	303,738	174,050
Amount owing to:		
- Non-trade balances	(120,022)	(45,462)

The trade and non-trade balances are unsecured, interest-free and repayable on demand. The amounts owing are to be settled by cash.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 18. AMOUNTS OWING BY/(TO) RELATED PARTIES

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Amount owing by:				
- Trade balances	4,013	2,424	4,013	2,424
- Non-trade balances	-	714	-	714
	4,013	3,138	4,013	3,138
Amount owing to:				
- Trade balances	(88,802)	(881)	-	(50)
- Non-trade balances	(2,095)	(2,687)	-	-
	(90,897)	(3,568)	-	(50)

- (a) The trade balances are unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.
- (b) In the previous financial period, the non-trade amount owing by related parties represents shareholders advances from the Company to CIMSB, a former associate of the Group. The amount owing at the end of the previous reporting period bore interest of 5.87% per annum. The amount owing is unsecured and repayable on demand. The amount owing was settled in cash.
- (c) Included in amount owing to related parties (trade balance) are as follows:-
- (i) retention sum amounting to RM436,000 (2015 - RM831,000) which is unsecured, interest-free and is expected to be paid upon expiry of the defect liability period in the financial year ending 30 September 2017 (2015 - financial year ending 30 September 2018);
  - (ii) remaining purchase consideration amounted to RM88,366,000 (2015 - Nil) for the purchase of a piece of freehold development land held under H.S.(D) 268650 PT27890, Daerah Petaling, Mukim Bukit Raja, Negeri Selangor.

The amount owing is to be settled in cash.

- (d) Related parties refer to companies substantially owned by a director or a close family member of a director of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 19. SHORT-TERM INVESTMENT

	The Group/ The Company	
	2016 RM'000	2015 RM'000
Financial assets at fair value through profit or loss:-		
- Money market fund	29,051	7,303

Investment in money market fund represent investment in highly liquid money market instruments, which are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value.

## 20. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 2.65% to 3.15% (2015 - 2.5% to 3.30%) per annum and 2.95% to 3.15% (2015 - 3.15%) per annum respectively. The fixed deposits of the Group and of the Company have maturity periods ranging from 1 to 12 months (2015 - 1 to 12 months).
- (b) The entire fixed deposits have been pledged with licensed banks as security for banking facilities granted to the Group and to the Company.

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Fixed deposits pledged for:				
- revolving credit facilities	23,143	10,596	23,143	10,596
- term loan facilities (Note 29)	3,232	532	-	-
	26,375	11,128	23,143	10,596

## 21. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group is an amount of RM18,419,000 (2015 - RM1,318,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 22. DISPOSAL GROUP/NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

### 2015

CPMSB and its associate, CIMSB, which were part of the investment holding and others segment were presented as asset of disposal group classified as held for sale following the event mentioned below.

Pursuant to the Shareholders Agreement dated 21 November 2014 (as amended by a first variation letter dated 14 September 2015, a second variation letter dated 30 September 2015 and a third variation letter dated 7 September 2016) and Deed of Accession dated 12 June 2015 between the shareholders of CIMSB, the Company is entitled to a Put Option to require the other shareholder of CIMSB, Creed to purchase all ordinary shares of RM1 each in CIMSB, held by the Group (indirect interest through its wholly-owned subsidiaries, Concord and SNSB with total shareholdings of 21% in CIMSB) at a purchase price of RM147.94 per CIMSB Share ("the Put Option").

In view that the current market condition was uncertain, the Company's Board of Directors had on 17 September 2015 agreed to execute the Put Option which was effective from the period 1 April 2016 to 30 September 2016.

At the end of the previous reporting period, the assets and liabilities of CPMSB and CIMSB had been presented in the consolidated statements of financial position as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale". Accordingly, the Company's investment in CPMSB had also been presented as "Non-current asset held for sale" in the Company's statement of financial position.

The assets and liabilities of the disposal group, measured at the lower of their carrying amounts and fair values less costs to sell, are as follows:-

	The Group 2015 RM'000	The Company 2015 RM'000
<b>Assets</b>		
Investment in a subsidiary (Note 5)	–	38,095
Investment in an associate (Note 6)	39,943	–
Amount owing by an associate	14,633	–
Cash in hand	*	–
<b>Asset of disposal group/Non-current asset held for sale</b>	<b>54,576</b>	<b>38,095</b>
<b>Liabilities</b>		
Other payables and accruals	33	–
Current tax liabilities	166	–
<b>Liabilities of disposal group held for sale</b>	<b>199</b>	<b>–</b>

### Note:-

\* - Represents RM2.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

## 22. DISPOSAL GROUP/NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE (CONT'D)

### 2015 (Cont'd)

As the estimated fair value less costs to sell is lower than the carrying amount of the disposal group, the Group and the Company recognised an impairment loss on the re-measurement to fair value less costs to sell of RM15,684,000 and RM15,026,000 in profit or loss of the previous financial period as disclosed in Notes 5 and 6 to the financial statements.

The impairment loss is recognised in "Administrative and other expenses" line item of the statements of profit or loss and other comprehensive income for the financial period ended 30 September 2015.

### 2016

On 12 April 2016, CPMSB served a written notice to Creed to exercise the Put Option and on 7 September 2016, the Company entered into a Share Purchase Agreement ("SPA") with SNSB and Creed by requiring Creed to purchase:-

- (i) from the Company, 2 ordinary shares of RM1 each held in CPMSB, representing the entire issued and paid-up share capital of CPMSB for a total cash consideration of RM38,095,742.79.

CPMSB hold 19.05% equity interest in CIMSB, comprising 250,000 ordinary shares of RM1 each in CIMSB; and

- (ii) from SNSB, a wholly-owned subsidiary of the Company, 12,500 ordinary shares of RM1 each held in CIMSB, representing 0.95% equity interest in CIMSB for a total cash consideration of RM1,848,399.97.

The Put Option exercise was completed on 30 September 2016 in accordance with the terms of the SPA. Accordingly, CPMSB ceased to be a subsidiary of the Company and CIMSB ceased to be an associated company of the Group.

The details of the disposals are disclosed in Note 39 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 23. ORDINARY SHARE CAPITAL

The movements in the authorised and paid-up share capital of the Company are as follows:-

	The Company			2015 RM'000
	2016 Number of Shares '000	2015	2016	
Ordinary shares of RM0.50 each:-				
<b>Authorised</b>				
At 1 October 2015/1 April 2014	1,500,000	200,000	750,000	100,000
Creation of shares	–	1,300,000	–	650,000
At 30 September	1,500,000	1,500,000	750,000	750,000
<b>Issued and Fully Paid-Up</b>				
At 1 October 2015/1 April 2014	735,487	158,361	367,743	79,180
Issuance of shares pursuant to:				
- reinvestment shares for acquisition of a subsidiary (Note 38)	–	102,040	–	51,020
- rights issue with free warrants	–	475,086	–	237,543
- private placement	63,346	–	31,673	–
	63,346	577,126	31,673	288,563
At 30 September	798,833	735,487	399,416	367,743

During the financial year:-

- (a) The Company increased its issued and paid-up share capital from RM367,743,352 to RM399,415,646 by the issuance of 63,344,588 ordinary shares of RM0.50 each pursuant to Private Placement exercise ("Placement Share") at an issuance price of RM0.835 per Placement Shares.

The new ordinary shares issued rank pari passu in all respects with the existing shares of the Company; and

- (b) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per share at meetings of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 24. REDEEMABLE NON-CONVERTIBLE NON-CUMULATIVE PREFERENCE SHARES ("RNCNCPS")

	The Group			
	2016	2015	2016	2015
	Number of Shares '000		RM'000	
Ordinary shares of RM0.01 each:-				
<b>Authorised</b>				
At 1 October 2015/1 April 2014	-	-	-	-
Creation of shares	15,000	-	150	-
At 30 September	15,000	-	150	-
<b>Issued and Fully Paid-Up</b>				
At 1 October 2015/1 April 2014	-	-	-	-
Issuance of new shares	2,499	-	25	-
At 30 September	2,499	-	25	-

On 6 May 2016, Sunsuria Everrich Sdn. Bhd. ("SESB"), a 60% owned subsidiary of the Company issued 2,498,760 RNCNCPS of RM0.01 each at a premium of RM0.99 each to Welcome Global Co. Ltd, shareholder of SESB.

The salient terms of the RNCNCPS are as follows:-

Terms	Details
Non-cumulative dividend	The RNCNCPS carries the right to receive non-cumulative preferential dividend out of distributable profits of the Company at a rate to be determined by SESB on the capital paid up or credited as paid up thereon.
Redemption	The RNCNCPS is redeemable at its par value plus a redemption premium per share at any time by giving not less than one month's prior written notice ("redemption notice") to the holders of the preference shares of its intention to do so on the date specified in the redemption notice.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 24. REDEEMABLE NON-CONVERTIBLE NON-CUMULATIVE PREFERENCE SHARES ("RNCNCPS") (CONT'D)

### Terms (Cont'd)

Voting rights

### Details (Cont'd)

The RNCNCPS holders shall have the same rights as the holders of ordinary shares as regards receiving notices, reports and audited accounts as well as speaking at and attending general meetings of SESB, but shall only have the right to vote, in person or proxy, at any meeting convened or by way of written resolution on any question motion or resolution:

- (i) for the winding up of the Company;
- (ii) for abrogating or varying or otherwise directly affecting the special rights and privileges attaching to the preference shares; or
- (iii) in the event that, at the date of the notice convening the meeting, any dividend on the preference shares is in arrears for more than six (6) months.

## 25. RESERVES

	Note	The Group		The Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Share premium	25.1	178,312	154,769	175,838	154,769
Warrant reserve	25.2	48,300	48,300	48,300	48,300
Capital reserve	25.3	815	815	1,800	1,800
Capital redemption reserve	25.4	168	168	–	–
Retained profits/ (Accumulated losses)		53,715	9,898	2,914	(9,586)
		281,310	213,950	228,852	195,283

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 25. RESERVES (CONT'D)

### 25.1 SHARE PREMIUM

The movements in the share premium of the Group and the Company are as follows:-

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 October 2015/1 April 2014	154,769	13,296	154,769	13,296
Issuance of ordinary shares pursuant to:				
- reinvestment shares for acquisition of a subsidiary	-	48,980	-	48,980
- rights issue with free warrants	-	94,225	-	94,225
- private placement	21,220	-	21,220	-
Issuance of RNCNCPS	2,474	-	-	-
Share issuance expenses	(151)	(1,732)	(151)	(1,732)
At 30 September	178,312	154,769	175,838	154,769

The share premium reserve represents the premium paid on subscription of ordinary shares in the Company over and above the par value of the shares issued, net of transaction costs. The share premium reserve is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

### 25.2 WARRANT RESERVE

	The Group/ The Company	
	2016 RM'000	2015 RM'000
At 1 October 2015/1 April 2014	48,300	-
Created during the financial year/period	-	48,300
At 30 September	48,300	48,300

- (a) The warrant reserve arose from the allocation of the proceeds received from the renounceable rights issue of 475,084,416 new ordinary shares of RM0.50 each together with 158,361,472 free detachable warrants in the previous financial period.

The reserve is determined by reference to the fair value of the warrants of RM0.305 each amounting to RM48,300,000 immediately upon the listing and quotation of the rights issue on the Main Market of Bursa Malaysia Securities Berhad on 27 July 2015.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 25. RESERVES (CONT'D)

### 25.2 WARRANT RESERVE (CONT'D)

- (b) Each warrant entitles the holder to subscribe for 1 new ordinary share of RM1.00 each in the Company at the exercise price of RM1.50. The warrants are exercisable over a period of 5 years and will be expiring on 22 July 2020. None of the warrants in issue was exercised during the financial year.
- (c) The warrants are constituted by the Deed Poll dated 11 June 2015. The salient features of the warrants are as follows:-
- (i) Each warrant entitled the registered holder to subscribe for 1 new ordinary share of RM0.50 each of the Company at any time during the 5 years period commencing on and including 23 July 2015 to 22 July 2020 ("Exercise Period") at RM1.50 per new ordinary share of the Company;
  - (ii) Any warrants not exercised during Exercise Period will thereafter lapse and cease to be valid, and
  - (iii) The new ordinary shares allotted and issued pursuant exercise of the warrants shall rank pari passu in all aspects with the existing ordinary shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

### 25.3 CAPITAL RESERVE

Capital reserves arose from the profit on disposal of investment in a subsidiary.

### 25.4 CAPITAL REDEMPTION RESERVE

	The Group	
	2016 RM'000	2015 RM'000
At 1 October 2015/1 April 2014	168	-
Redemption of redeemable preference shares	-	168
At 30 September	168	168

The capital redemption reserve arose from the redemption of preference shares out of profits which would otherwise have been available for dividend. A sum equal to the nominal amount of the shares redeemed was transferred to the capital redemption reserve in accordance with the requirement of Section 61 of the Companies Act 1965.

The transfer to capital redemption reserve was made out of the retained profits.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 26. DEFINED BENEFIT OBLIGATION

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 October 2015/1 April 2014	1,297	1,104	87	68
Defined benefits costs	63	198	–	19
Payments	(103)	(5)	(87)	–
Disposal of subsidiaries (Note 39)	(1,257)	–	–	–
At 30 September	–	1,297	–	87
Being present value of defined obligation disclosed as non-current liabilities	–	1,297	–	87

The components of defined benefit costs are as follows:-

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<i>Recognised in profit or loss</i>				
Current service cost	63	104	–	13
Interest expense	–	94	–	6
At 30 September	63	198	–	19

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

	The Group		The Company	
	2016 %	2015 %	2016 %	2015 %
Discount rate	–	5.50	–	5.50
Future salary growth	–	5.00	–	5.00

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 26. DEFINED BENEFIT OBLIGATION (CONT'D)

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

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Discount rate:				
- increase by 1%	-	(105)	-	(9)
- decrease by 1%	-	119	-	10
Future salary growth:				
- increase by 1%	-	61	-	12
- decrease by 1%	-	(55)	-	(10)

At the end of the previous reporting period, the weighted average duration of the defined benefit obligation was 10.8 years.

## 27. LONG-TERM BORROWINGS

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Hire purchase payables (Note 28)	255	375	255	375
Term loans (Note 29)	212,300	28,500	-	-
	212,555	28,875	255	375



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 28. HIRE PURCHASE PAYABLES

	The Group/ The Company	
	2016 RM'000	2015 RM'000
Minimum hire purchase payments:		
- not later than 1 year	135	135
- later than 1 year and not later than 5 years	267	403
	402	538
Less: Future finance charges	(27)	(49)
Present value of hire purchase payables	375	489
<b><u>Current (Note 32):</u></b>		
Not later than 1 year	120	114
<b><u>Non-current (Note 27):</u></b>		
Later than 1 year and not later than 5 years	255	375
	375	489

- (a) The hire purchase payables of the Group and of the Company are secured by the Group's and the Company's motor vehicles under hire purchase.
- (b) The hire purchase payables of the Group and of the Company bore effective interest rates ranging from 4.64% to 4.81% (2015 - 4.64% to 4.81%) per annum at the end of reporting period. The interest rates are fixed at the inception of the hire purchase agreements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 29. TERM LOANS

	The Group	
	2016 RM'000	2015 RM'000
<b>Current (Note 32):</b>		
Not later than 1 year	8,688	2,500
<b>Non-current (Note 27):</b>		
Later than 1 year and not later than 2 years	14,500	9,000
Later than 2 years and not later than 5 years	29,102	19,500
Later than 5 years	168,698	-
	212,300	28,500
	220,988	31,000

(a) The interest rate profile of the term loans is summarised below:-

	Effective interest rate		The Group	
	2016 %	2015 %	2016 RM'000	2015 RM'000
<b>Floating rate term loans</b>				
I	4.95	5.15	28,188	31,000
II	5.15	-	192,800	-
			220,988	31,000

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 29. TERM LOANS (CONT'D)

### (b) Term Loan I

- (i) The term loan is repayable over a period of 5 years and the repayment term of the term loan is by redemption of individual units or through a reduction schedule, whichever is earlier. Below are the reduction schedule:-

Reduction date	Amount RM'000
30.06.2016	1,000
30.09.2016	1,500
31.12.2016	1,500
31.03.2017	2,000
30.06.2017	2,500
30.09.2017	3,000
31.12.2017	3,500
31.03.2018	3,500
30.06.2018	3,500
30.09.2018	4,000
31.12.2018	5,000
	31,000

- (ii) Term loan I is secured by:-

- a facility agreement;
- a legal charge over 30 (2015 – 33) plots of bungalow land located at Jalan Setia Perdana U13/28C, Bandar Setia Alam, Seksyen U13, Shah Alam, Selangor under Mukim Bukit Raja, Daerah Petaling, Selangor of a subsidiary as disclosed in Note 14 to the financial statements ("Property A");
- a pledged of fixed deposits amounting to RM521,000 (2015 – RM532,000) as disclosed in Note 20 to the financial statements;
- a corporate guarantee of the Company for RM32,519,000 together with interest;
- a specific debenture with a fixed charge over Property A.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 29. TERM LOANS (CONT'D)

### (b) Term Loan I (Cont'd)

(iii) The significant covenants of the term loan are as follows:-

- the subsidiary shall maintain a minimum security cover as outlined in letter of offer; and
- the subsidiary shall maintain a Debt Service Reserve Account for the purpose of maintaining a debt service amount. The minimum balance to be maintained shall be RM500,000 for the entire tenure of the term loan.

The Group has complied with all the requirements of the covenants as at 30 September 2016.

### (c) Term Loan II

(i) The term loan II is repayable over 10 years by way of 47 monthly principal repayments of RM4,017,000 each with 1 final month principal repayment of RM4,001,000 commencing on the 73rd month from the date of the first drawdown, or by application of redemption sum pursuant to the redemption units to be developed on the Property.

(ii) Term loan II is secured by:-

- a facility agreement;
- a legal charge over 9 parcels of freehold development land held under title H.S.(D) 39882, 39890, 39888, 39880, 39891, 39881, 39886, 39887 and 39884 situated in Mukim Dengkil, District of Sepang, State of Selangor ("Property B");
- a general debenture creating a fixed and floating charge over the Company's undertaking, assets, rights and properties, both present and future whatsoever and wheresoever situated (including but not limited to the Property and all development projects to be undertaken by the Company on the Property B);
- placement of fixed deposits for the funds in the Debt Service Reserve Account ("DSRA"), which the DSRA shall cover minimum 3 months' interest payment; and
- a corporate guarantee of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 30. TRADE PAYABLES

	The Group	
	2016 RM'000	2015 RM'000
Trade payables	16,502	8,474
Retention sum payables	10,360	2,826
	<hr/>	<hr/>
	26,862	11,300

The normal trade credit terms granted to the Group is 30 days (2015 - 14 to 90) days.

The retention sums are unsecured, interest-free and are expected to be paid upon expiry of the defect liability period, ranging from the financial years ending 2017 to 2020 (2015 - 2016 to 2019).

## 31. OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Other payables	4,686	20,835	–	205
Deposits received	2,573	1,033	63	3
Accruals	26,206	259,181	1,902	2,575
Advances received from the purchasers	10,682	6,887	–	–
Goods and services tax payable	52	76	51	–
	<hr/>	<hr/>	<hr/>	<hr/>
	44,199	288,012	2,016	2,783

Included in accruals is an amount of RM1,255,000 (2015 - RM246,676,000) in respect of accrued remaining purchase consideration for the purchase of 9 parcels of development land totalling 331.27 acres from Sime Darby Serenia Development Sdn. Bhd.. In the previous financial period, the accrued amount has been set-off against the adjustments on land costs of RM1,238,000, RM8,950,000 and RM2,168,000 as disclosed in Notes 9, 11 and 14 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 32. SHORT-TERM BORROWINGS

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Hire purchase payables (Note 28)	120	114	120	114
Term loans (Note 29)	8,688	2,500	–	–
	8,808	2,614	120	114

## 33. REVENUE

	The Group		The Company	
	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
<b>Continuing operations:-</b>				
Services rendered	–	17	–	–
Property development activities	198,933	95,158	–	–
Management fee	2,681	13,921	11,385	18,747
Dividend income	152	–	13,648	20,961
Rental income	635	1,067	305	227
	202,401	110,163	25,338	39,935
<b>Discontinued operations (Note 36):-</b>				
Sale of goods	9,301	25,316	–	–
Dividend income	3,052	–	–	–
	12,353	25,316	–	–
	214,754	135,479	25,338	39,935

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 34. PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS

	The Group		The Company	
	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
Profit before taxation from continuing operations is arrived at after charging/(crediting):-				
Accretion of interest on:				
- trade receivables	230	-	-	-
- trade payables	(886)	(450)	-	-
Auditors' remuneration				
- for the financial year/period	169	130	50	51
- under/(over)provision in the previous financial period/year	-	34	-	-
Bad debts written off	-	2	-	-
Depreciation of:				
- property, plant and equipment (Note 8)	744	741	444	528
- investment properties (Note 9)	129	277	102	56
Direct operating expenses on investment properties	139	78	50	24
Directors' remuneration (Note 42(a))	3,748	5,946	3,748	5,946
Impairment loss on:				
- goodwill	-	7	-	-
- investment in a subsidiary	-	-	-	15,026
- trade receivables (Note 15)	1,571	-	-	-
Interest expense on financial liabilities not at fair value through profit or loss:				
- revolving credit	21	352	21	352
- hire purchase	21	26	21	26
Preliminary expenses	14	5	-	-
Property, plant and equipment written off (Note 8)	-	3	-	3
Rental expense:				
- motor vehicles	246	369	246	369
- premises	2,034	2,147	1,049	1,491
- office equipment	50	19	14	8
- show room	67	85	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 34. PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS (CONT'D)

	The Group		The Company	
	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
Staff costs (including other key management personnel as disclosed in Note 42(a)):				
- salaries, overtime, bonus, allowances and other benefits	10,079	10,312	3,310	6,858
- defined contribution plan	1,144	1,013	300	601
- defined benefit plan	-	19	-	19
Bad debts recovered	(3)	(88)	-	-
Dividend income from:				
- subsidiaries	-	-	(13,648)	(20,961)
- an associate	(152)	-	-	-
Gain on bargain purchase (Note 38)	-	(22,007)	-	-
Gain on remeasurement of existing equity interests in the former associate (Note 38)	(4,663)	-	-	-
(Gain)/Loss on disposal of:				
- property, plant and equipment	(50)	(83)	(50)	-
- investment properties	(5,788)	(454)	-	-
- subsidiaries	-	-	129	-
Interest income on financial assets not at fair value through profit or loss:				
- cash and cash equivalents	(2,054)	(1,263)	(1,785)	(1,152)
- property purchasers	(626)	(14)	-	-
- amount owing by an associate	(39)	(13)	-	-
- amount owing by a related party	-	-	(39)	(13)
Realised gain on foreign exchange	-	(3)	-	-
Rental income	(636)	(1,112)	(305)	(226)
Share of results in associates	(810)	(4)	-	-



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 35. INCOME TAX EXPENSE

	The Group		The Company	
	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
<b>Continuing operations:</b>				
Current tax:				
- for the financial year/period	12,239	5,290	813	374
- under/(over) provision in the previous financial period/year	457	(38)	454	-
	12,696	5,252	1,267	374
Deferred tax (Note 12):				
- relating to originating and recognition of temporary differences	(868)	(261)	-	-
Real property gains tax	264	28	6	-
Total income tax expense attributable to continuing operations	12,092	5,019	1,273	374
<b>Discontinued operations (Note 36):</b>				
Current tax:				
- for the financial year/period	197	182	-	-
- underprovision in the previous financial period/year	4	-	-	-
Total income tax expense attributable to discontinued operations	201	182	-	-
Total	12,293	5,201	1,273	374

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 35. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
Profit/(Loss) before taxation:				
- continuing operations	54,204	32,297	13,773	360
- discontinued operations	7,349	(11,968)	-	-
	61,553	20,329	13,773	360
Tax at the statutory tax rate of 24% (2015 - 25%)	14,773	5,082	3,306	90
Tax effects of:-				
Non-taxable income	(3,149)	(5,813)	(3,276)	(5,240)
Non-deductible expenses	3,958	6,049	783	5,705
Share of results in associates	(194)	(1)	-	-
Deferred tax assets not recognised during the financial year/period	189	1,407	-	-
Utilisation of deferred tax assets previously not recognised	(4,009)	(1,473)	-	(181)
Utilisation of industrial building allowances	-	(40)	-	-
Real property gains tax	264	28	6	-
Under/(Over)provision of current tax in the previous financial period/year	461	(38)	454	-
Income tax expense for the financial year/period	12,293	5,201	1,273	374

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2015 - 25%) of the estimated assessable profit for the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)***35. INCOME TAX EXPENSE (CONT'D)**

Tax savings during the financial year/period arising from:-

	The Group		The Company	
	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
Utilisation of capital allowances - current year	374	-	-	-
Utilisation of industrial building allowances - current year	-	175	-	-
Utilisation of tax losses - for the financial year	72	-	-	-
- previously not recognised	12,750	263	-	-

**36. PROFIT/(LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS****2016**

- (a) MWISB, a 99.78% owned subsidiary of the Company had on 31 March 2016 entered into a Shares Sale and Purchase Agreement with Low Fatt Wood Industries Sdn. Bhd. and Dato' Low Kian Chuan for the disposal of its entire equity interest in Maicador Sdn Bhd ("Maicador") for a cash consideration of RM3,210,000.

The disposal was completed on 31 March 2016. In consequent thereof, Maicador ceased to be a 99.78% indirect owned subsidiary of the Company.

- (b) As disclosed in Note 22 to the financial statements, the Group has completed the Put Option on 30 September 2016. Accordingly, CPMSB ceased to be a subsidiary of the Company and CIMS B ceased to be an associate of the Company.

**2015**

As disclosed in Note 22 to the financial statements, the Group is agreeable to execute the Put Option to sell all ordinary shares of RM1.00 each currently held by the Group in CIMS B to Creed, which is effective from period 1 April 2016 to 30 September 2016. The disposal is expected to be completed not later than 15 September 2016.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 36. PROFIT/(LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS (CONT'D)

An analysis of the results of the discontinued operations is as follows:-

	The Group	
	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
Revenue (Note 33)	12,353	25,316
Cost of sales	(7,556)	(20,778)
Gross profit	4,797	4,538
Other income	1,013	1,117
	5,810	5,655
Administrative and other expenses	(955)	(2,597)
Share of result in an associate, net of tax	–	658
Loss on remeasurement to fair value less costs to sell	–	(15,684)
Gain on disposal of discontinued operations (Note 39)	2,494	–
Profit/(Loss) before taxation (Note 35)	7,349	(11,968)
Income tax expense (Note 35)	(201)	(182)
Profit/(Loss) after taxation from discontinued operations	7,148	(12,150)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 36. PROFIT/(LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS (CONT'D)

(a) Included in profit/(loss) before taxation from discontinued operations are the following:-

	The Group	
	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
Auditors' remuneration	8	25
Depreciation of property, plant and equipment	181	439
Impairment loss on net assets of disposal group classified as held for sale	-	15,684
Inventories written down	-	25
Rental expense on premise	-	45
Staff costs:		
- salaries, overtime, bonus, allowances and other benefits	2,247	6,824
- defined contribution plan	188	559
- defined benefit plan	63	179
Dividend income from an associate	(3,052)	-
Gain on disposal of:		
- property, plant and equipment	(11)	(32)
- subsidiaries (Note 39)	(2,494)	-
Interest income on financial assets not at fair value through profit or loss:		
- cash and cash equivalents	(20)	(62)
- amount owing by an associate	(820)	(658)
Income from waiver of liability	(37)	-
Realised gain on foreign exchange	(4)	(2)
Rental income on:		
- equipment	(120)	-
- premise	-	(340)
Share of results in an associate	-	(658)

(b) The cash flows attributable to the discontinued operations are as follows:-

	The Group	
	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
Net cash from operating activities	1,738	1,144
Net cash from/(for) investing activities	22,867	(713)
Net cash for financing activities	(21,561)	(3,180)
Net cash from/(for) discontinued operations	3,044	(2,749)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 37. EARNINGS/(LOSS) PER SHARE

### (a) Basic earnings/(loss) per share

	The Group	
	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
<b>Continuing operations</b>		
Profit after taxation attributable to owners of the Company (RM'000)	36,691	27,253
Weighted average number of ordinary shares ('000):-		
Ordinary shares in issued at 1 October 2015/1 April 2014	735,487	158,361
Effect of new ordinary shares issued pursuant to:-		
- reinvestment shares for acquisition of a subsidiary	-	13,035
- rights issue with free warrants	-	60,686
- private placement	29,249	-
Weighted average number of ordinary shares in issue at 30 September ('000)	764,736	232,082
Basic earnings per share (Sen)	4.80	11.74
<b>Discontinued operations</b>		
Profit/(Loss) after taxation attributable to owners of the Company (RM'000)	7,148	(12,150)
Weighted average number of ordinary shares at 30 September ('000) (as above)	764,736	232,082
Basic earnings/(loss) per share (Sen)	0.93	(5.24)

### (b) Diluted earnings per share

The potential conversion of warrants are anti-dilutive as their exercise prices are higher than the average market price of the Company's ordinary shares during the current and previous financial year/period. Accordingly, the exercise of warrants have been ignored in the calculation of dilutive earnings per share.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)***38. ACQUISITION OF SUBSIDIARIES****2016**

During the financial year, the Company had on:-

- (a) 3 February 2016 entered into and completed a Shares Sale and Purchase Agreement with Carefeel Cotton Industries (M) Sdn. Bhd. and Peekay Global Sdn. Bhd. for the acquisition of 9,500 ordinary shares of RM1 each in SFSB, representing 19% equity interest in SFSB for a cash consideration of RM2,805,680.

In consequent thereof, SFSB became an associate of the Company.

- (b) 25 March 2016 entered into and completed a Shares Sale and Purchase Agreement with Sunsuria Development Sdn. Bhd. for the acquisition of 16,000 ordinary shares of RM1 each in SFSB, representing 32% equity interest in SFSB for a cash consideration of RM4,500,000.

In consequent thereof, SFSB became a 51% owned subsidiary of the Company.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	<b>At Date Of Acquisition</b>	
	<b>Carrying</b>	<b>Fair Value</b>
	<b>Amount</b>	<b>Recognised</b>
	<b>RM'000</b>	<b>RM'000</b>
Property, plant and equipment (Note 8)	215	215
Investment properties (Note 9)	24,346	24,993
Property development cost (Note 14)	123,555	115,007
Deferred tax assets	-	1,896
Other receivables	17,496	17,496
Cash and bank balances	4,383	4,383
Trade payables	(1,364)	(1,364)
Other payables and accruals	(9,820)	(9,820)
Amount owing to related parties	(119,577)	(119,577)
Current tax liabilities	(576)	(576)
Progress billings	(30,072)	(30,072)
<b>Net identifiable assets acquired</b>	<b>8,586</b>	<b>2,581</b>
Less: Non-controlling interests, measured at the proportionate share of the fair value of the net identifiable asset		(1,265)
Add: Goodwill on consolidation (Note 10)		11,453
Less: Gain on remeasurement of existing equity interests in the former associate (Note 34)		(4,663)
Less: Transfer from interest in an associate (Note 6)		(800)
Total purchase consideration, to be settled by cash (Note 5)		7,306
Less: Cash and cash equivalents of subsidiary acquired		(4,383)
<b>Net cash outflow for acquisition of a subsidiary</b>		<b>2,923</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 38. ACQUISITION OF SUBSIDIARIES (CONT'D)

### 2016 (Cont'd)

(a) The goodwill is attributable mainly to the control premium paid. In addition, the purchase consideration also included benefits derived from the expected revenue growth of the subsidiary. This benefit is not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill is not be deductible for tax purposes.

(b) The acquired subsidiary has contributed the following results to the Group:-

	<b>The Group 1.10.2015 to 30.9.2016 RM'000</b>
<b>Continuing operations</b>	
Revenue	43,257
Profit after taxation	19,788

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(c) If the acquisition had taken place at the beginning of the financial year, the Group's revenue and profit after taxation would have been as follows:-

	<b>The Group 1.10.2015 to 30.9.2016 RM'000</b>
<b>Continuing operations</b>	
Revenue	286,042
Profit after taxation	71,278
<b>Discontinued operations</b>	
Revenue	12,353
Profit after taxation	7,294

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# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 38. ACQUISITION OF SUBSIDIARIES (CONT'D)

### 2015

	Acquisition of ordinary shares #1 RM'000	Subscription of ordinary shares #1 RM'000	Total ordinary shares acquired RM'000	Subscription of preference shares #2 RM'000	Total RM'000
<b>Subsidiaries directly held by the Company</b>					
Sunsuria Facility Management Sdn. Bhd.	*	^	1	–	1
SSSB	*	^	1	–	1
CPMSB	53,121	–	53,121	–	53,121
SGSB	–	1,000	1,000	237,000	238,000 <sup>#3</sup>
SNTSB	–	25,000	25,000	32,000	57,000
	53,121	26,002	79,123	269,000	348,123
<b>Subsidiaries indirectly held by the Company</b>					
SCSB	157,000	–	157,000	–	157,000
LMD	#	–	#	–	#
	210,121	26,002	236,123	269,000	505,123

#1 - Ordinary share of RM1.00 each.

#2 - Redeemable preference share of RM0.01 each.

#3 - RM168,390,000 has been utilised to redeem the Redeemable Preference Shares, partly set-off against the Reinvestment Shares of RM100,000,000, pursuant to the subscription of 102,040,816 reinvestment shares at an issue price of RM0.98 per ordinary share of RM0.50 each by Datuk Ter Leong Yap.

\* - Represents RM1.

# - Represents RM2.

^ - Represents RM998.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 38. ACQUISITION OF SUBSIDIARIES (CONT'D)

### 2015 (Cont'd)

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	At Date Of Acquisition	
	Carrying Amount RM'000	Fair Value Recognised RM'000
Investment in a jointly controlled entity	*	*
Investment in an associate (Note 6)	250	53,121
Property, plant and equipment (Note 8)	14	14
Investment properties (Note 9)	28,835	71,515
Land held for property development (Note 11)	208,473	517,039
Property development cost (Note 14)	122,342	192,604
Trade receivables	6,789	6,789
Other receivables	5,364	5,364
Amount owing by an associate	14,687	14,687
Fixed deposits with licensed banks	4,026	4,026
Cash and bank balances	1,549	1,549
Trade payables	(368)	(368)
Other payables and accruals	(287,391)	(287,391)
Amount owing to related parties	(64,255)	(64,255)
Deferred tax liabilities (Note 12)	-	(102,240)
Current tax liabilities	(14)	(14)
Redeemable preference shares	(16,839)	(168,390)
Progress billings	(18,516)	(18,516)
<b>Net identifiable assets acquired</b>	<b>4,946</b>	<b>225,534</b>
Less: Non-controlling interests, measured at the proportionate share of the fair value of the net identifiable assets		(182)
Add: Goodwill on consolidation (Note 10)		6,776
Less: Gain on bargain purchase (Note 34)		(22,007)
Total purchase consideration, to be settled by cash		210,121
Less: Cash and cash equivalents of subsidiaries acquired		(5,575)
<b>Net cash outflow for acquisition of subsidiaries</b>		<b>204,546</b>

#### Note:

\* - Represents RM1.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 38. ACQUISITION OF SUBSIDIARIES (CONT'D)

### 2015 (Cont'd)

(a) The goodwill is attributable mainly to the control premium paid. In addition, the purchase consideration also included benefits derived from the expected revenue growth of the subsidiaries. This benefit is not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill is not be deductible for tax purposes.

(b) The acquired subsidiaries have contributed the following results to the Group:-

	<b>The Group</b> <b>1.4.2014</b> <b>to</b> <b>30.9.2015</b> <b>RM'000</b>
<b>Continuing operations</b>	
Revenue	6,335
Profit after taxation	5,449
<b>Discontinued operations</b>	
Revenue	-
Profit after taxation	1,145

(c) If the acquisition had taken place at the beginning of the financial period, the Group's revenue and profit after taxation from continuing operations would have been as follows:-

	<b>The Group</b> <b>1.4.2014</b> <b>to</b> <b>30.9.2015</b> <b>RM'000</b>
<b>Continuing operations</b>	
Revenue	171,106
Profit after taxation	6,679
<b>Discontinued operations</b>	
Revenue	-
Profit after taxation	16,062

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 39. DISPOSAL OF SUBSIDIARIES

As disclosed in Notes 22 and 36 to the financial statements, the Group had on 31 March 2016 and 30 September 2016 disposed of its entire issued and paid-up share capital in Maicador and CPMSB for a total cash consideration of RM3,210,000 and RM38,095,742.79, respectively.

The financial effects of the disposal at the date of disposal are summarised below:-

	The Group 2016 RM'000	The Company 2016 RM'000
Investment in a subsidiary	–	38,095
Investment in associates	38,095	–
Property, plant and equipment (Note 8)	2,884	–
Investment properties (Note 9)	(5,650)	–
Inventories	4,102	–
Trade receivables	264	–
Other receivables	161	–
Dividend receivable	3,052	–
Current tax assets	37	–
Cash and bank balances	1,997	–
Trade payables	(656)	–
Other payables, deposits received and accruals	(1,295)	–
Dividend payable	(3,052)	–
Defined benefit obligation (Note 26)	(1,257)	–
Carrying amount of net assets disposed of	38,682	38,095
Add: Gain/(Loss) on disposal of subsidiaries (Note 36)	2,494	(129)
Consideration received, satisfaction in cash (Note 39(a))	41,176	37,966
Less: Cash and cash equivalents of subsidiaries disposed of	(1,997)	–
Net cash inflow from the disposal of subsidiaries	39,179	37,966

(a) Fair Value of Disposal Proceeds

	The Group 2016 RM'000	The Company 2016 RM'000
Cash	41,305	38,095
Less: Transaction costs	(129)	(129)
Net disposal proceeds	41,176	37,966

(b) There were no disposals of subsidiaries in the previous financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 40. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cost of property, plant and equipment purchased (Note 8)	666	6,510	158	3,058
Amount financed through hire purchase	–	(600)	–	(600)
Cash disbursed for purchase of property, plant and equipment	666	5,910	158	2,458

## 41. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Short-term investment (Note 19)	29,051	7,303	29,051	7,303
Fixed deposits with licensed banks	26,375	11,128	23,143	10,596
Cash and bank balances	34,350	70,137	972	258
	89,776	88,568	53,166	18,157
Less: Fixed deposits pledged to licensed banks (Note 20)	(26,375)	(11,128)	(23,143)	(10,596)
	63,401	77,440	30,023	7,561

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 42. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

(a) The key management personnel compensation during the financial year/period are as follows:-

	The Group		The Company	
	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
<b>Directors of the Company</b>				
<b>Executive Directors</b>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	3,183	4,996	3,183	4,996
Defined contribution benefits	342	565	342	565
Benefit-in-kind	61	46	61	46
	3,586	5,607	3,586	5,607
<b>Non-executive Directors</b>				
Short-term employee benefits:				
- fees	222	265	222	265
- non-fee emoluments	1	120	1	120
Benefit-in-kind	-	3	-	3
	223	388	223	388
Total directors' remuneration (Notes 34 and 36)	3,809	5,995	3,809	5,995
<b>Other Key Management Personnel</b>				
Short-term employee benefits	807	3,294	807	2,427
Defined contribution benefits	97	386	97	285
Total compensation for other key management personnel (Note 34)	904	3,680	904	2,712

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 42. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

(b) The number of the Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	The Group/ The Company	
	1.10.2015 to 30.9.2016	1.4.2014 to 30.9.2015
	Number Of Directors	
<b>Executive directors</b>		
Below RM50,000	-	-
RM50,001 - RM100,000	-	-
RM100,001 - RM150,000	-	-
RM400,001 - RM450,000	-	#
RM1,050,001 - RM1,100,000	1	-
RM1,250,001 - RM1,300,000	-	1
RM2,500,001 - RM2,550,000	1	-
RM3,750,001 - RM3,850,000	-	1
<b>Non-Executive directors</b>		
Below RM50,000	4	1
RM50,001 - RM100,000	1	3
RM100,001 - RM150,000	-	#
	7	7

# - A director of the Company held the position of executive director from 1 April 2014 to 20 January 2015, and was redesignated as a non-executive director from 21 January 2015 to 30 September 2015.

## 43. RELATED PARTY DISCLOSURES

### (a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 43. RELATED PARTY DISCLOSURES (CONT'D)

### (b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year/period:-

	The Group		The Company	
	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
<b>Subsidiaries</b>				
Advances from	–	–	103,671	76,325
Advances to	–	–	15,737	25,919
Assignment of debts				
- from related parties to the Company	–	–	–	65,462
- from subsidiaries to the Company				
by another subsidiaries	–	–	–	2,908
Collection received on behalf of	–	–	1,930	–
Dividend received/receivable	–	–	13,648	20,961
Management fee received/ receivable	–	–	8,712	4,825
Payment on behalf of	–	–	135,610	166,771
Payment on behalf by	–	–	167	–
Purchase of investment properties	–	–	5,650	–
Redemption of RNCNCPS by subsidiaries	–	–	5,820	7,770
Rental of premises income received/receivable	–	–	15	45
Subscription of redeemable preference shares	–	–	–	315,880
Sales of property, plant and equipment	–	–	50	–



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)***43. RELATED PARTY DISCLOSURES (CONT'D)**

(b) Significant Related Party Transactions and Balances (Cont'd)

	The Group		The Company	
	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
<b>Associates</b>				
Interest income received/ receivable	39	671	–	–
Management fee received/receivable	180	–	–	–
Novation of debts pursuant to acquisition of CIMSB	–	754	–	–
Payment on behalf of	40	–	–	–
<b>A director</b>				
Redemption of redeemable preference shares	–	168,390	–	–
<b>Companies substantially owned by a director and his close family member</b>				
Advances from	–	5,772	–	–
Advances to	–	223	–	–
Assignment of debts from a related parties to the Company	–	65,462	–	65,462
Assignment of debts from a related party to another related party	452	–	–	–
Car park rental paid/payable	63	–	63	–
Construction cost paid/payable	–	6,439	–	–
Collection received on behalf by	406	–	–	–
Interest income received/receivable	–	–	39	13
Legal fee	1,678	–	–	–
Management fee received/receivable	2,393	13,921	2,573	13,921
Management fee paid/payable	–	4,500	–	–
Novation of debts pursuant to acquisition of CIMSB	–	–	–	754
Payment on behalf by	152	3,678	122	47
Payment on behalf of	249	9,553	289	9,553
Rental of premises paid/payable	1,049	1,491	1,049	1,491
Rental of motor vehicles paid/payable	246	369	246	369

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)*

## 44. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Chairman as its chief operating decision maker in order to allocate resources to segments and to assess their performance on quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main business segments as follows:-

- Manufacturing
    - manufacture of wood products. The Group has disposed of this business segment on 31 March 2016.
  - Property development
    - undertakes the development of commercial and residential properties.
  - Investment holding and others
    - investment activities and provision of management services.
- (a) The Executive Chairman assesses the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of these reportable segments are the same as the Group's accounting policies.
- (b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than investments in associates and tax-related assets.
- (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than tax-related liabilities.
- (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)***44. OPERATING SEGMENTS (CONT'D)**

2016	Manufacturing RM'000	Property development RM'000	Investment holding and others RM'000	Total RM'000
<b>Revenue</b>				
<b>Continuing operations:</b>				
External revenue	–	196,484	3,468	199,952
Inter-segment revenue	–	–	22,375	22,375
	–	196,484	25,843	222,327
<b>Discontinued operations:</b>				
External revenue	9,301	–	3,052	12,353
Inter-segment revenue	–	–	–	–
	9,301	–	3,052	12,353
	9,301	196,484	28,895	234,680
Consolidation adjustments				(19,926)
Consolidated revenue				214,754
<b>Results</b>				
<b>Continuing operations:</b>				
Results before following adjustments	–	40,563	12,280	52,843
Consolidation adjustments and eliminations	–	11,809	(22,357)	(10,548)
	–	52,372	(10,077)	42,295
Interest income	–	891	1,828	2,719
Rental income	–	–	636	636
Other material items of income (Note a)	–	–	10,501	10,501
Depreciation of:				
- property, plant and equipment	–	(267)	(477)	(744)
- investment properties	–	–	(129)	(129)
Impairment loss on trade receivables	–	(1,571)	–	(1,571)
Segment profit before interest and taxation from continuing operations	–	51,425	2,282	53,707
Finance costs				(313)
Share of results in associates				810
Income tax expense				(12,092)
Consolidated profit after taxation from continuing operations				42,112

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 44. OPERATING SEGMENTS (CONT'D)

2016	Manufacturing RM'000	Property development RM'000	Investment holding and others RM'000	Total RM'000
<b>Discontinued operations:</b>				
Results before following adjustments	704	–	3,046	3,750
Consolidation adjustments and eliminations	–	–	315	315
	704	–	3,361	4,065
Gain on disposal of subsidiaries	2,494	–	–	2,494
Interest income	20	–	820	840
Rental income	120	–	–	120
Other material items of income (Note a)	11	–	–	11
Depreciation of property, plant and equipment	(181)	–	–	(181)
Segment profit before interest and taxation from discontinued operations	3,168	–	4,181	7,349
Income tax expense				(201)
Consolidated profit after taxation from discontinued operations				7,148
<b>Assets</b>				
Segment assets	–	1,094,156	110,396	1,204,552
Investment in associates				680
Deferred tax assets				1,432
Current tax assets				22
Consolidated total assets				1,206,686

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 44. OPERATING SEGMENTS (CONT'D)

2016	Manufacturing RM'000	Property development RM'000	Investment holding and others RM'000	Total RM'000
<b>Liabilities</b>				
Segment liabilities	–	406,460	4,704	411,164
Deferred tax liabilities				100,653
Current tax liabilities				7,102
Consolidated total liabilities				518,919
<b>Other Segment Items</b>				
Additions to non-current assets other than financial instruments:				
- property, plant and equipment	190	–	476	666
- investment properties	–	3,135	–	3,135
- land held for property development	–	9,098	–	9,098

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 44. OPERATING SEGMENTS (CONT'D)

2015	Manufacturing RM'000	Property development RM'000	Investment holding and others RM'000	Total RM'000
<b>Revenue</b>				
<b>Continuing operations:</b>				
External revenue	–	97,607	15,005	112,612
Inter-segment revenue	–	–	26,001	26,001
	–	97,607	41,006	138,613
<b>Discontinued operations:</b>				
External revenue	25,316	–	–	25,316
Inter-segment revenue	–	–	–	–
	25,316	–	–	25,316
	25,316	97,607	41,006	163,929
Consolidation adjustments and elimination				(28,450)
Consolidated revenue				135,479
<b>Results</b>				
<b>Continuing operations:</b>				
Results before following adjustments	–	14,997	15,687	30,684
Consolidation adjustments and eliminations	–	5,259	(27,192)	(21,933)
	–	20,256	(11,505)	8,751
Interest income	–	107	1,183	1,290
Rental income	–	–	1,112	1,112
Other material items of income (Note a)	–	–	25,544	22,544
Depreciation of:				
- property, plant and equipment	–	(195)	(546)	(741)
- investment properties	–	–	(277)	(277)
Impairment loss on goodwill	–	–	(7)	(7)
Segment profit before interest and taxation from continuing operations	–	20,168	12,504	32,672
Finance costs				(379)
Share of results in associates				4
Income tax expense				(5,019)
Consolidated profit after taxation from continuing operations				27,278

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 44. OPERATING SEGMENTS (CONT'D)

2015	Manufacturing RM'000	Property development RM'000	Investment holding and others RM'000	Total RM'000
<b>Discontinued operations:</b>				
Results before following adjustments	1,585	–	(5)	1,580
Consolidation adjustments and eliminations	825	–	–	825
<hr/>				
Interest income	2,410	–	(5)	2,405
Rental income	62	–	658	720
Other material items of income (Note a)	340	–	–	340
Depreciation of property, plant and equipment	32	–	–	32
Impairment loss on net assets of disposal group classified as held for sale	(439)	–	–	(439)
	–	–	(15,684)	(15,684)
<hr/>				
Segment profit/(loss) before interest and taxation from discontinued operations	2,405	–	(15,031)	(12,626)
<hr/>				
Share of results in associate				658
Income tax expense				(182)
<hr/>				
Consolidated loss after taxation from discontinued operations				(12,150)
<hr/>				
<b>Assets</b>				
Segment assets	9,951	873,763	100,035	983,749
<hr/>				
Investment in associates				670
Deferred tax assets				261
Current tax assets				27
Disposal group classified as held for sale				54,576
<hr/>				
Consolidated total assets				1,039,283
<hr/>				

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 44. OPERATING SEGMENTS (CONT'D)

2015	Manufacturing RM'000	Property development RM'000	Investment holding and others RM'000	Total RM'000
<b>Liabilities</b>				
Segment liabilities	3,102	421,205	(71,050)	353,257
Deferred tax liabilities				102,246
Current tax liabilities				1,651
Disposal group held for sale				199
Consolidated total liabilities				457,353
<b>Other Segment Items</b>				
Additions to non-current assets other than financial instruments:				
- property, plant and equipment	812	976	4,722	6,510

(a) Other material items of income consist of the following:-

	The Group	
	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
<b>Continuing operations</b>		
Gain on remeasuring of existing equity interests in the former associate (Note 38)	4,663	-
Gain on bargain purchase	-	22,007
Gain on disposal of property, plant and equipment	50	83
Gain on disposal of investment properties	5,788	454
	10,501	22,544
<b>Discounted operations</b>		
Gain on disposal of property, plant and equipment	11	32
	10,512	22,576



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 44. OPERATING SEGMENTS (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:-

	The Group	
	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000
<b>Continuing operations</b>		
Malaysia	202,401	110,163
<b>Discontinued operations</b>		
Malaysia	11,227	21,113
United States of America	1,126	4,123
Others	–	80
	12,353	25,316
	214,754	135,479

### Major Customers

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

	External Revenue		Operating Segment
	1.10.2015 to 30.9.2016 RM'000	1.4.2014 to 30.9.2015 RM'000	
Customer A	–	21,005	Manufacturing

## 45. CAPITAL COMMITMENT

	The Group	
	2016 RM'000	2015 RM'000
<b>Authorised but not Contracted for</b>		
Construction of investment properties	1,164,945	–
<b>Contracted but not Provided for</b>		
Property development costs:		
- share of capital commitment of an associate	–	22,738
	1,164,945	22,738

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 46. CONTINGENT LIABILITY

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Company	
	2016 RM'000	2015 RM'000
<b>Unsecured</b>		
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	220,988	–

## 47. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### 47.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

#### (a) Market Risk

##### (i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar and Singapore Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised as follows:-

#### *Foreign Currency Exposure*

	The Group	
	2016 RM'000	2015 RM'000
<b>Trade payables</b>		
United States Dollar	–	18
Singapore Dollar	–	1

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 47. FINANCIAL INSTRUMENTS (CONT'D)

### 47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

###### *Foreign Currency Risk Sensitivity Analysis*

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have material impact on the profit/loss after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

##### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowing. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

The Group's fixed deposits with licensed banks and fixed rate borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined FRS 7 since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 29 to the financial statements.

###### *Interest Rate Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2016 RM'000	2015 RM'000
<b>Effects on Profit/(Loss) After taxation</b>		
Increase of 100 basis points	(1,680)	(233)
Decrease of 100 basis points	1,680	233

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 47. FINANCIAL INSTRUMENTS (CONT'D)

### 47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Market Risk (Cont'd)

##### (iii) Equity Price Risk

The Company does not have any quoted investments and hence, is not exposed to equity price risk.

#### (b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including short-term investment and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 30 days, which are deemed to have higher credit risk, are monitored individually.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified (where applicable). Impairment is estimated by management based on prior experience and the current economic environment.

##### (i) Credit Risk Concentration Profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

##### (ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 47. FINANCIAL INSTRUMENTS (CONT'D)

### 47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

##### (iii) Ageing Analysis

The ageing analysis of trade receivables (including amount owing by related parties) is as follows:-

The Group	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Value RM'000
<b>2016</b>				
Not past due #	7,725	-	-	7,725
Past due:				
- less than 30 days #	26,628	-	-	26,628
- 31 to 120 days	4,240	-	-	4,240
- more than 121 days	7,621	(1,571)	-	6,050
	46,214	(1,571)	-	44,643
<b>2015</b>				
Not past due	7,803	-	-	7,803
Past due:				
- less than 30 days	172	-	-	172
- 31 to 120 days	1,253	-	-	1,253
- more than 121 days	6,812	(9)	-	6,803
	16,040	(9)	-	16,031

#### Note:

# - Represents debts fall within the month of September 2016.

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The Group believes that no additional impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are substantially companies with good collection track record and no recent history of default.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 47. FINANCIAL INSTRUMENTS (CONT'D)

### 47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

##### (iii) Ageing Analysis (Cont'd)

##### Property development segment

The Group believes that no additional impairment allowance is necessary in respect of trade receivables that are past due but not impaired, due to the following reasons:-

- (i) the transfer of the property to the purchaser is subject to the full payment of the outstanding amount;
- (ii) most of the purchasers have end financing arrangements, and payments are slow because of the credit processes of the end financiers; and
- (iii) in the event the sale is terminated for non-payment, the Group will be able to recover the property.

#### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

##### **Maturity Analysis**

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

*(Cont'd)***47. FINANCIAL INSTRUMENTS (CONT'D)****47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(c) Liquidity Risk (Cont'd)****Maturity Analysis (Cont'd)**

The Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
<b>2016</b>						
<b>Non-derivative Financial Liabilities</b>						
Trade payables	-	26,862	28,198	28,198	-	-
Other payables, deposits received and accruals	-	44,199	44,221	44,221	-	-
Amount owing to related parties	-	90,897	90,897	90,897	-	-
Dividend payable		22	22	22	-	-
Hire purchase payables	4.64 - 4.81	375	402	135	267	-
Term loans	4.95 - 5.15	220,988	298,074	19,984	93,782	184,308
		383,343	461,814	183,457	94,049	184,308
<b>2015</b>						
<b>Non-derivative Financial Liabilities</b>						
Trade payables	-	11,300	11,667	11,667	-	-
Other payables, deposits received and accruals	-	288,012	288,012	288,012	-	-
Amount owing to related parties	-	3,568	3,568	3,568	-	-
Hire purchase payables	4.64 - 4.81	489	538	135	403	-
Term loan	5.15	31,000	34,714	4,092	30,622	-
		334,369	338,499	307,474	31,025	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 47. FINANCIAL INSTRUMENTS (CONT'D)

### 47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (c) Liquidity Risk (Cont'd)

##### Maturity Analysis (Cont'd)

The Company	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
<b>2016</b>						
<b>Non-derivative</b>						
<b>Financial Liabilities</b>						
Other payables, deposits received and accruals	-	2,016	2,016	2,016	-	-
Amount owing to subsidiaries	-	120,022	120,022	120,022	-	-
Hire purchase payables	4.64 - 4.81	375	402	135	267	-
		122,413	122,440	122,173	267	-
<b>2015</b>						
<b>Non-derivative</b>						
<b>Financial Liabilities</b>						
Other payables, deposits received and accruals	-	2,783	2,783	2,783	-	-
Amount owing to subsidiaries	-	45,462	45,462	45,462	-	-
Amount owing to related parties	-	50	50	50	-	-
Hire purchase payables	4.64 - 4.81	489	538	135	403	-
		48,784	48,833	48,430	403	-



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 47. FINANCIAL INSTRUMENTS (CONT'D)

### 47.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2016 RM'000	2015 RM'000
Hire purchase payables (Note 28)	375	489
Term loans (Note 29)	220,988	31,000
	221,363	31,489
Less: Short-term investment (Note 19)	(29,051)	(7,303)
Less: Fixed deposits with licensed banks (Note 20)	(26,375)	(11,128)
Less: Cash and bank balances (Note 21)	(34,350)	(70,137)
Net debt	131,587	(57,079)
Total equity	687,767	581,930
Debt-to-equity ratio	0.19	Not applicable

There was no change in the Group's approach to capital management during the financial year.

The Group is also required to comply with certain loan covenants as disclosed in Note 29 to the financial statements, failing which, the banks may call an event of default. The Group has complied with this requirement.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 47. FINANCIAL INSTRUMENTS (CONT'D)

### 47.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b>Financial Assets</b>				
<b><u>Available-for-sale financial asset</u></b>				
Other investment, at cost (Note 7)	28	25	–	–
<b><u>Loans and Receivables Financial Assets</u></b>				
Trade receivables (Note 15)	40,630	13,607	–	–
Other receivables and deposits (Note 16)	27,217	1,301	16,865	464
Amount owing by subsidiaries (Note 17)	–	–	303,738	174,050
Amount owing by related parties (Note 18)	4,013	3,138	4,013	3,138
Dividend receivable	3,204	–	3,052	15,123
Fixed deposits with licensed banks (Note 20)	26,375	11,128	23,143	10,596
Cash and bank balances (Note 21)	34,350	70,137	972	258
	135,789	99,311	351,783	203,629
<b><u>Fair Value through Profit or Loss</u></b>				
Short-term investment (Note 19)	29,051	7,303	29,051	7,303
<b>Financial Liabilities</b>				
<b><u>Other Financial Liabilities</u></b>				
Trade payables (Note 30)	26,862	11,300	–	–
Other payables, deposits received and accruals (Note 31)	44,199	288,012	2,016	2,783
Amount owing to subsidiaries (Note 17)	–	–	120,022	45,462
Amount owing to related parties (Note 18)	90,897	3,568	–	50
Dividend payable	22	–	–	–
Hire purchase payables (Note 28)	375	489	375	489
Term loans (Note 29)	220,988	31,000	–	–
	383,343	334,369	122,413	48,784

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 47. FINANCIAL INSTRUMENTS (CONT'D)

### 47.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Carrying	
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Value	Amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2016</b>								
<b>Financial Assets</b>								
Other investment	-	-	-	-	#	-	#	28
Short-term investment	29,051	-	-	-	-	-	29,051	29,051
<b>Financial Liabilities</b>								
Hire purchase payables	-	-	-	-	375	-	375	375
Term loans	-	-	-	-	220,988	-	220,988	220,988
<b>2015</b>								
<b>Financial Assets</b>								
Other investment	-	-	-	-	#	-	#	25
Short-term investment	7,303	-	-	-	-	-	7,303	7,303
<b>Financial Liabilities</b>								
Hire purchase payables	-	-	-	-	489	-	489	489
Term loan	-	-	-	-	31,000	-	31,000	31,000

# The fair value cannot be reliably measured using valuation techniques.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 47. FINANCIAL INSTRUMENTS (CONT'D)

### 47.4 FAIR VALUE INFORMATION (CONT'D)

The Company	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>2016</b>								
<b>Financial Assets</b>								
Other investment	-	-	-	-	#	-	#	3
<b>Financial Liability</b>								
Hire purchase payables	-	-	-	-	375	-	375	375
<b>2015</b>								
<b>Financial Assets</b>								
Other investment	-	-	-	-	-	-	-	-
<b>Financial Liability</b>								
Hire purchase payables	-	-	-	-	489	-	489	489

#### (a) Fair Value of Financial Instruments Carried at Fair Value

- (i) The fair value of short-term investment is determined at their quoted closing prices at the end of the reporting period.
- (ii) There were no transfer between Level 1 and 2 during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 47. FINANCIAL INSTRUMENTS (CONT'D)

### 47.4 FAIR VALUE INFORMATION (CONT'D)

#### (b) Fair Value of Financial Instruments not Carried At Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (i) The fair values of the Group's terms loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.
- (ii) The fair values of hire purchase payables that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	<b>The Group/The Company</b>	
	<b>2016</b>	<b>2015</b>
	%	%
Hire purchase payables	4.64 - 4.81	4.64 - 4.81

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 48. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are as follows:-

- (a) On 1 October 2015, the Company transferred 100 ordinary shares of RM1 each in MWISB, a 99.78% owned subsidiary of the Company to SNSB for a total cash consideration of RM100.
- (b) On 9 October 2015, SGSB, 99.99% owned subsidiary of the Company subscribed for an additional 124,999 new ordinary shares of RM1 each in SCSB for a total cash consideration of RM124,999.
- (c) On 9 October 2015, HSSB, a wholly-owned subsidiary of the Company subscribed for an additional 124,999 new ordinary shares of RM1 each in SCSB for a total cash consideration of RM124,999.
- (d) On 19 October 2015, MWISB, a 99.78% owned subsidiary of the Company entered into a Lease Purchase Agreement with Always Ahead (M) Sdn. Bhd. (third party) for the disposal of a piece of leasehold land held under H.S.(M) 7859 Plot 23, Bandar Kulim, Daerah Kulim, Negeri Kedah for a total cash consideration of RM8,600,000.
- (e) On 29 October 2015, the Company entered into a Sale and Purchase Agreement with Maicador, a former 99.78% indirect owned subsidiary of the Company for the purchase of a piece of industrial leasehold land held under Pajakan Negeri No. 212, Lot No. 1772, Seksyen 3, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang together with storage premises inclusive of all buildings and amenities erected therein for a total cash consideration of RM3,300,000.
- (f) On 21 January 2016, Sunsuria Arena Sdn. Bhd. (FKA Ambang Arena Sdn. Bhd.) ("SASB") purchased 97,000 ordinary shares of RM1 each in Consolidated Factoring (M) Sdn. Bhd. from Mitsubishi UFJ Lease & Finance Company Limited (third party) for a total consideration of RM13,274.42.

In consequent thereof, the effective equity interest of the Company held in SASB increased from 91.89% to 95.94%.

- (g) On 3 February 2016, the Company entered into and completed a Shares Sale and Purchase Agreement with Carefeel Cotton Industries (M) Sdn. Bhd. and Peekay Global Sdn. Bhd. for the acquisition of 9,500 ordinary shares of RM1 each in SFSB, representing 19% equity interest in SFSB for a cash consideration of RM2,805,680.

In consequent thereof, SFSB became an associate of the Company.

- (h) On 25 March 2016, the Company entered into and completed a Shares Sale and Purchase Agreement with a related party, Sunsuria Development Sdn. Bhd. for the acquisition of 16,000 ordinary shares of RM1.00 each in SFSB, representing 32% equity interest in SFSB for a cash consideration of RM4,500,000.

In consequent thereof, SFSB became a 51% owned subsidiary of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 48. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (i) On 31 March 2016, MWISB, a 99.78% owned subsidiary of the Company, entered into and completed a Shares Sale and Purchase Agreement with Low Fatt Wood Industries Sdn. Bhd. and Dato' Low Kian Chuan for the disposal of its entire equity interest, comprising 2,000,000 ordinary shares of RM1 each in Maicador for a cash consideration of RM3,210,000. In consequent thereof, Maicador ceased to be a 99.78% indirect owned subsidiary of the Company.
- (j) On 12 April 2016, CPMSB, a former wholly-owned subsidiary of the Company served a written notice to Creed to exercise the Put Option in relation to CIMSB by requiring Creed to purchase the following shares in accordance with the terms and conditions of the Shareholders' Agreement:-
- (i) purchase from the Company, 2 ordinary shares of RM1 each held in CPMSB, represents the entire issued and paid-up share capital of CPMSB for a total cash consideration of RM38,095,742.79.
- CPMSB holds 19.05% equity interest in CIMSB, comprising 250,000 ordinary shares of RM1 each in CIMSB; and
- (ii) purchase from SNSB, a wholly-owned subsidiary of the Company, 12,500 ordinary shares of RM1 each held in CIMSB, representing 0.95% equity interest in CIMSB for a total cash consideration of RM1,848,399.97.
- (k) On 15 April 2016, the Private Placement, which has been approved by the shareholders of the Company on 12 May 2014 has been completed the listing and quotation of 63,344,588 new ordinary shares of RM0.50 each at an issue price of RM0.835 per Placement Share on the Main Market of Bursa Malaysia Securities Berhad.
- (l) On 20 April 2016, the Group incorporated a company, namely Sunsuria Everrich Sdn. Bhd. ("SESB"), comprising 2 ordinary shares of RM1 each, held by SCSB, a 99.99% owned subsidiary of the Company and SGSB, a 99.99% owned subsidiary of the Company, respectively.
- In consequent thereof, SESB became a 50% owned subsidiary of SCSB and an indirect 99.99% owned subsidiary of the Company.
- (m) On 3 May 2016, the Group incorporated a new company, namely Sunsuria Landscape & Nursery Sdn. Bhd. (FKA Sunsuria Genlin Sdn. Bhd.) ("SLNSB"), comprising 2 ordinary shares of RM1 each, held by Sunsuria Arena Sdn. Bhd. (FKA Ambang Arena Sdn. Bhd.), a wholly owned subsidiary of the Company and SGSB, a 99.99% owned subsidiary of the Company, respectively.
- In consequent thereof, SLNSB became a 50% owned subsidiary of SGSB and an indirect 99.99% owned subsidiary of the Company.
- (n) On 6 May 2016, SGSB, a 99.99% owned subsidiary of the Company and SCSB, a 99.99% owned subsidiary of the Company entered into a Shareholders Agreement with Welcome Global Co. Ltd. ('Welcome Global') to regulate the respective equity participation, rights and obligations as shareholders in SESB and the conduct of the business and affairs of SESB, which has been identified as the joint venture vehicle between SCSB, SGSB and Welcome Global to undertake the development on a piece of land measuring approximately 8.48 acres held under H.S (D) 39887, PT 55373, Mukim Dengkil, District of Sepang, State of Selangor owned by SCSB.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 48. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (o) On 6 May 2016, SESB increased its issued and paid-up share capital from RM2 to RM250,000 by issuing 137,499, 12,499 and 100,000 ordinary shares of RM1 each to SCSB, SGSB and Welcome Global Co. Ltd respectively.

In consequent thereof, the effective equity interest held by the Company in SESB decreased from 99.99% to 60%. The equity interest held by SCSB in SESB remain unchanged.

- (p) On 9 May 2016, SCSB entered into a joint development agreement with SESB to regulate the relationship and respective roles as joint developers for the development on a piece of land measuring approximately 8.48 acres held under H.S (D) 39887, PT 55373, Mukim Dengkil, District of Sepang, State of Selangor owned by SCSB.
- (q) On 2 June 2016, the Company incorporated a new company, namely Sunsuria Oride Sdn Bhd ("SOSB"), comprising 2 ordinary shares of RM1 each, held by SCSB, a 99.99% owned subsidiary of the Company and SGSB, a 99.99% owned subsidiary of the Company.

In consequent thereof, SOSB became a 50% owned subsidiary of SCSB and a 99.99% indirect owned subsidiary of the Company.

- (r) On 18 August 2016, SCSB and SGSB entered into a Joint Venture and Shareholders Agreement ("JVA") with Oride (M) Sdn. Bhd. to set-up, operate and manage the public renting services and its related businesses in the freehold lands in Mukim Dengkil, District of Sepang, State of Selangor owned by SCSB in promoting the Smart, Livable and Sustainable concept in the development and such other business activities as may be approved from time to time in accordance with the JVA, under a joint venture company called SOSB.

- (s) On 7 September 2016, the Company and SNSB entered into an unconditional Share Purchase Agreement with Creed and Datuk Ter Leong Yap pursuant to the Exercise of Put Option for Creed to:

- (i) purchase from the Company, 2 ordinary shares of RM1 each held in CPMSB, represents the entire issued and paid-up share capital of CPMSB for a total cash consideration of RM38,095,742.79.

CPMSB holds 19.05% equity interest in CIMSB, comprising 250,000 ordinary shares of RM1 each in CIMSB; and

- (ii) purchase from SNSB, a wholly-owned subsidiary of the Company, 12,500 ordinary shares of RM1 each held in CIMSB, representing 0.95% equity interest in CIMSB for a total cash consideration of RM1,848,399.97.

- (t) On 30 September 2016, the Company has completed the Put Option exercise in accordance with the terms of the SPA. Accordingly, CPMSB ceased to be a subsidiary of the Company and CIMSB ceased to be an associate of the Group.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 49. COMPARATIVE FIGURES

In the previous financial period, the Company has changed its financial year end from 31 March to 30 September. Consequently, the comparative figures for the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and related notes of the Group and of the Company covered an 18 month period from 1 April 2014 to 30 September 2015.

The following figures have been reclassified to conform with the presentation of the current financial year:-

	The Group		The Company	
	As Restated RM'000	As Previously Reported RM'000	As Restated RM'000	As Previously Reported RM'000
Statements of Profit or Loss and Other Comprehensive Income (Extract):-				
<b><u>Continuing operations</u></b>				
Revenue	110,163	135,479	-	-
Cost of sales	(64,472)	(85,250)	-	-
Other income	24,415	24,873	-	-
Administrative and other expenses	(37,397)	(55,709)	-	-
Finance costs	(379)	(379)	-	-
Income tax expense	(5,019)	(5,035)	-	-
<b><u>Discontinued operations</u></b>				
(Loss)/Profit after taxation from discontinued operations	(12,150)	1,145	-	-
Statements of Financial Position (Extract):-				
Short-term investment	7,303	-	7,303	-
Cash and bank balances	70,137	77,440	258	7,561
Statements of Cash Flows (Extract):-				
Net cash for operating activities	(15,665)	(15,007)	(10,639)	(4,801)
Net cash for investing activities	(219,559)	(220,219)	(420,745)	(426,583)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

(Cont'd)

## 50. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits of the Group and the Company at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total retained profits/(accumulated losses)/of the Company and its subsidiaries:				
- realised	108,727	(35,647)	2,914	(9,586)
- unrealised	(20,921)	444	-	-
	87,806	(35,203)	2,914	(9,586)
Total share of retained profits of associate:				
- realised	(277)	(282)	-	-
	87,529	(35,485)	2,914	(9,586)
Less: Consolidation adjustments	(33,814)	45,383	-	-
At 30 September	53,715	9,898	2,914	(9,586)

# LIST OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2016

	Date of Acquisition	Property Address/ Location	Description	Existing Use	Tenure/ Approximate Age of Building	Land Area (sq meters)	NBV @ 30 Sep 2016 (RM'000)
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 19.5.2071 / 47 years	5,052	3,264
2	31.03.1983	Lot 1780 Section 3, Mak Mandin Industrial Estate, Seberang Perai, Pulau Pinang	Land & Industrial Building	Factory	Leasehold land with lease period expiring 15.8.2073 / 40 years	13,575	2,872
3	30.11.1992	No. 68-5-1, Maica Court, 68 Jalan Cantonment, Pulau Pinang	Residential Apartment	Residential	Freehold / Strata / 31 years	255	162
4	31.03.1983	No. 172, Jalan Seluang, Taman Seluang, Kulim Kedah	Land & Residential Building	Vacant	Freehold / 35 years	418	94
5	31.03.1987	No. 9, Jalan Zainal Abidin, Pulau Pinang	Land & Commercial Building	Office	Freehold / 28 years	360	1,117
6	15.12.1981	No. 15 Jalan Zainal Abidin, Pulau Pinang	Land & Commercial Building	Office	Freehold / 38 years	203	422
7	07.08.2015	Level 11-G, Garden Wing, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara	Commercial Lot	Office	Leasehold with lease period expiring 21.02.2107 / 6 years	74	879
8	07.08.2015	Suite 3-6, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara	Commercial Lot	Office	Leasehold with lease period expiring 21.02.2107 / 6 years	111	747

# LIST OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2016

(Cont'd)

	Date of Acquisition	Property Address/ Location	Description	Existing Use	Tenure/ Approximate Age of Building	Land Area (sq meters)	NBV @ 30 Sep 2016 (RM'000)
9	11.06.2015	HSD 39891, PT No 55377 Mukim Dengkil, Daerah Sepang, Selangor	Land for investment properties	Investment properties under construction	Freehold	135,983	70,081
			Land held for property development	Development land	Freehold	277,040	142,780
10	11.06.2015	HSD 39888, PT No 55374 Mukim Dengkil, Daerah Sepang, Selangor	Land held for property development	Development land	Freehold	194,533	100,467
11	11.06.2015	HSD 39884, PT No 55370 Mukim Dengkil, Daerah Sepang, Selangor	Land held for property development	Development land	Freehold	26,628	17,528
12	11.06.2015	HSD 39882, PT No 55368 Mukim Dengkil, Daerah Sepang, Selangor	Land held for property development	Development land	Freehold	133,198	48,949
13	11.06.2015	HSD 39880, PT No 55366 Mukim Dengkil, Daerah Sepang, Selangor	Land held for property development	Development land	Freehold	137,027	70,072
14	11.06.2015	HSD 39881, PT No 55367 Mukim Dengkil, Daerah Sepang, Selangor	Land held for property development	Development land	Freehold	37,915	7,323
15	25.03.2016	Lot No PT 27890, Mukim Bukit Raja, District of Petaling, Selangor	Land for investment properties	Investment properties under construction	Freehold	1,862	26,357

# ANALYSIS OF SHAREHOLDINGS

AS AT 30 DECEMBER 2016

## SHARE CAPITAL

Authorised Share Capital	:	RM750,000,000.00 (1,500,000,000 ordinary shares of RM0.50 each)
Issued and Paid-up Capital	:	RM399,415,646.00 (798,831,292 ordinary shares of RM0.50 each)
Voting Rights	:	One vote for each ordinary share held

## DISTRIBUTION OF SHAREHOLDINGS

Size Of Holdings	No. Of Holders	% of Holders	Total Shares held	% of Holders
1 - 99	208	6.45	7,523	0.00
100 - 1,000	397	12.31	263,344	0.03
1,001 - 10,000	1,691	52.42	6,952,678	0.87
10,001 - 100,000	755	23.40	24,653,978	3.09
100,001 - 39,941,563 (*)	171	5.30	271,256,989	33.96
39,941,564 and Above (**)	4	0.12	495,696,780	62.05
<b>TOTAL :</b>	<b>3,226</b>	<b>100.00</b>	<b>798,831,292</b>	<b>100.00</b>

Remark : \* Less than 5% of issued shares  
\*\* 5% and above of issued shares

## DIRECTOR'S INTEREST IN SHARES (AS PER THE DIRECTORS' SHAREHOLDINGS)

Name of Directors	Direct	No. of Shares Held		%
		%	Indirect	
1. Datuk Ter Leong Yap	165,921,872	20.77	299,064,208 *	37.44
2. Koong Wai Seng	-	-	-	-
3. Liew Jee Min @ Chong Jee Min	-	-	-	-
4. Dato' Tan Tian Meng	14,828,800	1.86	-	-
5. Datin Loa Bee Ha	-	-	-	-
6. Tan Pei Geok	1,830,000	0.23	-	-

\* Deemed interest by virtue of his interest in TER Equity Sdn Bhd, TER Capital Sdn Bhd and THK Capital Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 ("the Act").

# ANALYSIS OF SHAREHOLDINGS

AS AT 30 DECEMBER 2016

(Cont'd)

## SUBSTANTIAL SHAREHOLDERS (AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

Name of Shareholders	Direct	No. of Shares Held		%
		%	Indirect	
1. Ter Equity Sdn Bhd	182,557,376	22.85	–	–
2. Datuk Ter Leong Yap	165,921,872	20.77	299,064,208 (1)	37.44
3. Ter Capital Sdn Bhd	101,917,532	12.76	–	–
4. Ruby Technique Sdn Bhd	45,300,000	5.67	–	–
6. CBG Holdings Sdn Bhd	–	–	45,300,000 (2)	5.67
7. Farsathy Holdings Sdn Bhd	–	–	45,300,000 (2)	5.67
8. Chia Seong Pow	1,200,000	0.15	45,300,000 (3)	5.67
9. Chia Song Kun	–	–	49,300,000 (4)	6.17
10. Chia Seong Fatt	–	–	46,100,000 (5)	5.77

### Notes:

- (1) Deemed interest by virtue of his interest in TER Equity Sdn Bhd, TER Capital Sdn Bhd and THK Capital Sdn Bhd pursuant to Section 6A of the Act.
- (2) Deemed interest by virtue of its shareholdings in Ruby Technique Sdn Bhd pursuant to Section 6A of the Act.
- (3) Deemed interest by virtue of his shareholding in Farsathy Holdings Sdn Bhd pursuant to Section 6A of the Act.
- (4) Deemed interest by virtue of his shareholding in CBG Holdings Sdn Bhd and Attractive Features Sdn Bhd, the related companies of Ruby Technique Sdn Bhd, pursuant to Section 6A of the Act.
- (5) Deemed interest by virtue of his shareholding in Farsathy Holdings Sdn Bhd pursuant to Section 6A of the Act and his spouse's direct interest in the Company.

# ANALYSIS OF SHAREHOLDINGS

AS AT 30 DECEMBER 2016

*(Cont'd)***THIRTY (30) LARGEST SHAREHOLDERS**

Name of Shareholders	No. of Shares Held	%
1. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TER EQUITY SDN BHD	182,557,376	22.85
2. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TER LEONG YAP	165,921,872	20.77
3. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TER CAPITAL SDN BHD	101,917,532	12.76
4. RUBY TECHNIQUE SDN BHD	45,300,000	5.67
5. LAI MING CHUN @ LAI POH LIN	38,008,000	4.76
6. HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIM HEUNG	27,000,000	3.38
7. NG LEE LING	25,000,000	3.13
8. AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHENG HENG JEM	17,000,000	2.13
9. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR TAN TIAN MENG	14,828,800	1.86
10. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR LEE TOON HIAN	10,000,000	1.25
11. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP	9,211,000	1.15
12. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR KOH KIN LIP	8,070,000	1.01
13. WONG YUEN TECK	8,000,000	1.00
14. CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE BOON KEE	6,091,400	0.76
15. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE TOON HIAN	6,000,000	0.75
16. THK CAPITAL SDN. BHD.	5,642,000	0.71
17. CITIGROUP NOMINEES (TEMPATAN) SDN BHD UBS AG SINGAPORE FOR TER CAPITAL SDN. BHD.	5,000,000	0.63
18. CHONG CHIN HUANG	4,436,000	0.56
19. LEE YEW CHEN	4,282,000	0.54
20. 999 RESOURCES SDN BHD	4,000,000	0.50
21. ATTRACTIVE FEATURES SDN. BHD.	4,000,000	0.50
22. PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIM LEONG THUN	3,920,000	0.49
23. TER CAPITAL SDN. BHD.	3,883,300	0.49
24. KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG HENG JEM	2,394,588	0.30
25. COMPLETE BAYVIEW SDN. BHD.	2,320,000	0.29
26. JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAU CHEE YANG	2,253,900	0.28
27. GLADSCAPE SDN.BHD.	2,191,400	0.27
28. GAN BOON KHIM	2,000,000	0.25
29. PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG CHIA XIAN	2,000,000	0.25
30. TAN TIAN YEOW	1,980,900	0.25

# ANALYSIS OF WARRANT HOLDINGS

AS AT 30 DECEMBER 2016

Number of Warrants	:	158,361,472
Exercise Price	:	RM1.50 payable in full upon exercise of each Warrant
Exercise Rights	:	Each Warrant carries the entitlement, at any time during the Exercise Period, to subscribe for one new ordinary share of RM0.50 each in the Company at the Exercise Price.
Exercise Period	:	23 July 2015 to 22 July 2020.
No. of Warrants exercised during the financial year	:	Nil

## DISTRIBUTION OF HOLDINGS

Size Of Holdings	No. Of Holders	% of Holders	Total Warrants held	% of Holders
1 - 99	49	4.53	2,413	0.00
100 - 1,000	127	11.75	89,950	0.06
1,001 - 10,000	577	53.38	2,408,839	1.52
10,001 - 100,000	263	24.33	8,937,308	5.64
100,001 - 7,918,072 (*)	62	5.73	55,883,512	35.29
7,918,073 and Above (**)	3	0.28	91,039,450	57.49
<b>TOTAL :</b>	<b>1,081</b>	<b>100.00</b>	<b>158,361,472</b>	<b>100.00</b>

Remark : \* Less than 5% of issued warrants  
\*\* 5% and above of issued warrants



# ANALYSIS OF WARRANT HOLDINGS

AS AT 30 DECEMBER 2016

(Cont'd)

## SUBSTANTIAL WARRANT HOLDERS

Name of Holders	Direct	No. of Warrants Held		%
		%	Indirect	
1. Ter Equity Sdn Bhd	45,639,344	28.82	–	–
2. Datuk Ter Leong Yap	37,300,106	23.55	51,271,810 *	32.38
3. Ruby Technique Sdn Bhd	8,100,000	5.11	–	–

\* Deemed interest by virtue of his interest in TER Equity Sdn Bhd, TER Capital Sdn Bhd and THK Capital Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 ("the Act").

## DIRECTOR'S INTEREST IN WARRANTS

Name of Holders	Direct	No. of Warrants Held		%
		%	Indirect	
1. Datuk Ter Leong Yap	37,300,106	23.55	51,271,810 *	32.38
2. Koong Wai Seng	–	–	–	–
3. Liew Jee Min @ Chong Jee Min	–	–	–	–
4. Dato' Tan Tian Meng	6,957,200	4.39	–	–
5. Datin Loa Bee Ha	–	–	–	–
6. Tan Pei Geok	210,000	0.13	–	–

\* Deemed interest by virtue of his interest in TER Equity Sdn Bhd, TER Capital Sdn Bhd and THK Capital Sdn Bhd pursuant to Section 6A of the Act.

# ANALYSIS OF WARRANT HOLDINGS

AS AT 30 DECEMBER 2016

(Cont'd)

## THIRTY (30) LARGEST WARRANT HOLDERS

Name of Warrant Holders	No. of Warrants Held	%
1. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TER EQUITY SDN BHD	45,639,344	28.82
2. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TER LEONG YAP	37,300,106	23.55
3. RUBY TECHNIQUE SDN BHD	8,100,000	5.11
4. LAI MING CHUN @ LAI POH LIN	7,785,084	4.92
5. CIMSEC NOMINEES (TEMPATAN) SDH BHD CIMB BANK FOR TAN TIAN MENG	6,957,200	4.39
6. HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIM HEUNG	6,333,333	4.00
7. NG LEE LING	6,333,333	4.00
8. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TER CAPITAL SDN BHD	3,999,466	2.53
9. LEE YEW CHEN	2,383,400	1.51
10. TER CAPITAL SDN. BHD.	1,633,000	1.03
11. AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP	1,500,000	0.95
12. CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE BOON KEE	1,097,000	0.69
13. 999 RESOURCES SDN BHD	1,000,000	0.63
14. ATTRACTIVE FEATURES SDN. BHD.	1,000,000	0.63
15. LAI NYUN TAI	700,099	0.44
16. KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEONG KAM CHEE	700,000	0.44
17. PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIM LEONG THUN	700,000	0.44
18. LIM CHENG TEN	650,000	0.41
19. LYNCHER WUNG WEI FONG	650,000	0.41
20. TAN KOK KEAT	650,000	0.41
21. CHAANG KOK LEONG	600,200	0.38
22. COMPLETE BAYVIEW SDN. BHD.	580,000	0.37
23. JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAU CHEE YANG	564,633	0.36
24. LIM SOO LEE	531,000	0.34
25. CHONG CHIN HUANG	500,000	0.32
26. MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOR CHING LEE	500,000	0.32
27. YONG SOW LAN	495,500	0.31
28. MERCSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TNTT REALTY SDN BHD	451,000	0.28
29. TAN TIAN YEOW	445,733	0.28
30. RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	396,700	0.25

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Forty-Eighth Annual General Meeting ("48th AGM") of Sunsuria Berhad ("Sunsuria" or "the Company") will be held at Banquet Hall, Unique Seafood Damansara, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, on Monday, 27 February 2017 at 10.00 a.m. to transact the following businesses

## AGENDA

### As Ordinary Business

- |    |   |                                      |
|----|---|--------------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 September 2016 together with the Reports of the Directors and Independent Auditors thereon. | (Please refer to Explanatory Note 1) |
| 2. | To approve the payment of Directors' fees of RM222,000 for the financial year ended 30 September 2016.  | Ordinary Resolution 1                |
| 3. | To approve the payment of Directors' fees of RM192,000 for the financial year ending 30 September 2017.   | Ordinary Resolution 2                |
| 4. | To re-elect the following Directors who retire pursuant to Article 85 of the Company's Articles of Association:   |                                      |
|    | (a) Datin Loa Bee Ha  | Ordinary Resolution 3                |
|    | (b) Koong Wai Seng  | Ordinary Resolution 4                |
| 5. | To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.   | Ordinary Resolution 5                |

### As Special Business:

To consider and if thought fit, to pass the following resolutions:-

- |    |  |                       |
|----|--|-----------------------|
| 6. | <b>AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965</b> | Ordinary Resolution 6 |
|----|--|-----------------------|

"**THAT** subject always to the Companies Act, 1965 ("the Act"), the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Act, to allot and issue shares in the capital of the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed ten percent (10%) of the total issued share capital (excluding treasury shares) of the Company for the time being, AND THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad ("Bursa Securities") **AND THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company."

# NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

7. **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR THE COMPANY AND/OR ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES ("PROPOSED RRPT MANDATES")**

Ordinary Resolution 7

"**THAT** subject to the Act and Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions ("RRPT") of a revenue or trading nature with the Related Parties as set out in Sections 2.1.2 and 2.1.3 of the Circular to Shareholders of the Company, subject to the following:

- (i) the RRPT are:
  - (a) necessary for the day-to-day operations;
  - (b) undertaken in the ordinary course of business and at arm's length basis and are on terms not more favourable to the related parties than those generally available to the public; and
  - (c) not detrimental to the minority shareholders of the Company.
- (ii) the disclosure is made in the Annual Report of the Company of the aggregate value of the RRPT based on the type of transactions, the names of the Related Parties and their relationships with the Company pursuant to the Proposed RRPT Mandates during the financial year and in the Annual Report of the Company in the subsequent years during which the Proposed RRPT Mandates is in force; and
- (iii) the Proposed RRPT Mandates is subject to annual renewal and will continue to be in full force until:
  - (a) the conclusion of the next AGM of the Company following forthcoming AGM at which such Proposed RRPT Mandates was passed, 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 after that date is required to be held pursuant to Section 143(1) of the Act (but must 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 general meeting,

whichever is the earlier.

**AND THAT** the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing all such documents as may be required) to give effect to the RRPT contemplated and/or authorised by this resolution."

# NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

8. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR AUTHORITY TO THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENT (10%) OF THE ISSUED AND PAID-UP SHARE CAPITAL ("PROPOSED SBB RENEWAL")**

Ordinary Resolution 8

**"THAT** subject to the Act, the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Securities and all other applicable laws, regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, the Directors of the Company be and is hereby authorised to purchase such number of ordinary shares of RM0.50 each in the Company's issued and paid up share capital as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that:

- (i) the aggregate number of ordinary shares purchased and/or held by the Company as treasury shares shall not exceed ten per cent (10%) of the issued and paid-up capital of the Company at any point in time; and
- (ii) the maximum funds allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained profits and share premium account of the Company.

**THAT** upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:

- (i) cancel all the shares so purchased; and/or
- (ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder.

**THAT** such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first.

and in any other manner as prescribed by the Act, rules and regulations made pursuant to the Act and the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

**AND THAT** the Directors of the Company be authorised to give effect to the Proposed SBB Renewal with full power to assent to any modifications and/or amendments as may be required by the relevant authorities."

# NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

9. To consider any other business of which due notice shall have been given in accordance with the Act.

## BY ORDER OF THE BOARD

**TAN HSIAO YUEN (MAICSA 7056952)**

**LEE SWEE KHENG (MIA 12754)**

Company Secretaries

Petaling Jaya

31 January 2017

## NOTES:

1. 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. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting. Where a member appoints two 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. The instrument appointing a proxy shall be deposited at the Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.
7. Depositors whose names appear in the Record of Depositors as at 20 February 2017 (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.

# NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

## EXPLANATORY NOTES ON THE ORDINARY BUSINESS

1. **Item 1 of the Agenda - The Audited Financial Statements for the financial year ended 30 September 2016 and the Reports of the Directors and Independent Auditors thereon**

This agenda item is meant for discussion only, as the provision of Section 169(1) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not to put forward for voting.

2. **Ordinary Resolution 2 - Approval for Directors' Fees for the financial year ending 30 September 2017**

The proposed Ordinary Resolution 2 is to facilitate the payment of Directors' fees on current financial year basis. The Directors' fees proposed for the financial year ending 30 September 2017 are calculated based on the number of the board members and assuming that all Non-Executive Directors will hold office until the end of the financial year. In the event the Directors' fees proposed is insufficient (e.g. due to enlarged board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

## EXPLANATORY NOTES ON THE SPECIAL BUSINESS

3. **Ordinary Resolution 6 - Authority to Allot and Issue Shares pursuant to Section 132D of the Act**

The proposed Ordinary Resolution 6 is a renewal of the general mandate for issuance of shares by the Company under Section 132D of the Act. The Ordinary Resolution, if passed, will empower the Directors of the Company, from the date of the 48<sup>th</sup> AGM, to allot and issue new shares of the Company up to an amount not exceeding in total ten percent (10%) of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless earlier revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

The authority to issue shares pursuant to Section 132D of the Act will provide flexibility and expediency to the Company for any possible fund raising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or for working capital requirements, which the Directors of the Company consider to be in the best interest of the Company. The approval is sought to avoid any delay and cost in convening a general meeting to approve such issuance of shares.

As at the date of this Notice, the Company did not issue any new shares pursuant to Section 132D of the Act under the general mandate which was approved at the 47<sup>th</sup> AGM of the Company held on 26 February 2016 and which will lapse at the conclusion of the 48<sup>th</sup> AGM. A renewal of this authority is being sought at the 48<sup>th</sup> AGM.

# NOTICE OF ANNUAL GENERAL MEETING

*(Cont'd)*

## EXPLANATORY NOTES ON THE SPECIAL BUSINESS (CONT'D)

### 4. Ordinary Resolution 7 - Proposed RRPT Mandates

The proposed Ordinary Resolution 7, if passed, will provide the Company and/or its subsidiaries a mandate to enter into RRPT of a revenue or trading nature with the Related Parties in compliance with the Main Market Listing Requirements of Bursa Securities. The mandate, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Detailed information of the Proposed RRPT Mandates is set out in Part A of the Circular to Shareholders of the Company.

### 5. Ordinary Resolution 8 - Proposed SBB Renewal

The proposed Ordinary Resolution 8, if passed, will give the Directors of the Company the authority to purchase the Company's own shares up to an amount not exceeding in total ten per cent (10%) of its issued and paid-up share capital at any point in time upon such terms and conditions as the Directors may deem fit in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Further information on the Proposed SBB Renewal is set out in Part B of the Circular to Shareholders of the Company.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

There were no Directors standing for election at the Forty-Eighth Annual General Meeting.



**SUNSURIA BERHAD**  
(Company No. 8235-K)  
(Incorporated in Malaysia)

**PROXY FORM**

I/We, \_\_\_\_\_  
(Full name in block capitals)

NRIC No./Company No. \_\_\_\_\_ of \_\_\_\_\_  
(Address)

\_\_\_\_\_ being a Member of

**SUNSURIA BERHAD**, hereby appoint \_\_\_\_\_  
(Full name in block capitals)

(NRIC No.) \_\_\_\_\_ of \_\_\_\_\_  
(Address)

\_\_\_\_\_ or failing him/her, \_\_\_\_\_  
(Full name in block capitals)

(NRIC No.) \_\_\_\_\_ of \_\_\_\_\_  
(Address)

\_\_\_\_\_ or failing him/her, \*the Chairman of the meeting as \*my/our proxy to vote for \*me/us and on \*my/our behalf at the Forty-Eighth Annual General Meeting of the Company, to be held at the Banquet Hall, Unique Seafood Damansara, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, on Monday, 27 February 2017, at 10.00 a.m. and, at any adjournment thereof.

\*My/Our proxy is to vote as indicated below:

	RESOLUTION	FOR	AGAINST
<b>ORDINARY RESOLUTION 1</b>	Directors' Fees for the financial year ended 30 September 2016		
<b>ORDINARY RESOLUTION 2</b>	Directors' Fees for the financial year ending 30 September 2017		
<b>ORDINARY RESOLUTION 3</b>	Re-election of Datin Loa Bee Ha as Director		
<b>ORDINARY RESOLUTION 4</b>	Re-election of Koong Wai Seng as Director		
<b>ORDINARY RESOLUTION 5</b>	Appointment of Messrs Crowe Horwath as Auditors		
<b>ORDINARY RESOLUTION 6</b>	Authority to allot and issue shares pursuant to Section 132D of the Act		
<b>ORDINARY RESOLUTION 7</b>	Proposed RRPT Mandates		
<b>ORDINARY RESOLUTION 8</b>	Proposed SBB Renewal		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

The proportions of shareholdings to be represented by \*my/\*our proxies are as follows:-

	No. of shares	Percentage
Total shares held		100%
Proxy 1		
Proxy 2		

\_\_\_\_\_  
Signature/Common Seal of Member

**NOTES:**

- 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. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting. Where a member appoints two 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.
- 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.
- 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.
- The instrument appointing a proxy shall be deposited at the Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.
- Depositors whose names appear in the Record of Depositors as at 20 February 2017 (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.

\* Strike out whichever is not valid



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STAMP

The Share Registrar  
**SUNSURIA BERHAD**  
(Company No. 8235-K)  
c/o Tricor Investor & Issuing House Services Sdn Bhd  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3, Bangsar South  
No. 8 Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia

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[Sunsuria.com](http://Sunsuria.com)



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