

**THIS ABRIDGED PROSPECTUS ("AP") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

Unless stated otherwise, all abbreviations and defined terms contained herein are defined in the "Definitions" section of this AP.

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.** If you have sold or transferred all your Shares, you should at once hand this AP together with the NPA and the RSF (collectively, the "Documents") to the agent/broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue With Warrants should be addressed to our Share Registrar, Tricor Investor Services Sdn Bhd, at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

The Documents are only despatched to our shareholders whose names appear in our Record of Depositors as at 5.00 p.m. on 25 June 2015 who have a registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing on or before 5.00 p.m. on 25 June 2015. The Documents are not intended to be and should not be distributed, forwarded to or transmitted in or into countries or jurisdictions where to do so might constitute a violation of the securities laws or regulations of such countries or jurisdictions. No action has been or will be taken to ensure that either the Rights issue With Warrants or the Documents comply with the laws of any country or jurisdiction other than the laws of Malaysia. The Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance or renunciation (as the case may be) of all or any part of their Provisional Allotments, the application for the Excess Rights Shares, or the subscription, offer, sale, resale, pledge or other transfer of the Rights Shares and Warrants would result in the contravention of any laws of such countries or jurisdictions. Neither our Company, the Joint Advisers nor any of their respective directors and officers or affiliates shall accept any responsibility or liability whatsoever to any party in the event that any acceptance or renunciation (as the case may be) of the Provisional Allotments, the application for the Excess Rights Shares, or the subscription, offer, sale, resale, pledge or other transfer of the Rights Shares and Warrants made by any Entitled Shareholder and/or their renounee(s) and/or transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the said Entitled Shareholder and/or their renounee(s) and/or transferee(s) (if applicable) is a resident.

The approval from our shareholders for amongst others, the Rights Issue With Warrants, was obtained at our EGM held on 12 May 2014. The approval from Bursa Securities for, amongst others, the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for all the Rights Shares, Warrants and the new Shares to be issued upon the exercise of the Warrants on the Main Market of Bursa Securities was also obtained via its letter dated 11 April 2014. The admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the said new securities on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue With Warrants and any investment in our Company. The admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for all the said new securities will commence after, amongst others, receipt of confirmation from Bursa Depository that all the said new securities have been duly credited into the CDS Accounts of the successful Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) and the notices of allotment have been despatched to them.

A copy of this AP has been registered with the SC. The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue With Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Documents has also been lodged with the Registrar of Companies, who takes no responsibility for the contents of the Documents.

Our Board has seen and approved all the Documents. They collectively and individually, accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any information in the Documents false or misleading.

RHB Investment Bank, AmInvestment Bank and Astramina being the Joint Advisers for the Rights Issue With Warrants, acknowledge that, based on all available information, and to the best of their knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue With Warrants.

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED, SEE "RISK FACTORS" AS SET OUT IN SECTION 6 HEREIN.**



**SUNSURIA BERHAD**

(Company No.: 8235-K)

(Incorporated in Malaysia under the Companies Act, 1965)

**RENOUNCEABLE RIGHTS ISSUE OF 475,084,416 NEW ORDINARY SHARES OF RM0.50 EACH IN SUNSURIA BERHAD ("SUNSURIA SHARES") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.80 PER RIGHTS SHARE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SUNSURIA SHARE HELD AS AT 5.00 P.M. ON 25 JUNE 2015 TOGETHER WITH 158,361,472 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) WARRANT FOR EVERY THREE (3) RIGHTS SHARES SUBSCRIBED FOR**

*Joint Adviser and Joint Underwriter*



**RHB Investment Bank Berhad**

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

*Joint Adviser*



**Astramina Advisory Sdn Bhd**

(Company No. 810705-K)

(A licensed corporate finance advisory firm)

*Joint Adviser and Joint Underwriter*



**AmInvestment Bank**

**AmInvestment Bank Berhad**

(Company No. 23742-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

**IMPORTANT RELEVANT DATES AND TIMES**

Entitlement date.....	:	Thursday, 25 June 2015 at 5.00 p.m.
Last date and time for sale of Provisional Allotments.....	:	Thursday, 2 July 2015 at 5.00 p.m.
Last date and time for transfer of Provisional Allotments.....	:	Tuesday, 7 July 2015 at 4.00 p.m.
Last date and time for acceptance and payment for the Provisional Allotments.....	:	Friday, 10 July 2015 at 5.00 p.m.*
Last date and time for application and payment for the Excess Rights Shares.....	:	Friday, 10 July 2015 at 5.00 p.m.*

\* or such later date and time as our Board may determine and announce not less than two (2) Market Days before the stipulated date and time.

**UNLESS STATED OTHERWISE, ALL ABBREVIATIONS AND DEFINED TERMS CONTAINED HEREIN ARE DEFINED IN THE "DEFINITIONS" SECTION OF THIS AP.**

**THE SC AND BURSA SECURITIES ARE NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS AP, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.**

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE WITH WARRANTS AND ANY INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

**THE VALUATION UTILISED FOR THE PURPOSE OF THE TRANSACTIONS SHOULD NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE SURIA SERENIA LAND, SMSB PROPERTIES AND SURIA HILLS 2A AND 2B.**

**YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.**

**SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.**

**BURSA SECURITIES HAS APPROVED THE ADMISSION OF THE WARRANTS TO THE OFFICIAL LIST AND THE LISTING OF AND QUOTATION FOR THE RIGHTS SHARES AND THE WARRANTS AS WELL AS THE NEW SUNSURIA SHARES TO BE ISSUED UPON THE EXERCISE OF THE WARRANTS ON THE MAIN MARKET OF BURSA SECURITIES. HOWEVER, THIS SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE WITH WARRANTS.**

**THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR JOINT ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR JOINT ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR JOINT ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.**

**THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.**

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**DEFINITIONS**


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The following definitions shall apply throughout this AP unless the context requires otherwise:

<b>Act</b>	: Companies Act, 1965
<b>AmInvestment Bank</b>	: AmInvestment Bank Berhad (Company No. 23742-V)
<b>AP</b>	: This abridged prospectus dated 25 June 2015
<b>Astramina</b>	: Astramina Advisory Sdn Bhd (Company No. 810705-K)
<b>Balance Cash Consideration</b>	: Approximately RM380.3 million, being the total consideration for the Transactions of approximately RM507.0 million less RM100.0 million in value of Sunsuria Shares to be subscribed by Datuk Ter pursuant to the Reinvestment and deposits paid for the SDSDSB Acquisition and SMSB Acquisitions amounting to RM15.7 million and approximately RM11.0 million respectively.
<b>Board</b>	: Board of Directors of our Company
<b>Bursa Depository</b>	: Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W)
<b>Bursa Securities</b>	: Bursa Malaysia Securities Berhad (Company No. 635998-W)
<b>CDS</b>	: Central Depository System
<b>CDS Account</b>	: A securities account established by Bursa Depository for a depositor to record the deposits or withdrawals of securities or for dealings in such securities by the depositor
<b>CMSA</b>	: Capital Markets and Services Act, 2007
<b>Code</b>	: Malaysian Code on Take-Over and Mergers, 2010
<b>Computation Date</b>	: 31 January 2015, being the cut off and apportionment date for the purposes of computing (i) the amount payable for the Concord Sale Shares and the SMSB Sale Shares (including verifying the market value of the SMSB Properties) amounting to an aggregate of RM54,969,696 and (ii) the RNSB Subscription Consideration (including verifying the market value of Suria Hills 2A and 2B projects held by RNSB)
<b>Concord</b>	: Concord Property Management Sdn Bhd (Company No. 786773-T)
<b>Concord Sale Shares</b>	: Two (2) ordinary shares of RM1.00 each in Concord, representing 100% of the issued and paid-up share capital of Concord
<b>Creed</b>	: Creed Investments Pte Ltd (Company No. 201428629R)
<b>Datin Kwan</b>	: Datin Kwan May Yuen
<b>Datuk Ter</b>	: Datuk Ter Leong Yap
<b>Deed Poll</b>	: The deed poll executed by our Company on 11 June 2015 constituting the Warrants
<b>Documents</b>	: This AP and the accompanying NPA and RSF
<b>EBITDA</b>	: Earnings before interest, taxation, depreciation and amortisation
<b>EGM</b>	: Extraordinary General Meeting
<b>Entitled Shareholders</b>	: Our shareholders whose names appear in our Record of Depositors on the Entitlement Date

**DEFINITIONS (Cont'd)**

<b>Entitlement Date</b>	: 25 June 2015 at 5.00 p.m., being the date and time on which the names of our Entitled Shareholders must appear in our Record of Depositors in order to be entitled to participate in the Rights Issue With Warrants
<b>EPS</b>	: Earnings per Share
<b>EY</b>	: Ernst & Young (Company No. AF:0039)
<b>Excess Rights Shares</b>	: Rights Shares which are not taken up or not validly taken up by our Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) prior to the closing date as set out in <b>Section 10.2</b> of this AP
<b>Foreign Addressed Shareholders</b>	: Shareholders on the Entitlement Date who have not provided an address in Malaysia for the service of the Documents
<b>FPE</b>	: Financial period ended/ending, as the case may be
<b>Fund Raising Exercise</b>	: The Rights Issue With Warrants and the Private Placement, collectively
<b>FYE</b>	: Financial year ended/ending, as the case may be
<b>GDV</b>	: Gross development value
<b>Identified Companies</b>	: SGSB, SDSDSB, Concord, SMSB and RNSB, collectively
<b>Increase in Authorised Share Capital</b>	: Increase in authorised share capital of Sunsuria from RM100,000,000 comprising 200,000,000 Sunsuria Shares to RM750,000,000 comprising 1,500,000,000 Sunsuria Shares
<b>Joint Advisers</b>	: RHB Investment Bank, AmInvestment Bank and Astramina, collectively
<b>Joint Underwriters</b>	: RHB Investment Bank and AmInvestment Bank, collectively
<b>LAT</b>	: Loss after taxation
<b>LBT</b>	: Loss before taxation
<b>Listing Requirements</b>	: Main Market Listing Requirements of Bursa Securities
<b>LPD</b>	: 1 June 2015, being the latest practicable date prior to the issuance of this AP
<b>LPS</b>	: Loss per share
<b>M&amp;A Amendments</b>	: Amendments to our Company's Memorandum and Articles of Association as a consequence of the Increase in Authorised Share Capital
<b>Market Days</b>	: Any day between Monday and Friday (inclusive) which is not a public holiday and when Bursa Securities is open for trading of securities
<b>NA</b>	: Net assets
<b>NL</b>	: Net liabilities
<b>NPA</b>	: Notice of provisional allotment of Rights Shares pursuant to the Rights Issue With Warrants
<b>NTA</b>	: Net tangible assets

**DEFINITIONS (Cont'd)**

<b>Official List</b>	:	A list specifying all securities listed on the Main Market of Bursa Securities
<b>PAT</b>	:	Profit after taxation
<b>PBT</b>	:	Profit before taxation
<b>Placees</b>	:	Persons or parties who/which qualify under Schedules 6 and 7 of the CMSA
<b>Placement Shares</b>	:	Up to 63,344,588 new Sunsuria Shares to be issued pursuant to the Private Placement
<b>Price Fixing Date</b>	:	11 June 2015, being the date on which the issue price of the Rights Shares and the exercise price for the Warrants has been fixed
<b>Private Placement</b>	:	Private placement of up to 63,344,588 Sunsuria Shares, representing approximately 8.6% of the enlarged issued and paid-up share capital of Sunsuria after the Rights Issue With Warrants and the Reinvestment, at an issue price to be determined later
<b>Provisional Allotments</b>	:	Rights Shares and Warrants provisionally allotted to our Entitled Shareholders
<b>Record of Depositors</b>	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
<b>Reinvestment</b>	:	Subscription by Datuk Ter for the Reinvestment Shares at the Reinvestment Shares Issue Price
<b>Reinvestment Shares</b>	:	102,040,816 new Sunsuria Shares to be issued at the Reinvestment Shares Issue Price pursuant to the Reinvestment
<b>Reinvestment Shares Issue Price</b>	:	Issue price of RM0.98 per Reinvestment Share
<b>RHB Investment Bank</b>	:	RHB Investment Bank Berhad (Company No. 19663-P)
<b>Rights Issue With Warrants</b>	:	Renounceable rights issue of 475,084,416 Rights Shares at an issue price of RM0.80 per Rights Share on the basis of three (3) Rights Shares for every one (1) existing Sunsuria Share held on the Entitlement Date together with 158,361,472 Warrants on the basis of one (1) Warrant for every three (3) Rights Shares subscribed for
<b>Rights Shares</b>	:	New Sunsuria Shares to be issued pursuant to the Rights Issue With Warrants
<b>RM and sen</b>	:	Ringgit Malaysia and sen, respectively
<b>RNSB</b>	:	Rentak Nusantara Sdn Bhd (Company No. 838159-X)
<b>RNSB Subscription</b>	:	Subscription of 25,000,000 new ordinary shares of RM1.00 each in RNSB and subscription of 32,000,000 new redeemable preference shares of RM0.01 each in RNSB for a total cash subscription price of RM57,000,000
<b>RNSB Subscription Consideration</b>	:	Aggregate cash subscription of RM57.0 million pursuant to the RNSB Subscription
<b>RPGT</b>	:	Real property gains tax

**DEFINITIONS (Cont'd)**

<b>RSF</b>	: Rights Subscription Form issued pursuant to the Rights Issue With Warrants
<b>Rules of Bursa Depository</b>	: Rules of a central depository as defined in the Securities Industry (Central Depository) Act, 1991
<b>SC</b>	: Securities Commission Malaysia
<b>SDSB</b>	: Sunsuria Development Sdn Bhd (Company No. 572536-D)
<b>SDSDSB</b>	: Sime Darby Sunsuria Development Sdn Bhd (Company No. 1048895-A)
<b>SDSDSB Acquisition</b>	: Acquisition of one (1) ordinary share of RM1.00 in SDSDSB, representing 50% equity interest in SDSDSB, for a total consideration of RM173,390,700, comprising cash consideration of RM157.0 million and settlement of the Sime Darby Advances
<b>SGSB</b>	: Sunsuria Gateway Sdn Bhd (Company No. 1043624-X)
<b>SGSB RPS-A</b>	: Existing redeemable preference shares-class A of RM0.01 each issued by SGSB
<b>SGSB Subscription</b>	: Subscription of 1,000,000 new ordinary shares of RM1.00 each in SGSB and 237,000,000 new redeemable preference shares-class B of RM0.01 each in SGSB for a total subscription price of RM238,000,000
<b>SGSB Subscription Agreement</b>	: Conditional subscription agreement dated 9 March 2015 entered into between our Company with SGSB, Datuk Ter and Datin Kwan for the SGSB Subscription and Reinvestment, which has been supplemented by a supplemental agreement dated 20 April 2015
<b>Share Registrar</b>	: Tricor Investor Services Sdn Bhd (Company No. 118401-V)
<b>Shareholders</b>	: Shareholders of Sunsuria
<b>Sime Darby Advances</b>	: Existing shareholder's advances owing by SDSDSB to Sime Darby Property, which as at 31 March 2015 amounts to RM16,390,700 and any additional shareholder's advances granted by Sime Darby Property to SDSDSB for the purposes of the on-going business or operations of SDSDSB pending completion of the SDSDSB Acquisition
<b>Sime Darby Property</b>	: Sime Darby Property (Sungai Kapar) Sdn Bhd (Company No. 102210-T), a wholly-owned subsidiary of Sime Darby Property Berhad, which in turn is a wholly-owned subsidiary of Sime Darby Berhad
<b>SMSB</b>	: Sunsuria Medini Sdn Bhd (Company No. 866859-P)
<b>SMSB Acquisitions</b>	: The acquisition of a 21% effective equity interest in SMSB by way of the SMSB Acquisition 1 and the SMSB Acquisition 2, collectively
<b>SMSB Acquisition 1</b>	: The acquisition of two (2) ordinary shares of RM1.00 each in Concord, representing the entire equity interest in Concord (which holds 20% equity interest in SMSB) for a cash consideration of RM53,121,296.30
<b>SMSB Acquisition 2</b>	: The acquisition of 12,500 SMSB Shares, representing 1% equity interest in SMSB, for a cash consideration of RM1,848,399.97
<b>SMSB Properties</b>	: The landbanks owned by SMSB and on-going developments of SMSB, collectively
<b>SMSB Shares</b>	: Ordinary shares of RM1.00 each in SMSB

**DEFINITIONS (Cont'd)**

<b>SMSB SPA 1</b>	:	Conditional sale and purchase agreement dated 9 March 2015 entered into between Sunsuria with Datuk Ter and THK for the SMSB Acquisition 1
<b>Sunsuria or our Company</b>	:	Sunsuria Berhad (Company No. 8235-K)
<b>Sunsuria Medini</b>	:	Mixed-integrated development project on 82.77 acres of leasehold land located in Medini, Johor
<b>Sunsuria Group or our Group</b>	:	Sunsuria and its subsidiaries, collectively
<b>Sunsuria Shares or Shares</b>	:	Ordinary shares of RM0.50 each in Sunsuria
<b>Suria Hills 2A and 2B</b>	:	RNSB's on-going bungalow land development in Setia Alam, Selangor which comprises sixty eight (68) parcels of bungalow lots
<b>Suria Serenia Land</b>	:	The freehold land known as Suria Serenia held by SDSDSB, which surrounds the upcoming Xiamen University Malaysia Campus and which is to be developed into an integrated development strategically connected with the Express Rail Link and highways
<b>TCSB</b>	:	THK Capital Sdn Bhd (Company No. 891329-X)
<b>Ter Capital</b>	:	Ter Capital Sdn Bhd (Company No. 1087641-X)
<b>TERP</b>	:	Theoretical ex-rights price of Sunsuria Shares
<b>Ter Equity</b>	:	Ter Equity Sdn Bhd (Company No. 1077495-T)
<b>THK</b>	:	Ter Hong Khim @ Tai Foong Chin
<b>Transactions</b>	:	The SGSB Subscription, the Reinvestment, the SDSDSB Acquisition, the SMSB Acquisitions and the RNSB Subscription, collectively

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**DEFINITIONS (Cont'd)**

- Undertakings** : The written irrevocable and unconditional undertakings from the Undertaking Shareholders as follows:
- (i) Datuk Ter, Ter Equity and Ter Capital dated 22 May 2015 to subscribe in full for their respective entitlements under the Rights Issue With Warrants based on their shareholdings as at the Entitlement Date and to subscribe for and take up additional Rights Shares not taken up by other Entitled Shareholders by way of Excess Rights Shares applications such that their total subscription of the Right Shares amounts to at least RM250.0 million in value/subscription proceeds;
  - (ii) Ruby Technique Sdn Bhd dated 22 May 2015 to subscribe in full for its entitlement under the Rights Issue With Warrants based on its shareholdings as at the Entitlement Date and to subscribe for and take up additional Rights Shares not taken up by other Entitled Shareholders by way of Excess Rights Shares applications such that its total subscription of the Right Shares amounts to at least RM22.8 million in value/subscription proceeds;
  - (iii) Tan Kim Heung and Lai Ming Chun @ Lai Poh Lin dated 22 May 2015 to subscribe in full for their respective entitlements under the Rights Issue With Warrants based on their shareholdings as at the Entitlement Date and to subscribe for and take up additional Rights Shares not taken up by other Entitled Shareholders by way of Excess Rights Shares applications such that their total subscription of the Right Shares amounts to at least RM38.4 million in value/subscription proceeds; and
  - (iv) Tan Sri Dato' Sri Richard Koh Kin Lip dated 22 May 2015 to subscribe in full for his entitlement under the Rights Issue With Warrants based on his shareholdings as at Entitlement Date and to subscribe for and take up additional Rights Shares not taken up by other Entitled Shareholders by way of Excess Rights Shares applications such that his total subscription of the Right Shares amounts to at least RM7.5 million in value/subscription proceeds
- Undertaking Shareholders** : Datuk Ter, Ter Equity, Ter Capital, Ruby Technique Sdn Bhd, Tan Kim Heung, Lai Ming Chun @ Lai Poh Lin and Tan Sri Dato' Sri Richard Koh Kin Lip who have provided the Undertakings, collectively
- Underwriting Agreement** : Underwriting agreement dated 11 June 2015 entered into between our Company and the Joint Underwriters in relation to the Rights Issue With Warrants
- Underwritten Portion** : The remaining portion of 76,709,416 Rights Shares for which no written undertaking to subscribe has been procured, which are underwritten by the Joint Underwriters
- VWAP** : Volume-weighted average market price
- Warrants** : 158,361,472 free detachable warrants to be issued pursuant to the Rights Issue With Warrants
- WTW** : CH Williams Talhar & Wong Sdn Bhd (Company No. 18149-U)



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**DEFINITIONS (Cont'd)**

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Any reference to “**our Company**” in this AP are to Sunsuria Berhad, references to “**our Group**” is to our Company and our subsidiaries and references to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company and, save where the context requires otherwise, shall include our subsidiaries.

All references to “**you**” or “**your**” in this AP are to our Entitled Shareholders.

Words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this AP shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancies in any tables included in this AP between the amounts listed, actual figures and the totals thereof are due to rounding adjustments.

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**CORPORATE DIRECTORY****BOARD OF DIRECTORS**

<b>Name (Designation)</b>	<b>Address</b>	<b>Nationality</b>	<b>Occupation</b>
Datuk Ter Leong Yap (Executive Chairman)	46A, Jalan Serindit Taman Eng Ann 41150 Klang Selangor Darul Ehsan	Malaysian	Director
Koong Wai Seng (Executive Director)	No. 83, Jalan Tempua 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan	Malaysian	Deputy Chief Executive Officer
Wong Yuen Teck (Non-Independent Non - Executive Director)	160, Jalan Bungur 42000 Pelabohan Klang Selangor Darul Ehsan	Malaysian	Director
Liew Jee Min @ Chong Jee Min (Independent Non- Executive Director)	No. 5, Solok Batai Laut Off Jalan Batai Laut Kawasan 16 41300 Klang Selangor Darul Ehsan	Malaysian	Advocate and Solicitor
Dato' Tan Tian Meng (Independent Non- Executive Director)	No. 7, Jalan Wan Sendari 1 Taman Sri Endah 57000 Kuala Lumpur	Malaysian	Director
Datin Loa Bee Ha (Independent Non- Executive Director)	No. 7, Jalan Wan Sendari 1 Taman Sri Endah 57000 Kuala Lumpur	Malaysian	Director
Alexon Khor Swek Chen (Independent Non- Executive Director)	16 Jalan Sri Tasik Barat 63000 Cyberjaya Selangor Darul Ehsan	Malaysian	Business Consultant

**AUDIT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Liew Jee Min @ Chong Jee Min	Chairman	Independent Non-Executive Director
Dato' Tan Tian Meng	Member	Independent Non-Executive Director
Datin Loa Bee Ha	Member	Independent Non-Executive Director

**CORPORATE OFFICE**

: Suite 8, Main Tower, Sunsuria Avenue  
Persiaran Mahogani  
Kota Damansara, PJU 5  
47810 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 603-6145 7777  
Website: [www.sunsuria.com](http://www.sunsuria.com)

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**CORPORATE DIRECTORY (Cont'd)**

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- REGISTERED OFFICE** : Level 8, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 603-7841 8000
- COMPANY SECRETARIES** : See Siew Cheng (MAICSA 7011225)  
Leong Shiak Wan (MAICSA 7012855)
- Level 8 Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 603-7841 8000
- SHARE REGISTRAR** : Tricor Investor Services Sdn Bhd (118401-V)  
Level 17, The Gardens North Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur  
Tel: 603-2264 3883
- AUDITORS AND REPORTING ACCOUNTANTS** : Messrs Crowe Horwath (AF 1018)  
Level 16, Tower C  
Megan Avenue II  
12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Tel: 603-2788 9999
- SOLICITORS FOR THE RIGHTS ISSUE WITH WARRANTS** : Mah-Kamariyah & Philip Koh  
3A07, Block B, Phileo Damansara II  
15, Jalan 16/11, Off Jalan Damansara  
46350 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 603-7956 8686
- PRINCIPAL BANKERS** : CIMB Bank Berhad  
17<sup>th</sup> Floor, Menara CIMB  
1, Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Tel: 603-2261 8888
- AmBank(M) Berhad  
Level 18, Menara Dion  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel: 603-2026 3939

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**CORPORATE DIRECTORY (Cont'd)**

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- JOINT ADVISERS**
- : RHB Investment Bank Berhad  
Level 10, Tower 1, RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur  
Tel: 603-9287 3888
  - : AmInvestment Bank Berhad  
Level 22, Bangunan AmBank Group  
55, Jalan Raja Chulan,  
50200 Kuala Lumpur  
Tel: 603-2036 2633
  - : Astramina Advisory Sdn Bhd  
Level 3, Menara Hap Seng  
Letter Box 53  
Jalan P. Ramlee  
50250 Kuala Lumpur  
Tel: 603- 2026 7282
- JOINT UNDERWRITERS**
- : RHB Investment Bank Berhad  
Level 10, Tower 1, RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur  
Tel: 603-9287 3888
  - : AmInvestment Bank Berhad  
Level 22, Bangunan AmBank Group  
55, Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel: 603-2036 2633
- INDEPENDENT VALUER FOR THE SURIA SERENIA LAND, SMSB PROPERTIES AND SURIA HILLS 2A AND 2B**
- : CH Williams Talhar & Wong Sdn Bhd  
30-01, 30th Floor  
Menara Multi Purpose @ CapSquare  
8, Jalan Munshi Abdullah  
P.O.Box 12157  
50100 Kuala Lumpur  
Tel: 603-2616 8888
- INDEPENDENT VALUER FOR THE VALUATION OF SGSB**
- : Ernst & Young  
Level 23A Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur  
Tel: 603-7495 8000
- STOCK EXCHANGE LISTED**
- : Main Market of Bursa Securities



**SUNSURIA**  
Building Today Creating Tomorrow

**SUNSURIA BERHAD**  
(Company No.: 8235-K)  
(Incorporated in Malaysia under the Companies Act, 1965)

**Registered Office:**  
Level 8, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan

25 June 2015

**Board of Directors:**

Datuk Ter Leong Yap	<i>(Executive Chairman)</i>
Koong Wai Seng	<i>(Executive Director)</i>
Wong Yuen Teck	<i>(Non-Independent Non-Executive Director)</i>
Liew Jee Min @ Chong Jee Min	<i>(Independent Non-Executive Director)</i>
Dato' Tan Tian Meng	<i>(Independent Non-Executive Director)</i>
Datin Loa Bee Ha	<i>(Independent Non-Executive Director)</i>
Alexon Khor Swek Chen	<i>(Independent Non-Executive Director)</i>

**To: Our Entitled Shareholders**

Dear Sir/Madam,

**RENOUNCEABLE RIGHTS ISSUE OF 475,084,416 RIGHTS SHARES AT AN ISSUE PRICE OF RM0.80 PER RIGHTS SHARE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SUNSURIA SHARE HELD AS AT 5.00 P.M. ON THE ENTITLEMENT DATE TOGETHER WITH 158,361,472 WARRANTS ON THE BASIS OF ONE (1) WARRANT FOR EVERY THREE (3) RIGHTS SHARES SUBSCRIBED FOR**

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**1. INTRODUCTION**

On 28 March 2014, the Joint Advisers had, on behalf of our Board, announced that our Company proposes to undertake the following:

- (i) Rights Issue With Warrants;
- (ii) Private Placement;
- (iii) Increase in Authorised Share Capital; and
- (iv) M&A Amendments.



On 14 April 2014, the Joint Advisers had, on behalf of our Board announced that Bursa Securities had vide its letter dated 11 April 2014 given its approval-in-principle for the following:

- (i) admission of the Warrants to the Official List of Bursa Securities;
- (ii) listing of and quotation for the Rights Shares and the Warrants to be issued pursuant to the Rights Issue With Warrants and the new Sunsuria Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities; and
- (iii) listing of and quotation for the Placement Shares on the Main Market of Bursa Securities.

The approval from Bursa Securities in relation to the Fund Raising Exercise is subject to the following conditions:

<u>No.</u>	<u>Conditions imposed</u>	<u>Status of compliance</u>
(i)	Sunsuria and its Joint Advisers must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Fund Raising Exercise;	Noted.
(ii)	Sunsuria and its Joint Advisers to inform Bursa Securities upon the completion of the Fund Raising Exercise;	To be complied.
(iii)	Sunsuria to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Fund Raising Exercise is completed;	To be complied.
(iv)	RHB Investment Bank or AmInvestment Bank must submit to Bursa Securities the placees' details in accordance with Paragraph 6.15 of the Listing Requirements as soon as practicable after each tranche of placement and before the listing of the new Sunsuria Shares to be issued pursuant to the Private Placement; and	To be complied.
(v)	payment of additional listing fees pertaining to the exercise of the Warrants. In this respect, Sunsuria is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Sunsuria Shares listed pursuant to the exercise of the Warrants as at the end of a quarter together with details of computation of listing fees payable.	To be complied.

Our Shareholders had, at our EGM held on 12 May 2014, approved the Fund Raising Exercise, the Increase in Authorised Share Capital and the M&A Amendments. A certified true extract of all the resolutions pertaining to the above which were passed at the said EGM, is set out in **Appendix I** of this AP.

On 3 April 2015, the Joint Advisers had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 2 April 2015 given its approval-in-principle for an extension of time up to 10 October 2015 for the implementation of the Fund Raising Exercise.

In order to facilitate the issuance of the Rights Shares and any future issuance of new Sunsuria Shares arising from the exercise of the Warrants as well as the Private Placement, our Company had on 12 May 2014, effected the increase in our authorised share capital from RM100,000,000 comprising 200,000,000 Sunsuria Shares to RM750,000,000 comprising 1,500,000,000 Sunsuria Shares by the creation of an additional 1,300,000,000 Sunsuria Shares. The Memorandum and Articles of Association of our Company have been amended accordingly.

On 11 June 2015, the Joint Advisers had, on behalf of our Board, announced the following:

- (i) the issue price of the Rights Shares has been fixed at RM0.80 per Rights Share and the exercise price of the Warrants has been fixed at RM1.50 per Warrant;
- (ii) the Entitlement Date has been fixed on 25 June 2015 at 5.00 p.m., along with other relevant dates pertaining to the Rights Issue With Warrants; and
- (iii) that our Company has entered into the Underwriting Agreement with the Joint Underwriters to underwrite the Underwritten Portion.

The admission of the Warrants and the listing of and quotation for the Rights Shares and the Warrants to be issued pursuant to the Rights Issue With Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

No person is authorised to give any information or make any representation not contained in the Documents in connection with the Rights Issue With Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or the Joint Advisers.

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

## **2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS**

### **2.1 Particulars of the Rights Issue With Warrants**

In accordance with the terms of the Rights Issue With Warrants as approved by the relevant authorities and our Shareholders at our Company's EGM held on 12 May 2014 and subject to the terms of the Documents, our Company will provisionally allot 475,084,416 Rights Shares at an issue price of RM0.80 per Rights Share, together with 158,361,472 Warrants on the basis of three (3) Rights Shares for every one (1) existing Sunsuria Share held on the Entitlement Date and one (1) Warrant for every three (3) Rights Shares subscribed for.

The issue price of RM0.80 per Rights Share is payable in full in cash on application.

The Rights Shares will be provisionally allotted to our Entitled Shareholders. Fractional entitlements under the Rights Issue With Warrants, if any, will be disregarded and dealt with in such manner as our Board in its absolute discretion deems fit or expedient or in the best interest of our Company.

The entitlements under the Rights Issue With Warrants are renounceable in full or in part, provided that any renunciation is done on or before the last day for the sale and transfer of the Provisional Allotments. Accordingly, you can subscribe for and/or renounce your entitlements to the Rights Shares in full or in part. However, the Rights Shares and the Warrants cannot be renounced separately, and only the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who subscribe for the Rights Shares will be entitled to the Warrants. As such, the Entitled Shareholders who renounce all their entitlements to the Rights Shares will be deemed to have renounced all the accompanying entitlement to the Warrants. Entitled Shareholders who accept only part of their entitlements to the Rights Shares shall be entitled to the Warrants in the proportion of their acceptance of the entitlements to the Rights Shares. The Warrants will be detached from the Rights Shares immediately upon issue and will be traded separately on Bursa Securities.

Any Rights Shares which are not taken up or validly taken up shall be made available for excess applications by other Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable).

It is the intention of our Board to allot the Excess Rights Shares, if any, in a fair and equitable manner to our Entitled Shareholders and/or their renounee(s) and/or transferee(s) who have applied for the Excess Rights Shares in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for the allocation to Entitled Shareholders who have applied for the Excess Rights Shares on a pro-rata basis and in board lot, calculated based on their respective shareholdings as per their CDS Account as at the Entitlement Date;
- (iii) thirdly, for allocation to the Entitled Shareholders who have applied for Excess Rights Shares on a pro-rata basis and in board lot, calculated based on the quantum of the Excess Rights Shares applied for; and
- (iv) finally, for allocation to the renounee(s) and/or transferee(s) who have applied for the Excess Rights Shares on a pro-rata basis and in board lot, calculated based on the quantum of the Excess Rights Shares applied for.

Nevertheless, our Board reserves the right to allot the Excess Rights Shares applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient, and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board set out in **Section 2.1** (i) to (iv) above is achieved.

If you wish to accept the Provisional Allotments (in full or in part) as specified in the NPA and/or apply for the Excess Rights Shares, you may do so by completing the RSF.

Notices of allotment will be despatched to the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) within eight (8) Market Days from the last date for acceptance and payment of the Rights Shares or such other period as may be prescribed by Bursa Securities.

If you do not wish to participate in the Rights Issue With Warrants, you do not need to take any action.

**You should read this AP in its entirety before making a decision.**

## **2.2 Basis of determining the issue price of the Rights Shares**

Our Board has fixed the issue price at RM0.80 per Rights Share. The issue price of the Rights Share represents a discount of approximately RM0.2836 or 26.17% to the TERP of our Shares of RM1.0836, based on the five (5)-day VWAP of our Shares up to and including 10 June 2015, being the last trading day immediately prior to the Price Fixing Date, of RM1.9343 per Share.

The issue price of the Rights Share was determined by our Board after taking into consideration the following:

- (i) a discount of at least 25% from the TERP of our Shares based on the five (5)-day VWAP of our Shares up to and including 10 June 2015, being the last trading day immediately prior to the Price Fixing Date;
- (ii) prevailing market conditions and market price of our Shares;

- (iii) the historical share price movement of our Shares;
- (iv) the market conditions as well as prospects of our Group as set out in **Section 7** of this AP; and
- (v) the funding requirements of our Group as disclosed in **Section 5** of this AP.

### **2.3 Basis of determining the exercise price of the Warrants**

Our Board has fixed the exercise price at RM1.50 per Warrant. The exercise price of the Warrants represents a premium of approximately RM0.4164 or 38.43% to the TERP as set out in **Section 2.2** of this AP.

The exercise price of the Warrants was determined by our Board after taking into consideration, amongst others, the following:

- (i) the funding requirements of our Group and the expected timing of such requirements over the next five (5) years;
- (ii) the historical share price movement of our Shares; and
- (iii) the market conditions as well as prospects of our Group as set out in **Section 7** of this AP.

### **2.4 Ranking of the Rights Shares and new Shares to be issued pursuant to the exercise of the Warrants**

The Rights Shares and the new Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with our existing Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid to our Shareholders, the entitlement date of which is prior to the date of allotment of the said securities.

### **2.5 Shareholders' undertaking and Underwriting Agreement**

The Rights Issue With Warrants will be undertaken on a full subscription basis after taking into consideration, amongst others, the level of funds that our Company wishes to raise from the Rights Issue With Warrants to be channelled towards the proposed utilisation as set out in **Section 5** of this AP.

On 22 May 2015, on behalf of our Board, the Joint Advisers announced that our Company had procured the Undertakings from the Undertaking Shareholders, to subscribe in full for their respective entitlements under the Rights Issue With Warrants based on their shareholdings in Sunsuria as at the Entitlement Date and to subscribe for and take up additional Rights Shares not taken up by other Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) by way of Excess Rights Shares applications.

The details of the Undertakings are as follows:

Undertaking Shareholders	As at the LPD		Rights Shares to be subscribed under the Undertakings <sup>(1)</sup>		Excess Rights Shares to be applied under the Undertakings <sup>(1)</sup>	
	No. of Shares held	% <sup>(2)</sup>	No. of Rights Shares	% <sup>(3)</sup>	No. of Rights Shares	% <sup>(3)</sup>
Datuk Ter	33,897,400	21.41	101,692,200	21.41	69,652,568	14.66
Ter Equity	45,639,344	28.82	136,918,032	28.82	-	-
Ter Capital	1,412,400	0.89	4,237,200	0.89	-	-
Ruby Technique Sdn Bhd	8,000,000	5.05	24,000,000	5.05	4,500,000	0.95
Tan Kim Heung	6,000,000	3.79	18,000,000	3.79	6,600,000	1.39
Lai Ming Chun @ Lai Poh Lin	7,800,000	4.93	23,400,000	4.93	-	-
Tan Sri Dato' Sri Richard Koh Kin Lip	3,070,000	1.94	9,210,000	1.94	165,000	0.03
<b>Total</b>	<b>105,819,144</b>	<b>66.83</b>	<b>317,457,432</b>	<b>66.83</b>	<b>80,917,568</b>	<b>17.03</b>

**Notes:**

- (1) Based on the respective Undertakings and the issue price of RM0.80 per Rights Share.
- (2) Based on the issued and paid-up share capital of our Company as at the LPD of RM79,180,736 comprising 158,361,472 Shares.
- (3) Based on a total of 475,084,416 Rights Shares to be issued pursuant to the Rights Issue With Warrants.

Pursuant to the Undertakings, the Undertaking Shareholders have confirmed that they have sufficient financial resources to fulfil their respective obligations pursuant to the Undertakings and such confirmations have been duly verified by the Joint Advisers.

Our Company had also on 11 June 2015 entered into the Underwriting Agreement with the Joint Underwriters to underwrite the remaining 76,709,416 Rights Shares, representing approximately 16.15% of the total Rights Shares to be issued under the Rights Issue With Warrants, for which no written undertaking from the Shareholders has been obtained, based on the terms and conditions of the Underwriting Agreement, in the following agreed proportions:

	Underwritten Portion (Shares)	% of agreed proportions
RHB Investment Bank	38,354,708	50.0
AmInvestment Bank	38,354,708	50.0
	76,709,416	100.0

The underwriting commission is 1.50% of the value of the total underwritten Rights Shares. The underwriting commission payable to the Joint Underwriters and all other incidental costs in relation to the underwriting arrangement will be fully borne by our Company.

The Undertaking Shareholders are not expected to trigger a mandatory take-over offer obligation pursuant to the Code following their subscription of the Rights Shares under the Undertakings as the current shareholdings of Datuk Ter and parties acting in concert with him is more than 50% and none of the Undertaking Shareholders will individually exceed the 33% threshold as set out in the Code, as well as the remaining portion of the Rights Shares not covered by the Undertakings are underwritten.

In the event that any Undertaking Shareholder elects to exercise its/his Warrants in the future, the number of Warrants exercised and the timing of the exercise of the Warrants may result in the relevant Undertaking Shareholder(s) triggering a mandatory offer obligation under the Code unless otherwise exempted by the SC under the provisions of the Code and upon application by the relevant Undertaking Shareholder(s), subject to any conditions imposed by the SC. The Undertaking Shareholders have confirmed that they will at all times observe and ensure compliance with the provisions of the Code and will seek the necessary exemptions from the SC, if required.

## 2.6 Principal terms of the Warrants

The principal terms of the Warrants are set out as follows:

- Number of Warrants : 158,361,472 new Warrants to be issued in conjunction with the Rights Issue With Warrants to our Entitled Shareholders on the basis of one (1) free Warrant for every three (3) Rights Shares successfully subscribed for.
- Form and detachability : The Warrants will be issued in registered form and will immediately be detached from the Rights Shares upon allotment and issuance and separately traded on Bursa Securities. The Warrants will be constituted by the Deed Poll.
- Issue price of Warrants : The Warrants are to be issued free to our Entitled Shareholders and/or renounees/transferees who subscribe for the Rights Shares on the basis of one (1) free Warrant for every three (3) Rights Shares.
- Board Lot : For the purposes of trading on Bursa Securities, a board lot of Warrants will be in 100 units, or such denomination as determined by Bursa Securities.
- Listing : Approval has been obtained from Bursa Securities on 11 April 2014 for the admission of the Warrants to the Official List of Bursa Securities, and for the listing of and quotation for the Rights Shares and the Warrants and new Sunsuria Shares arising from the exercise of the Warrants.
- Tenure of Warrants : Five (5) years from the date of issuance of the Warrants.
- Exercise Period : The Warrants may be exercised at any time on and including the date of issue of the Warrants and ending at 5.00 p.m. on the business day immediately preceding the date which is the fifth (5th) anniversary from the date of issue. If such date is not a Market Day, then on the preceding Market Day.

Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.

- Exercise Price : The Exercise Price of the Warrants has been fixed at RM1.50, subject to further adjustments (where applicable) in accordance with the provisions of the Deed Poll.
- Mode of Exercise : The registered holder of the Warrants shall pay by way of banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia for the aggregate Exercise Price payable when exercising the Warrants and subscribing for new Sunsuria Shares.
- Exercise Rights : Each Warrant carries the entitlement, at any time during the Exercise Period, to subscribe for one (1) new Sunsuria Share at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll.
- Voting Rights : The Warrants do not entitle the registered holders thereof to any voting rights in any general meeting of the Company until and unless such holders of the Warrants exercise their Warrants for new Sunsuria Shares.
- Status of new Sunsuria Shares to be issued pursuant to the exercise of the Warrants : The new Sunsuria Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue, rank *pari passu* in all respects with the then existing ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the allotment date of the new Sunsuria Shares to be issued arising from the exercise of the Warrants.
- Adjustments to the final Exercise Price and/or the number of the Warrants : The Exercise Price and/or the number of unexercised Warrants in issue may be subject to adjustments in the event of any alteration in the share capital of the Company, capital distribution or issue of shares or any other events in accordance with the provisions of the Deed Poll.
- Rights in the event of winding up, liquidation, compromise and/or arrangement : Where a resolution has been passed for a members' voluntary winding up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then every Warrant holder shall be entitled upon and subject to the provisions of the Deed Poll at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding up of the Company or six (6) weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of this Warrants to the Company, elect to be treated as if he had immediately prior to the commencement of such winding up, compromise or arrangement exercised the Exercise Rights represented by his Warrants to the extent specified in the relevant subscription forms and be entitled to receive out of the assets of the Company which would be available in liquidation as if he had on such date been the holder of the new Sunsuria Shares to which he would have been entitled to pursuant to such exercise.
- Transferability : The Warrants shall be transferable in the manner provided under the Securities Industry (Central Depositories) Act, 1991 of Malaysia and the Rules of Bursa Depository.

- Deed Poll : The Warrants will be constituted under a deed poll executed by the Company on 11 June 2015.
- Governing Law : Laws and regulations of Malaysia.

### 3. DETAILS OF OTHER CORPORATE EXERCISES

As at the LPD, our Board confirms that, save as disclosed below (including the Transactions which has been completed save for the SDSDSB Acquisition) and the Rights Issue With Warrants, there is no other outstanding corporate exercise which we intend to undertake, which has been approved:

#### 3.1 Private Placement

The Private Placement, which was approved by our Shareholders at our Company's EGM held on 12 May 2014, involves the issuance of up to 63,344,588 Sunsuria Shares, representing approximately 8.6% of our Company's enlarged issued and paid-up share capital after the Rights Issue With Warrants and the Reinvestment. The Private Placement is expected to be undertaken after the implementation of the Rights Issue With Warrants.

The issue price of the Placement Shares will be determined after taking into consideration the prevailing market conditions and the five (5)-day VWAP of our Shares immediately preceding the price-fixing date (to be determined and announced later) and applying a discount of no more than 10% to the said VWAP, but in any event be no less than the par value of Sunsuria Shares. An announcement will be made once the issue price of each tranche of the Placement Shares is determined.

For illustrative purposes, the indicative issue price of RM1.00 per Placement Share was arrived at after taking into account a discount of 7.72% to the TERP of RM1.0836 per Share, based on the five (5)-day VWAP of our Shares immediately prior to the Price Fixing Date of RM1.9343 per Share.

#### 3.2 Transactions

##### 3.2.1 Details of the Transactions

On 10 March 2015, the Joint Advisers had, on behalf of our Board, announced that our Company had on 9 March 2015 entered into:

- (i) the SGSB Subscription Agreement;
- (ii) a conditional share purchase agreement with Datuk Ter and THK for the SMSB Acquisition 1;
- (iii) a conditional share purchase agreement with TCSB for the SMSB Acquisition 2; and
- (iv) a conditional subscription agreement with RNSB and SDSB (being the then existing shareholder of RNSB) for the RNSB Subscription.



On 20 April 2015, the Joint Advisers had, on behalf of our Board, announced that our Company had on even date entered into:

- (i) a conditional share purchase agreement with Sime Darby Property for the SDSDSB Acquisition; and
- (ii) a supplemental agreement to vary the terms of the SGSB Subscription Agreement with SGSB, Datuk Ter and Datin Kwan to fix the maximum redemption sum payable for the full and final capital redemption of all SGSB RPS-A held by Datuk Ter at a maximum of RM168,390,000 and thereafter there shall be no further issuance of SGSB RPS-A under the terms of the SGSB Subscription Agreement.

Approval for the Transactions was obtained from our Shareholders at an EGM held on 11 June 2015, resulting in which all conditions precedent have been fulfilled and the Transactions have become unconditional on 11 June 2015. The SGSB Subscription, SMSB Acquisitions and RNSB Subscription have been completed on 12 June 2015. Our Company and Sime Darby Property intend to complete the SDSDSB Acquisition on 25 June 2015. However, for information purposes, the share purchase agreement between our Company and Sime Darby Property allows for completion of the SDSDSB Acquisition to take place not later than 30 June 2015, or such other dates as may be agreed upon by the parties.

Arising from the Transactions, our Group's landbanks for property development has increased to 364.18 acres and the estimated GDV for our Group's property development projects has increased to RM7,726.0 million (based on Sunsuria's effective equity interest in Suria Serenia, Sunsuria Medini and Suria Hills 2A and 2B), as depicted in the following table:

	Development projects	Effective equity interest	Landbanks (acres)	Estimated GDV (RM' million)	Development lifespan
1	Trivo, Suria Jelutong (Bukit Jelutong)	100%	1.16	53	2013 - 2015
2	Suria Residence (Bukit Jelutong)	100%	3.55	273	2014 - 2018
	Before the Transactions		4.71	326	
3	Suria Serenia (Salak Tinggi)	Approximately 100.00%	331.27	6,389	2015 - 2027
4	Sunsuria Medini (Medini, Johor)	21.00%	82.77	4,456	2014 - 2022
5	Suria Hills 2A and 2B (Setia Alam)	99.00%	10.96	76	2014 - 2016
	After the Transactions:				
	- Total		429.71	11,247	
	- Effective <sup>^</sup>		364.18	7,726	

Note:

<sup>^</sup> Based on effective interest of Sunsuria in Suria Serenia, Sunsuria Medini and Suria Hills 2A and 2B.

The Transactions are in line with our long term strategic plan to augment our property development business and is expected to sustain the property development segment of our Group for the next twelve (12) years. It should also be highlighted that the Transactions allow our Group to secure sizeable landbanks with development potential in established strategic locations such as Medini, Salak Tinggi and Setia Alam.

Whilst the SMSB Acquisitions involve the acquisition of 21.0% effective equity interest in SMSB, such investment will enable our Company to participate in a property development project with a strategic partner from Japan (being Creed) in the Johor region, thereby raising our profile and branding as a property developer of international standing.

### 3.2.2 Basis and justification of arriving at the cash consideration for the Transactions

#### SGSB Subscription consideration

The SGSB Subscription consideration of RM238.0 million was arrived at on a willing-buyer willing-seller basis after taking into consideration, amongst others:

- (i) the enterprise valuation of SGSB undertaken by EY, being an independent firm of valuers appointed by our Company on 22 January 2015 for the purpose of the valuation of SGSB, with valuation ranging from RM230.0 million to RM250.0 million, vide its indicative valuation letter dated 6 March 2015 (“**EY Valuation**”);
- (ii) the market value of the Suria Serenia Land of RM528.0 million as appraised by CH Williams Talhar & Wong (“**WTW**”) on 10 February 2015, being an independent firm of valuers appointed by our Company for the purpose of appraising the market value of the Suria Serenia Land vide its valuation certificate dated 12 February 2015 (“**WTW Valuation Certificate**”) (“**WTW Valuation**”); and
- (iii) the net assets of RM14.9 million based on the unaudited financial statements of SGSB for the FYE 31 December 2014, being the latest available full year results of SGSB pending the finalisation of its audit.

The fair market value of SGSB as appraised by EY based on the enterprise valuation of SGSB with its 50% share of the interest in SDSDSB as at 31 December 2014, ranges from RM230.0 million to RM250.0 million, and was derived using the discounted cash flow (“**DCF**”) method to take into account the future development and earnings potential of the Suria Serenia project. The DCF method was adopted after taking into consideration the business activity of SDSDSB, being the only investment of SGSB, which is primarily project based, i.e. to undertake one specific proposed property development project, namely Suria Serenia project, which is expected to be completed within 12 years. This method entails discounting to present value the projected future free cash flows to SGSB (after deducting the remaining unpaid land purchase consideration by SDSDSB) derived from SDSDSB.

Our Board had obtained the WTW Valuation Certificate appraising the market value of the Suria Serenia Land at RM528.0 million (please refer to note below), under *inter-alia*, the following assumptions:

- (i) a marketable and registrable individual title with building category of land use with freehold interest will be issued; and
- (ii) Sime Darby Serenia Development Sdn Bhd (the initial landowner of Suria Serenia Land prior to SDSDSB) shall complete the major infrastructure works which include major roads, main drains, main water pipelines, main sewerage pipelines and main communications infrastructure as in accordance to the specification and requirements of the relevant authorities at its own costs and expenses.

**Note:** *Subsequent to the announcement made by our Company on 10 March 2015 relating to the SGSB Subscription, the Reinvestment, the SMSB Acquisitions and the RNSB Subscription, the land area of the Suria Serenia Land was revised from 346.58 acres to approximately 331.27 acres due to water retention pond and open space area which is in excess of the respective 5% and 10% statutory requirement of each of the plots area as provided under the respective sale and purchase agreements (“**Suria Serenia Land Area Adjustment**”). In light of the Suria Serenia Land Area Adjustment, the market value of the Suria Serenia Land as appraised by WTW was revised from RM528.0 million to RM505.0 million as set out in its letter dated 22 April 2015.*

*Nevertheless, there is no change to the SGSB Subscription consideration arising from the Suria Serenia Land Area Adjustment as the SGSB Subscription consideration also took into consideration EY Valuation wherein there will not be a change to the valuation of SGSB undertaken by EY as the Suria Serenia Land Area Adjustment does not result in a material change in the projected cash flow of the future development and earnings potential of the Suria Serenia project in which the enterprise valuation of SGSB was derived from.*

The market value of the Suria Serenia Land was arrived at based on the comparison method of valuation. The comparison method of valuation entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, accessibility/visibility/exposure, size, tenure, land status, zoning/planning approval, shape/terrain, site improvement, title restrictions, low cost component and ratio of residential to commercial development if any and other relevant characteristics to arrive at the market value.

The SGSB Subscription consideration is within range of the EY Valuation on the enterprise valuation of SGSB, which ranges between RM230.0 million and RM250.0 million. The unaudited financial statements of SGSB for the FYE 31 December 2014 were considered in EY Valuation in arriving at the range of enterprise valuation of SGSB.

Based on SGSB's 50% share of interest in SDSDSB, the corresponding WTW Valuation would amount to RM264.0 million (which was subsequently revised to RM252.5 million) ("**50% WTW Valuation**"). Hence, the SGSB Subscription consideration is lower than the 50% WTW Valuation.

The SGSB Subscription consideration is higher than the unaudited net assets of SGSB of RM14.9 million as at 31 December 2014. However, it should be highlighted that the unaudited net assets of SGSB has not taken into account the future development and earnings potential of the Suria Serenia project through its 50% investment in SDSDSB.

#### SDSDSB Acquisition consideration

Given that the conditional share purchase agreement with Sime Darby Property for the SDSDSB Acquisition was entered into after the SGSB Subscription Agreement, as well as taking into consideration the Suria Serenia Land Area Adjustment, the total consideration for the SDSDSB Acquisition of approximately RM173.4 million ("**SDSDSB Acquisition Consideration**") was arrived at between Sunsuria and Sime Darby Property on a willing-buyer willing-seller basis after taking into consideration, *inter-alia* the following:

- (i) the market value of the Suria Serenia Land as at 10 February 2015 of RM35 per square feet ("**Market Value psf**") vide the WTW Valuation vis-a-vis the implied gross price per square feet of the total consideration of RM173.4 million (comprising cash consideration of RM157.0 million for the SDSDSB Acquisition as well as approximately RM16.4 million for settlement of the Sime Darby Advances) payable by Sunsuria under the SDSDSB Acquisition amounting to RM41 per square feet ("**SDSDSB Price psf**"), which is based on an agreed land valuation of RM593.5 million for 100% of the Suria Serenia Land derived from negotiations between Sime Darby Property and our Company and the adjusted land area of the Suria Serenia Land of approximately 331.27 acres as well as after adjustment to the remaining unpaid land purchase consideration payable by SDSDSB for the purchase of the Suria Serenia Land, and also after taking into account that the one (1) ordinary share of RM1.00 each in SDSDSB representing 50% of the issued and paid-up share capital of SDSDSB; and

- (ii) pursuant to the supplemental agreement entered into with SGSB, Datuk Ter and Datin Kwan dated 20 April 2015 to vary the terms of the SGSB Subscription Agreement, the amount receivable by Datuk Ter amounting to a maximum of approximately RM168.4 million, will constitute a full and final capital redemption of all existing SGSB RPS-A held by Datuk Ter.

In summary, the SDSDSB Acquisition consideration was arrived at as follows:-

	RM'million
Agreed land value of Suria Serenia Land <sup>(1)</sup>	593.5
Less:	
Outstanding land payment	(246.7)
Indicative valuation for SDSDSB	346.8
Indicative valuation for: 50% equity interest	173.4

Note:

(1) Based on the SDSDSB Price psf of approximately RM41 per square feet and adjusted land area of the Suria Serenia Land of approximately 331.27 acres.

As depicted above, the SDSDSB Price psf represents a premium of approximately 17.1% to the Market Value psf. The aforementioned premium is after taking into consideration the fair market value of SGSB as appraised by EY based on future development and earnings potential of Suria Serenia project which ranges between RM230.0 million to RM250.0 million.

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SMSB Acquisitions consideration

The SMSB Acquisitions consideration of RM54,969,696 was arrived at on a willing-buyer willing-seller basis in the following manner:

	RM	RM
<b>Vacant parcels – comparison method</b>		
Market value as at the 31 January 2015 <sup>(1)</sup>	480,000,000	
Less:		
Land cost as at 31 January 2015	(73,024,647)	
Outstanding land payment	(237,531,935)	
Revaluation surplus		169,443,418
<b>On-going development – residual method</b>		
Market value as at the 31 January 2015 <sup>(1)</sup>	120,000,000	
Audited net liabilities of SMSB as at 31 December 2014 <sup>(2)</sup>	(6,484,512)	113,515,488
Indicative valuation for SMSB		282,958,906
Indicative valuation for:		
20% equity interest <sup>(3)</sup>		56,591,781
21% equity interest		59,421,370
<b>Total consideration<sup>(4)</sup></b>		<b>54,969,696</b>

**Notes:**

- (1) As valued by WTW vide its valuation report dated 12 February 2015
- (2) Inclusive of the advances from Concord and from TCSB to SMSB of RM14.6 million and RM0.73 million respectively as at 31 December 2014.
- (3) After the future subscription of 7,500 and 92,500 new SMSB Shares by Concord and Creed respectively.
- (4) As depicted in the table above, the indicative valuation of SMSB is RM282.9 million. The 20% equity interest in SMSB after taking into consideration the aforementioned valuation is RM56.6 million ("20% SMSB Valuation"). The SMSB Acquisition consideration of approximately RM55 million represents a discount of approximately RM1.6 million or 2.86% from the 20% SMSB Valuation.

The total SMSB Acquisitions consideration comprises the SMSB Acquisition 1 consideration and the SMSB Acquisition 2 consideration is as follows:

	RM
SMSB Acquisition 1 consideration	53,121,296 <sup>^</sup>
SMSB Acquisition 2 consideration	1,848,400 <sup>*</sup>

<sup>^</sup> Derived based on approximately 19% of the 20% SMSB Valuation, which is the effective shareholding of Sunsuria in SMSB (via Concord) arising from the intended future shares subscription by Creed and Sunsuria (via Concord) in SMSB.

<sup>\*</sup> Derived based on approximately 1% of the 20% SMSB Valuation, which is the direct shareholding of Sunsuria in SMSB arising from the intended future shares subscription by Creed and Sunsuria (via Concord) in SMSB.

For information purposes, the outstanding shareholders' advances provided by Concord to SMSB amounts to approximately RM15.2 million as at the Computation Date. Under the terms of the SMSB SPA 1, Datuk Ter and THK (being vendors of the Concord Sale Shares) shall procure that Concord and SMSB shall not without prior written consent of Sunsuria declare, make or pay any dividend or other distribution, including any cash receivable by Concord arising from the repayment of such shareholder's advances by SMSB to Concord prior to the completion as contemplated under the SMSB SPA 1.

The comparison method used in assessing the vacant parcels of SMSB Properties entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, accessibility, visibility/exposure, size and shape of land, tenure, planning provisions, title restrictions if any and other relevant characteristics to arrive at the market value.

Under the residual method of valuation used in assessing the on-going developments of the SMSB Properties, consideration is given to the GDV (being the estimated gross proceeds obtainable from the completed development) of the project and deducting therefrom the estimated costs of development including construction costs, professional fees, contribution to authorities, marketing, administrative and legal fees, financing charges, contingencies and developer's profit. The resultant answer is then deferred over the period of time required for the completion of the project to arrive at the market value.

The residual method of valuation is chosen as the sole method of valuation as it is the most appropriate method which takes into account the benefit of development approval, the amount billed for sold units, the contract sum, costs for completed work and other development status.

#### RNSB Subscription Consideration

The RNSB Subscription Consideration of RM57.0 million was arrived at on a willing-buyer willing-seller basis after taking into consideration the market value of Suria Hills 2A and 2B as at 31 January 2015 as appraised by WTW using the residual method of valuation, vide its valuation certificate dated 12 February 2015, of RM57.0 million.

The residual method of valuation is chosen as the sole method of valuation as Suria Hills 2A and 2B is an ongoing residential development where its earthwork and infrastructure works have started and some of the units have been sold. Under this method, consideration is given to the GDV of the project and deducting therefrom the estimated costs of development from the GDV such as 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 project.

### **3.2.3 Source of funding**

The deposits paid for the Transactions amounting to approximately RM26.7 million were funded via internally generated funds of our Company and has been paid to the respective vendors.

The Balance Cash Consideration for the Transactions of approximately RM380.3 million is expected to be funded via a combination of internally-generated funds (amounting to approximately RM10.2 million) and proceeds from the Rights Issue With Warrants (amounting to approximately RM370.1 million).

Further details of SGSB, SDSDSB, SMSB, Concord, and RNSB are set out in **Appendices III (A) to III (E)** of this AP.

Further details of Suria Serenia Land, Sunsuria Medini and Suria Hills 2A and 2B are set out in **Appendix IV** of this AP.

#### 4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

The Rights Issue With Warrants will enable Sunsuria to raise gross proceeds of approximately RM380.1 million from our Shareholders to partially fund the Balance Cash Consideration.

After due consideration of the various options available including bank borrowing, our Board is of the view that the Rights Issue With Warrants is currently the most appropriate means of raising funds for our Company after taking into consideration several major factors including the following:

- (i) The Rights Issue With Warrants will improve liquidity and financial flexibility as it will enable our Company to raise required funds for purposes set out in **Section 5** below without incurring additional substantial interest cost which would arise if Sunsuria were to fund the Balance Cash Consideration entirely via bank borrowings. The Rights Issue With Warrants will optimise our Company's capital structure by strengthening its financial position through the increase in share capital and NA as well as enhance our Group's cash flow position;
- (ii) The Rights Issue With Warrants will provide an opportunity for our existing Shareholders to further participate in the equity of our Company and benefit from the potential future growth of our Group; and
- (iii) The Warrants attached to the Rights Shares are intended to enhance the attractiveness of the Rights Issue With Warrants. In addition, any exercise of the Warrants will enable the holders to increase their equity participation in our Company and benefit from the future growth of our Company while simultaneously raising proceeds and further strengthening our Company's capital base and increasing shareholders' funds.

#### 5. UTILISATION OF PROCEEDS

Based on the issue price of RM0.80 per Rights Share, the Rights Issue With Warrants will raise aggregate gross proceeds of approximately RM380.1 million.

The intended manner of utilisation of proceeds are as follows:

Utilisation of proceeds	Notes	RM'000	Expected timeframe for utilisation (from the date of listing of the Rights Shares)
Transactions	(a)	370,067	Within three (3) months
Working capital	(b)	5,000	Within twelve (12) months
Estimated expenses	(c)	5,000	Within six (6) months
<b>Total</b>		<u>380,067</u>	

**Notes:**

- (a) *The proceeds are intended to be utilised to partly finance the payment of the Balance Cash Consideration as set out in the table below:*

<b>(RM'million)</b>	<b>SGSB Subscription and Reinvestment</b>	<b>SDSDSB Acquisition</b>	<b>SMSB Acquisitions</b>	<b>RNSB Subscription</b>
Total cash consideration	238.00	157.00	54.97	57.00
Less:				
- Reinvestment	(100.0) <sup>(1)</sup>	-	-	-
- Deposits paid	-	(15.70)	(10.99)	-
Balance Cash Consideration	138.00	141.30 <sup>(2)</sup>	43.98 <sup>(3)</sup>	57.00

**Total Balance Cash Consideration** **380.28**

**Notes:**

- (1) *Being the subscription by Datuk Ter for the Reinvestment Shares.*  
(2) *Payable to Sime Darby Property.*  
(3) *RM42.50 million payable to Datuk Ter and THK and RM1.48 million payable to TCSB.*
- (b) *The proceeds to be utilised for our Group's working capital purposes, such as payment to suppliers, contractors and other creditors for on-going development projects and manufacturing operations, as well as for day-to-day operations, will be utilised progressively over the next twelve (12) months.*
- (c) *To defray expenses which include, amongst others, professional fees and fees payable to the relevant authorities, underwriting fees, printing cost of the circular to Shareholders and this AP, advertising and miscellaneous expenses incurred for the Transactions, the breakdown of which is set out in the following table. Any shortfall or excess in funds allocated for estimated expenses will be funded from or used for our Group's working capital requirements.*

<b>Breakdown on estimated expenses</b>	<b>RM</b>
Advisory and consultant fees	2,720,000
Stamp duties	2,098,805
Authorities' fees, advertising, printing cost and others	181,195
<b>Total</b>	<b>5,000,000</b>

Pending utilisation of the proceeds from the Rights Issue With Warrants, the said proceeds will be placed in interest bearing deposit account(s) with financial institutions or investments in money market instruments as our Board may deem fit. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

The exact quantum of proceeds to be raised from the exercise of the Warrants will depend on the actual number of Warrants exercised during the tenure of the Warrants. The proceeds raised from the exercise of the Warrants will be utilised for the working capital requirements of our Group and/or future development of projects to be identified.

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## 6. RISK FACTORS

You should carefully consider the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group, in addition to other information contained elsewhere in this AP, before subscribing for or investing in the Rights Issue With Warrants.

### 6.1 Business and operational risks

The activities of our Group expose us to risks inherent to the property development industry.

#### (i) Risk of failure in or delays in obtaining requisite governmental approvals for future property development projects

The Transactions include the acquisition of vacant lands for future development, which will require various permits, licences, certificates and approvals from various governmental authorities at various stages of development. There is no assurance that all such permits, licences, certificates and approvals will be successfully obtained within the scheduled timeframe for each development project. Failure or delays in obtaining such approvals may result in significant delays in the development schedules and/or cost overruns for the affected project which may in turn affect the profitability of our Group.

Nevertheless, with our experienced team, we will seek to limit these risks through, *inter alia*, careful planning and proactive and close monitoring of the progress of the development projects and endeavour, to the best of our ability, to obtain all the necessary permits, licences, certificates and approvals required for the development projects.

#### (ii) Performance of the property market

Our Group's financial performance is largely dependent on the performance of the property market in Malaysia. Any adverse developments affecting the property market such as the deterioration in property demand and the rates of property rental may have an adverse impact on our Group's business operations and financial performance.

The performance of the property market is also affected by the regulatory environment. In efforts to promote a more stable and sustainable property market, local authorities in Malaysia have introduced certain regulatory restrictions and schemes.

RPGT was reinstated by the government of Malaysia ("**Government**") in 2010 to deter speculative activities in the secondary property market. Subsequent to 2010, the RPGT rates were revised higher by the Government as part of its efforts to further curb speculation activities in the property market.

Additionally, the Government had also imposed a minimum purchase price of RM1,000,000 on properties purchasable by foreigners in the Malaysian Budget 2014 as part of the Government's plans to restrict speculative activities in the property market. While this measure may affect foreigners' demand for properties in Malaysia, our development is targeted to the local market and as such we are of the opinion that the measures will not adversely affect our Group's property sales. In addition to that, our Group's investment in Medini Iskandar is not subject to the floor price of RM1,000,000.

In 2010, Bank Negara Malaysia ("BNM") had also introduced a maximum loan-to-value ratio of 70% with regards to third home purchases. Under the ruling, potential third home purchasers are only able to obtain loan-financing facility of up to 70% of the value of their proposed third home purchases. This ruling was introduced with the aim of discouraging speculation activities in the property market. In November 2013, BNM issued a ruling that banks are required to give out property loans based on net selling price of the properties, which excludes rebates and discounts as opposed to the gross selling price of the subject properties.

In addition, banks are no longer providing financing for projects with developer interest bearing schemes ("DIBS"). DIBS is generally a form of promotional incentive offered to potential purchasers in a bid by property developers to attract property buyers. Under DIBS, interests of the loan undertaken by the buyers are borne by the property developers until the property has been completely constructed. However, we are of the view that such restriction should not have a material impact on our Group's operations and financial performance as we believe that we are able to attract potential purchasers with the good product quality and strategic locations of our development together with the offering of other forms of promotional incentives. However, any further introduction of cooling measures by the Government or BNM to control price levels of the Malaysian property market may adversely impact our Group's property development business.

**(iii) Cost fluctuation and demand for properties**

The demand for our Group's properties is affected by the economic climate, conditions of the property market, buyers' perception and consumer sentiment and changes in market rental yields and interest rates, which our Group may not have any control over.

We are also susceptible to risk of increase in cost of construction via increase in raw material prices, labour wages, sub-contractor costs, overhead costs, energy costs and other cost of operations. Our Group's profitability may also be affected by any increase in land acquisition costs and other costs which are inherent to the property development industry. Higher cost of materials (including steel, cement and tiles), labour costs, contractor fees and overheads, will reduce our Group's profit margin in the event we are unable to pass these increased costs to customers in the form of higher selling prices. Selling prices of properties are largely determined by product differentiation in terms of location, reputation, quality design and the conditions of the property market in Malaysia.

We continuously seek to mitigate these risks by constantly reviewing our development and marketing strategies in response to the ever-changing market conditions and adopting different development concepts and techniques that position our Group to meet the needs of our target market.

Our Group has also taken steps to address the possibility of the increase in construction costs by setting contingency provisions in our project budgeting and locking in the prices of construction materials by placing early orders with our suppliers.

Notwithstanding the above, there is no assurance that unforeseeable increase in costs related to our property development business will not have any material impact on our financial performance in the future.

**(iv) Scarcity of commercially viable landbanks for development**

Moving forward, for our Group to be successful in the property development industry, we rely on our ability to identify and acquire suitable landbanks with development potential to deliver sustainable growth and profitability. However, our Group also faces intense competition from other established property developers in identifying and acquiring strategically located landbanks at commercially viable prices. The competition among industry players has to a certain extent, created some scarcity in strategically located land, which may result in higher land acquisition cost, thus may lead to a potential decrease in our Group's profitability and adversely affect our prospects.

After the completion of the Transactions, we have an effective 364.18 acres of landbanks. However, our Group shall continuously source to increase our landbanks at strategic locations with development potential. Nevertheless, there can be no assurance that our Group will be able to continue to identify new landbanks and replenish existing landbanks on commercially-viable prices and on suitable terms, or be able to secure opportunities to jointly develop lands with land owners on commercially viable profit sharing terms and with good development potential to spur growth, as our Group continues to undertake our development plans.

**(v) Competition risks**

Our two (2) ongoing property development projects, namely the Trivo, Suria Jelutong and Suria Residence, both located in Bukit Jelutong, Shah Alam which have an aggregate GDV of RM326.0 million with expected completion in year 2015 and 2018 respectively faces competition from other upcoming and completed development projects within Klang Valley area. The competition mainly arises from the need to acquire strategically-located land banks, employment of skilled labour and purchase of building materials within the Klang Valley area, in which many property developers reside and have projects of their own.

The success of a property development project depends on, amongst others, the location, pricing, accessibility, infrastructure and amenities, quality of the development as well as the reliability and reputation of the property developer. Failure by us to secure strategically-located land banks for future development, pricing of our properties which are not competitive or our properties do not meet our customer's expectations may have negative implications on the current and future sales of our development projects.

Our Group will continuously monitor the business environment and assess the performance of the various segments and where required, make strategic decisions including to acquire new land banks and/or investment in property-holding companies in order to remain competitive. No assurance can be given that any adverse changes occurring within these industries will not have any material impact on our Group's business and financial performance.

**(vi) Political, economic and regulatory risks**

Similar to other industries, our Group is exposed to political and economic conditions as well as regulatory developments in Malaysia. Any adverse political, economic and/or regulatory conditions or developments, including amongst others, unfavourable changes in government policies, laws and legislation, nationalisation, changes in interest rates, changes in demographic trends, employment and income levels, changes in methods of taxation and economic recession may affect the property market in general and our Group. As an example, the property development industry business will be sensitive to, *inter-alia*, interest rate movements, consumer sentiments, regulation changes or the gradual tightening of credit conditions.

While our Group seeks to limit the impact of such risks in its property development business by monitoring and adapting business strategies in response to major developments in the political, economic and regulatory environment, there is no assurance that any change to the above factors will not have a material adverse effect on the business and prospects of our Group.

**(vii) Project completion risk**

Timely completion of our property development projects depends on many external factors, including, amongst others, obtaining the necessary approvals as scheduled, securing adequate construction materials throughout the development timeframe, satisfactory performance by third-party contractors appointed, labour shortage and weather conditions. Any unsatisfactory performance or unanticipated delay due to any of the factors mentioned above may have an adverse effect on the operations and profitability of our Group's property development segment.

Our Group will closely monitor the progress of our property development projects and endeavour to promptly rectify issues, if any. Our Group seeks to mitigate the risk arising from unsatisfactory performance on the part of contractors by being stringent in the selection process of contractors such that only contractors with proven track record and adequate financial resources are engaged to undertake construction works in our development projects.

**(viii) Dependency on key personnel**

The performance and success of our Group depends to a significant extent on the skills, abilities, experience and competencies of our Directors and key management personnel. There can be no assurance that the loss of any of these persons without suitable and timely replacement would not affect the operations and financial performance of our businesses.

In order to mitigate the risk, our Group has an effective human resource management and development programme to attract and retain qualified and competent staff through competitive remuneration packages, training and professional development.

**(ix) Investment risk and exit of joint venture partner**

The SDSDSB Acquisition will result in the exit of Sime Darby Property as a joint-venture partner, and SDSDSB will effectively become our wholly-owned subsidiary. Although the SDSDSB Acquisition is expected to contribute positively to our Group, following the exit of Sime Darby Property as a joint-venture partner, our Company would now bear all the risks associated with the Suria Serenia development entirely. There can also be no assurance that the exit of Sime Darby Property as a partner in SDSDSB will not have a material adverse effect on SDSDSB's financial performance, and any impact to the profits of our Company as a result of the occurrence of any negative events or failure of implementation of the Suria Serenia development will be fully recognised by our Company. There can be no assurance that the anticipated benefits from the SDSDSB Acquisition will be realised or that we will be able to generate sufficient returns from the Suria Serenia development to offset the associated development costs. There is also no assurance that the SDSDSB Acquisition will enable our Group to improve its financial performance and the duration required to recoup the development costs could be longer than anticipated if the take-up rate for the developed units is not as expected.

Furthermore, following the completion of the SDSDSB Acquisition, any future financing requirements of SDSDSB will be borne entirely by our Company which may strain the cash flows and/or gearing of our Group.

Nevertheless, the Board has and will continue to exercise due care in considering the potential risks and benefits associated with the SDSDSB Acquisition and believes that the benefits associated with such investment should outweigh the cost and its associated risk.

**(x) Implementation of Goods and Services Tax ("GST")**

In Budget 2014, the Government of Malaysia announced the implementation of the GST, which is a multi-stage consumption tax which has taken effect from 1 April 2015. The GST will be imposed on goods and services unless they do not fall within the scope of the GST. The GST is to be charged and levied on supply of goods or services made or provided in Malaysia.

The GST is expected to impact all property developers via increase in the cost of construction as well as the increase in selling prices of properties. Higher construction cost including cost of materials may reduce the profit margins of property developers for residential properties, if the higher costs are not reflected in the final selling price.

However, as the property developer of the Suria Serenia Land, SMSB Properties and Suria Hills 2A and 2B ("**Properties**"), we will seek to limit this risk by continuously monitoring the changing market demand to maximise sales of properties while managing the construction cost of the future development of the Properties by inter-alia, leveraging on the relationship with and maintaining a large pool of suppliers and sub-contractors.

## 6.2 Risks relating to the Rights Issue With Warrants

### (i) Delay in or abortion of the Rights Issue With Warrants

There is a risk that the Rights Issue With Warrants may be aborted or delayed on the occurrence of any one or more of the following events:

- (a) material adverse change of events/circumstances, which are beyond the control of our Company and the Joint Advisers, arising during the implementation of the Rights Issue With Warrants; or
- (b) the Joint Underwriters exercising their rights under the Underwriting Agreement to terminate their commitments and discharge themselves from their obligations on the occurrence of any of the termination events set out in the Underwriting Agreement.

In the event that the Rights Issue With Warrants is aborted, we would need to find alternative funding for the Transactions. In this respect, there is no guarantee that we would be able to obtain sufficient funding, and/or if funding is obtained will be based on terms favourable to our Company.

Our Company will exercise its best of endeavours to ensure the successful implementation of the Rights Issue With Warrants. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or the abortion of the Rights Issue With Warrants. Pursuant to Section 243 of the CMSA, in the event that the Rights Issue With Warrants is aborted, our Company will repay without interest all monies received from the applicants and if any such monies is not repaid within fourteen (14) days after it becomes liable, our Company and officers shall be liable to return such money with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC from the expiration of that period until the full refund is made.

### (ii) Capital market risk

The price of our Shares as traded on Bursa Securities may fluctuate, like all other listed securities. There is a variety of factors that could cause the prices of our Shares to fluctuate, amongst others, changes in trading volume of our Shares on Bursa Securities due to change in demand and supply for our Shares, announcement of material developments of our Group's business and fluctuations in our Group's operating and financial results.

In addition to the fundamentals of our Group, other factors affecting the price performance of our Shares include various external factors such as general economic, political and industry conditions, the performance of regional and world bourses as well as sentiments and liquidity in the local stock market. These factors invariably contribute to the volatility of trading volumes on Bursa Securities, thus adding risk to the market price of our Shares.

Notwithstanding that the issue price of the Rights Shares and the exercise price of the Warrants have been determined, after taking into consideration the factors as set out in **Section 2.2** and **Section 2.3** of this AP (which includes the historical market prices of Sunsuria Shares and the funding requirements of our Group), there can be no assurance, subsequent to the listing of and quotation for the Rights Shares and the Warrants, that the market price of our Shares and the Warrants will be maintained at or above the issue price of the Rights Shares and exercise price of the Warrants, respectively.

**(iii) Non-compliance with public spread requirement**

There is a risk that our Company may not meet Bursa Securities' public shareholding spread requirement requiring at least 25% of our Shares to be held in the hands of public shareholders ("**Public Spread Requirement**") arising from the implementation of the Reinvestment and the Rights Issue With Warrants. In the event of the occurrence of Scenario A whereby only the Undertaking Shareholders subscribe for their respective Undertakings and the Directors subscribe for their respective Rights Shares entitlements, the public spread of our Company may reduce to approximately 22.60% resulting in which our Company being non-compliant with the Public Spread Requirement.

Nevertheless, we will endeavour to rectify any shortfall in the Public Spread Requirement, by *inter-alia*, undertaking the Private Placement. Where required, we may also seek an extension of time from Bursa Securities to rectify the situation.

**(iv) No prior market for Warrants**

Prior to the Rights Issue With Warrants, there has been no established trading market for our Warrants. The market price of our Warrants on Bursa Securities will depend on, amongst others, the prevailing stock market sentiments, the volatility of the stock market, interest rate movements, future profitability of our Group, as well as the future prospects of the industry in which our Group operates. No assurance can be given that an active market will develop upon listing of our Warrants on Bursa Securities, or if developed, that such market will sustain. There can also be no assurance that the market price of our Warrants will be maintained at any particular level subsequent to their issuance.

**(v) Potential dilution**

The Entitled Shareholders who do not or are not able to accept their provisional offer of the Right Shares will have their proportionate ownership and voting interest in our Company reduced and the percentage of our enlarged issued and paid-up share capital represented by their shareholdings in our Company will also be reduced accordingly.

**6.3 Forward-looking statements**

Certain statements in this AP are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on forecasts and assumptions made by our Group and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may affect the actual results, performance or achievements implied in such forward-looking statements. Such factors include, *inter-alia*, the risk factors as set out in this section. In light of these and other uncertainties, the inclusion of forward-looking statements in this AP should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

## 7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

Information in the ensuing **Sections 7.1** and **7.2** of this AP have been extracted from available government publications or other publicly available sources.

### 7.1 Overview and prospects of the Malaysian economy

The Malaysian economy registered a growth of 5.6% in the first quarter of 2015 (4Q 2014: 5.7%). Private sector expenditure remained the key driver of growth (9.6%; 4Q 2014: 8.3%). This contributed towards a strong domestic demand performance, which offset the negative contribution from net exports during the quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy recorded a growth of 1.2% (4Q 2014: 1.8%).

Domestic demand expanded by 7.9% in the first quarter of 2015 (4Q 2014: 5.7%), driven mainly by private sector expenditure. Private sector activity grew by 9.6% (4Q 2014: 8.3%), following continued growth in consumption and investment activities. Private consumption expanded at a stronger pace of 8.8% (4Q 2014: 7.6%), supported by stable labour market conditions and higher wage growth. Furthermore, household spending was supported by flood relief efforts, in particular, during the early parts of the quarter. The frontloading of consumer purchases prior to the implementation of government service tax, particularly on transport, food and beverages, as well as communication, also contributed to the strong expansion in private consumption. Private investment expanded by 11.7% (4Q 2014: 11.1%), driven by capital spending in the export-oriented manufacturing sector and in the telecommunication and transport-related services industries.

On the supply side, growth in the first quarter was supported by the major economic sectors. The services sector was underpinned by growth in all sub-sectors, particularly consumption-related sub-sectors. Growth in the manufacturing sector was supported by stronger performance in the export-oriented industries, particularly the electronics and electrical (E&E) cluster. The construction sector was supported mainly by the non-residential and residential sub-sectors, while the mining sector continued to record stronger growth amid higher crude oil production. Meanwhile, the agriculture sector contracted as a result of lower palm oil production.

The Malaysian economy is expected to remain on a steady growth path. Domestic demand will remain the key driver of growth amid the lower oil prices. Investment activity is projected to remain resilient, with continued capital spending by both the private and public sectors. While private consumption is expected to moderate as households adjust to the introduction of the GST, the steady rise in income and stable labour market conditions would support household spending. The recovery in global growth while remaining moderate, will provide support to manufactured exports, although lower commodity prices will likely weigh down on overall exports.

*(Source: Economic and Financial Developments in Malaysia in the First (1st) Quarter 2015, Bank Negara Malaysia)*



## 7.2 Overview and outlook of the Malaysian property market

The real estate and business services sub-sector expanded by 7.6% (4Q 2014: 8.3%), supported mainly by the business services segment. The construction sector grew by 9.7% in the first quarter of 2015 (4Q 2014: 8.8%), underpinned by the expansion in non-residential and residential sub-sectors. The expansion of the non-residential sub-sector was driven by construction activity for industrial and commercial buildings. Growth in the residential sub-sector remained supported by the construction of properties in both the mass- and high-end markets. The special trade sub-sector continued to expand, reflecting activity for piling, earthworks, electrical and system installation as well as building completion and finishing works. Growth in the civil engineering sub-sector improved, supported by large infrastructure projects in the utility and transportation segments.

*(Source: Economic and Financial Developments in Malaysia in the First (1<sup>st</sup>) Quarter 2015, Bank Negara Malaysia)*

Furthermore, there are incentives for first time home-buyers under the Budget 2015. Under the Youth Housing Scheme, first time home-buyers aged between 25 and 40 years with monthly household income not exceeding RM10,000 will be provided monthly financial assistance of RM200 for the first two years to reduce the burden of monthly instalments. The Government will also give a 50% stamp duty exemption on the instrument of transfer agreements and loan agreements apart from a 10% loan guarantee to obtain full financing including cost of insurance.

*(Source: The 2015 Budget Speech by YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak, Prime Minister and Minister of Finance)*

## 7.3 Prospects of our Group

The major land banks held by our Group are situated in strategic locations in the Klang Valley and Johor, namely Setia Alam, Salak Tinggi and Medini. Due to the scarcity of development land in prime areas, demand for properties is expected to remain positive. In general, the property market in Klang Valley has good mid- to long-term prospects, benefiting from the existing and planned transportation infrastructure such as airports, light rail transit, mass rapid transit and highways.

### Suria Serenia Land

The 331.27 acres of freehold Suria Serenia Land is located south of Putrajaya and 18km from Kuala Lumpur International Airport ("KLIA"). The site is strategically adjacent to the Salak Tinggi KLIA Express Rail Link Station, which takes about 6 minutes from KLIA and 28 minutes to KL Sentral via KLIA Express Rail Link. With the Suria Serenia Land surrounding the Xiamen University Malaysia Campus, its strategic location which is easily accessible via rail and close proximity to KLIA will be a major selling point, in particular to the local and foreign students enrolling into the campus. The first (1<sup>st</sup>) phase of the campus is targeted to be completed by year 2015 with eventual capacity to cater for 10,000 students upon full completion. The Suria Serenia Land is expected to be transformed into a university township complete with commercial and residential properties catering to the staff and students of Xiamen University Malaysia Campus, with an estimated GDV of approximately RM6.4 billion.

### Sunsuria Medini

Sunsuria Medini project is being planned to include a mixed-integrated development featuring commercial units, retail parks and services suites, with an estimated GDV of RM4.5 billion. The Medini area is particularly attractive to foreign investors as there are no restrictions on property purchase by foreigners and potentially shielded from RPGT. The above factors, coupled with Medini's close proximity to Singapore and relative affordability of Malaysia's properties vis-à-vis neighbouring foreign cities such as Singapore and Hong Kong, is expected to drive demand for properties in that locality from both locals and foreigners alike.

Plots C15, C23 and C24 of Sunsuria Medini consist of two (2) to three (3) storey mixed commercial industrial buildings. In accordance with the sales report as at 31 May 2015, 102 out of a total of 104 units (or 98%) on Plot C15 has been sold, while Plots C23 and C24 has recorded an overall sales rates of approximately 34% each. Nevertheless, substantially all of the unsold units have been booked with deposits paid.

### Suria Hills 2A and 2B

Suria Hills is situated in the established township of Setia Alam, Shah Alam. These vacant bungalow lots blend well with the current demand of such matured township complemented with various amenities and facilities within close vicinity. Furthermore, the development site is easily accessible via various expressways connecting Shah Alam to Kuala Lumpur such as the Federal Highway, New Klang Valley Expressway and the newly built NKVE-Setia Alam link.

The Suria Serenia Land, Sunsuria Medini and Suria Hills 2A and 2B are expected to be the major driver of growth for our Group. In addition to the on-going development on parcel C15, C23 and C24 on the Sunsuria Medini, our management are in the midst of preparing and submitting the development plans to the various authorities as well as setting the groundwork to ensure the successful project launches on our land banks.

Our management wishes to highlight that our Group would continue the manufacturing of wood products business. However, the manufacturing of wood products business would not be the focus of the future growth of our Group.

*(Source: Management of Sunsuria)*

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**8. EFFECTS OF THE FUND RAISING EXERCISE**

For illustrative purposes, the proforma effects of the Fund Raising Exercise on the issued and paid-up share capital, NA and gearing, earnings and EPS of our Group are set out below.

**8.1 Issued and paid-up share capital**

The proforma effects of the Fund Raising Exercise on the issued and paid-up share capital of Sunsuria are set out below:

	<b>No. of Sunsuria Shares</b>	<b>RM</b>
<b><u>Issued and paid-up share capital</u></b>		
Issued and paid-up share capital as at the LPD	158,361,472	79,180,736
To be issued pursuant to the Reinvestment	102,040,816	51,020,408
	260,402,288	130,201,144
To be issued pursuant to the Rights issue With Warrants	475,084,416	237,542,208
	735,486,704	367,743,352
To be issued pursuant to the Private Placement	63,344,588	31,672,294
	798,831,292	399,415,646
To be issued assuming full exercise of the Warrants	158,361,472	79,180,736
<b>Enlarged issued and paid-up share capital</b>	<b>957,192,764</b>	<b>478,596,382</b>

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## 8.2 NA per share and gearing

Based on the audited consolidated financial statements of our Group for the FYE 31 March 2014 and on the assumption that the Fund Raising Exercise had been effected on that date, the proforma effects of the Fund Raising Exercise on the consolidated NA per Share and gearing are set out below:

	(i) Audited as at 31 March 2014 (RM'000)	(ii) After the Transactions <sup>(1)</sup> (RM'000)	(iii) After (i) and Rights Issue With Warrants <sup>(2)</sup> (RM'000)	(iii) After (ii) and Private Placement <sup>(2)</sup> (RM'000)	(iv) After (iii) and assuming full exercise of the Warrants <sup>(2)</sup> (RM'000)
Share capital	79,180	130,201	367,743	399,415	478,596
Share premium	13,296	62,275	131,038	162,711	389,834
Warrant reserve	-	-	68,762	68,762	-
Capital redemption reserve	-	100	100	168	168
Capital reserve	815	815	815	815	815
Retained profits	(5,037)	43,701 <sup>(3)</sup>	43,701	43,633	43,633
<b>Shareholders equity / NA</b>	<b>88,254</b>	<b>237,092</b>	<b>612,159</b>	<b>675,504</b>	<b>913,046</b>
Number of ordinary shares ('000)	158,361	260,402	735,486	798,831	957,192
NA per share (RM)	0.56	0.91	0.83	0.85	0.95
Total borrowings	-	-	-	-	-
Gearing ratio (times)	-	-	-	-	-

### Notes:

- (1) Based on the Reinvestment Shares Issue Price of RM0.98 and the issuance of 102,040,816 Reinvestment Shares.
- (2) The above proforma is prepared based on the issue price of RM0.80 per Rights Share, illustrative fair value of Warrants of RM0.44 per Warrant, illustrative issue price of RM1.00 per Placement Share and the exercise price of the Warrants of RM1.50 per Sunsuria Share, as if the Fund Raising Exercise had been effected as at 31 March 2014.
- (3) After taking into consideration the estimated expenses to be incurred of approximately RM5.0 million\* for the Transactions as well as the net gain on bargain purchase of approximately RM53.8 million arising from SGSB and Concord. The computation of the goodwill/negative goodwill which forms the basis of the net gain on bargain purchase, is determined based on the provisional fair values of the net assets and liabilities acquired. The final determination of the purchase price allocation will be based on established fair value of the assets acquired, including the fair value of the identifiable intangible assets, liabilities assumed as of the acquisition date, in accordance with FRS 3 Business Combinations. The excess of the purchase price over the fair value of the net assets acquired is allocated to goodwill, or vice versa be reflected as discount on acquisition. Accordingly, the final determination may differ from what is reflected in the pro forma consolidated statements of financial position.

	RM
<b>Breakdown on estimated expenses</b>	
Advisory and consultant fees	2,720,000
Stamp duties	2,098,805
Authorities' fees, advertising, printing cost and others	181,195
<b>Total</b>	<b>5,000,000</b>

In accordance with para 45 of FRS3 Business Combinations, the acquirer has measurement period of not exceeding one year from the date of acquisition. The acquirer may adjust the provisional amounts recognised for a business combination to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

### 8.3 Earnings and EPS

The proceeds to be raised from the Rights Issue With Warrants are mainly intended to be utilised to partially finance the Balance Cash Consideration. The proforma effects to the earnings of our Group after the Transactions and the Fund Raising Exercise are set out in the table below:

	Audited as at 31 March 2014	(I) After the Transactions	(II) After proforma I and the Rights Issue With Warrants	(III) After proforma II and after the Private Placement	(IV) After proforma III and assuming the full exercise of Warrants
<b>PAT (RM'000)</b>					
- Continuing operation	1,775	50,613 <sup>(1)</sup>	50,613	50,613	50,613
- Discontinued operation	1,789	1,789	1,789	1,789	1,789
<b>EPS (continuing operation) (sen)</b>					
- basic	1.29	19.44	6.88	6.34	5.29
- diluted	1.29	19.44	5.66	5.29	5.29
<b>EPS (discontinued operation) (sen)</b>					
- basic	1.30	0.69	0.24	0.22	0.19
- diluted	1.30	0.69	0.20	0.19	0.19

Notes:

(1) Computed as follows:

	Earnings (RM'000)
Audited as at 31 March 2014	1,775
Estimated expenses related to the Transactions	(5,000) <sup>(2)</sup>
Gain on bargain purchase	
- Arising from SGSB Subscription	40,724
- Arising from SMSB Acquisitions	13,114
<b>After the Transactions</b>	<b>50,613</b>

(2) The estimated expenses of RM5.0 million comprises of:

	RM
Advisory and consultant fees	2,720,000
Stamp duties	2,098,805
Authorities' fees, advertising, printing cost and others	181,195
<b>After the Transactions</b>	<b>5,000,000</b>

Our Company had on 29 April 2015 announced the change in financial year end from 31 March 2015 to 30 September 2015. For the financial period ending 30 September 2015, our consolidated EPS will be diluted as a result of the enlarged issued and paid-up share capital of our Company arising from the issuance of the Rights Shares, new Shares to be issued pursuant to the exercise of the Warrants (if any), the Placement Shares (if any) and the Reinvestment Shares pursuant to the Fund Raising Exercise and the Reinvestment, respectively. Nevertheless, the Fund Raising Exercise (if any) are expected to contribute positively to the future earnings of our Group arising from the utilisation of proceeds as illustrated in **Section 5** of this AP.

The potential effects of the exercise of the Warrants on the future earnings and EPS of our Group will depend upon, amongst others, the number of Warrants exercised at any point in time and the returns generated by our Group from the utilisation of proceeds arising from the exercise of the Warrants.

## 9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

### 9.1 Working capital

Our Board is of the opinion that after taking into consideration the proceeds arising from the Fund Raising Exercise and the funds generated from our operations and banking facilities made available to our Group, our Group will have adequate working capital for a period of twelve (12) months from the date of this AP.

### 9.2 Borrowings

As at the LPD, Sunsuria Group has total outstanding borrowings of approximately RM19.4 million, all of which are interest-bearing, details of which are as follows:

	RM'000
<b><u>Short term borrowings:</u></b>	
<b>Secured</b>	
Hire purchase	94
<b>Subtotal</b>	94
<b><u>Long term borrowings:</u></b>	
<b>Secured</b>	
Revolving credit and hire purchase	19,331
<b>Subtotal</b>	19,331
<b>Total borrowings</b>	<b>19,425</b>

As at the LPD, our Group does not have any foreign currency borrowings. There has not been any default on payments of either interests and/or principal sums by our Group in respect of any borrowings throughout the FYE 31 March 2014 and for the subsequent financial period up to the LPD.

### 9.3 Contingent liabilities

As at the LPD, there are no material contingent liabilities incurred or known to be incurred by our Group which may, upon becoming due or enforceable, have a material impact on the financial results/position or the business of our Group.

### 9.4 Material commitments

As at the LPD, save as disclosed below, there are no material commitments for capital expenditure incurred or known to be incurred by our Group that has not been provided for which, upon becoming due or enforceable, may have a material impact on the financial results/position or the business of our Group:

	RM
<b>Material commitments arising from the Transactions:</b>	
<b><u>SDSDSB</u></b> Capital expenditure approved and contracted for acquisition of land	246,676,370 <sup>(1)</sup>
<b><u>SMSB</u></b> Capital expenditure approved and contracted for acquisition of land	47,506,387 <sup>(2)</sup>
<b>Total</b>	<b>294,182,757</b>

**Notes:**

- (1) SGSB's 50% share of SDSDSB's capital commitment amounts to RM123,338,185.  
 (2) Being the future advances to be extended by Concord and/or us to SMSB for the settlement of the unpaid land purchase consideration based on our eventual 20% effective equity investment in SMSB.

The above commitments will be funded by the SGSB Subscription consideration, the funds from Fund Raising Exercise, internally generated funds and/or borrowings.

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**10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUE WITH WARRANTS**

**10.1 General**

The Provisional Allotments are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in such Provisional Allotments will be by book entries through CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renouncee(s)/transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making applications to subscribe for the Rights Shares and the Warrants.

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue With Warrants. You will find enclosed with this AP, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for the Rights Shares provisionally allotted to you, as well as to apply for Excess Rights Shares if you choose to do so.

**10.2 Last date and time for acceptance and payment**

The last date and time for acceptance and payment for the Provisional Allotments is at **5.00 p.m. on 10 July 2015**, or such extended date and time as our Board may decide at their absolute discretion. Where the closing date of the acceptance is extended from the original closing date, the announcement of such extension will be made not less than two (2) Market Days before the original closing date.

**10.3 Procedures for acceptance and payment**

Acceptance of and payment for the Provisional Allotments must be made on the RSF enclosed with this AP and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this AP, RSF and the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of our Board.

**FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS, APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR/THEIR ENTITLEMENT ARE SET OUT IN THIS AP AND THE ACCOMPANYING RSF.**

**YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS AP, THE RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY. IN ACCORDANCE WITH THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS AP.**



If you wish to accept the Provisional Allotments, either in full or in part, please complete Part I(A) and II of the RSF in accordance with the notes and instructions provided therein. Each completed RSF together with the relevant payment must be despatched by **ORDINARY POST, COURIER** or **DELIVERED BY HAND** using the envelope provided (at your own risk) to our Share Registrar at the following address:

**Tricor Investor Services Sdn Bhd (118401-V)**

Level 17, The Gardens North Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur  
Malaysia

Tel: 603-2264 3883

Fax: 603-2282 1886

so as to arrive not later than **5.00 p.m. on 10 July 2015**, being the last time and date for acceptance and payment, or such extended time and date as our Board may decide at their absolute discretion and announce not less than two (2) Market Days before such stipulated date and time.

One (1) RSF can only be used for acceptance of Provisional Allotments standing to the credit of one (1) CDS Account. Separate RSFs must be used for separate CDS Account(s). The Rights Shares subscribed by you in accordance with the procedures set out in the RSF will be credited into the respective CDS Accounts where the Provisional Allotments are standing to the credit.

A reply envelope is enclosed in this AP. In order to facilitate the processing of the RSF by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

You should take note that a trading board lot for the Rights Shares and Warrants will comprise of 100 Rights Shares and 100 Warrants each respectively. Successful applicants of the Rights Shares will be given Warrants on the basis of one (1) Warrant for every three (3) Rights Shares successfully subscribed for. The minimum number of Rights Shares that can be accepted is three (3) Rights Shares. However, one (1) Warrant will be issued for every three (3) Rights Shares subscribed for.

Each completed RSF must be accompanied by remittance in RM for the full and exact amount payable for the Rights Shares accepted, in the form of banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia crossed "**A/C Payee Only**" and made payable to "**SUNSURIA – RIGHTS ISSUE ACCOUNT**" and endorsed on the reverse side with the name, address and CDS Account of the applicant in block letters to be received by our Share Registrar.

If acceptance and payment for the the Provisional Allotments (whether in full or in part) is not received by our Share Registrar by **5.00 p.m. on 10 July 2015**, being the last date and time for acceptance and payment, or such later date and time as our Board may, at their absolute discretion, decide and announce, but not less than two (2) Market Days before such stipulated date and time, you will be deemed to have declined the Provisional Allotments made to you and it will be cancelled. Such Rights Shares not taken up will be allotted to the applicants applying for the Excess Rights Shares and subsequently, to the Joint Underwriters, if the Rights Shares are not fully taken up by such applicants in the manner as set out in **Section 10.6** of this AP.

If you lose, misplace or for any other reasons require another copy of the AP and/or the RSF, you may obtain additional copies from your stockbrokers, Bursa Securities' website (<http://www.bursamalaysia.com>), our Share Registrar at the address stated above or our Registered Office.

**APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.**

**NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS SHARES AND WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES AND WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND FORWARDED BY ORDINARY POST TO THEM AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

**YOU SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

**PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT OR TO ACCEPT IN PART ONLY ANY APPLICATION WITHOUT PROVIDING ANY REASONS.**

**APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.**

Notification of the outcome of your application for the Provisional Allotments will be despatched to you by ordinary post to the address as shown in Bursa Depository's record at your own risk within the timelines as follows:

- (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for acceptance of and payment for the Provisional Allotments; or
- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within eight (8) Market Days from the last day for acceptance of and payment for the Provisional Allotments.

#### **10.4 Procedures for sale or transfer of Provisional Allotments**

As the Provisional Allotments are prescribed securities which will be traded on Bursa Securities commencing from 26 June 2015 to 5.00 p.m. on 2 July 2015, you may sell all or part of your entitlement to the Rights Shares during such period. You may transfer all or part of your entitlement to the Rights Shares from 26 June 2015 to 4.00 p.m. on 7 July 2015.

Should you wish to sell or transfer all or part of your entitlement to one (1) or more person(s), you may do so through your stockbrokers without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. You may sell such entitlement on Bursa Securities or transfer to such persons as may be allowed pursuant to the Rules of Bursa Depository, both for the period up to the last date and time for the sale or transfer of the Provisional Allotments.

**YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENTS, YOU NEED NOT DELIVER ANY DOCUMENT INCLUDING THE RSF, TO ANY STOCKBROKER. HOWEVER, YOU MUST ENSURE THAT THERE ARE SUFFICIENT PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNTS THAT ARE AVAILABLE FOR SETTLEMENT OF THE SALE OR TRANSFER.**

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(A) and II of the RSF. Please refer to **Section 10.3** of this AP for the procedures for acceptance and payment.

**YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.**

**10.5 Procedures for acceptance by renounee(s) and/or transferee(s)**

Renounee(s) or transferee(s) who wish to accept the Provisional Allotments must obtain a copy of the RSF from their stockbrokers, Bursa Securities' website (<http://www.bursamalaysia.com>), our Share Registrar or our Registered Office.

Please complete the RSF in accordance with the notes and instructions printed therein and submit the same together with the remittance to our Share Registrar at the address as stated in **Section 10.3** above.

As a renounee or transferee, the procedures for acceptance, payment, selling and transferring of the Provisional Allotments are the same as that applicable to our Entitled Shareholders as set out in **Sections 10.3** and **10.4** of this AP.

**RENOUNEE(S) AND/OR TRANSFEREE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS AP AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS AP AND RSF CAREFULLY.**

**10.6 Procedures for application for Excess Rights Shares**

You and/or your renounee(s) and/or transferee(s) (if applicable) may apply for Excess Rights Shares in addition to your Provisional Allotments. If you wish to do so, please complete Part I(B) of the RSF (in addition to Parts I(A) and II) and forward it (together with a **separate remittance** for the full and exact amount payable in respect of the Excess Rights Shares applied for) using the envelope provided (at your own risk) to our Share Registrar at the address stated in **Section 10.3** above, so as to arrive **not later than 5.00 p.m. on 10 July 2015**, being the last time and date for acceptance and payment, or such later date and time as our Board may, at their absolute discretion, decide and announce, but not less than two (2) Market Days before such stipulated date and time.

Payment for the Excess Rights Shares applied for should be made in the same manner as described in **Section 10.3** above, except that the banker's draft(s), cashier's order(s), money order (s) or postal order(s) drawn on a bank or post office in Malaysia crossed "**A/C Payee Only**" should be made payable to "**SUNSURIA – EXCESS RIGHTS ISSUE ACCOUNT**" and endorsed on the reverse side with the name, address, and CDS Account of the applicant in block letters to be received by our Share Registrar.

It is the intention of our Board to allot the Excess Rights Shares, if any, in a fair and equitable manner to our Entitled Shareholders and/or their renouncee(s) and/or transferee(s) who have applied for the Excess Rights Shares in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on their respective shareholdings as per their CDS Account as at the Entitlement Date;
- (iii) thirdly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares applied for; and
- (iv) finally, for allocation to the renouncee(s) and/or transferee(s) who have applied for Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares applied for.

Nevertheless, our Board reserves the right to allot the Excess Rights Shares applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient, and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board set out in **Section 10.6 (i) to (iv)** above is achieved. Our Board also reserves the right to accept any application for the Excess Rights Shares, in full or in part, without assigning any reason.

**APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.**

**PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT OR TO ACCEPT IN PART ONLY ANY APPLICATION WITHOUT PROVIDING ANY REASONS.**

**APPLICATION SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.**

Notification on the outcome of your application for the Excess Rights Shares will be despatched to you by ordinary post to the address as shown in Bursa Depository's records at your own risk within the timelines as follows:

- (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application of and payment for the Excess Rights Shares; or
- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within eight (8) Market Days from the last day for application of and payment for the Excess Rights Shares.

## 10.7 Form of issuance

Bursa Securities has already prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Bursa Securities has also approved the admission and listing of and quotation for the Warrants on Bursa Securities. Accordingly, the Rights Shares and Warrants are prescribed securities and as such, the Securities Industry (Central Depositories) Act, 1991, Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository shall apply in respect of the dealings in the said securities.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected.

No physical share or warrant certificate shall be issued to you under the Rights Issue With Warrants. Instead, the Rights Shares and Warrants will be credited directly into your CDS Account.

If you have multiple CDS Accounts into which the Rights Shares and Warrants have been credited, you cannot use a single RSF for subscription for all these Rights Shares and Warrants. Separate RSFs must be used for separate CDS Accounts.

The Warrants will be admitted to the Official List of Bursa Securities and the listing and quotation for the Rights Shares and Warrants will commence two (2) Market Days upon the receipt of an application for quotation of the Rights Shares and Warrants by Bursa Securities as specified under the Listing Requirements, which will include *inter-alia*, confirmation that all notices of allotment have been despatched to successful applicants, and after receipt of confirmation from Bursa Depository that all CDS Accounts of successful applicants have been duly credited.

Any person who intends to subscribe for the Rights Shares and Warrants as a renouncee(s) and/or transferee(s) by purchasing the Provisional Allotments from an Entitled Shareholder will have his Rights Shares and Warrants credited directly as prescribed securities into his CDS Account.

The Excess Rights Shares, if allotted to the successful applicant who applies for Excess Rights Shares, will be credited directly as prescribed securities into his CDS Account.

## 10.8 Laws of foreign jurisdictions

This Documents have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign jurisdiction other than Malaysia. The Rights Issue With Warrants to which the Documents relate is only available to Entitled Shareholders receiving the Documents electronically or otherwise within Malaysia.

The Documents are not intended to be (and will not be) issued, circulated or distributed, and the Rights Issue With Warrants will not be made or offered or deemed made or offered in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia.

Foreign Addressed Shareholders and/or their renounee(s) and/or their transferee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue With Warrants only to the extent that it would be lawful to do so.

The Joint Advisers, Joint Underwriters, our Company and our Directors and officers and other advisers named herein (collectively, the "Parties") would not, in connection with the Rights Issue With Warrants, be in breach of the laws of any jurisdiction to which the Foreign Addressed Shareholders and/or their renounee(s) and/or their transferee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject. The Parties shall not accept any responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject. The Parties shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Addressed Shareholders and/or their renounee(s) and/or their transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

Accordingly, the Documents will not be sent to the Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) may collect the Documents from our Share Registrar, in which event the Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents.

The Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue With Warrants. Such Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue With Warrants.

By signing any of the forms in the Documents, the Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) the Parties that:

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue With Warrants, be in breach of the laws of any jurisdiction to which those Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) are or may be subject to;
- (ii) Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation;
- (iii) Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

- (iv) Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) are aware that the Provisional Allotments can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) have obtained a copy of this AP and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the Parties and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares and Warrants; and
- (vi) Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares and Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and Warrants.

Persons receiving the Documents (including without limitation custodians, nominees and trustees) must not, in connection with the Rights Issue With Warrants, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations.

No person in any territory outside of Malaysia receiving this AP and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for or acquire any Rights Shares and Warrants unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in such territory.

We reserve the right, in our absolute discretion, to treat any acceptance as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of Excess Rights Shares available for excess application by the other Entitled Shareholders. You and/or your renounee(s) and/or transferee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of your, and/or your renounee(s)'s and or transferee(s)'s entitlement under the Rights Issue With Warrants or to any net proceeds thereof.

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**11. TERMS AND CONDITIONS**

The issuance of the Rights Shares and Warrants pursuant to the Rights Issue With Warrants is governed by the terms and conditions as set out in the Documents.

**12. FURTHER INFORMATION**

You are requested to refer to the attached appendices for further information.

Yours faithfully  
For and on behalf of the Board of  
**SUNSURIA BERHAD**



**DATUK TER LEONG YAP**  
Executive Chairman



**CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE FUND RAISING EXERCISE, INCREASE IN AUTHORISED SHARE CAPITAL AND M&A AMENDMENTS PASSED AT OUR COMPANY'S EGM HELD ON 12 MAY 2014**

**MALAYSIA AICA BERHAD**  
**(B235-K)**  
**(Incorporated in Malaysia)**

**CERTIFIED EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD AT FUNCTION ROOM, KAMPUNGKU RESTAURANT, SUNSURIA AVENUE, PERSIARAN MAHOGANI, KOTA DAMANSARA, PJU 5, 47B10 PETALING JAYA, SELANGOR DARUL EHSAN HELD ON MONDAY, 12 MAY 2014 AT 10.30 A.M.**

**ORDINARY RESOLUTION 1**

- **RENOUNCEABLE RIGHTS ISSUE OF UP TO 475,084,416 NEW ORDINARY SHARES OF RM0.50 EACH IN MAICA ("SHARES" OR "MAICA SHARES") ("RIGHTS SHARE") ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) EXISTING MAICA SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE"), TOGETHER WITH UP TO 158,361,472 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) FREE WARRANT FOR EVERY THREE (3) RIGHTS SHARES SUBSCRIBED ("PROPOSED RIGHTS ISSUE WITH WARRANTS")**

*"THAT, subject to the passing of Ordinary Resolution 3 and Special Resolution 1 and the approvals of the relevant authorities (where required) being obtained, the Board of Directors of the Company ("**Board**") be and is hereby authorised to provisionally allot by way of a renounceable rights issue of up to 475,084,416 Rights Shares to the shareholders of the Company whose names appear in the Record of Depositors at the close of business on the Entitlement Date ("**Entitled Shareholders**") , on the basis of three (3) Rights Shares for every one (1) existing MAICA Share held on the Entitlement Date, together with up to 158,361,472 Warrants on the basis of one (1) Warrant for every three (3) Rights Shares subscribed by the Entitled Shareholders;*

*THAT the Board be and is hereby authorised to determine and vary if deemed fit, necessary and/or expedient, the issue price of the Rights Shares and the exercise price of the Warrants to be issued in connection with the Proposed Rights Issue With Warrants;*

*THAT the Rights Shares shall, upon allotment and issue, be of the same class and rank pari passu in all respects with the then existing MAICA Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the Rights Shares;*

*THAT any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever shall first be made available for excess applications in such manner as the Board shall determine at its absolute discretion;*

*THAT the Warrants shall be allotted and issued in registered form on the basis that, subject to any adjustments to the subscription rights attached to the Warrants under the provisions of the deed poll to be executed by the Company constituting the Warrants ("**Deed Poll**") , each Warrant entitles its holder to subscribe for one (1) new MAICA Share at an exercise price to be determined, during its prescribed exercise period;*

*THAT the proceeds of the Proposed Rights Issue With Warrants be utilised for the purposes as set out in the Circular to Shareholders of the Company dated 18 April 2014 ("**Circular**") , and the Board be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities;*

*THAT the Board be and is hereby empowered and authorised to:-*

- (a) deal with any fractional entitlements that may arise from the Proposed Rights Issue With Warrants in such manner and on such terms and conditions as the Board in its absolute discretion deems fit or expedient or in the best interests of the Company;
- (b) allot and issue such number of additional Warrants pursuant to the adjustments under the Deed Poll ("**Additional Warrants**") and to adjust from time to time the exercise price of the Warrants as a consequence of the adjustments under the provisions in the Deed Poll and/or to effect such modifications, variations and/or amendments as may be imposed / required /

**CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE FUND RAISING EXERCISE, INCREASE IN AUTHORISED SHARE CAPITAL AND M&A AMENDMENTS PASSED AT OUR COMPANY'S EGM HELD ON 12 MAY 2014 (Cont'd)**

**MALAYSIA AICA BERHAD**

**- Extract Minutes of the Extraordinary General Meeting held on 12 May 2014**

permitted by Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant authorities or parties or otherwise;

- (c) allot and issue such appropriate number of new MAICA Shares, credited as fully paid-up, to the holders of the Warrants arising from the exercise of the Warrants and the exercise of Additional Warrants and all new MAICA Shares to be issued upon exercise of the Warrants and the exercise of Additional Warrants shall, upon allotment and issue, be of the same class and rank *pari passu* in all respects with the then existing Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the new MAICA Shares arising from the exercise of the Warrants;
- (d) enter into the Deed Poll with full powers to assent to any condition, modification, revaluation, variation and/or amendments (if any) as the Board may deem fit, necessary and/or expedient or as may be imposed by the relevant authorities and to take all steps as it may consider necessary in order to implement, finalise and give full effect to the Deed Poll subject to all provisions and adjustments contained therein;
- (e) enter into any underwriting agreement(s) for the underwriting of any part of the Proposed Rights Issue With Warrants and/or the Rights Shares and all other documents, agreements and/or arrangements in connection with the underwriting of the Proposed Rights Issue With Warrants and/or the Rights Shares with such parties and upon such terms and conditions as the Board may deem fit; and
- (f) do all acts, deeds and things and execute, sign, deliver and cause to be delivered on behalf of the Company all such transactions, arrangements, agreements and/or documents as may be necessary or expedient in order to implement, give effect to and complete the Proposed Rights Issue With Warrants with full powers to assent to any condition, modification, variation and/or amendment to the terms of the Proposed Rights Issue with Warrants as the Board may deem fit, necessary and/or expedient in the interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the said conditions, modifications, variations and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue With Warrants;

**THAT** the Rights Shares, Warrants, Additional Warrants and new MAICA Shares to be issued pursuant to the exercise of the Warrants and Additional Warrants shall be listed on the Main Market of Bursa Securities;

**AND THAT** this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Rights Shares, Warrants, Additional Warrants and new MAICA Shares to be issued pursuant to or in connection with the Proposed Rights Issue With Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue With Warrants."

**ORDINARY RESOLUTION 2**

- PRIVATE PLACEMENT OF UP TO 63,344,588 MAICA SHARES ("PLACEMENT SHARES") REPRESENTING APPROXIMATELY 10% OF THE ENLARGED ISSUED AND PAID UP SHARE CAPITAL OF MAICA AFTER THE PROPOSED RIGHTS ISSUE WITH WARRANTS AT AN ISSUE PRICE TO BE DETERMINED LATER ("PROPOSED PRIVATE PLACEMENT")**

**"THAT** subject to the passing of the Ordinary Resolution 3 and the Special Resolution 1 and the approvals of the relevant authorities/parties (if required) being obtained, approval be and is hereby given for the Company to allot and issue up to 63,344,588 Placement Shares, representing approximately 10% of the enlarged issued and paid up share capital of MAICA after the Proposed Rights Issue With Warrants, to investor(s) to be identified later in accordance with Paragraph 6.04(c) of the Main Market Listing Requirement of Bursa Securities ("**MMLR**"):

**CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE FUND RAISING EXERCISE, INCREASE IN AUTHORISED SHARE CAPITAL AND M&A AMENDMENTS PASSED AT OUR COMPANY'S EGM HELD ON 12 MAY 2014 (Cont'd)**

**MALAYSIA AICA BERHAD**

**- Extract Minutes of the Extraordinary General Meeting held on 12 May 2014**

**THAT** the Board be and is hereby authorised to determine and vary if deemed fit, necessary and/or expedient, the issue price of the Placement Shares provided that the issue price is at a discount of no more than 10% to the five (5)-day volume weighted average market price of MAICA Shares immediately preceding the price fixing date but in any event, no less than the par value of the Placement Shares;

**THAT** the Placement Shares shall, upon allotment and issuance, rank pari passu in all respects with the existing shares in the Company, save and except that the holders of such Placement Shares shall not be entitled to dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of such Placement Shares;

**THAT** the proceeds of the Proposed Private Placement be utilised for the purposes as set out in the Circular, and the Board be authorized with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject (where required) to the approval of the relevant authorities;

**THAT** the Placement Shares shall be listed on the Main Market of Bursa Securities;

**AND THAT** the Board be and is hereby authorised and empowered to give full effect to the Proposed Private Placement with full powers to complete and implement the Proposed Private Placement in such manner as the Board may deem fit or necessary, including, to negotiate, approve, agree and/or assent to any conditions, variations, revaluations, modifications and/or amendments in any manner as may be required/permitted by the law, the relevant authorities or deemed necessary by the Board, to take all such steps and to execute and deliver and/or cause to be executed and delivered all such other agreements, arrangements, undertakings, indemnities, transfers, extensions, assignments, deeds, confirmations, declarations and/or guarantees to any party or parties and to do all such acts and matters as it may deem fit, necessary and/or expedient or in the best interests of the Company."

**ORDINARY RESOLUTION 3**

**- INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY FROM RM100,000,000 COMPRISING 200,000,000 MAICA SHARES TO RM750,000,000 COMPRISING 1,500,000,000 MAICA SHARES ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL")**

**"THAT** subject to the passing of the Special Resolution 1 and the approvals of the relevant authorities/parties (if required) being obtained, the authorised share capital of the Company be and is hereby increased from RM100,000,000 comprising 200,000,000 MAICA Shares to RM750,000,000 comprising 1,500,000,000 MAICA Shares by the creation of an additional 1,300,000,000 MAICA Shares;

**AND THAT** the Board be and is hereby authorized and empowered to give full effect to the Proposed Increase In Authorised Share Capital with full powers to assent to any modifications and/or amendments as may be required by the law, the relevant authorities or deemed necessary by the Board and to take all steps as they may deem fit, necessary and/or expedient or in the best interests of the Company in order to implement, finalize and give full effect to the Proposed Increase In Authorised Share Capital."

**SPECIAL RESOLUTION 1**

**- AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF MAICA ("PROPOSED M&A AMENDMENTS")**

**"THAT,** subject to the passing of Ordinary Resolution 3 above and the approvals of the relevant authorities (where required) being obtained, approval be and is hereby given for the Memorandum & Articles of Association to be altered, modified, varied and deleted in the following manner and that any director be and is hereby authorised to give effect to the Proposed

**CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE FUND RAISING EXERCISE, INCREASE IN AUTHORISED SHARE CAPITAL AND M&A AMENDMENTS PASSED AT OUR COMPANY'S EGM HELD ON 12 MAY 2014 (Cont'd)**

**MALAYSIA AICA BERHAD**

- Extract Minutes of the Extraordinary General Meeting held on 12 May 2014

M&A Amendments and to take all steps and do all acts and things in any manner as they may deem necessary to complete, finalise, implement and give full effect to the Proposed M&A Amendments":-

Memorandum of Association	Existing	Proposed change
Clause 5	The authorised share capital of the company is <b>RM100,000,000.00 divided into 200,000,000</b> ordinary shares of RM0.50 each, with power for the company to increase or reduce such capital, and to issue any part of it's capital, original, or increased, with or without any preference, priority or special privilege, or subject to any postponement of rights, or to any conditions or restrictions; and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.	The authorised share capital of the company is <b>RM750,000,000.00 divided into 1,500,000,000</b> ordinary shares of RM0.50 each, with power for the company to increase or reduce such capital, and to issue any part of its capital, original, or increased, with or without any preference, priority or special privilege, or subject to any postponement of rights, or to any conditions or restrictions; and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.

**SPECIAL RESOLUTION 2**

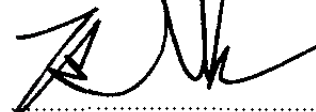
- CHANGE OF NAME OF THE COMPANY

"**THAT** subject to the approvals of the relevant authorities/parties (if required) being obtained, the name of the Company be hereby changed from "Malaysia Aica Berhad" to "Sunsuria Berhad" ("**Proposed Change of Name**") with effect from the date of the Certificate of Incorporation on Change of Name under the name of Sunsuria Berhad to be issued by the Companies Commission of Malaysia and that the name of the Company wherever appearing in the Memorandum and Articles of Association be amended accordingly;

**AND THAT** the Board and/or the Secretary be and are hereby authorised to do or procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of the Company, all such documents as the Board may deem necessary, expedient and/or appropriate and to carry out all necessary formalities to effect the Proposed Change of Name."


In response to Mr Wan Heng Wah's question on whether the Company will continue with the business on manufacturing of doors, the Chairman replied that the Company will continue the said business and will appoint professionals to review the performance and prospect of the business.

CERTIFIED TRUE BY:



DATUK TER LEONG YAP  
CHAIRMAN

CERTIFIED TRUE COPY



SEE SIEW CHEONG  
Company Secretary  
MAICSA 70112256

1 JUN 2015

**INFORMATION ON OUR COMPANY****1. HISTORY AND BUSINESS**

Our Company was incorporated in Malaysia under the name of Malaysia Aica Sendirian Berhad on 4 December 1968 under the Act as a private limited company. On 21 December 1983, it converted to a public limited company known as Malaysia Aica Berhad and was listed on the Main Market of Bursa Securities (then known as the Main Board of Kuala Lumpur Stock Exchange) on 7 March 1984. Our Company later changed its name to Sunsuria Berhad on 14 May 2014.

Our Company had in January 2014 completed the diversification of its core businesses to include property development with the completion of the injection into Sunsuria of the development rights and interests to a development project known as "Trivo, Suria Jelutong" and a parcel of freehold commercial land, both located in Bukit Jelutong.

As at the LPD, the principal activity of our Company is that of investment holding whilst the principal activities of its principal subsidiaries are:

- (i) property development; and
- (ii) manufacturing of prefabricated doors and door frames.

Further details on the principal activities of our subsidiaries and associate company are set out in **Section 6** of this Appendix.

**2. SHARE CAPITAL**

As at the LPD, our authorised and issued and paid-up share capital are as follows:

Type	No. of Shares	Par value RM	Total RM
Authorised	1,500,000,000	0.50	750,000,000
Issued and fully paid-up	158,361,472	0.50	79,180,736

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**INFORMATION ON OUR COMPANY (Cont'd)****3. CHANGES IN SHARE CAPITAL****3.1 Authorised share capital**

Details of the changes in the authorised share capital for the past three (3) years preceding the LPD are as follows:

<b>Date of creation</b>	<b>No. of Sunsuria Shares created</b>	<b>Par value RM</b>	<b>Description</b>	<b>Authorised share capital (cumulative) RM</b>
Balance b/f	200,000,000	0.50	-	100,000,000
12 May 2014	1,300,000,000	0.50	Increase in authorised share capital	750,000,000

**3.2 Issued and paid-up share capital**

As at the LPD, the changes in the issued and paid up share capital for the past three (3) years are as follows:

<b>Date of allotment</b>	<b>No. of Sunsuria Shares allotted</b>	<b>Par value RM</b>	<b>Type of issue/ consideration</b>	<b>Total issued and paid-up share capital (cumulative) RM</b>
Balance b/f	130,361,472	0.50	-	65,180,736
22 January 2014	28,000,000	0.50	Issuance of new Sunsuria Shares as part payment for the acquisition of the development rights and a parcel of development land from Cangkat Nusantara Sdn Bhd	79,180,736

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**INFORMATION ON OUR COMPANY (Cont'd)****4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

The proforma effects of the Fund Raising Exercise on the substantial shareholders' shareholding in our Company, based on the Register of Substantial Shareholders as at the LPD, are illustrated on the basis that the Reinvestment is completed before the Fund Raising Exercise and are based on the following scenarios:

**Scenario A:**

Based on the assumption that the Undertaking Shareholders subscribe in full for their respective Undertakings and the Rights Issue With Warrants is undertaken on a full subscription basis.

**Scenario B:**

Based on the assumption that all our Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue With Warrants.

**Scenario A**

Name	As at the LPD		After the Reinvestment		After (I) and the Rights Issue With Warrants			
	Indirect		Indirect		Indirect			
	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%	No. of Sunsuria Shares	% <sup>(2)</sup>		
Datuk Ter	33,897,400	21.41	47,051,744 <sup>(1)</sup>	29.71	47,051,744 <sup>(1)</sup>	29.71	270,123,308 <sup>(1)</sup>	36.73
Ter Equity	45,639,344	28.82	-	-	-	-	182,557,376	24.82
Ter Capital	1,412,400	0.89	-	-	83,328,732 <sup>(3)</sup>	32.00	87,565,932	11.91
Ruby Technique Sdn Bhd	8,000,000	5.05	-	-	8,000,000	3.07	36,500,000	4.96
Chia Seong Pow	300,000	0.19	8,000,000 <sup>(4)</sup>	5.05	300,000	0.12	300,000	0.04
Chia Song Kun	-	-	9,000,000 <sup>(5)</sup>	5.68	-	-	-	-
Chia Seong Fatt	-	-	8,200,000 <sup>(6)</sup>	5.18	-	-	-	-
Farsathy Holdings Sdn Bhd	-	-	8,000,000 <sup>(7)</sup>	5.05	-	-	-	-
CBG Holdings Sdn Bhd	-	-	8,000,000 <sup>(7)</sup>	5.05	-	-	-	-
					128,968,076 <sup>(1)</sup>	49.53	225,366,652	30.64
					-	-	225,366,652	30.64
					-	-	182,557,376	24.82
					-	-	87,565,932	11.91
					-	-	36,500,000	4.96
					8,000,000 <sup>(4)</sup>	3.07	300,000	0.04
					9,000,000 <sup>(5)</sup>	3.46	-	-
					8,200,000 <sup>(6)</sup>	3.15	-	-
					8,000,000 <sup>(7)</sup>	3.07	-	-
					8,000,000 <sup>(7)</sup>	3.07	-	-
					8,000,000 <sup>(7)</sup>	3.07	-	-

## INFORMATION ON OUR COMPANY (Cont'd)

## Scenario A (Cont'd)

Name	(III) After (II) and the Private Placement				(IV) After (III) and assuming the full conversion of the Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%
Datuk Ter	225,366,652	28.21	270,123,308 <sup>(1)</sup>	33.81	282,481,575	29.51	317,175,052 <sup>(1)</sup>	33.14
Ter Equity	182,557,376	22.85	-	-	228,196,720	23.84	-	-
Ter Capital	87,565,932	10.96	-	-	88,978,332	9.30	-	-
Ruby Technique Sdn Bhd	36,500,000	4.57	-	-	46,000,000	4.81	-	-
Chia Seong Pow	300,000	0.04	36,500,000 <sup>(4)</sup>	4.57	300,000	0.03	46,000,000 <sup>(4)</sup>	4.81
Chia Song Kun	-	-	37,500,000 <sup>(5)</sup>	4.69	-	-	47,000,000 <sup>(5)</sup>	4.91
Chia Seong Fatt	-	-	36,700,000 <sup>(6)</sup>	4.59	-	-	46,200,000 <sup>(6)</sup>	4.83
Farsathy Holdings Sdn Bhd	-	-	36,500,000 <sup>(7)</sup>	4.57	-	-	46,000,000 <sup>(7)</sup>	4.81
CBG Holdings Sdn Bhd	-	-	36,500,000 <sup>(7)</sup>	4.57	-	-	46,000,000 <sup>(7)</sup>	4.81

## Notes:

- (1) Deemed interest by virtue of his interest in Ter Equity and Ter Capital pursuant to Section 6A of the Act.  
(2) Based on the enlarged issued and paid-up share capital of our Company of 735,486,704 Shares after the Reinvestment and Rights Issue With Warrants.  
(3) Datuk Ter may appoint nominee(s) to subscribe for partly or fully the Reinvestment Shares in place of himself under the Reinvestment. For the purposes of the proforma effects above, Ter Capital is illustrated as the party to receive 81,916,332 Reinvestment Shares on behalf of Datuk Ter.  
(4) Deemed interest by virtue of his shareholding in Farsathy Holdings Sdn Bhd pursuant to Section 6A of the Act.  
(5) Deemed interest by virtue of his shareholding in CBG Holdings Sdn Bhd and Attractive Features Sdn Bhd pursuant to Section 6A of the Act.  
(6) Deemed interest by virtue of his shareholding in Farsathy Holdings Sdn Bhd pursuant to Section 6A of the Act and deemed interested by virtue of his spouse, Sim Ahi Yok's direct interest.  
(7) Deemed interest by virtue of its shareholding in Ruby Technique Sdn Bhd pursuant to Section 6A of the Act.



**INFORMATION ON OUR COMPANY (Cont'd)**

## Scenario B

Name	As at the LPD		(i) After the Reinvestment		(ii) After (i) and the Rights Issue With Warrants			
	Direct	Indirect	Direct	Indirect	Direct		Indirect	
	No. of Sunsuria Shares	No. of Sunsuria Shares	No. of Sunsuria Shares	No. of Sunsuria Shares	No. of Sunsuria Shares	No. of Sunsuria Shares	No. of Sunsuria Shares	%
Datuk Ter	33,897,400	47,051,744 <sup>(1)</sup>	54,021,884 <sup>(2)</sup>	128,968,076 <sup>(1)</sup>	155,714,084	270,123,308 <sup>(1)</sup>	36.73	-
Ter Equity	45,639,344	-	45,639,344	-	182,557,376	-	24.82	-
Ter Capital	1,412,400	-	83,328,732 <sup>(2)</sup>	-	87,565,932	-	11.91	-
Ruby Technique Sdn Bhd	8,000,000	-	8,000,000	-	32,000,000	-	4.35	-
Chia Seong Pow	300,000	8,000,000 <sup>(3)</sup>	300,000	8,000,000 <sup>(3)</sup>	1,200,000	32,000,000 <sup>(3)</sup>	4.35	4.35
Chia Song Kun	-	9,000,000 <sup>(4)</sup>	-	9,000,000 <sup>(4)</sup>	-	36,000,000 <sup>(4)</sup>	4.89	4.89
Chia Seong Fatt	-	8,200,000 <sup>(5)</sup>	-	8,200,000 <sup>(5)</sup>	-	32,800,000 <sup>(5)</sup>	4.46	4.46
Farsathy Holdings Sdn Bhd	-	8,000,000 <sup>(6)</sup>	-	8,000,000 <sup>(6)</sup>	-	32,000,000 <sup>(6)</sup>	4.35	4.35
CBG Holdings Sdn Bhd	-	8,000,000 <sup>(6)</sup>	-	8,000,000 <sup>(6)</sup>	-	32,000,000 <sup>(6)</sup>	4.35	4.35

## INFORMATION ON OUR COMPANY (Cont'd)

## Scenario B (Cont'd)

Name	(III) After (II) and the Private Placement				(IV) After (III) and assuming the full conversion of the Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%
Datuk Ter	155,714,084	19.49	270,123,308 <sup>(1)</sup>	33.81	189,611,484	19.81	317,175,052 <sup>(1)</sup>	33.14
Ter Equity	182,557,376	22.85	-	-	228,196,720	23.84	-	-
Ter Capital	87,565,932	10.96	-	-	88,978,332	9.30	-	-
Ruby Technique Sdn Bhd	32,000,000	4.01	-	-	40,000,000	4.18	-	-
Chia Seong Pow	1,200,000	0.15	32,000,000 <sup>(3)</sup>	4.01	1,500,000	0.16	40,000,000 <sup>(3)</sup>	4.18
Chia Song Kun	-	-	36,000,000 <sup>(4)</sup>	4.51	-	-	45,000,000 <sup>(4)</sup>	4.70
Chia Seong Fatt	-	-	32,800,000 <sup>(5)</sup>	4.11	-	-	41,000,000 <sup>(5)</sup>	4.28
Farsathy Holdings Sdn Bhd	-	-	32,000,000 <sup>(6)</sup>	4.01	-	-	40,000,000 <sup>(6)</sup>	4.18
CBG Holdings Sdn Bhd	-	-	32,000,000 <sup>(6)</sup>	4.01	-	-	40,000,000 <sup>(6)</sup>	4.18

## Notes:

- (1) Deemed interest by virtue of his interest in Ter Equity and Ter Capital pursuant to Section 6A of the Act.  
(2) Datuk Ter may appoint nominee(s) to subscribe for partly or fully the Reinvestment Shares in place of himself under the Reinvestment. For the purposes of the proforma effects above, Ter Capital is illustrated as the party to receive 81,916,332 Reinvestment Shares on behalf of Datuk Ter.  
(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 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 deemed interested by virtue of his spouse, Sim Ahi Yok's direct interest.  
(6) Deemed interest by virtue of its shareholding in Ruby Technique Sdn Bhd pursuant to Section 6A of the Act.

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**INFORMATION ON OUR COMPANY (Cont'd)**


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**5. BOARD OF DIRECTORS****5.1 Details of our Directors**

<b>Name</b>	<b>Age</b>	<b>Nationality</b>	<b>Profession</b>	<b>Designation</b>	<b>Address</b>
Datuk Ter	51	Malaysian	Director	Executive Chairman	46A, Jalan Serindit Taman Eng Ann 41150 Klang Selangor Darul Ehsan
Koong Wai Seng	48	Malaysian	Deputy Chief Executive Officer	Executive Director	No. 83, Jalan Tempua 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan
Wong Yuen Teck	50	Malaysian	Director	Non-Independent Non-Executive Director	160, Jalan Bungur 42000 Pelabohan Klang Selangor Darul Ehsan
Liew Jee Min @ Chong Jee Min	56	Malaysian	Advocate and Solicitor	Independent Non-Executive Director	No. 5, Solok Batai Laut Off Jalan Batai Laut Kawasan 16 41300 Klang Selangor Darul Ehsan
Dato' Tan Tian Meng	52	Malaysian	Director	Independent Non-Executive Director	No. 7, Jalan Wan Sendari 1 Taman Sri Endah 57000 Kuala Lumpur
Datin Loa Bee Ha	52	Malaysian	Director	Independent Non-Executive Director	No. 7, Jalan Wan Sendari 1 Taman Sri Endah 57000 Kuala Lumpur
Alexon Khor Swek Chen	50	Malaysian	Business Consultant	Independent Non-Executive Director	16 Jalan Sri Tasik Barat 63000 Cyberjaya Selangor Darul Ehsan

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**INFORMATION ON OUR COMPANY (Cont'd)****5.2 Directors' shareholdings**

The proforma effects of the Fund Raising Exercise on our Directors' shareholding based on our Company's Register of Directors' Shareholdings as at the LPD are set out below based on the following scenarios:

**Scenario A:** Based on the assumption that the Undertaking Shareholders subscribe in full for their respective Undertakings and the Rights Issue With Warrants is undertaken on a full subscription basis.

**Scenario B:** Based on the assumption that all our Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue With Warrants.

**Scenario A**

Name	As at the LPD				(i) After the Reinvestment				(ii) After (i) and the Rights Issue With Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%
Datuk Ter	33,897,400	21.41	47,051,744 <sup>(1)</sup>	29.71	54,021,884	20.75	128,968,076 <sup>(1)</sup>	49.53	225,366,652	30.64	270,123,308 <sup>(1)</sup>	36.73
Koong Wai Seng	-	-	-	-	-	-	-	-	-	-	-	-
Wong Yuen Teck	1,960,000	1.24	-	-	1,960,000	0.75	-	-	1,960,000	0.27	-	-
Liew Jee Min @ Chong Jee Min	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Tan Tian Meng	6,957,200	4.39	-	-	6,957,200	2.67	-	-	6,957,200	0.95	-	-
Datin Loa Bee Ha	-	-	-	-	-	-	-	-	-	-	-	-
Alexon Khor Swek Chen	-	-	-	-	-	-	-	-	-	-	-	-

**Note:**

(1) Deemed interest by virtue of his interest in Ter Equity and Ter Capital pursuant to Section 6A of the Act.

## INFORMATION ON OUR COMPANY (Cont'd)

## Scenario A (Cont'd)

Name	(III) After (II) and the Private Placement				(IV) After (III) and assuming full conversion of the Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%
Datuk Ter	225,366,652	28.21	270,123,308 <sup>(1)</sup>	33.81	282,481,575	29.51	317,175,052 <sup>(1)</sup>	33.14
Koong Wai Seng	-	-	-	-	-	-	-	-
Wong Yuen Teck	1,960,000	0.25	-	-	1,960,000	0.20	-	-
Liew Jee Min @ Chong Jee Min	-	-	-	-	-	-	-	-
Dato' Tan Tian Meng	6,957,200	0.87	-	-	6,957,200	0.73	-	-
Datin Loa Bee Ha	-	-	-	-	-	-	-	-
Alexan Khor Swek Chen	-	-	-	-	-	-	-	-

## Note:

(1) Deemed interest by virtue of his interest in Ter Equity and Ter Capital pursuant to Section 6A of Act.

## INFORMATION ON OUR COMPANY (Cont'd)

## Scenario B

Name	As at the LPD		(I) After the Reinvestment		(II) After (I) and the Rights Issue With Warrants							
	Indirect		Indirect		Indirect							
	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%						
Datuk Ter	33,897,400	21.41	47,051,744 <sup>(1)</sup>	29.71	54,021,884	20.75	128,968,076 <sup>(1)</sup>	49.53	155,714,084	21.17	270,123,308 <sup>(1)</sup>	36.73
Koong Wai Seng	-	-	-	-	-	-	-	-	-	-	-	-
Wong Yuen Teck	1,960,000	1.24	-	-	1,960,000	0.75	-	-	7,840,000	1.07	-	-
Liew Jee Min @ Chong Jee Min	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Tan Tian Meng	6,957,200	4.39	-	-	6,957,200	2.67	-	-	27,828,800	3.78	-	-
Datin Loa Bee Ha	-	-	-	-	-	-	-	-	-	-	-	-
Alexon Khor Swek Chen	-	-	-	-	-	-	-	-	-	-	-	-

## Note:

(1) Deemed interest by virtue of his interest in Ter Equity and Ter Capital pursuant to Section 6A of Act.

## INFORMATION ON OUR COMPANY (Cont'd)

## Scenario B (Cont'd)

Name	(III) After (II) and the Private Placement				(IV) After (III) and assuming full conversion of the Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%
Datuk Ter	155,714,084	19.49	270,123,308 <sup>(1)</sup>	33.81	189,611,484	19.81	317,175,052 <sup>(1)</sup>	33.14
Koong Wai Seng	-	-	-	-	-	-	-	-
Wong Yuen Teck	7,840,000	0.98	-	-	9,800,000	1.02	-	-
Liew Jee Min @ Chong Jee Min	-	-	-	-	-	-	-	-
Dato' Tan Tian Meng	27,828,800	3.48	-	-	34,786,000	3.63	-	-
Datin Loa Bee Ha	-	-	-	-	-	-	-	-
Alexon Khor Swek Chen	-	-	-	-	-	-	-	-

## Note:

(1) Deemed interest by virtue of his interest in Ter Equity and Ter Capital pursuant to Section 6A of the Act.

**INFORMATION ON OUR COMPANY (Cont'd)**
**6. SUBSIDIARY AND ASSOCIATED COMPANIES**

As at 12 June 2015, our subsidiary companies are set out below:

Company	Date and place of incorporation	Principal activities	Issued and paid-up share capital RM	Effective equity interest
<b>Subsidiaries of Sunsuria:</b>				
Maica Wood Industries Sdn Bhd	27 December 1979 Malaysia	Investment holding	14,878,476	99.80%
Consolidated Leasing (M) Sdn Bhd ("CLSB")	29 December 1976 Malaysia	Investment holding and granting of lease and hire purchase financing <sup>(1)</sup>	5,000,000	100.00%
Pinaremas Sdn Bhd	20 May 1983 Malaysia	Property development	500,000	100.00%
Ambang Arena Sdn Bhd	20 April 2000 Malaysia	Property development	2	100.00%
Havana Symphony Sdn Bhd ("Havana")	15 April 2014 Malaysia	Dormant	2	100.00%
Makro Lumayan Sdn Bhd	24 March 2014 Malaysia	Dormant	2	100.00%
SGSB	23 April 2013 Malaysia	Investment holding	1,000,002	99.99%
Concord	31 August 2007	Investment holding	2	100.00%
RNSB	11 November 2008 Malaysia	Property development	25,250,000	99.01%
<b>Subsidiary of Maica Wood Industries Sdn Bhd:</b>				
Maicador Sdn Bhd	6 July 1976 Malaysia	Manufacture of prefabricated doors and door frames.	2,090,000	99.80%
<b>Subsidiaries of CLSB:</b>				
Consolidated Factoring (M) Sdn Bhd	22 February 1984 Malaysia	Inactive	2,391,000	91.90%
Maritime Credits (Malaysia) Sdn Bhd	2 October 1979 Malaysia	Inactive	200,000	100.00%
<b>Jointly Controlled Entity:</b>				
SDSDSB	6 June 2013 Malaysia	Property development	2	50.00% <sup>(2)</sup>

**Notes:**

(1) The subsidiary discontinued its financing business in January 2014.

(2) The SDSDSB Acquisition has become unconditional on 11 June 2015 but is presently pending completion. Upon completion of the SDSDSB Acquisition, SDSDSB will become a 100%-owned indirect subsidiary of Sunsuria comprising 50% equity interest held via Havana and the remaining indirect 50% equity interest held through SGSB.



**INFORMATION ON OUR COMPANY (Cont'd)**

As at 12 June 2015, our associated companies are set out below:

<b>Associated company</b>	<b>Date and Place of incorporation</b>	<b>Principal activities</b>	<b>Issued and paid-up share capital</b>	<b>Effective equity interest</b>
Mahakota Sdn Bhd	17 December 1981 Malaysia	Woodworks manufacturer and dealer in timber and wood	3,549,210	25.40%
SMSB	3 August 2009 Malaysia	Property development and property investment	1,250,000	21.00% <sup>(1)</sup>

**Note:**

(1) Comprising 1% equity interest in SMSB held through CLSB and the remaining indirect 20% equity interest in SMSB held through Concord.

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**INFORMATION ON OUR COMPANY (Cont'd)**
**7. PROFIT AND DIVIDEND RECORDS**

The profit and dividend record of our Group based on the audited financial statements for the past three (3) years from FYE 31 March 2012 to FYE 31 March 2014 and the unaudited twelve (12)-month FPE 31 March 2015 are as follows:

	←--Audited FYE 31 March--→			Unaudited twelve (12)-month FPE 31 March
	2012 (restated) <sup>(1)</sup> RM'000	2013 (restated) RM'000	2014 RM'000	2015 RM'000
<u>Continuing Operations<sup>(2)</sup></u>				
Revenue	13,834	15,343	35,462	77,046
Gross profit	2,440	2,242	8,387	28,292
EBITDA	(427)	(256)	3,018	6,839
Other income	20	138	267	801
Finance cost	-	-	-	(15)
Share of profit of associate	32	18	28	(4)
PBT/ (LBT)	(561)	(828)	2,500	7,621
Taxation	(94)	(79)	(723)	(3,167)
PAT/(LAT)	(655)	(907)	1,777	4,454
PAT attributable to owners of Sunsuria	(655)	(907)	1,775	4,451
Gross profit margin (%)	17.6	14.6	23.7	36.7
Profit before tax margin (%)	(4.1)	(5.4)	7.0	9.9
Profit after tax margin (%)	(4.7)	(5.9)	5.0	5.8
<u>Discontinued Operations<sup>(2)</sup></u>				
Revenue	4,127	3,154	2,618	-
PBT	3,128	2,562	2,360	-
Taxation	(785)	(666)	(570)	-
PAT	2,343	1,896	1,790	-
PAT attributable to owners of Sunsuria	2,343	1,896	1,789	-
EPS (continuing operation) (sen)				
- basic	(0.50)	(0.69)	1.29	2.81
- diluted	(0.50)	(0.69)	1.29	2.81
EPS (discontinued operation) (sen)				
- basic	1.79	1.45	1.30	2.81
- diluted	1.79	1.45	1.30	2.81

**Notes:**

- (1) For comparability purposes, we have presented the audited financial information of our Group for the FYE 31 March 2012 for continuing and discontinued operations separately.
- (2) The continuing operations consist of the property development segment and manufacturing of wood products segment of our Group. The discontinued operations are in relation to the business of granting of financing.

**INFORMATION ON OUR COMPANY (Cont'd)****Commentary on the financial performances****Twelve (12)-month FPE 31 March 2015**

For the FPE 31 March 2015, our Group recorded a 102% increase in revenue to RM77.0 million as against RM38.1 million in FYE 31 March 2014. Our Group's PBT has increased by 57% to RM7.6 million against the corresponding period of the previous year.

The increase in revenue was due to the sales contribution from the property development segment which has recorded revenue and PBT of RM50.4 million and RM11.9 million respectively, as compared to RM18.4 million and RM3.6 million respectively recorded in FYE 31 March 2014. This is mainly contributed by the commercial development "Trivo, Suria Jelutong" which is at the final stage of completion and Suria Residence which recently commenced its main building works at site.

**FYE 31 March 2014**

Our Group registered a 106% increase in revenue to RM38.1 million in FYE 31 March 2014 as against RM18.5 million in FYE 31 March 2013. The increase in revenue was mainly due to the revenue contribution from our new venture into property development business, in which our maiden commercial development comprising 30 units of shop offices known as "Trivo, Suria Jelutong" has contributed revenue and PBT of RM18.4 million and RM3.6 million respectively.

PBT increased to RM4.9 million for the FYE 31 March 2014 as compared with PBT of RM1.7 million for the FYE 31 March 2013 mainly due to profits contribution from our new property development business.

For information purposes, the granting of financing business which was discontinued in January 2014 contributed revenue and PBT of RM2.6 million RM2.4 million respectively for the FYE 31 March 2014.

**FYE 31 March 2013**

Our Group registered a 3% increase in revenue to RM18.5 million in FYE 31 March 2013 as against RM18.0 million in FYE 31 March 2012. The increase in revenue was mainly due to higher sales from the engineered door division.

Our Group's PBT, however, decreased to RM1.7 million as compared to PBT of RM2.6 million as reported in the previous FYE 31 March 2012. The decrease in PBT was attributed to a significant decline in interest income from the granting of financing business.

**FYE 31 March 2012**

Our Group registered a 12% decrease in revenue to RM18.0 million for FYE 31 March 2012 as against RM20.5 million in the previous FYE 31 March 2011. The decrease in revenue was mainly due to lower sales from the engineered door division.

Our Group's PBT for FYE 31 March 2012 of RM2.6 million is lower as compared to a PBT of RM3.2 million as reported in the previous FYE 31 March 2011, in tandem with the lower sales from the engineered door division.

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**INFORMATION ON OUR COMPANY (Cont'd)**


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**8. HISTORICAL PRICES**

The monthly highest and lowest prices of our Shares as traded on Bursa Securities for the past twelve (12) months from June 2014 up to May 2015 are as follows:

	Highest RM	Lowest RM
<b>2014</b>		
June	1.61	1.26
July	1.38	1.26
August	1.36	1.27
September	1.31	1.28
October	1.33	1.24
November	1.37	1.28
December	1.33	1.26
<b>2015</b>		
January	1.42	1.31
February	1.58	1.40
March	1.70	1.47
April	2.10	1.47
May	1.99	1.88

	<b>RM</b>
The last transacted price of Sunsuria Shares on 27 March 2014, being the last Market Day immediately prior to the announcement of the Rights Issue With Warrants	1.41
The last transacted price of Sunsuria Shares on 1 June 2015, being the latest practicable Market Day immediately prior to the date of printing of this AP	1.94
The last transacted price of Sunsuria Shares on 22 June 2015, being the last Market Day prior to the ex-date of the Rights Issue With Warrants	1.89

(Source: Bloomberg)

**INFORMATION ON SGSB****1. HISTORY AND BUSINESS**

SGSB was incorporated as a private limited company on 23 April 2013 in Malaysia under the Act. SGSB is principally engaged in investment holding.

**2. SHARE CAPITAL**

As at 12 June 2015, the authorised and issued and paid-up share capital of SGSB is as follows:

	No. of securities	Par value (RM)	RM
<b>Authorised share capital</b>			
- Ordinary shares	2,240,000	1.00	2,240,000
- Preference shares-class A	26,000,000	0.01	260,000
- Preference shares-class B	250,000,000	0.01	2,500,000
<b>Issued and paid-up share capital</b>			
- Ordinary shares	1,000,002	1.00	1,000,002
- SGSB RPS-A	16,839,000	0.01	168,390
- SGSB redeemable preference shares-class B	237,000,000	0.01	2,370,000

**3. SUBSTANTIAL SHAREHOLDERS**

The substantial shareholders of SGSB and their direct and indirect shareholdings in SGSB based on the Register of Members of SGSB as at 12 June 2015 are as follows:

Shareholders	Nationality	Direct		Indirect	
		No. of securities	%	No. of securities	%
<b><u>SGSB Shares</u></b>					
Datuk Ter	Malaysian	1	Neg.	1,000,001 <sup>(1)</sup>	99.99
Sunsuria	Malaysia	1,000,000	99.99	-	-
Ter Equity	Malaysia	-	-	1,000,000 <sup>(2)</sup>	99.99
<b><u>SGSB RPS-A</u></b>					
Datuk Ter	Malaysian	16,839,000	100.00	-	-
<b><u>SGSB redeemable preference shares-class B</u></b>					
Sunsuria	Malaysia	237,000,000	100.00	-	-
Datuk Ter	Malaysian	-	-	237,000,000 <sup>(2)</sup>	100.00
Ter Equity	Malaysia	-	-	237,000,000 <sup>(2)</sup>	100.00

**INFORMATION ON SGSB (Cont'd)****Notes:**

*Neg. Negligible.*

(1) *Deemed interest by virtue of his interest in Sunsuria pursuant to Section 6A of the Act and deemed interest by virtue of his spouse, Datin Kwan's direct interest.*

(2) *Deemed interest by virtue of its/his interest in Sunsuria pursuant to Section 6A of the Act.*

**4. DIRECTORS**

The directors of SGSB and their direct and indirect shareholdings in SGSB based on the Register of Directors of SGSB as at 12 June 2015 are as follows:

Directors	Nationality	Designation	Direct		Indirect	
			No. of securities	%	No. of securities	%
<b><u>SGSB Shares, SGSB RPS-A and SGSB redeemable preference shares-class B</u></b>						
Simon Kwan	Malaysian	Director	-	-	-	-
Hoong Wai						
Ter Leong Ping	Malaysian	Director	-	-	-	-

**5. SUBSIDIARY AND ASSOCIATED COMPANY**

As at 12 June 2015, SGSB does not have any subsidiary and associated company. The details of the jointly controlled entity of SGSB are as follows:

Company	Country and date of incorporation	Authorised share capital (RM)	Issued and paid-up share capital (RM)	Principal activity	Equity interest held by SGSB as at the LPD
<b><u>Jointly controlled entity</u></b>					
SDSDSB	6 June 2013, Malaysia	400,000	2	Property development	50%

**INFORMATION ON SGSB (Cont'd)****6. FINANCIAL SUMMARY**

The summary of key financial information of SGSB based on the Accountant's Report as enclosed in **Appendix IX** of this AP for the financial period from the date of incorporation 23 April 2013 to 31 December 2013 and FYE 31 December 2014 are set out below:

	Financial period from the date of incorporation 23 April 2013 to 31 December 2013	FYE 31 December 2014
	RM'000	RM'000
Revenue	-	-
Other income	5	*
PBT/(LBT)	2	(12)
Taxation	-	-
PAT/(LAT)	2	(12)
Share capital	^	^
Shareholders' funds/NA/(NL)	2	(10)
Total borrowings	-	-
NA per share (RM)	1,000	(5,000)
Gross EPS/ (LPS) (RM)	1,000	(6,000)
Net EPS/(LPS) (RM)	1,000	(6,000)
Current ratio	1.00	1.00
Gearing (times)	-	-

**Notes:**

\* Less than RM500

^ RM2

For the past two (2) financial years of SGSB under review:

- (i) there were no exceptional or extraordinary items;
- (ii) there were no accounting policies adopted by SGSB which are peculiar to SGSB because of the nature of its business or the industry in which it is involved in; and
- (iii) there were no audit qualifications of the financial statements of SGSB.

**Commentary of past financial performance****FYE 31 December 2014**

SGSB has not commenced the property development activities for the FYE 31 December 2014. In addition, the Suria Serenia Land was still at its planning stage. As such, no revenue was generated and a loss of RM12,447 was incurred.

**FPE 31 December 2013**

SGSB is newly incorporated and has recognised a net operating income of RM1,707.

**INFORMATION ON SGSB (Cont'd)****7. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at the LPD, save for the following, there are no material commitments or contingent liabilities incurred or known to be incurred by SGSB which, upon becoming enforceable, may have a material impact on the financial results/position of SGSB:

<b>Capital commitments</b>	<b>RM</b>
Capital expenditure approved and contracted for acquisition of land	123,338,185 <sup>(1)</sup>

**Note:**

(1) Being SGSB's 50% share of SDSDSB's capital commitment of RM246,676,370.

**8. MATERIAL LITIGATION**

As at the LPD, SGSB is not engaged, whether as plaintiff or defendant, in any litigation, arbitration proceedings or prosecution, and there are no litigation, proceeding or prosecution pending or threatened either by or against SGSB.

**9. MATERIAL CONTRACTS**

Save for the:

- (i) SGSB Subscription Agreement; and
- (ii) supplemental agreement dated 20 April 2015 entered into between Sunsuria with SGSB, Datuk Ter and Datin Kwan (being the existing shareholders of SGSB) for the variation to the terms of the SGSB Subscription Agreement,

SGSB has not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the past two (2) years immediately preceding the date of this AP.

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**INFORMATION ON SDSDSB****1. HISTORY AND BUSINESS**

SDSDSB was incorporated as a private limited company on 6 June 2013 in Malaysia under the Act. SDSDSB is principally engaged in property development which will undertake the mixed development of Suria Serenia.

**2. SHARE CAPITAL**

As at 12 June 2015, the authorised and issued and paid-up share capital of SDSDSB is as follows:

	No. of securities	Par value (RM)	RM
<b><u>SDSDSB Shares</u></b>			
Authorised share capital	400,000	1.00	400,000
Issued and paid-up share capital	2	1.00	2

**3. SUBSTANTIAL SHAREHOLDERS**

The substantial shareholders of SDSDSB and their direct and indirect shareholdings in SDSDSB based on the Register of Members of SDSDSB as at 12 June 2015 are as follows:

Shareholders	Nationality/ Place of incorporation	Direct		Indirect	
		No. of SDSDSB Shares held	%	No. of SDSDSB Shares held	%
SGSB	Malaysia	1	50.00	-	-
Sime Darby Property	Malaysia	1 <sup>(1)</sup>	50.00	-	-
Sunsuria	Malaysia	-	-	1 <sup>(2)</sup>	50.00
Datuk Ter	Malaysian	-	-	1 <sup>(3)</sup>	50.00
Ter Equity	Malaysia	-	-	1 <sup>(3)</sup>	50.00
Sime Darby Property Berhad	Malaysia	-	-	1 <sup>(4)</sup>	50.00
Sime Darby Berhad	Malaysia	-	-	1 <sup>(5)</sup>	50.00

**Notes:**

- (1) The SDSDSB Acquisition has become unconditional on 11 June 2015 but is presently pending completion. Upon completion of the SDSDSB Acquisition, the one (1) SDSDSB Share held by Sime Darby Property will be transferred to Havana Symphony Sdn Bhd ("**Havana**"). SDSDSB will become a 100%-owned indirect subsidiary of Sunsuria comprising 50% equity interest held via Havana and the remaining indirect 50% equity interest held through SGSB
- (2) Deemed interest by virtue of its interest in SGSB pursuant to Section 6A of the Act.
- (3) Deemed interest by virtue of his/its interest in SGSB (through Sunsuria) pursuant to Section 6A of the Act.
- (4) Deemed interested by virtue of its interest in Sime Darby Property pursuant to Section 6A of the Act.
- (5) Deemed interested by virtue of its interest in Sime Darby Property (through Sime Darby Property Berhad) pursuant to Section 6A of the Act.

**INFORMATION ON SDSDSB (Cont'd)****4. DIRECTORS**

The directors of SDSDSB and their direct and indirect shareholdings in SDSDSB based on the Register of Directors of SDSDSB as at 12 June 2015 are as follows:

Directors	Nationality	Designation	Direct		Indirect	
			No. of SDSDSBB Shares held	%	No. of SDSDSB Shares held	%
Dato' Seri Abd Wahab bin Maskan	Malaysian	Director	-	-	-	-
Datuk Ter	Malaysian	Director	-	-	1 <sup>(1)</sup>	50.0
Ho Hon Sang	Malaysian	Director	-	-	-	-
Koong Wai Seng	Malaysian	Director	-	-	-	-
Ho Ee Lay	Malaysian	Director	-	-	-	-
Mohd. Salem bin Kailany	Malaysian	Director	-	-	-	-

**Note:**

(1) Deemed interest by virtue of his interest in SGSB (through Sunsuria) pursuant to Section 6A of the Act.

**5. SUBSIDIARY AND ASSOCIATED COMPANY**

As at 12 June 2015, SDSDSB does not have any subsidiary and associated company.

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**INFORMATION ON SDSDSB (Cont'd)****6. FINANCIAL SUMMARY**

The summary of key financial information of SDSDSB based on the Accountant's Report as enclosed in **Appendix IX** of this AP for the financial period from the date of incorporation 6 June 2013 to 30 June 2014 is set out below:

	Financial period from the date of incorporation 6 June 2013 to 30 June 2014
	RM'000
Revenue	-
Other income	-
LBT	(315)
Taxation	-
LAT	(315)
Share capital	^
Shareholders' funds/NL	(315)
Total borrowings	-
NL per share (RM)	(157,500)
Gross LPS (RM)	(157,500)
Net LPS (RM)	(157,500)
Current ratio	0.99
Gearing (times)	-

**Note:**

^ RM2

For the past financial period of SDSDSB:

- (i) there were no exceptional or extraordinary items;
- (ii) there were no accounting policies adopted by SDSDSB which are peculiar to SDSDSB because of the nature of its business or the industry in which it is involved in; and
- (iii) there were no audit qualifications of the financial statements of SDSDSB.

**Commentary of past financial performance****FPE 30 June 2014**

SDSDSB has not commenced the property development activities for the financial year under review. As such, no revenue was generated and a loss of RM314,880 was incurred.

**INFORMATION ON SDSDSB (Cont'd)****7. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at the LPD, save for the following, there are no material commitments or contingent liabilities incurred or known to be incurred by SDSDSB which, upon becoming enforceable, may have a material impact on the financial results/position of SDSDSB:

Capital commitments	RM
Capital expenditure approved and contracted for acquisition of land	246,676,370 <sup>(1)</sup>

**Note:**

(1) Being the remaining unpaid consideration to Sime Darby Serenia Development Sdn Bhd for the purchase of Suria Serenia Land.

**8. MATERIAL LITIGATION**

As at the LPD, SDSDSB is not engaged, whether as plaintiff or defendant, in any litigation, arbitration proceedings or prosecution, and there are no litigation, proceeding or prosecution pending or threatened either by or against SDSDSB.

**9. MATERIAL CONTRACTS**

Save as disclosed below, SDSDSB has not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the past two (2) years immediately preceding the date of this AP.

- (a) Sale and purchase agreement dated 4 September 2014 entered into between Sime Darby Serenia Development Sdn Bhd (as vendor) and SDSDSB (as purchaser) for the sale and purchase of three (3) parcels of land forming part of land under Geran 49973, Lot 6919, Mukim of Kajang, District of Ulu Langat, State of Selangor, measuring approximately 40 acres in aggregate as delineated in green in the layout plan attached therein for an aggregate sale and purchase consideration of RM46,000,000.00, subject to adjustment/recomputation pursuant to the terms contained therein. As at the LPD, the transaction is pending completion in accordance with the terms of the said sale and purchase agreement.
- (b) Sale and purchase agreement dated 20 June 2014 entered into between Sime Darby Serenia Development Sdn Bhd (as vendor) and SDSDSB (as purchaser) for the sale and purchase of a portion of land under Geran 273723, Lot 31484, Mukim of Dengkil, District of Sepang, State of Selangor, measuring approximately 6.58 acres in aggregate as delineated in red in the layout plan attached therein for an aggregate sale and purchase consideration of RM6,590,000.00, subject to adjustment/recomputation pursuant to the terms contained therein. As at the LPD, the transaction is pending completion in accordance with the terms of the said sale and purchase agreement.
- (c) Sale and purchase agreement dated 6 August 2013 entered into between Sime Darby Ampar Tenang Development Sdn Bhd (now known as Sime Darby Serenia Development Sdn Bhd) (as vendor) and Cypress Promotions Sdn Bhd (now known as SDSDSB) (as purchaser) for the sale and purchase of five (5) parcels of land forming part of land under Geran 49973, Lot 6919 & 4960 and Geran 48715, Lot 4640, Mukim of Kajang, District of Ulu Langat, State of Selangor and Geran 271018, Lot 7718, Geran 122099, Lot 20996, Geran 273723, Lot 31484, and Geran 27613, Lot 4639 & 4705, Mukim of Dengkil, District of Sepang, State of Selangor, measuring approximately 300 acres as delineated in green in the layout plan attached therein for an aggregate sale and purchase consideration of RM235,224,000.00, subject to adjustment/recomputation pursuant to the terms contained therein. As at the LPD, the transaction is pending completion in accordance with the terms of the said sale and purchase agreement.

**INFORMATION ON SMSB****1. HISTORY AND BUSINESS**

SMSB was incorporated as a private limited company on 3 August 2009 in Malaysia under the Act under the name of Platinum Solaris Sdn Bhd. It subsequently changed to its present name on 10 June 2013. SMSB is principally engaged in property development and property investment.

**2. SHARE CAPITAL**

As at 12 June 2015, the authorised and issued and paid-up share capital of SMSB is as follows:

	No. of securities	Par value (RM)	RM
Authorised share capital	5,000,000	1.00	5,000,000
Issued and paid-up share capital	1,250,000	1.00	1,250,000

**3. SUBSTANTIAL SHAREHOLDERS**

The substantial shareholders of SMSB and their direct and indirect shareholdings in SMSB based on the Register of Members of SMSB as at 12 June 2015 are as follows:

Shareholders	Nationality/ Place of incorporation	Direct		Indirect	
		No. of SMSB Shares held	%	No. of SMSB Shares held	%
Sunsuria	Malaysia	-	-	262,500 <sup>(1)</sup>	21.00
Concord	Malaysia	250,000	20.00	-	-
Sunsuria South Sdn Bhd ("SSSB")	Malaysia	750,000	60.00	-	-
Creed Investments Pte Ltd ("Creed")	Singapore	237,500	19.00	750,000 <sup>(2)</sup>	60.00
Consolidated Leasing (M) Sdn Bhd ("CLSB")	Malaysia	12,500	1.00	-	-
SDSB	Malaysia	-	-	750,000 <sup>(2)</sup>	60.00
Sunsuria Holdings Sdn Bhd ("SHSB")	Malaysia	-	-	750,000 <sup>(3)</sup>	60.00
Datuk Ter	Malaysian	-	-	1,012,500 <sup>(4)</sup>	81.00
Ter Equity	Malaysia	-	-	750,000 <sup>(5)</sup>	60.00
Toshiko Muneyoshi	Japanese	-	-	987,500 <sup>(6)</sup>	79.00

**Notes:**

- (1) Deemed interested by virtue of its interest in CLSB and Concord pursuant to Section 6A of the Act.
- (2) Deemed interested by virtue of its interest in SSSB pursuant to Section 6A of the Act.
- (3) Deemed interested by virtue of its interest in SSSB (through SDSB) pursuant to Section 6A of the Act.
- (4) Deemed interested by virtue of his interest in CLSB and Concord (through Sunsuria) and SSSB (through SDSB, which in turn is a 100% subsidiary of SHSB) pursuant to Section 6A of the Act.
- (5) Deemed interested by virtue of its interest in CLSB and Concord (through Sunsuria) pursuant to Section 6A of the Act.
- (6) Deemed interested by virtue of his interest in Creed pursuant to Section 6A of the Act.

**INFORMATION ON SMSB (Cont'd)****4. DIRECTORS**

The directors of SMSB and their direct and indirect shareholdings in SMSB based on the Register of Directors of SMSB as at 12 June 2015 are as follows:

Directors	Nationality	Designation	Direct		Indirect	
			No. of SMSB Shares held	%	No. of SMSB Shares held	%
Datuk Ter	Malaysian	Director	-	-	1,012,500 <sup>(1)</sup>	81.00
Datin Kwan	Malaysian	Director	-	-	-	-
Wong Yuen Teck	Malaysian	Director	-	-	-	-
Koong Wai Seng	Malaysian	Director	-	-	-	-
Toshiko Muneyoshi	Japanese	Director	-	-	987,500 <sup>(2)</sup>	79.00
Akihiro Matsumoto	Japanese	Director	-	-	-	-

**Notes:**

- (1) Deemed interested by virtue of his interest in CLSB and Concord (through Sunsuria) and SSSB (through SDSB, which in turn is a 100% subsidiary of SHSB) pursuant to Section 6A of the Act.
- (2) Deemed interested by virtue of his interest in Creed pursuant to Section 6A of the Act.

**5. SUBSIDIARY AND ASSOCIATED COMPANY**

As at 12 June 2015, SMSB does not have any subsidiary and associated company.

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**INFORMATION ON SMSB (Cont'd)****6. FINANCIAL SUMMARY**

The summary of key financial information of SMSB based on the Accountant's Report as enclosed in **Appendix IX** of this AP for the FPE 31 December 2012, FYE 31 December 2013 and FYE 31 December 2014 are set out below:

	FPE 31 December 2012	FYE 31 December 2013	FYE 31 December 2014
	RM'000	RM'000	RM'000
Revenue	-	-	3,853
Other income	*	65	125
LBT	(3)	(289)	(7,413)
Taxation	*	*	(24)
LAT	(3)	(289)	(7,437)
Share capital	@	250	1,250
Shareholders' funds/NL	(9)	(48)	(6,485)
Total borrowings	-	-	150,255
NL per share <sup>(1)</sup> (RM)	(90)	(1)	(12)
Gross LPS <sup>(1)</sup> (RM)	(30)	(4)	(14)
Net LPS <sup>(1)</sup> (RM)	(30)	(4)	(14)
Current ratio	0.99	0.96	1.41
Gearing (times)	-	-	(23.17)

**Notes:**

(1) Calculated using weighted average number of ordinary shares

\* Less than RM500

@ RM100

For the past three (3) FYEs of SMSB under review:

- (i) there were no exceptional or extraordinary items;
- (ii) there were no accounting policies adopted by SMSB which are peculiar to SMSB because of the nature of its business or the industry in which it is involved in; and
- (iii) save as disclosed, there were no audit qualifications of the financial statements of SMSB. For the FYE 31 December 2014, there was an emphasis of matter on the continuation of SMSB as a going concern.

**Commentary of past financial performance****FYE 31 December 2014**

The revenue of RM3,853,357 recorded in FYE 31 December 2014 was generated from property development activities in the Sunsoria Medini project. The increase in LAT by approximately 2476% or RM7,148,391 from RM288,762 in FYE 31 December 2013 to RM7,437,153 in FYE 31 December 2014 was mainly due to lower profits contribution from undertaking new projects with higher initial operating expenses, which includes pre-launch marketing and sales commission expenses of RM4,634,106 and foreign exchange loss of RM1,487,302 for FYE 31 December 2014. During the FYE 31 December 2014, a loan was taken for the purpose of partial land payments for the Sunsoria Medini land.

**INFORMATION ON SMSB (Cont'd)****FYE 31 December 2013**

The LAT for the FYE 31 December 2012 and FYE 31 December 2013 was mainly due to operating and administrative expenses incurred.

**FPE 31 December 2012**

SMSB has not commenced and/or undertaken any development business for the FYE 31 December 2012. As such, no revenue was generated and an operating loss of RM2,721 was incurred.

**7. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at the LPD, save for the following, there are no material commitments or contingent liabilities incurred or known to be incurred by SMSB which, upon becoming enforceable, may have a material impact on the financial results/position of SMSB:

<b>Capital commitments</b>	<b>RM</b>
Capital expenditure approved and contracted for acquisition of leasehold land	237,531,935 <sup>(1)</sup>

**Note:**

(1) Being the remaining unpaid consideration to Metrogold Assets Sdn Bhd for the purchase of the SMSB Properties.

**8. MATERIAL LITIGATION**

As at the LPD, SMSB is not engaged, whether as plaintiff or defendant, in any litigation, arbitration proceedings or prosecution, and there are no litigation, proceeding or prosecution pending or threatened either by or against SMSB.

**9. MATERIAL CONTRACTS**

Save as disclosed below, SMSB has not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the past two (2) years immediately preceding the date of this AP.

- (a) Shareholders' agreement in relation to SMSB dated 21 November 2014 (as amended via a supplemental letter dated 15 January 2015) entered into between Creed, SSSB, Concord, TCSB, SMSB and Datuk Ter for the purposes of setting out the terms governing the relationship as shareholders of SMSB. The parties and Sunsuria have on 12 June 2015 entered into a deed of accession and pursuant to which Sunsuria will be bound by, and be entitled to the benefit of, all the terms and conditions of such shareholders' agreement in all respects as if it had been a party thereto in place of TCSB.
- (b) Share purchase and subscription agreement dated 21 November 2014 entered into between Creed, SDSB, SSSB, SMSB, Concord and Datuk Ter for the sale and purchase and subscription of shares in SMSB for an aggregate consideration of RM160,876,571.04. As at the LPD, the transaction is pending completion in accordance with the terms of the said share purchase and subscription agreement.



**INFORMATION ON SMSB (Cont'd)**

- (c) Lease purchase agreement dated 30 June 2013 (as amended and supplemented by a supplemental agreement dated 11 March 2014 and a second supplemental agreement dated 27 June 2014) entered into between Metrogold Assets Sdn. Bhd. (as vendor) and SMSB (as purchaser) for the sale and purchase of lease(s) of 99 years over Plots C7 – C12 and C15 – C24 of Zone C held under H.S.(D) 505993, PT No. PTD 183273, Mukim of Pulai, District of Johor Bahru and State of Johor for an aggregate sale and purchase consideration of RM396,264,895.00. As at the LPD, the transaction is pending completion in accordance with the terms of the said lease purchase agreement.
- (d) Extension of lease agreement dated 18 August 2014 entered into between Iskandar Investment Berhad ("IIB") (as registered proprietor) and SMSB (as purchaser) for the extension of lease over a plot of land i.e. Plot C15 of Zone C held under H.S.(D) 535603, PTD 199647, Mukim of Pulai, District of Johor Bahru and State of Johor for a fixed period of 30 years commencing from 28 May 2113 and expiring on 27 May 2143 for a premium of RM2,769,957.78. As at the LPD, the transaction has been completed in accordance with the terms of the said extension of lease agreement.
- (e) Extension of lease agreement dated 4 December 2014 entered into between IIB (as registered proprietor) and SMSB (as purchaser) for the extension of lease over a plot of land i.e. Plot C23 of Zone C held under H.S.(D) 535606, PTD 199650, Mukim of Pulai, District of Johor Bahru and State of Johor for fixed period of 30 years commencing from 28 May 2113 and expiring on 27 May 2143 for a premium of RM1,437,480.00. As at the LPD, the transaction has been completed in accordance with the terms of the said extension of lease agreement.
- (f) Extension of lease agreement dated 4 December 2014 entered into between IIB (as registered proprietor) and SMSB (as purchaser) for the extension of lease over a plot of land i.e. Plot C24 of Zone C held under H.S.(D) 535607, PTD 199651, Mukim of Pulai, District of Johor Bahru and State of Johor for fixed period of 30 years commencing from 28 May 2113 and expiring on 27 May 2143 for a premium of RM2,508,515.13. As at the LPD, the transaction has been completed in accordance with the terms of the said extension of lease agreement.

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**INFORMATION ON CONCORD****1. HISTORY AND BUSINESS**

Concord was incorporated as a private limited company on 31 August 2007 in Malaysia under the Act. Concord is principally an investment holding company.

**2. SHARE CAPITAL**

As at the 12 June 2015, the authorised and issued and paid-up share capital of Concord is as follows:

	No. of securities	Par value (RM)	RM
Authorised share capital	100,000	1.00	100,000
Issued and paid-up share capital	2	1.00	2

**3. SUBSTANTIAL SHAREHOLDERS**

The substantial shareholders of Concord and their direct and indirect shareholdings in Concord based on the Register of Members of Concord as at the 12 June 2015 are as follows:

Shareholders	Nationality	Direct		Indirect	
		No. of Concord Shares held	%	No. of Concord Shares held	%
Sunsuria	Malaysia	2	100.00		
Ter Equity	Malaysia	-	-	2 <sup>(1)</sup>	100.00
Datuk Ter	Malaysian	-	-	2 <sup>(1)</sup>	100.00

*Note:*

(1) Deemed interested by virtue of its/his interest in Sunsuria pursuant to Section 6A of the Act.

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**INFORMATION ON CONCORD (Cont'd)****4. DIRECTORS**

The directors of Concord and their direct and indirect shareholdings in Concord based on the Register of Directors of Concord as at the 12 June 2015 are as follows:

Directors	Nationality	Designation	Direct		Indirect	
			No. of Concord Shares held	%	No. of Concord Shares held	%
Simon Kwan Hoong Wai	Malaysian	Director	-	-	-	-
Ter Leong Ping	Malaysian	Director	-	-	-	-

**5. SUBSIDIARY AND ASSOCIATED COMPANY**

As at 12 June 2015, Concord does not have any subsidiaries. Concord currently holds 20% equity interest in SMSB which is an associated company of Concord.

Details on SMSB are set out in **Appendix III (C)** of this AP.

**6. FINANCIAL SUMMARY**

The summary of key financial information of Concord based on the Accountant's Report as enclosed in **Appendix IX** of this AP for the FYE 31 December 2012, FYE 31 December 2013 and FYE 31 December 2014 are set out below:

	FYE 31 December 2012	FYE 31 December 2013	FYE 31 December 2014
	RM'000	RM'000	RM'000
Revenue	-	-	-
Other income	-	-	13,415
PBT/(LBT)	(1)	(2)	13,387
Taxation	-	-	(14)
PAT/(LAT)	(1)	(2)	13,373
Share capital	^	^	^
Shareholders' funds/(NL)/NA	(7)	(9)	13,364
Total borrowings	-	-	-
(NL)/NA per share (RM)	(3,500)	(4,500)	6,682,000
Gross (LPS)/EPS (RM)	(500)	(1,000)	6,693,500
Net (LPS)/EPS (RM)	(500)	(1,000)	6,686,500
Current ratio	-	0.99	9.34
Gearing (times)	-	-	-

**Note:**

^ RM2

For the past three (3) FYEs of Concord under review:

- (i) there were no exceptional or extraordinary items;

**INFORMATION ON CONCORD (Cont'd)**

- (ii) there were no accounting policies adopted by Concord which are peculiar to Concord because of the nature of its business or the industry in which it is involved in; and
- (iii) there were no audit qualifications of the financial statements of Concord.

**Commentary of past financial performance****FYE 31 December 2014**

The profits for the FYE 31 December 2014 was mainly due to waiver of loan capital.

**FYE 31 December 2013**

The LAT for the FYE 31 December 2013 was mainly due to operating and administrative expenses incurred.

**FYE 31 December 2012**

Concord has not commenced operations since the date of incorporation. The LAT for the FYE 31 December 2012 was mainly due to operating and administrative expenses incurred.

**7. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at the LPD, there are no material commitments or contingent liabilities incurred or known to be incurred by Concord which, upon becoming enforceable, may have a material impact on the financial results/ position of Concord.

**8. MATERIAL LITIGATION**

As at the LPD, Concord is not engaged, whether as plaintiff or defendant, in any litigation, arbitration proceedings or prosecution, and there are no litigation, proceeding or prosecution pending or threatened either by or against Concord.

**9. MATERIAL CONTRACTS**

Save as disclosed below, Concord has not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the past two (2) years immediately preceding the date of this AP.

- (a) Shareholders' agreement in relation to SMSB dated 21 November 2014 (as amended via a supplemental letter dated 15 January 2015) entered into between Creed, SSSB, Concord, TCSB, SMSB and Datuk Ter for the purposes of setting out the terms governing the relationship as shareholders of SMSB. The parties and Sunsuria have on 12 June 2015 entered into a deed of accession and pursuant to which Sunsuria will be bound by, and be entitled to the benefit of, all the terms and conditions of such shareholders' agreement in all respects as if it had been a party thereto in place of TCSB.
- (b) Share purchase and subscription agreement dated 21 November 2014 entered into between Creed, SDSB, SSSB, SMSB, Concord and Datuk Ter for the sale and purchase and subscription of shares in SMSB for an aggregate consideration of RM160,876,571.04. As at the LPD, the transaction is pending completion in accordance with the terms of the said share purchase and subscription agreement.

## INFORMATION ON RNSB

### 1. HISTORY AND BUSINESS

RNSB was incorporated as a private limited company on 11 November 2008 in Malaysia under the Act. RNSB is principally engaged in property development.

### 2. SHARE CAPITAL

As at 12 June 2015, the authorised and issued and paid-up share capital of RNSB is as follows:

	No. of securities	Par value (RM)	RM
Authorised share capital			
- Ordinary shares of RM1.00 each in RNSB ("RNSB Shares")	49,680,000	1.00	49,680,000
- Redeemable preference shares ("RNSB RPS")	32,000,000	0.01	320,000
Issued and paid-up share capital			
- RNSB Shares	25,250,000	1.00	25,250,000
- RNSB RPS	32,000,000	0.01	320,000

### 3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of RNSB and their direct and indirect shareholdings in RNSB based on the Register of Members of RNSB as at 12 June 2015 are as follows:

Shareholders	Nationality	Direct		Indirect	
		No. of RNSB Shares held	%	No. of RNSB Shares held	%
<b><u>RNSB Shares</u></b>					
SDSB	Malaysia	250,000	0.99	-	-
Sunsuria	Malaysia	25,000,000	99.01	-	-
Ter Equity	Malaysia	-	-	25,000,000 <sup>(1)</sup>	99.01
SHSB	Malaysia	-	-	250,000 <sup>(2)</sup>	0.99
Datuk Ter	Malaysian	-	-	25,250,000 <sup>(3)</sup>	100.00
<b><u>RNSB RPS</u></b>					
Sunsuria	Malaysia	32,000,000	100.00	-	-
Datuk Ter	Malaysian	-	-	32,000,000 <sup>(1)</sup>	100.00
Ter Equity	Malaysia	-	-	32,000,000 <sup>(1)</sup>	100.00

**Notes:-**

- (1) Deemed interested by virtue of its/his interest in Sunsuria pursuant to Section 6A of the Act.
- (2) Deemed interested by virtue of its interest in SDSB pursuant to Section 6A of the Act.
- (3) Deemed interested by virtue of his interest in SDSB (through SHSB) and Sunsuria pursuant to Section 6A of the Act.

**INFORMATION ON RNSB (Cont'd)****4. DIRECTORS**

The directors of RNSB and their direct and indirect shareholdings in RNSB based on the Register of Directors of RNSB as at 12 June 2015 are as follows:

Directors	Nationality	Designation	Direct		Indirect	
			No. of RNSB Shares held	%	No. of RNSB Shares held	%
Simon Kwan Hoong Wai	Malaysian	Director	-	-	-	-
Ter Leong Ping	Malaysian	Director	-	-	-	-

**5. SUBSIDIARY AND ASSOCIATED COMPANY**

As at 12 June 2015, RNSB does not have any subsidiary company and associated company.

**6. FINANCIAL SUMMARY**

The summary of key financial information of RNSB based on the Accountant's Report as enclosed in **Appendix IX** of this AP for the FYE 31 December 2012, FYE 31 December 2013 and FYE 31 December 2014 are set out below:

	FYE 31 December 2012	FYE 31 December 2013	FYE 31 December 2014
	RM'000	RM'000	RM'000
Revenue	-	3,636	35,257
(LBT)/PBT	(156)	(2,560)	1,877
(LAT)/PAT	(156)	(2,560)	1,877
Share capital	^	250	250
Shareholders' funds/NL	(166)	(2,476)	(599)
Total borrowings	-	-	-
NL <sup>(1)</sup> per share (RM)	(83,000)	(17)	(2)
Gross (LPS)/EPS <sup>(1)</sup> (RM)	(78,000)	(17)	8
Net (LPS)/EPS <sup>(1)</sup> (RM)	(78,000)	(17)	8
Current ratio	1.00	0.97	0.99
Gearing (times)	-	-	-

**Note:**

(1) Calculated using weighted average number of ordinary shares

^ RM2

For the past three (3) FYEs of RNSB under review:

- (i) there were no exceptional or extraordinary items;
- (ii) there were no accounting policies adopted by RNSB which are peculiar to RNSB because of the nature of its business or the industry in which it is involved in; and
- (iii) save as disclosed, there were no audit qualifications of the financial statements of RNSB. For the FYE 31 December 2013, there was an emphasis of matter on the continuation of RNSB as a going concern.

**INFORMATION ON RNSB (Cont'd)****Commentary of past financial performance****FYE 31 December 2014**

Revenue increased by approximately 870% or RM31,620,245 from RM3,636,364 in FYE 31 December 2013 to RM35,256,609 in FYE 31 December 2014 due to higher progress billings from property sales generated from remaining plots of Suria Hills 2A and additional bungalow plots of Suria Hills 2B.

RNSB generated a profit of RM1,877,363 in the FYE 31 December 2014 primarily due to the income arising from the waiver of loan capital by its immediate holding company.

**FYE 31 December 2013**

The revenue of RM3,636,364 recorded in FYE 31 December 2013 was generated from commencement of bungalow plots sold under Suria Hills 2A development project. Despite the revenue generated in FYE 31 December 2013, the LAT increased by approximately 1542% or RM2,404,016 from RM155,950 in FYE 31 December 2012 to RM2,559,966 in FYE 31 December 2013 due to additional property development and operating costs from the Suria Hills project.

**FPE 31 December 2012**

For the FYE 31 December 2012, RNSB's property development activities were at the planning stage. As such, operating losses of RM155,950 was incurred.

**7. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at the LPD, there are no material commitments or contingent liabilities incurred or known to be incurred by RNSB which, upon becoming enforceable, may have a material impact on the financial results/ position of RNSB.

**8. MATERIAL LITIGATION**

As at the LPD, RNSB is not engaged, whether as plaintiff or defendant, in any litigation, arbitration proceedings or prosecution, and there are no litigation, proceeding or prosecution pending or threatened either by or against RNSB.

**9. MATERIAL CONTRACTS**

Save for the conditional subscription agreement dated 9 March 2015 entered into between Sunsuria with RNSB and SDSB (being the existing shareholder of RNSB) for the RNSB Subscription, RNSB has not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the past two (2) years immediately preceding the date of this AP.

## INFORMATION ON SURIA SERENIA LAND, SUNSURIA MEDINI AND SURIA HILLS 2A AND 2B

Name of project	Suria Serenia	Sunsuria Medini	Suria Hills 2A and 2B
<b>Title No. &amp; Lot No.</b> 1) HS(D) 39885, PT 55366; 2) HS(D) 39881, PT 55367; 3) HS(D) 39882, PT 55368; 4) HS(D) 39884, PT 55370; 5) HS(D) 39886, PT 55372; 6) HS(D) 39887, PT 55373; 7) HS(D) 39888, PT 55374; 8) HS(D) 39890, PT 55376; and 9) HS(D) 39891, PT 55377, all within Mukim of Dengkil, District of Sepang, Selangor. Formerly: 1) part of Geran 316182, Lot 6919 & 4960; 2) part of Geran 313469, Lot 4640; 3) part of Geran 271018, Lot 7718; 4) Geran 122099, Lot 20996; 5) part of Geran 273723, Lot 31484; and 6) part of Geran 27613, Lot 4639 & 4705, all within Mukim of Dengkil, District of Sepang, Selangor.	1) Plot C7, HSD 535602, Lot PTD 199644; 2) Plot C8, HSD 546582, Lot PTD 200286; 3) Plot C9, HSD 546581, Lot PTD 200285; 4) Plot C10, HSD 546580, Lot PTD 200284; 5) Plot C11, HSD 546583, Lot PTD 200287; 6) Plot C12, HSD 546584, Lot PTD 200288; 7) Plot C15, HSD 535603, Lot PTD 199647; 8) Plot C16, HSD 546575, Lot PTD 200279; 9) Plot C17, HSD 546576, Lot PTD 200280; 10) Plot C18, HSD 546577, Lot PTD 200281; 11) Plot C19, HSD 546578, Lot PTD 200282; 12) Plot C20, HSD 546579, Lot PTD 200283; 13) Plot C21, HSD 535604, Lot PTD 199648; 14) Plot C22, HSD 535605, Lot PTD 199649; 15) Plot C23, HSD 535606, Lot PTD 199650; and 16) Plot C24, HSD 535607, Lot PTD 199651, all within Mukim of Pulai, District of Johor Bahru, Johor.	1) Geran 314152 to 314154 (inclusive), Lot 85737 to 85739 (inclusive); 2) H.S.(D) 264068 to 264073 (inclusive), Lot PT 26008 to PT 26013 (inclusive); 3) H.S.(D) 264237 to 264239, Lot PT 26177 to PT 26179 (inclusive); and 4) HSD 298593 to 298641, Lot PT 36957 to PT 37005 (inclusive), all within Mukim Bukit Raja, Daerah Petaling, Negeri Selangor.	Off Persiaran Setia Perdana, Bandar Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor.
<b>Location</b>	Located within the upcoming Suria Serenia Township, next to Kota Warisan, 43900 Sepang, Selangor.	Within Zone C of Medini, Nusajaya, Iskandar Malaysia, Johor.	Off Persiaran Setia Perdana, Bandar Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor.



## INFORMATION ON SURIA SERENIA LAND, SUNSURIA MEDINI AND SURIA HILLS 2A AND 2B

Name of project	Suria Serenia	Sunsuria Medini	Suria Hills 2A and 2B
Description of the land	<p>Three (3) parcels of residential land known as Plot 1A, 2B &amp; 3 (Residential) and six (6) parcels of commercial land known as Plot 1B, 2A, 3 (Commercial), 9, 10 and Sales Gallery Land.</p> <p>Sime Darby Ampar Tenang Development Sdn Bhd ("SDAT") (now known as Sime Darby Serenia Development Sdn Bhd) <sup>(1)</sup></p>	<p>Three (3) parcels of commercial land, three (3) parcels of serviced apartment land and ten (10) parcels of office/warehouse land.</p> <p>Iskandar Investment Berhad</p>	<p>An on-going development comprising sixty eight (68) parcels of bungalow plot.</p>
Registered owner			<ol style="list-style-type: none"> <li>1) Wong Yuen Teck is the registered owner of Lot 85737<sup>(2)</sup>;</li> <li>2) Simon Kwan Hoong Wai is the registered owner of Lot 85738<sup>(2)</sup>;</li> <li>3) Datuk Ter is the registered owner of Lot 85739 and PT 26008<sup>(2)</sup>;</li> <li>4) Mohd Azrin Bin Ayub Ahmad @ Abd Samad is the registered owner of Lot PT 26009 to 26011<sup>(2)</sup>;</li> <li>5) Nazlina Binti Mohamad Yusup is the registered owner of Lot PT 26012 to 26013<sup>(2)</sup>;</li> <li>6) Aclam Malik Bin Abdul Suleiman is the registered owner of Lot PT 26177<sup>(2)</sup>;</li> <li>7) Sirajunnisa Binti Abdul Kadir is the registered owner of Lot PT 26178<sup>(2)</sup>;</li> <li>8) Abdul Hadi Bin Ahmad is the registered owner of Lot PT 26179<sup>(2)</sup>; and</li> <li>9) Rentak Nusantara Sdn Bhd is the registered owner of Lot PT 36957 to 37005.</li> </ol>

**INFORMATION ON SURIA SERENIA LAND, SUNSURIA MEDINI AND SURIA HILLS 2A AND 2B**

Name of project	Suria Serenia	Sunsuria Medini	Suria Hills 2A and 2B
Beneficial owner	Cypress Promotions Sdn Bhd (now known as SDSDSB) <sup>(1)</sup>	SMSB is the lessee	RNSB
Encumbrances	Nil	<p>In respect of Lots PTID 199644, PTID 199647, PTID 199648, PTID 199469, PTID 199650 &amp; PTID 199651, Vide Presentation No. 55410/2014, 55408/2014, 55406/2014, 55404/2014, 55402/2014 &amp; 55400/2014 respectively Charge on Lease to Bank of China (Malaysia) Berhad registered on 6 July 2014</p> <p>In respect of Lots PTID 200279, PTID 200280, PTID 200281, PTID 200282, PTID 200283, PTID 200284, PTID 200285, PTID 200286, PTID 200287 &amp; PTID 200288, nil</p>	Nil
Tenure of land	Freehold	<p>In respect of Lots PTID 199647, PTID 199650 &amp; PTID 199651, lease interest expiring on 27 May 2143</p> <p>In respect of Lots PTID 199644, PTID 199648, PTID 199469, PTID 200279, PTID 200280, PTID 200281, PTID 200282, PTID 200283, PTID 200284, PTID 200285, PTID 200286, PTID 200287 &amp; PTID 200288, lease interest expiring on 27 May 2113</p> <p>The tenure of the parent lot is freehold</p>	Freehold
NBV	RM24.18 million as at 30 June 2014 <sup>(3)</sup>	RM136.69 million as at 31 December 2014	RM63.32 million as at 31 December 2014
Market value	RM505,000,000	RM600,000,000	RM57,000,000
Date of valuation	10 February 2015	31 January 2015	31 January 2015

## INFORMATION ON SURIA SERENIA LAND, SUNSURIA MEDINI AND SURIA HILLS 2A AND 2B

Name of project	Suria Serenia	Sunsuria Medini	Suria Hills 2A and 2B
Name of valuer	WTW	WTW	WTW
Size of land (acres)	331.27	82.77	10.96
Existing usage	Vacant development land	On-going development	On-going development
Types of development	Proposed mixed development comprising residential and commercial components, details of which have yet to be determined and shall be finalised at a later stage	Mixed development comprising of on-going mixed commercial industrial development for Plot C15, C23 and C24. Details of the mixed development for the remaining plots of land has yet to be determined and shall be finalised at a later stages	An on-going bungalow land development of earthworks, site clearance and certain infrastructure works surrounding the bungalow plots ( <b>Infrastructure</b> )
Estimated GDV (RM/billion)	6.39	4.46	0.08
Total estimated development cost (RM/billion)	Approximately RM3.64 billion to be funded via internally-generated funds and bank borrowings, the quantum of which is to be determined later.	Approximately RM0.18 billion for Plots C15, C23 and C24 to be funded via internally-generated funds. Total estimated development cost for the remaining plots of land has yet to be determined and shall be finalised at a later stage.	Approximately RM0.06 billion to be funded via internally-generated funds.
Total estimated profits expected to be derived (%)	Profit margins ranging between 40% to 45%	For Plots C15, C23 and C24, profit margins ranging between 25% to 40%	Profit margins of 18%
Buildings Erected	None	On-going mixed commercial industrial development on Plot C15, C23 and C24	None
Expected Development period (years)	12	8	2

## INFORMATION ON SURIA SERENIA LAND, SUNSURIA MEDINI AND SURIA HILLS 2A AND 2B

Name of project	Suria Serenia	Sunsuria Medini	Suria Hills 2A and 2B
Commencement date	2015	2014	2014
Expected completion date	2027	2022	2016
Percentage of completion	At initial planning stage.	Development of Plot C15 is currently at 47.7%. Development of Plots C23 and C24 is currently at 45% and 30% respectively.	Phase 2A has been completed and Phase 2B is currently at 93.5% in relation to the Infrastructure.
Status of relevant approvals obtained/ date obtained	Conditional planning approval for the development of Plot 1B was obtained on 14 May 2015.	Planning approval was obtained on 2 July 2014 for Plot C15 whereas for Plot C23 and C24 the planning approval was obtained on 29 January 2015. Building plan approval for Plot C15 and Plot C24 was obtained on 26 March 2015.	Planning Approval for the three (3) parent lots within Phase 2A to be subdivided into ten (10) parcels of bungalow plots was obtained on 29 January 2013 whilst Planning Approval for Phase 2B was obtained on 26 April 2013.
Total number of units sold as the LPD	N/A	139	35
Category of land use (as per land title)	Building.	Building (for Plot C7 to C12) and Industrial (for Plot C15 to C24).	Building.

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## INFORMATION ON SURIA SERENIA LAND, SUNSURIA MEDINI AND SURIA HILLS 2A AND 2B

Name of project	Suria Serenia	Sunsuria Medini	Suria Hills 2A and 2B
Express condition (as per land title)	Residential and Commercial	<p>Building (for Plot C7 to C9),</p> <p>"i. Tanah ini hendaklah digunakan untuk Bangunan Bertingkat bagi tujuan Komersil, dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan.</p> <p>ii. Segala kekotoran dan pencemaran akibat daripada aktiviti ini hendaklah disalurkan/dibuang ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Berkenaan.</p> <p>iii. Segala dasar dan syarat yang ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa Berkenaan hendaklah dipatuhi."</p> <p>Building (for Plot C10 to C12),</p> <p>"i. Tanah ini hendaklah digunakan sebagai bangunan bertingkat untuk tujuan Service Apartment dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan.</p> <p>ii. Segala kekotoran dan pencemaran akibat daripada aktiviti ini hendaklah disalurkan/dibuang ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Berkenaan.</p>	Residential Building

**INFORMATION ON SURIA SERENIA LAND, SUNSURIA MEDINI AND SURIA HILLS 2A AND 2B**

Name of project	Suria Serenia	Sunsuria Medini	Suria Hills 2A and 2B
		<p>iii. Segala dasar dan syarat yang ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa Berkenaan hendaklah dipatuhi."</p> <p>Office/Warehouse (for Plot C15 to C24)</p> <p>"i. Tanah ini hendaklah digunakan untuk Pejabat/Gudang, dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan.</p> <p>ii. Segala kekotoran dan pencemaran akibat daripada aktiviti ini hendaklah disalurkan/dibuang ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Berkenaan.</p> <p>iii. Segala dasar dan syarat yang ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa Berkenaan hendaklah dipatuhi."</p>	

**Notes:**

- (1) 10% of the purchase consideration has been paid by SDSDSB to SDAT and the transfer of ownership has not been completed.
- (2) The transfer of ownership to RNSB pursuant to a sale and purchase agreement dated 18 July 2012 has not been completed.
- (3) Represents the deposit paid for the purchase of the Suria Serenia Land as at 30 June 2014.

## VALUATION CERTIFICATES FROM WTW IN RELATION TO SURIA SERENIA LAND

**C H Williams Talhar & Wong****C H Williams Talhar & Wong Sdn Bhd** (18149-U)Juruukur Berkanun  
Chartered SurveyorsPeunding Harta Antarabangsa  
International Property Consultants

30-01, 30<sup>th</sup> Floor  
Menara Multi-Purpose  
@ CapSquare  
8 Jalan Munshi Abdullah  
P O Box 12157  
50100 Kuala Lumpur  
Malaysia  
T : 03-2616 8888  
F : 03-2616 8899  
E : kualalumpur@wtw.com.my  
Website: www.wtw.com.my

**Report and Valuation**

Our Ref : WTW/01/V/000860A/14/PZT

Date : 22 April 2015

**Board of Directors****Sunsuria Berhad**

Suite 8, Main Tower, Sunsuria Avenue  
Persiaran Mahogani, Kota Damansara  
PJU5, 47810 Petaling Jaya, Selangor

Dear Sirs

**VALUATION OF  
NINE (9) PARCELS OF DEVELOPMENT LAND KNOWN AS  
PLOT NOS. 1A, 1B, 2A, 2B, 3 (COMMERCIAL)  
3 (RESIDENTIAL), 9, 10 AND SALES GALLERY LAND LOCATED WITHIN  
PART OF PARENT LOT NOS. 6919 & 4960,  
4640, 7718, 20996, 31484, 4639 & 4705  
MUKIM OF DENGKIL, DISTRICT OF SEPANG, SELANGOR**

**Mohd Talhar A Rahman**  
FRICS, FRISM, MSISV, MPPFS  
**Foo Gee Jen**  
B Surv., MRICS, FRISM, MPEPS  
**Danny S K Yeo**  
Dip in Val, MRICS, FRISM, MPEPS  
**Dato' Md Baharuddin Mustafa**  
B Surv., MRICS, FRISM, MMIM, MPEPS  
**Tony Lee Eng Kow**  
B Sc., MRICS, FRISM, MPEPS  
**Aziah Mohd Yusoff**  
MBA, BLE, FRICS, FRISM, MPEPS  
**Heng Kiang Hai**  
MBA, B Surv., MRICS, FRISM, MPPFS  
**Tan Ka Leong**  
B Surv., FRISM, MPEPS  
**Peh Seng Yee**  
MBA, B Surv., MRICS, FRISM, MPEPS  
**Ainuddin Jalalul Bln Ismail**  
B.Sc., MRICS, MRISM  
**Lim Chai Yin**  
B.Sc., MRISM, MPEPS  
**Muhammad Kamal Mohamed**  
MBA, B Sc., MRICS, MRISM, MPEPS

*Consultants*  
Abdul Halim Othman  
Png Soo Theng  
Goh Tian Sui  
Tew You Kian


We refer to our Report and Valuation on the abovementioned property prepared by us under Reference No. WTW/01/V/000860A/14/PZT dated 12 February 2015. This letter should be read in conjunction with the said full Report and Valuation.

Vide a letter issued by Sime Darby Sunsuria Development Sdn Bhd (SDSDSB) dated 21 April 2015, the total land area of the subject property has been reduced from 346.58 acres to 331.27 acres. The adjustment on the land area is due to the water retention pond and open space area which is in excess of the respective 5% and 10% statutory requirement of each of the plots area as provided under the respective Sale and Purchase Agreements.

We also noted that the subject property has been issued with new titles bearing Lot Nos PT 55366 To PT 55368 (Inclusive), PT 55370, PT 55372 To PT 55374, PT 55376 and PT 55377, all within Mukim Of Dengkil, District Of Sepang, Selangor.

Based on the latest information provided, we are of the opinion the Market Value of the subject property based on RM35 per square foot is **RM505,000,000/- (Ringgit Malaysia : Five Hundred and Five Million Only)**.

Yours faithfully  
for and on behalf of  
**C H Williams Talhar & Wong Sdn Bhd**

  
**Sr HENG KIANG HAI**  
MBA (Real Estate), B.Surv (Hons) Prop.Mgt,  
MRICS, FRISM, MPEPS, MMIPPM  
Registered Valuer (V-486)

## VALUATION CERTIFICATES FROM WTW IN RELATION TO SURIA SERENIA LAND (Cont'd)

**C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)

Juruukur Berkanun  
Chartered SurveyorsPerunding Harta Antarabangsa  
International Property Consultants

30-01, 30<sup>th</sup> Floor  
Menara Multi-Purpose  
@ CapSquare  
8 Jalan Munshi Abdullah  
P O Box 12157  
50100 Kuala Lumpur  
Malaysia  
T : 03-2616 8888  
F : 03-2616 8899  
E : kuala Lumpur@wtw.com.my  
Website: www.wtw.com.my

**Report and Valuation**

Our Ref : WTW/01/V/000860A/14/PZT

Date : 12 February 2015

**Board of Directors****Sunsuria Berhad**

Suite 8, Main Tower, Sunsuria Avenue  
Persiaran Mahogani, Kota Damansara  
PJU5, 47810 Petaling Jaya, Selangor

Dear Sirs

**CERTIFICATE OF VALUATION**

**NINE (9) PARCELS OF DEVELOPMENT LAND KNOWN AS  
PLOT NOS. 1A, 1B, 2A, 2B, 3 (COMMERCIAL)  
3 (RESIDENTIAL), 9, 10 AND SALES GALLERY LANO LOCATED WITHIN  
PART OF PARENT LOT NOS. 6919 & 4960,  
4640, 7718, 20996, 31484, 4639 & 4705  
MUKIM OF DENGKIL, DISTRICT OF SEPANG, SELANGOR**

**Mohd Talhar A Rahman**  
FRICS, FRIM, MRIS, MPEPS  
**Foo Gea Jan**  
B Surv., MRICS, FRIM, MPEPS  
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Dip In Val., MRICS, FRIM, MPEPS  
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**Pah Sang Yee**  
MBA, B Surv., MRICS, FRIM, MPEPS  
**Ainuddin Jalani Bin Ismail**  
B.Sc., MRCS, MRIS  
**Lim Chai Yin**  
B.Sc., MRIS, MPEPS  
**Muhammad Kamal Mohamad**  
MBA, B.Sc., MRICS, MRIS, MPEPS

*Consultants*  
Abdul Halim Othman  
P'ng Soo Theng  
Goh Tian Sui  
Tew You Kian

We refer to your instructions to carry out a formal valuation on the above-mentioned property in providing our opinion of the market value of the property in relation to the proposed subscription for ordinary shares and new redeemable preference shares resulting in Sunsuria owning 99.99% equity interest in Sunsuria Gateway Sdn Bhd and for inclusion in the abridged prospectus of Sunsuria Berhad.

Having inspected the property and investigated available data related and relevant to the matter, we are pleased to report that in our opinion, the market value of the subject property as at 10 February 2015 **BASED ON THE BASIS/ADDITIONAL ASSUMPTIONS AND PROVISIO AS STATED IN OETAILED UNDER THE TERMS OF REFERENCE HEREIN** and free from all encumbrances is **RM528,000,000/- (Ringgit Malaysia: Five Hundred and Twenty Eight Million Only)**.

The valuation has been prepared in accordance with the requirements as set out in the Asset Valuation Guidelines issued by Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

The basis of the valuation is Market Value which is defined by the Malaysian Valuation Standards (MVS) to be "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".



**VALUATION CERTIFICATES FROM WTW IN RELATION TO SURIA SERENIA LAND (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/N/000860A/14/PZT

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**TERMS OF REFERENCE**

As instructed, the valuation is carried out based on the following BASIS/ADDITIONAL ASSUMPTIONS:-

1. THE SUBJECT PROPERTY COMPRISES NINE (9) PARCELS OF DEVELOPMENT LAND IDENTIFIEO AS PLOT 1A, 1B, 2A, 2B, 3(COMMERCIAL), 3(RESIDENTIAL), 9, 10 AND SALES GALLERY LAND WHICH FORMS PART OF PARENT TITLE NO. GERAN 316182, GERAN 313469, GERAN 271018, GERAN 122099, GERAN 273723 AND GERAN 27613, PART OF PARENT LOT NOS. 6919 & 4960, 4640, 7718, 20996, 31484, 4639& 4705 RESPECTIVELY, ALL WITHIN MUKIM OF DENGKIL, DISTRICT OF SEPANG, SELANGOR;
2. THE SUBJECT PROPERTY HAS THE FOLLOWING LAND AREA AND HAS BEEN CONVERTED TO THE FOLLOWING LAND USE WITH ALL RELEVANT PREMIUM PAIO:-

PLOT NO	LAND AREA	LAND USE
1A	100 ACRES	RESIDENTIAL
1B	10 ACRES	COMMERCIAL
2A	51 ACRES	COMMERCIAL
2B	38 ACRES	RESIDENTIAL
3(COMMERCIAL)	101 ACRES	COMMERCIAL
3(RESIDENTIAL)	22.99 ACRES	RESIDENTIAL
9	8.53 ACRES	COMMERCIAL
10	8.48 ACRES	COMMERCIAL
SALES GALLERY LAND	6.58 ACRES	COMMERCIAL
TOTAL	346.58 ACRES / 140.26 HECTARES	

3. A MARKETABLE AND REGISTRABLE INDIVIOUAL TITLE WITH BUILDING CATEGORY OF LAND USE WITH FREEHOLD INTEREST WILL BE ISSUED;
4. BASED ON THE SALE AND PURCHASE AGREEMENT OATED 6<sup>TH</sup> AUGUST 2013 ENTERED BETWEEN SIME DARBY AMPAR TENANG DEVELOPMENT SDN BHD (FORMERLY KNOWN AS SIME DARBY INDUSTRIAL PARK SDN. BHD.) [VENDOR] ANO CYPRESS PROMOTIONS SDN BHD [PURCHASER], THE VENDOR, SHALL COMPLETE THE MAJOR INFRASTRUCTURE WORKS WHICH INCLUDE MAJOR ROADS, MAIN DRAINS, MAIN WATER PIPELINES, MAIN SEWERAGE PIPELINES ANO MAIN COMMUNICATIONS INFRASTRUCTURE IN ACCORDANCE TO THE SPECIFICATION AND REQUIREMENTS OF THE RELEVANT AUTHORITIES AT ITS OWN COSTS ANO EXPENSES.

IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE BASIS/ASSUMPTION WHICH ARE ASSUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE BASIS/ASSUMPTION IS INVALID/INCORRECT.

"IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ADDITIONAL ASSUMPTION(S) AS STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON AN ASSUMPTION(S) THAT IS/ARE NOT YET OR FULLY REALISEO."

*(This paragraph is required in accordance with Standard 12 of the Malaysian Valuation Standards)*

**VALUATION CERTIFICATES FROM WTW IN RELATION TO SURIA SERENIA LAND (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/000860A/14/PZT

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**PROPERTY IDENTIFICATION**

- The property : Nine (9) parcels of development land known as Plot 1A, 1B, 2A, 2B, 3 (Residential), 3 (commercial), 9, 10 and Sales Gallery Land which forms part of parent lot Nos. 6919 & 4960, Lot 4640, 7718, 20996, 31484 and Lot 4639 & 4705, Mukim of Dengkil, District of Sepang, Selangor
- Location : Located within the upcoming Suria Serenia Township, next to Kota Warisan, 43900 Sepang, Selangor

Land Area to be Valued :

Plot Nos.	Designated Land Area
1A	100 Acres
1B	10 Acres
2A	51 Acres
2B	38 Acres
3 (commercial)	101 Acres
3 (residential)	22.99 Acres
9	8.53 Acres
10	8.48 Acres
Sales Gallery Land	6.58 Acres
<b>Total</b>	<b>346.58 Acres / Approximately 140.26 Hectares</b>

The designated land areas are adopted as per Sale and Purchase Agreements dated 6 August 2013, 20 June 2014 and 4 September 2014.

- Tenure of the Subject Property : Assumed term in perpetuity (Freehold)
- Registered Owner : SIME DARBY AMPAR TENANG SDN. BHD.
- Beneficial Owner of the subject property : SIME DARBY SUNSURIA DEVELOPMENT SDN. BHD. (FORMERLY KNOWN AS CYPRESS PROMOTIONS SDN. BHD.) as per the Sale & Purchase Agreements dated 6 August 2013, 20 June 2014 and 4 September 2014.
- Category of Land Use : Assumed Building

**GENERAL DESCRIPTION**

The subject property comprises nine (9) parcels of development land situated in the upcoming Suria Serenia Township, next to Kota Warisan, 43900 Sepang, Selangor.

The subject property has a total land area of 346.58 acres (approximately 140.26 hectares). It surrounds the under construction Xiamen University and the proposed Kuala Lumpur International Outlet (KLIO) is located next to plot 9 and 10 of the subject property.

Part of the compound of the subject property is demarcated with chain link fencing and metal hoarding. During our site inspection, we noted that earthwork is in progress on part of the land. The subject land is generally undulating in terrain and overgrown with trees and bushes.

**VALUATION CERTIFICATES FROM WTW IN RELATION TO SURIA SERENIA LAND (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/000860A/14/PZT

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**GENERAL DESCRIPTION (CONT'D)****Planning Provision**

The subject property will be issued with a building category of land use title. Via a letter issued by Majlis Perbandaran Sepang dated 14 May 2014, we noted that part of the township has been issued with planning approval for mixed development use.

**METHOD OF VALUATION**

The subject property is valued using the Comparison Method of Valuation. The Comparison Method entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, accessibility/visibility/exposure, size, tenure, land status, zoning/planning approval, shape/terrain, site improvement, title restrictions if any and other relevant characteristics to arrive at the market value.

We have adopted the Comparison Method as the sole method of valuation as the subject property comprises nine (9) parcels of vacant development land with a preliminary planning approval which is subject to changes. Hence, we have not consider the Residual Method/Discounted Cash Flow Method in this valuation.

**VALUE CONSIDERATION****Comparison Method**

Under the Comparison method, the sale evidences have been analysed and adjusted for the location, visibility / accessibility/exposure (Highway/Major Road), size, tenure, land status, planning approval, shape/terrain, major infrastructure, low cost component, ratio of commercial to residential, if any and other relevant characteristics to arrive at the market value.

Details	Comparable 1	Comparable 2	Comparable 3
Source	Bursa Malaysia dated 2 January 2015	Bursa Malaysia dated 4 July 2014	Bursa Malaysia dated 19 March 2014
Lot No, Town, District and State	Lot 17171-17176, Lot 17180, 17182 - 17185 & Lot 17179, Mukim of Dengkil, District of Sepang, Selangor	Part of Lot 386, Mukim of Sungai Buloh, District of Petaling, Selangor	Part of Lot PT 33010, 33019 -33028, Mukim of Tanjong Dua Belas, District of Kuala Langat, Selangor
Address/Location	Located within Salak Perdana, Salak Tinggi, Sepang	Part of Elmina West, off Guthrie Corridor Expressway	South of kota Kemuning, Tropicana Aman Development
Type	Development land	Development land	Development land
Land use	Building/Agriculture	Building	Building
Tenure	Term in perpetuity (Freehold)	Term in perpetuity (Freehold)	Leasehold 99 years expiring on 11 September 2110
Land Area (sq metres)	960,209.48	546,326.15	1,249,346.72
Land Area (sq feet)	10,335,599	5,880,600	13,447,843
Land Area (acres)	237.2727	135.00	308.72
Date of Transaction	2 January 2015	4 July 2014	19 March 2014
Consideration	RM227,383,174/-	RM239,800,000/-	RM470,674,512/-
Analysis (RM psm)	RM237/-	RM439/-	RM377/-

## VALUATION CERTIFICATES FROM WTW IN RELATION TO SURIA SERENIA LAND (Cont'd)

## C H Williams Talhar &amp; Wong



C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/000860A/14/PZT

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**VALUE CONSIDERATION**Comparison Method

Details	Comparable 1	Comparable 2	Comparable 3
Analysis (RM psf)	RM22/-	RM41/-	RM35/-
Remarks	Net land with part of infrastructure done. With low cost component	Net land with Major infrastructure. Without low cost component.	Net land with shared major infrastructure between Vendor and Purchaser. Without low cost component.
Vendor	NCT United Development Sdn Bhd	Sime Darby Elmina Development Sdn Bhd	Sapphire Index Sdn Bhd (Tropicana Corporation)
Purchaser	Paramount Corporation Berhad	Eastern and Oriental Express Sdn Bhd	Prominent Stream Sdn Bhd (Eco World Development Group Berhad)
Adjustments	Location, Accessibility /visibility/exposure(Highway/Major Road), Size, Tenure, Category of land use, Low Cost Component, Major Infrastructure, Ratio of residential to commercial development		
Adjusted Land Value (RM psm)	RM379/-	RM382/-	RM386/-
Adjusted Land Value (RM psf)	RM35/-	RM36/-	RM36/-

Notes: "psm" denotes per square metre  
 "psf" denotes per square foot

The purchase consideration of the subject property are as follows:-

Date of Sale and Purchase Agreement	Plot No.	Designated Land Area	Purchase Price	Analysis (Average RM psf)
6 August 2013	Plot 1A, 1B, 2A,2B & 3 (Commercial)	300 Acres	RM235,224,000/-	RM 18.00 psf
20 June 2014	3 (residential), 9 & 10	40 Acres	RM46,000,000/-	RM 26.40 psf
4 September 2014	Sales Gallery Land	6.58 Acres	RM6,590,000/-	RM23.00 psf
<b>Total</b>		<b>346.58 Acres / Approximately 140.26 Hectares</b>	<b>RM287,814,000/-</b>	<b>RM19.08 psf</b>

Sime Darby Sunsuria Development Sdn Berhad ("SDSDSB") is presently a 50:50 joint venture company between Sunsuria Gateway Sdn Bhd ("SGSB") and Sime Darby Property (Sungai Kapar) Sdn Bhd ("**Sime Darby Property**"). SDSDSB was incorporated to undertake a proposed property development project on 346.58 acres of freehold land known as SuriaSerenia. The transaction of the aforesaid land is a related party transaction.

We have not considered the purchase consideration in this valuation as it is a related party transaction and there are more recent transaction of similar type of property in the market.

**VALUATION CERTIFICATES FROM WTW IN RELATION TO SURIA SERENIA LAND (Cont'd)**

**C H Williams Talhar & Wong**



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/000860A/14/PZT

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**VALUE CONSIDERATION (Cont'd)**

**Comparison Method**

The adjusted land values range from RM35 per square foot to RM36 per square foot.

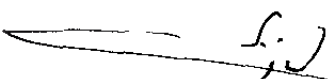
We have adopted Comparable 1 as the best comparable due to its similarity in term of location as compared to the subject property as well as the date of transaction.

The value adopted is at RM35 per square foot.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property as at 10 February 2015 **BASED ON THE BASIS/ADDITIONAL ASSUMPTIONS AND PROVISO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** and free from all encumbrances is **RM528,000,000/- (Ringgit Malaysia: Five Hundred And Twenty Eight Million Only).**

Yours faithfully  
for and on behalf of  
**C H Williams Talhar & Wong Sdn Bhd**

  
**Sr HENG KIANG HAI**  
MBA (Real Estate), B.Surv (Hons) Prop.Mgt,  
MRICS, FRISM, MPEPS, MMIPPM  
Registered Valuer (V-486)

## VALUATION CERTIFICATE FROM WTW IN RELATION TO SMSB PROPERTIES

## C H Williams Talhar & Wong

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Juruukur Berkeajaun  
Chartered Surveyors

Perunding Harta Antarabangsa  
International Property Consultants



Unit 18B Level 18, Menara Ansa  
85 Jalan Trus, P O Box 320  
80000 Johor Bahru  
Johor Darul Takzim  
Malaysia  
T : 07-224 3388  
F : 07-224 9769  
E : johorbahru@wtw.com.my  
Website: www.wtw.com.my

### Report and Valuation

Our Ref : WTW/04/N/004078/15/PC

12<sup>th</sup> February 2015

#### Board of Directors

#### SUNSURIA BERHAD

Suite 8, Main Tower, Sunsuria Avenue  
Persiaran Mahogani, Kota Damansara  
PJU 5, 47810 Petaling Jaya  
Selangor

Dear Sir

#### VALUATION CERTIFICATE

**THE 99-YEAR LEASE INTEREST IN 16 PARCELS OF LAND IDENTIFIED AS LOT NOS. PTD 199644 (PLOT C7), PTD 200286 (PLOT C8), PTD 200285 (PLOT C9), PTD 200284 (PLOT C10), PTD 200287 (PLOT C11), PTD 200288 (PLOT C12), PTD 199647 (PLOT C15), PTD 200279 (PLDT C16), PTD 200280 (PLOT C17), PTD 200281 (PLOT C18), PTD 200282 (PLOT C19), PTD 200283 (PLOT C20), PTD 199648 (PLDT C21), PTD 199649 (PLOT C22), PTD 199650 (PLOT C23) AND PTD 199651 (PLOT C24), MUKIM OF PULAI, DISTRICT OF JOHOR BAHRU, JOHOR**

We refer to your instructions to carry out a formal valuation on the above captioned properties in providing our opinion of the Market Value of the property in relation to the proposed acquisition of a 21% Effective Equity Interest in Sunsuria Medini Sdn Bhd ("SMSB") and for inclusion in the abridged prospectus of Sunsuria Berhad.

Having inspected the properties and investigated available data related and relevant to the matter, we are pleased to report that in our opinion, the market value of the subject properties as at 31<sup>st</sup> January 2015 **ON THE BASIS AND PROVISO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to transfer and free from all encumbrances is **RM600,000,000/- (Ringgit Malaysia : Six Hundred Million Only)**.

The valuation has been prepared in accordance with the requirements as set out in the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

The basis of the valuation is Market Value which is defined by the International Valuation Standards (IVS) and the Malaysian Valuation Standards (MVS) to be "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Mohd Talhar A Rahman  
FRICS, FRIM, MRIS, MPFS  
Foo Gee Jen  
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Danny S K Yeo  
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Heng Kiang Hai  
MRM, FRM, MRICS, FRIM, MPFS  
Tan Ka Leong  
FRM, FRIM, MPFS  
Poh Seng Yee  
MRM, FRM, MRICS, FRIM, MPFS  
Ainuddin Jalaini Bin Ismail  
FRS, MRCS, MRIS  
Lim Chai Yin  
FRS, MRIM, MPFS  
Muhammad Kamal Mohamed  
MRM, FRM, MRCS, MRIS, MPFS

#### Consultants

Abdul Halim Othman  
Ping Soo Theng  
Goh Tian Sui  
Tew You Kian

**VALUATION CERTIFICATE FROM WTW IN RELATION TO SMSB PROPERTIES (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)



Our Ref : WTW/04/V/004078/15/PC

Page 2

**TERMS OF REFERENCE**

Based on the Lease Purchase Agreement entered between Metrogold Assets Sdn Bhd [the Vendor] and Sunsuria Medini Sdn Bhd (formerly known as Platinum Solaris Sdn Bhd) [the Purchaser] on 30<sup>th</sup> June 2013, it is to be noted that the Vendor has a lease over all the Plots (as defined below) located in Zone C of Medini Iskandar Malaysia of which Iskandar Investment Berhad is the registered proprietor, for a term of 99 years beginning from and including 15<sup>th</sup> February 2008.

Both parties thereafter executed a Preliminary Term Sheet for the proposed sale of rights by the Vendor to the Purchaser of the lease of Plots C7, C8, C9, C10, C11, C12, C15, C16, C17, C18, C19, C20, C21, C22, C23 and C24 of Zone C and grouped into three (3) Parcels on the principal terms as set thereunder this agreement. The Vendor has agreed to sell and the Purchaser has agreed to purchase the lease on the Parcels on an "as is where is" basis at the Lease Consideration and upon the terms and conditions as set under the agreement.

Subsequent to the execution of the Lease Purchase Agreement, the Parties have agreed and entered into Supplemental Agreement and Second Supplemental Agreement on 11<sup>th</sup> March 2014 and 27<sup>th</sup> June 2014 respectively, to vary the terms and conditions under the principal agreement.

**PURSUANT TO THE ABOVE AGREEMENTS, WE WERE ADVISED BY OUR CLIENT THAT THEY UNDERTAKE TO FULLY COMPLETE THE LEASE PURCHASE PROCESS. BASED ON THE UNDERTAKING PROVIDED BY THE CLIENT, AS INSTRUCTED, OUR VALUATION IS ON THE BASIS THAT THE LEASE PURCHASE CONSIDERATION HAS BEEN FULLY SETTLED BY THE PURCHASER AND THE LEASE OVER THE PARCELS HAS BEEN REGISTERED IN FAVOUR OF THE PURCHASER.**

**OUR VALUATION HAS FURTHER CONSIDERED THE SALE STATUS REPORTS AS AT 31<sup>ST</sup> JANUARY 2015 PROVIDED TO US BY OUR CLIENT FOR THE ONGOING DEVELOPMENT NAMELY "THE IONS" ON LOT NOS. PTD 199647 (C15), PTD 199650 (C23) AND PTD 199651 (C24).**

**THE AWARDED CONTRACT SUM AMOUNTING TO RM41,050,000/- FOR THE CONSTRUCTION AND COMPLETION OF 140 UNITS OF 2- AND 3-STOREY STRATA-TYPED MIXED COMMERCIAL INDUSTRIAL DEVELOPMENT ON LOT NO. PTD 199647 (C15) AND THE INTERIM VALUATION NO. 1 DATED 20<sup>TH</sup> JANUARY 2015 HAVE BEEN CONSIDERED IN OUR VALUATION.**

**VALUATION CERTIFICATE FROM WTW IN RELATION TO SMSB PROPERTIES (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18148-U)

Our Ref : WTW/04/V/004078/15/PC  
Page 3**PROPERTY IDENTIFICATION**

Location : Within Zone C of Medini, Nusajaya, Iskandar Malaysia, Johor

Title No, Lot No.  
Developer's Plot  
No., Type and  
Land Area

Title No.	Lot No.	Developer's Plot No.	Express Condition	Land Area (sq. metres)
HSD 535602	PTD 199644	C7	Commercial	19,653
HSD 546582	PTD 200286	C8	Commercial	17,645
HSD 546581	PTD 200285	C9	Commercial	15,823
HSD 546580	PTD 200284	C10	Serviced apartment	17,401
HSD 546583	PTD 200287	C11	Serviced apartment	14,326
HSD 546584	PTD 200288	C12	Serviced apartment	14,370
HSD 535603	PTD 199647	C15	Office / Warehouse	34,657
HSD 546575	PTD 200279	C16	Office / Warehouse	32,220
HSD 546576	PTD 200280	C17	Office / Warehouse	25,380
HSD 546577	PTD 200281	C18	Office / Warehouse	21,854
HSD 546578	PTD 200282	C19	Office / Warehouse	17,409
HSD 546579	PTD 200283	C20	Office / Warehouse	13,050
HSD 535604	PTD 199648	C21	Office / Warehouse	22,175
HSD 535605	PTD 199649	C22	Office / Warehouse	15,460
HSD 535606	PTD 199650	C23	Office / Warehouse	24,444
HSD 535607	PTD 199651	C24	Office / Warehouse	28,938

All within Mukim of Pulau, District of Johor Bahru, Johor

Tenure : Term in perpetuity (Freehold)

Tenure of the Subject Properties Under Valuation : 99-year lease interest

Registered Owner : Iskandar Investment Berhad



**VALUATION CERTIFICATE FROM WTW IN RELATION TO SMSB PROPERTIES (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)



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**PROPERTY IDENTIFICATION (Cont'd)**

Beneficial Lessee of the Subject Properties : Sunsuria Medini Sdn Bhd (formerly known as Platinum Solaris Sdn Bhd) as per the Lease Purchase Agreement dated 30<sup>th</sup> June 2013

Category of Land Use : PTD 199644 and PTD 200284 to PTD 200288  
Building

PTD 199647 to PTD 199651 and PTD 200279 to PTD 200283  
Industry

Lease : PTD 199644, PTD 199647, PTD 199648, PTD 199649, PTD 199650 & PTD 199651  
Vide Presentation No. 55409/2014, 55407/2014, 55405/2014, 55403/2014, 55401/2014 & 55399/2014 respectively Lease of Whole Land to Sunsuria Medini Sdn Bhd for a period of 99 years commencing 28<sup>th</sup> May 2014 and expiring on 27<sup>th</sup> May 2113 registered on 6<sup>th</sup> July 2014

**Note :-**

Pursuant to the Lease Purchase Agreement dated 30<sup>th</sup> June 2013 and Supplemental Agreements dated 11<sup>th</sup> March 2014 and 27<sup>th</sup> June 2014 respectively entered between Metrogold Assets Sdn Bhd [the Vendor] and Sunsuria Medini Sdn Bhd (formerly known as Platinum Solaris Sdn Bhd) [the Purchaser], the Vendor shall procure the Lease Term for all the Plots to be topped up to 99 years upon the granting of the respective Leases in favour of the Purchaser without any further consideration subject to conditions therein contained.

The timing of payment for the Sale of Leases agreed to be in the following manner :-

Parcel	Plots	Total GFA (sf)	Total Land Price (RM)	Earnest Deposit (RM)	Instalment payments of the Lease Consideration			
					Upon Signing of this Agreement (Payment of Balance Deposit)	Within 12 months from the signing of this Agreement (Payment of Tranche 1 Payment)	Within 24 months from the signing of this Agreement (Payment of Tranche 2 Payment)	Within 36 months from the signing of this Agreement (Payment of Tranche 3 Payment)
	Earnest Deposits			2% 7,925,297.90				
1	C15, C21, C22, C7, C23, C24	3,351,215.02	118,548,077		8% 9,483,846.16	90% 106,693,269.30		
2	C8, C9, C17, C18, C19, C20	3,653,274.44	134,679,405		8% 10,774,352.40	5% 6,733,970.25	85% plus holding cost 7% 114,948,872.17	
3	C10, C11, C12, C16	3,477,234.20	143,037,413		8% 11,442,993.04	5% 7,151,870.65	10% 14,303,741.30	75% plus holding cost 7% 108,279,321.64
	<b>Total</b>	<b>10,481,723.66</b>	<b>396,264,895</b>	<b>7,925,297.90</b>	<b>31,701,191.60</b>	<b>120,579,110.20</b>	<b>129,252,613.47</b>	<b>108,279,321.64</b>

As at the date of valuation, the Sale of Lease for Parcel 2 and 3 have yet to be fully completed. Therefore the lease for the other lots is yet to be endorsed on the documents of title.

**VALUATION CERTIFICATE FROM WTW IN RELATION TO SMSB PROPERTIES (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18148-U)



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**GENERAL DESCRIPTION**

The subject properties comprise three (3) parcels of commercial land, three (3) parcels of serviced apartment land and ten (10) parcels of office / warehouse land located within Zone C of Medini, Nusajaya, Iskandar Malaysia, Johor.

**Surrounding Development**

Medini where the subject properties are located, is one of the Nusajaya's eight (8) signature developments alongside Kota Iskandar - Johor State New Administration Centre (JSNAC), EduCity @ Iskandar, Puteri Harbour, Southern Industrial and Logistics Clusters (SILC), Afiat Healthpark, International Destination Resort and Nusajaya Residences.

Medini is a comprehensive development comprising lifestyle and leisure cluster, cultural cluster and international financial district zone stretching over about 2,364 acres with an approved and permissible gross floor area of 188 million square feet for mixed development.

The lifestyle and leisure cluster which are located at Medini will comprise a city centre, golf village, amusement bay, residential district and a medical and wellness village in an area of about 1,240 acres in Medini. The cultural cluster is located at the center of Medini Iskandar Malaysia comprising the logistics village, heritage district as well as the creative zone in an area of over 620 acres land in Medini Iskandar whilst the international financial district zone covering over 365 acres land.

**Subject Property**

The subject lands are generally fairly regular in shape except for Plot C23 is irregular shaped.

Most of the plots have been cleared and levelled to the road levels with some plots are covered by light undergrowth. The sites are generally flat in terrain.

During our site inspection, we also noted that the construction works, i.e. piling work has started on Plot C15.

The site boundaries for Plot C15 and eastern boundaries of Plots C7, C8, C9 and C10 are demarcated with metal hoardings whilst the other plots are not demarcated with any form of fencing.

**Planning Provision**

As stipulated under the Express Condition in the respective documents of title, the subject properties are designated for commercial, serviced apartment or office / warehouse as per the Express Condition stated in the document of titles.

Plots C15, C23 and C24 have been approved for 2- and 3-storey mixed commercial industrial development (known as "The Ions" by the developer which stands for "Integrated Office Niche Shops") as well as a parcel of future development plot.

**VALUATION CERTIFICATE FROM WTW IN RELATION TO SMSB PROPERTIES (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)



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**GENERAL DESCRIPTION (Cont'd)**Sales Status

The development has been launched in 2 phases, namely C15 as the first phase while C23 and C24 as the second phase.

Brief details of the sales status as at 31<sup>st</sup> January 2015 are as follows :-

Type of Development	No. of Unit	No. of Units Sold	Unsold Units	Sale Status
2-storey mixed commercial industry	113	67	46	59%
3-storey mixed commercial industry	98	45	53	46%
<b>Total</b>	<b>211</b>	<b>112</b>	<b>99</b>	<b>53%</b>

Brief details of the selling prices of sold units based on the Sales Status as provided to us for the subject property are summarised as follows :-

Type of Development	Built-up Area	SPA Price	Range of SPA Price (RM per square foot)
2-storey mixed commercial industry	2,403 sf - 3,664 sf	RM1,095,000/- to RM2,150,000/-	RM456 per square foot to RM666 per square foot
3-storey mixed commercial industry	3,605 sf - 5,496 sf	RM1,400,000/-* to RM3,350,000/-	RM388 per square foot to RM654 per square foot

Note : \* We have been informed by client that certain units were sold at a lower price as the purchasers are friendly parties or staff.

Development on Plot C15 is currently at the piling stage (45% completion) and the development is expected to be completed by March 2016 while Plots C23 and C24 are currently vacant lands and the completion of the development is expected in July 2016.

**METHOD OF VALUATION**

In arriving at the market value of the subject properties in respect of ongoing development, viz. Plots C15, C23 and C24, we have adopted **Residual Method** as the sole method of valuation for the reason that it is the most appropriate method of valuation which takes into account the benefit of development approval, the amount billed for sold units, the contract sum, costs for completed work and other development status.

While for the remaining lands, we have adopted the **Comparison Method** as the only one (1) method of valuation considering that the lands are currently vacant and without any development approval granted. Furthermore, there are adequate sale comparables in the vicinity of the subject properties which can be relied upon.

**VALUE CONSIDERATION**

The subject properties have been transacted at a total lease purchase consideration of RM396,264,895/- vide the Lease Purchase Agreement dated 30<sup>th</sup> June 2013 and Supplementary Agreements dated 11<sup>th</sup> March 2014 and 27<sup>th</sup> June 2014 respectively. However, there are more recent comparables, being transacted after the date of agreement, indicating that the above lease purchase consideration is inconsistent with the prevailing market condition. As such, we have not considered the past transaction in our valuation.

**VALUATION CERTIFICATE FROM WTW IN RELATION TO SMSB PROPERTIES (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)



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**VALUE CONSIDERATION (Cont'd)****Residual Method of Valuation**

The first phase of the subject development on Plot C15 which has achieved sale rate of 91% rendered as the best evidence for us in Gross Development Value (GDV) estimation. Their second phase of the development launched half a year later, has recorded sale rate of about 16%. Nevertheless, the reports revealed that the balance units were booked with deposit paid showing the intent to purchase.

In arriving at the estimate Gross Development Value (GDV) for the subject development, we have revised the developer's proposed selling prices for the unsold units to be more competitive by giving additional discount. For the sold units, we have accepted the actual sale price as the Sale and Purchase Agreements have been signed.

Under the Medini Incentive and Support Package (ISP), the end users are exempted from RM1-million cap for foreigner to purchase property. In addition, 100% of foreign ownership (sale/sub-sale of property) is permissible within Medini. These incentives are applicable to the subject development and thus supporting higher demand and value for the development.

**Gross Development Value (GDV)**

The Gross Development Value (GDV) of RM368,903,700/- is derived based on the following justification :-

Sale Status	Components	Sale Price Rate Adopted (over Built-up area)	Justification
Sold units	67 units of 2-Storey mixed commercial industry	Actual selling price	Based on actual selling price stated in the sales status report provided to us by the client. Shop office transactions in the vicinity* of which the prices transacted in years 2013 and 2014 range from RM436 to RM611 per square foot. Hence, it is our opinion that the selling prices are fair and reasonable.
	45 units of 3-Storey mixed commercial industry		
Unsold units	46 units of 2-Storey mixed commercial industry	RM447 per square foot to RM722 per square foot	Based on selling price of sold units and analysis of shop office transactions in the vicinity* of which the prices transacted in years 2013 and 2014 range from RM436 to RM611 per square foot
	53 units of 3-Storey mixed commercial industry	RM473 per square foot to RM603 per square foot	
	Future development plot	RM135 per square foot	Based on the analysis of vacant commercial and industrial land in the vicinity** of which the prices transacted in years 2013 and 2014 range from RM120 to RM150 per square foot

Note : \* Being Nusajaya Square, Taman Bukit Indah, Taman Nusa Bestari, Taman Sutera Utama and Danga Bay.

\*\* Being Taman Tan Sri Yacob, Taman Perling and SILC Nusajaya.

Due consideration have been given to the factors that affect the selling price of individual units (mixed commercial industrial development) such as situation, facing, exposure, built-up area, and etc.

Out of the total GDV, the amount collected as at 31<sup>st</sup> January 2015 is RM46,973,416/- leaving a balance GDV of RM321,930,284/-.

**VALUATION CERTIFICATE FROM WTW IN RELATION TO SMSB PROPERTIES (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)



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**VALUE CONSIDERATION (Cont'd)****Residual Method of Valuation (Cont'd)****Gross Development Cost (GDC)**

The Gross Development Cost (GDC) and developer's profit are based on the following material parameters :-

Items	Rate Adopted	Justification
Preliminaries	RM309,518 per acre	Based on the Awarded Tender Sum and Pre-Tender Estimate. In accordance with industry average costs as per surveys with other cost consultants.
Site clearance & earthworks	RM68,664 per acre	Based on the Awarded Tender Sum and Pre-Tender Estimate. In accordance with industry average costs as per surveys with other cost consultants.
Piling work, main building, M&E work	RM107 per square foot/built up area	Based on the Awarded Tender Sum and Pre-Tender Estimate. In accordance with industry average costs as per surveys with other cost consultants.
Infrastructure works	RM24 per square foot/built up area	Based on the Awarded Tender Sum and Pre-Tender Estimate. In accordance with industry average costs as per surveys with other cost consultants.
Finance Cost	8.5% per annum for half of development period on balance preliminaries, site clearance and earthwork, building and infrastructure works	Based on our enquiries with financial institutions, i.e. Base Lending Rate (BLR) 6.85% per annum plus security margin of 1.00% to 2.50% per annum.
Survey & Qualified title	RM750 per title	Based on the cost for survey, subdivision and registration of titles.
Conversion Premium, DID & ISF	-	Fully paid
TNB, TM & SAJ Contributions	RM4,700 per unit	Based on the connection cost imposed by the relevant authorities.
IWK Contribution	-	Waived as confirmed by the developer and project consultants.
Marketing & Legal Fees	3.0% of GDV	Our surveys and enquiries with developers revealed the cost of marketing and legal is about 3.0% of GDV.
Project Mgt & Administrative Fees	3.0% of the balance preliminaries, site clearance and earthwork, building and infrastructure works.	Based on the normal rate within the industry practice.
Professional Fees	7.0% of the cost of preliminaries, site clearance and earthwork, infrastructure, and building works	Based on the normal rate within the industry practice.
Contingencies	5.0% of balance construction and development costs.	Based on the normal rate within the industry practice.
Developer's Profit	12.5% & 15% of GDV for sold and unsold units respectively	Our surveys and enquiries with developers revealed that the rate of return of about 15% to 20% of Gross Development Value (GDV) is required for a developer to commit to a project development. A lower rate is adopted for the sold units to reflect lower risk.

The total amount for GDC inclusive of developer's profit is RM173,703,491/-.

**VALUATION CERTIFICATE FROM WTW IN RELATION TO SMSB PROPERTIES (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)



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**VALUE CONSIDERATION (Cont'd)****Residual Method of Valuation (Cont'd)****Gross Development Cost (GDC) (Cont'd)**

The amount incurred to date for GDC is RM4,048,842/- leaving a balance GDC and developer's profit of RM169,654,650/-.

Other material parameters considered in the valuation are shown as follows :-

Items	Rate Adopted	Justification
Development Period	2.5 years for Plot C15 and 3.0 years for Plots C23 & C24	The estimated development period of 2.5 years and 3.0 years respectively adopted in our valuation is considered reasonable and realistic taking into account the current sales status and the progress of the construction.
Discount Rate	8.5% per annum	In tandem with finance rate based our enquiries with financial institutions.

Based on the above, the market value of the subject properties (Plots C15, C23 and C24) derived by the Residual Method of Valuation is as follows :-

Phase 1	Market Value
Plot C15	RM47,000,000/-
Phase 2	Market Value
Plots C23 and C24	RM74,000,000/-

**Comparison Method of Valuation**

In arriving at the market value of the vacant plots without detailed planning approval, we have adopted the Comparison Method of Valuation.

**Vacant Commercial and Serviced Apartment Plots**

For the purpose of this valuation, we have adopted Plot C8 as the base lot and thereafter further adjustment made for Plots C7, C9, C10, C11 and C12 based on the location / accessibility and permissible plot ratio for the respective plots.

The recent recorded transactions of comparable vacant land within Medini have been considered. The analysis of the comparables is as overleaf.

**VALUATION CERTIFICATE FROM WTW IN RELATION TO SMSB PROPERTIES (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)



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**VALUE CONSIDERATION (Cont'd)****Comparison Method of Valuation (Cont'd)**

Details	Comparable 1	Comparable 2	Comparable 3
Source	JPPH	Bursa Announcement	JPPH
Lot No.	PTD 187605 to PTD 187612 & PTD 187615, Mukim Pulau, District of Johor Bahru, Johor	Master Lot Nos. PTD 170689, PTD 170690 & PTD 170691, Mukim of Pulau, District of Johor Bahru, Johor	PTD 187578, Mukim of Pulau, District of Johor Bahru, Johor
Location	Plots B43 to B51, Zone B Medini	Plots A45-1, A45-2, A45-3, A46-1, A46-2, A46-3 & A46-4, Zone A Medini	Plot B78, Zone B Medini
Type	Vacant residential and commercial lands	Vacant residential lands	Vacant commercial land
Tenure	99-year lease expiring 14 <sup>th</sup> February 2107	99-year lease expiring 14 <sup>th</sup> February 2107	99-year lease expiring 14 <sup>th</sup> February 2107
Land Area	11.70 acres (509,652 sq. ft.)	7.81 acres (340,204 sq. ft.)	5.02 acres (218,671 sq. ft.)
Permissible GFA (Plot Ratio)	2,062,537 sq. ft. (PR : 4.0)	2,060,735 sq. ft. (PR : 6.1)	1,100,501 sq. ft. (PR : 5.0)
Date	17/01/2014	06/12/2013	16/07/2013
Vendor	lbzi Development (Johor) Sdn Bhd	lbzi Development (Johor) Sdn Bhd	Medini Development Sdn Bhd
Purchaser	Macrolink International (Malaysia) Sdn Bhd	BCB Heights	UMLand Medini Lakeside Development Sdn Bhd
Consideration	RM154,690,275/-	RM123,644,100/-	RM77,035,070/-
Analysed Land Value	RM304 per sq. ft.	RM363 per sq. ft.	RM352 per sq. ft.
Adjustments	Time Factor, Location, Visibility / Exposure (highway / major road), Size, Land Use and Plot Ratio		
Adjusted Land Value	RM382 per sq. ft.	RM382 per sq. ft.	RM365 per sq. ft.

From the above analysis, the adjusted land values range from RM365 per square foot to RM382 per square foot. The average adjusted land value derived from these three (3) comparables is RM376 per square foot. In our valuation, we have adopted the land value of RM380 per square foot for Plot C8.

The following adjustments are thereafter made for the remaining commercial parcels as follows :-

Base Land Value @ RM380 per square foot				
Plot No.	C7	C9	C10	C11 & C12
Adjustments	Nil	Location and Plot Ratio		
Adjusted Land Value	RM380 psf	RM399 psf	RM418 psf	RM342 psf
Rounded Land Value	RM380 psf	RM400 psf	RM420 psf	RM340 psf

Having regard to the foregoing, the market value of the above properties is derived at RM404,300,000/-.

**VALUATION CERTIFICATE FROM WTW IN RELATION TO SMSB PROPERTIES (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (16149-U)



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**VALUE CONSIDERATION (Cont'd)****Comparison Method of Valuation (Cont'd)****Vacant Office / Warehouse Plots**

For the purpose of this valuation, we have adopted Plot C16 as the base lot and thereafter further adjustment made to Plots C17, C18, C19, C20, C21 and C22, if any.

The recent recorded transactions of comparable vacant industrial land in the vicinity have been considered. The analysis of the comparables is as follows :-

Details	Comparable 1	Comparable 2	Comparable 3
Source	JPPH	JPPH	JPPH
Lot No.	PTD 152689, Mukim Pulai, District of Johor Bahru, Johor	PTD 182025, Mukim of Pulai District of Johor Bahru, Johor	PTD 182027, Mukim of Pulai District of Johor Bahru, Johor
Location	SiLC, Nusajaya	SiLC, Nusajaya	SiLC, Nusajaya
Type	Vacant Industrial land	Vacant Industrial land	Vacant Industrial land
Tenure	Freehold	Freehold	Freehold
Land Area	3.42 acres (149,102 sq. ft.)	1.64 acres (71,365 sq. ft.)	1.64 acres (71,472 sq. ft.)
Date	30/12/2013	18/10/2013	29/07/2013
Vendor	Multi-Fibre Sdn Bhd	Local Basic Sdn Bhd	Asiamost Sdn Bhd
Purchaser	LH Loh Resources Sdn Bhd	WN Motorworld Sdn Bhd	S.K. Tiong Development Sdn Bhd
Consideration	RM12,000,000/-	RM8,572,608/-	RM5,715,072/-
Analysed Land Value	RM80 per sq. ft.	RM120 per sq. ft.	RM80 per sq. ft.
Adjustments	Time Factor, Tenure, Size, Land Use and Privilege (Medini Incentives & Support Package)		
Adjusted Land Value	RM97 per sq. ft.	RM139 per sq. ft.	RM101 per sq. ft.

From the above analysis, the adjusted land values range from RM97 per square foot to RM139 per square foot. The average adjusted land value derived from these three (3) comparables is RM112 per square foot. In our valuation, we have adopted the land value of RM110 per square foot for Plot C16. We have cross-checked the adopted land value with the estimated values for Plots C15, C23 and C24 of which are derived by Residual Method of Valuation. The analysis revealed that the adopted land value is considered fair and reasonable.

The following adjustments are thereafter made for the remaining office / warehouse parcels as follows :-

Base Land Value @ RM110 per square foot		
Plot No.	C17 to C20	C21 & C22
Adjustments	Nil	Shape
Adjusted Land Value	RM110 psf	RM104 psf
Rounded Land Value	RM110 psf	RM105 psf

Having regard to the foregoing, the market value of the above properties is derived at RM172,600,000/-.

Therefore, the total market value of the subject properties derived by the Comparison Method of Valuation is RM576,900,000/-.

The total market value is thence discount with a holding cost allowance of about 16.5% to reflect the quantum allowance for bulk purchase (5.5%), sales & marketing costs (1%) as well as profit & risk for the holding period (10%).



**VALUATION CERTIFICATE FROM WTW IN RELATION TO SMSB PROPERTIES (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)



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**VALUE CONSIDERATION (Cont'd)****Comparison Method of Valuation (Cont'd)**

The total market value after the quantum discount and holding cost allowance is about **RM482,000,000/-**.

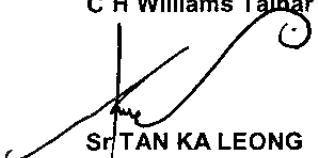
After reconciliation, the market value of the subject properties is as follows :-

<b>Plot No.</b>	<b>Market Value</b>
C15 (Ongoing Mixed Commercial Industry Development)	RM47,000,000/-
C23 & C24 (Ongoing Mixed Commercial Industry Developments)	RM74,000,000/-
C7 to C12 (Commercial & Serviced Apartment Plots)	} RM482,000,000/-
C16 to C22 (Office / Warehouse Plots)	
Market Value	RM603,000,000/-
<b>Say</b>	<b>RM600,000,000/-</b>

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject properties as at 31<sup>st</sup> January 2015 **ON THE BASIS AND PROVISO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to transfer and free from all encumbrances at **RM600,000,000/- (Ringgit Malaysia : Six Hundred Million Only)**.

Yours faithfully  
for and on behalf of  
**C H Williams Talhar & Wong Sdn Bhd**

  
**Sr TAN KA LEONG**  
B. Surv (Hons) Prop.Mgt, FRISM, MPEPS  
Registered Valuer (V-629)

**VALUATION CERTIFICATE FROM WTW IN RELATION TO SURIA HILLS 2A AND 2B****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)

Juruukur Berkanun  
Chartered SurveyorsPerunding Harta Antarabangsa  
International Property Consultants

30-01, 30<sup>th</sup> Floor  
Menara Multi-Purpose  
@ CapSquare  
8 Jalan Munshi Abdullah  
P O Box 12157  
50100 Kuala Lumpur  
Malaysia  
T : 03-2616 8888  
F : 03-2616 8899  
E : kualalumpur@wtw.com.my  
Website: www.wtw.com.my

**Report and Valuation**

Our Ref : WTW/01/V/000860B/14/TBC

Date : 12 February 2015

**Board of Directors  
Sunsuria Berhad**

Suite 8, Main Tower, Sunsuria Avenue  
Persiaran Mahogani, Kota Damansara  
PJU 5, 47810 Petaling Jaya, Selangor

Dear Sir

**CERTIFICATE OF VALUATION**

**SIXTY EIGHT (68) PARCELS OF BUNGALOW PLOT SITUATED ON  
PART OF PARENT LOT NOS. 85737 TO 85739 (INCLUSIVE),  
LOT NOS. PT 26008 TO PT 26013 (INCLUSIVE),  
LOT NOS. PT 26177 TO PT 26179 (INCLUSIVE),  
LOTS NOS. PT 36957 TO PT 37005 (INCLUSIVE)  
MUKIM OF BUKIT RAJA  
DISTRICT OF PETALING, SELANGOR**

We refer to your instructions to carry out a formal valuation on the above-mentioned property in providing our opinion of the Market Value of the property in relation to the proposed subscription for ordinary shares and new redeemable preference shares resulting in Sunsuria owning 99.01% equity interest in Rentak Nusantara Sdn Bhd and for inclusion in the abridged prospectus of Sunsuria Berhad.

Having inspected the property and investigated available data related and relevant to the matter, we are pleased to report that in our opinion, the market value of the subject property as at 31 January 2015 **BASED ON THE BASIS / ADDITIONAL ASSUMPTIONS AND PROVISIO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** and free from all encumbrances is **RM57,000,000/- (Ringgit Malaysia: Fifty Seven Million Only)**.

The valuation has been prepared in accordance with the requirements as set out in the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

The basis of the valuation is Market Value which is defined by the International Valuation Standards (IVS) and the Malaysian Valuation Standards (MVS) to be "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

**VALUATION CERTIFICATE FROM WTW IN RELATION TO SURIA HILLS 2A AND 2B (Cont'd)**

**C H Williams Talhar & Wong**



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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**TERM OF REFERENCE**

As instructed, the valuation is carried out based on the following **BASIS/ ADDITIONAL ASSUMPTIONS:-**

- i) **THE SUBJECT PROPERTY IS AN ONGOING BUNGALOW LAND DEVELOPMENT;**
- ii) **IT COMPRISES SIXTY EIGHT (68) PARCELS OF BUNGALOW PLOT WHERE TEN (10) PARCELS WILL BE SUBDIVIDED FROM PARENT LOT NOS. 85737 TO 85739 (INCLUSIVE) AND ISSUED WITH INDIVIDUAL TITLE WHICH IS TRANSFERABLE, REGISTERABLE, AND MARKETABLE;**
- iii) **OUR VALUATION HAS CONSIDERED THE SALE STATUS REPORT DATED 31 JANUARY 2015 PROVIDED TO US BY THE CLIENT;**
- iv) **THE EARTHWORKS AND SITE CLEARANCE OF THE SUBJECT PROPERTY HAVE BEEN COMPLETED; AND**
- v) **INFRASTRUCTURE WORKS OF THE SUBJECT PROPERTY INCLUDING THE DRAIN AND ROAD FRONTING BUNGALOW LOT, WATER RETICULATION TO THE BUNGALOW LOT, ELECTRICAL MAINS TO THE BUNGALOW LOT AND SEWERAGE RETICULATION TO THE BUNGALOW LOT WILL BE PROVIDED BY EQUATORIAL PALMS SDN BHD AS PER THE LETTER ISSUED TO RENTAK NUSANTARA SDN BHD DATED 30 JANUARY 2015.**

**IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE BASIS / ADDITIONAL ASSUMPTIONS WHICH ARE ASSUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE BASIS/ASSUMPTION IS INVALID/INCORRECT.**

**IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ADDITIONAL ASSUMPTIONS AS STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON THE ASSUMPTION THAT IS NOT YET OR FULLY REALISED.**

*(This paragraph is required in accordance with Standard 12 of the Malaysian Valuation Standards.)*

**VALUATION CERTIFICATE FROM WTW IN RELATION TO SURIA HILLS 2A AND 2B (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/000860B/14/TBC

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**PROPERTY IDENTIFICATION**

Type of Property : An ongoing development which comprises sixty eight (68) parcels of bungalow plot

Location : Off Persiaran Setia Perdana, Bandar Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor

Parent Title Nos./ Title Nos., Parent Lot Nos./ Lot Nos./ Registered Owner/ Beneficial Owner

Phase	Property	Parent Title Nos./ Title Nos.	Parent Lot Nos./ Lot Nos.	Registered Owner	Beneficial Owner as per Sale and Purchase Agreement dated 18 July 2012
2A	3 parent lots which will be subdivided into 10 bungalow plots	Geran 314152	Lot 85737	WONG YUEN TECK	RENTAK NUSANTARA SDN BHD
		Geran 314153	Lot 85738	SIMON KWAN HOONG WAI	
		Geran 314154	Lot 85739	TER LEONG YAP	
	9 bungalow plots	HSD 264068	PT 26008	TER LEONG YAP	
		HSD 264069	PT 26009	MOHD AZRIN BIN AYUB AHMAD @ ABD SAMAD	
		HSD 264070	PT 26010	MOHD AZRIN BIN AYUB AHMAD @ ABD SAMAD	
		HSD 264071	PT 26011	MOHD AZRIN BIN AYUB AHMAD @ ABD SAMAD	
		HSD 264072	PT 26012	NAZLINA BINTI MOHAMAD YUSUP	
		HSD 264073	PT 26013	NAZLINA BINTI MOHAMAD YUSUP	
		HSD 264237	PT 26177	ADAM MALIK BIN ABDUL SULEIMAN	
		HSD 264238	PT 26178	SIRAJUNNISA BINTI ABDUL KADIR	
		HSD 264239	PT 26179	ABDUL HADI BIN AHMAD	
2B	49 bungalow plots	HSD 298593 to HSD 298641	Lot PT 36957 to PT 37005 (inclusive)	RENTAK NUSANTARA SDN BHD	Not Applicable

All within Mukim of Bukit Raja District of Petaling, Selangor

Tenure : Term in perpetuity (Freehold)

Land Area to be Valued

Phase	Property	Land Area	
		sq. metres	sq. feet
2A	9 bungalow plots	6,705	72,172
	10 bungalow plots	12,428	133,775*
2B	49 bungalow plots	25,216	271,422
<b>Total</b>		<b>44,349</b>	<b>477,369</b>

\*Note: Based on the land area stated in the Layout Plan approved by Majlis Bandaraya Shah Alam dated 29 January 2013

Category of Land Use : Building

**VALUATION CERTIFICATE FROM WTW IN RELATION TO SURIA HILLS 2A AND 2B (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/000860B/14/TBC

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**GENERAL DESCRIPTION**

The subject property is an ongoing development which comprises sixty eight (68) parcels of bungalow plots known as Suria Hills and situated Off Persiaran Setia Perdana, Bandar Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor.

It is located about 35 kilometres by road to the south-west of Kuala Lumpur City Centre (KLCC).

**Surrounding Development**

The subject property is located within Setia Alam, an integrated self-contained township which comprises mainly double storey terraced houses, double storey semi-detached houses, detached houses, shopoffices, apartments, office buildings, hypermarket, shopping mall, convention centre, ongoing developments and other public amenities.

Located to the immediate north is a newly completed development, Seria 88 whilst to the immediate north-east and west are ongoing developments known as Suria Rafflesia and Suria Ixora, respectively.

Prominent landmarks such as Setia City Mall, Setia City Convention Centre and Setia City Park are located a short distance to the south-west whilst Setia Eco Park is situated to the east and south-east. The proposed SEGI International School and 1National Institute of Health are located a short distance to the south-west.

**Subject Property**

The subject property, an ongoing development known as Suria Hills, comprises sixty eight (68) parcels of bungalow plot which has been divided into two (2) phases ie. Phase 2A and Phase 2B.

Suria Hills is generally located at a high ground within the township of Setia Alam. The site is generally slopping upward from its northern boundary to its southern boundary.

During our site inspection, we noted that the land was cleared and most of the infrastructure works such as drainage, roads and landscape have been completed. We also noted that part of the boundaries was demarcated with chain link fencing whilst the rest was not demarcated with any form of fencing.

**a) Phase 2A**

Phase 2A comprises a total of nineteen (19) parcels of bungalow plot. The nine (9) bungalow plots known as Lot PT 26008 to PT 26013 (inclusive) and PT 26177 to PT 26179 (inclusive) are located to the south-east of Suria Hills. The remaining ten (10) parcels of bungalow plot which form part of the three (3) parent lots known as Lot 85737 to 85739 (inclusive) are located to the south of Suria Hills.

**b) Phase 2B**

Phase 2B of Suria Hills consists of forty nine (49) parcels of bungalow plots known as Lot PT 36957 to PT 37005 (inclusive) which were originally subdivided from fifteen (15) parent lots i.e. Lot PT 26162 to PT 26176 (inclusive).

**VALUATION CERTIFICATE FROM WTW IN RELATION TO SURIA HILLS 2A AND 2B (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/000860B/14/TBC

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**GENERAL DESCRIPTION (CONT'D)****Planning Provision**

The subject property is designated for residential use as per the Express Condition in the document of title.

Based on a Planning Approval issued by Jabatan Perancangan, Majlis Bandaraya Shah Alam, the revised layout plan for surrender and re-alienation the three (3) parent lots i.e. Lot PT 26005, PT 26006 and PT 26007 (currently known as Lot 85737, Lot 85738 and Lot 85739) to ten (10) bungalow plots has been approved on 29 January 2013.

**Sales Status**

Brief details of the sales status as at 31 January 2015 are as follows:-

Phase	No. of Plot		Total No. of Plot	Sale Status
	Sold	Unsold		
2A	19*	0	19	100.00%
2B	16	33**	49	32.65%
<b>Grand Total</b>	<b>35</b>	<b>33</b>	<b>68</b>	<b>51.47%</b>

Note\*: inclusive of one unit which has been booked

\*\* : inclusive of four units which have been reserved

Brief details of the selling prices of sold units based on the Sales Status as provided to us for the subject property are summarized as follows:-

Phase	Land Area	SPA Price	Range of SPA Price (RM per square foot)
2A	7,029 sf – 15,718 sf	RM1,369,680/- to RM4,483,800/-	RM195 per square foot to RM300 per square foot
2B	3,735 sf – 8,568 sf	RM688,000/**- to RM2,529,035/-	RM295 per square foot to RM344 per square foot

Note\*\*: We have been informed by the client that Lot PT 37000 was sold at a lower price i.e. RM688,000/- is because the purchaser is a friendly party.

As informed by the client, as at the date of valuation, twelve (12) plots of Phase 2A have been completed whilst the remaining seven (7) plots are 95% completed. Under Phase 2B, six (6) plots are at 85% completion whilst the remaining forty-three (43) plots are at 65% completion.

Phase 2A and Phase 2B were launched in November 2012 and May 2014, respectively. The expected completion date for Phase 2A and 2B is by 2<sup>nd</sup> quarter 2015 and 3<sup>rd</sup> quarter 2015, respectively.

**METHOD OF VALUATION**

For this valuation exercise, we have adopted Residual Method as the sole method of valuation as the subject property is an ongoing residential development where its earthwork and infrastructure works have started and some of the units have been sold.

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 project.

**VALUATION CERTIFICATE FROM WTW IN RELATION TO SURIA HILLS 2A AND 2B (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/000860B/14/TBC

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**VALUE CONSIDERATION****Gross Development Value (GDV)**

The total Gross Development Value (GDV) is RM126,493,838.42 and is derived based on the following justification:-

Sale Status	Phase	Components	Rate Adopted	Justification
Sold units	2A	19 <sup>*</sup> parcels of bungalow plot	Actual selling price	Based on actual selling price as stated in the sales status provided to us by the client which the selling price is considered reasonable.
	2B	16 parcels of bungalow plot		
Unsold units	2B	33 <sup>**</sup> parcels of bungalow plot	RM290 per square foot	Based on our analysis of the bungalow plots within Setia Eco Park, Bandar Setia Alam transacted in year 2013 and 2014, the adjusted values for bungalow plots with land area of 770 square metres and 868 square metres range from RM285 to RM313 per square foot.  We have adopted the selling price for the unsold units at RM290 per square foot throughout.

Note<sup>\*</sup>: inclusive of one unit which has been booked

<sup>\*\*</sup>: inclusive of four units which have been reserved

The amount collected as at 31 January 2015 is RM50,086,068.71 whilst the balance GDV is RM76,407,769.71.

**Gross Development Cost (GDC)**

The total Gross Development Cost (GDC) including developer's profit is RM34,673,408.41 and is derived based on the parameters as follows:-

Items	Amount / Rate Adopted	Justification
Statutory Contribution	1% of the total GDV	Based on the actual cost stated in the cost breakdown provided by the client whilst the IWK contribution is estimated based on 1% of the total Gross Development Value which is in line with market norm.
Landscaping	RM72,968 per acre	Based on the actual landscaping cost on the playground equipment and street lighting pole as stated in the cost breakdown provided by the client which is in line with industry standard.
Infrastructure Works	Not Applicable	The cost of infrastructure works are to be borne by Equatorial Palms Sdn Bhd. Hence, no cost has been incurred.
Finance Cost	RM17,208.00	Based on the actual finance cost as stated in the cost breakdown provided by the client.
Professional Fees	RM3,100,319.00	Based on the actual professional fees as stated in the cost breakdown which is provided by the client.
Developer's Profit	15% of GDV	Our surveys and enquiries with developers revealed that the rate of return of about 15% to 20% of Gross Development Value (GDV) is required for a developer to commit to a project development. Hence, 15% is considered reasonable for this development.

The total amount paid for GDC including other items such as survey and qualified titles, administration and management fees as well as sales and marketing fees is RM17,183,888.19 leaving a balance of RM17,489,520.22.

**VALUATION CERTIFICATE FROM WTW IN RELATION TO SURIA HILLS 2A AND 2B (Cont'd)****C H Williams Talhar & Wong**

C H Williams Talhar &amp; Wong Sdn Bhd (18149-U)

Our Ref: WTW/01V/000860B/14/TBC

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**VALUE CONSIDERATION (CONT'D)****Gross Development Value (GDC) (Cont'd)**

Other material parameters are shown as follows:-

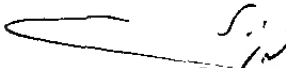
Items	Rate Adopted	Justification
Development Period	0.5 year	The estimated development period of 0.5 year adopted in our valuation is considered reasonable and realistic taking into account the current progress of the project.
Discount Rate	8.5% per annum	The discount rate is based on our enquiries with financial institutions, i.e. Base Lending Rate (BLR) 6.85% per annum plus security margin of 1.00% to 2.50% per annum.

The market value of the subject property is derived at RM56,563,329.57, say RM57,000,000.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property as at 31 January 2015 **BASED ON THE BASIS / ADDITIONAL ASSUMPTIONS AND PROVISO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** free from all encumbrances is **RM57,000,000/- (Ringgit Malaysia: Fifty Seven Million Only)**.

Yours faithfully  
for and on behalf of  
**C H Williams Talhar & Wong Sdn Bhd**

  
**Sr HENG KIANG HAI**  
MBA (Real Estate), B.Surv (Hons) Prop.Mgt,  
MRICS, FRISM, MPEPS, MMIPPM  
Registered Valuer (V-486)



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**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON**


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**Crowe Horwath** AF 1018  
Chartered Accountants  
Member Crowe Horwath International

Kuala Lumpur Office  
Level 16 Tower C, Megan Avenue II  
12 Jalan Yap Kwan Seng  
50450 Kuala Lumpur, Malaysia  
Main +6 03 2788 9999  
Fax +6 03 2788 9998  
www.crowehorwath.com.my  
info@crowehorwath.com.my

11 June 2015

The Board of Directors  
**Sunsuria Berhad**  
Suite 8, Main Tower, Sunsuria Avenue  
Persiaran Mahogani  
Kota Damansara, PJU 5  
47810 Petaling Jaya, Selangor

Dear Sirs,

**SUNSURIA BERHAD (“SUNSURIA” OR “THE COMPANY”)  
REPORTING ACCOUNTANTS’ LETTER ON THE COMPILATION OF PRO FORMA  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION INCLUDED IN THE ABRIDGED  
PROSPECTUS TO SHAREHOLDERS**

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position of Sunsuria as at 31 March 2014, together with the accompanying notes thereto. The pro forma consolidated statements of financial position, as set out in Appendix A of this letter (which we have stamped for the purpose of identification), have been compiled by the Board of Directors for the inclusion in the Abridged Prospectus to Shareholders of Sunsuria in relation to the following:-

**(a) Proposed Sime Darby Sunsuria Development (“SDSDSB”) Transactions**

The Proposed SDSDSB Transactions comprises the following proposals undertaken collectively with a view to obtain full control over SDSDSB:-

**(i) Proposed Sunsuria Gateway Sdn. Bhd. (“SGSB”) Transactions; and**

The Proposed SGSB Subscription is a component of the SGSB Transactions and involves the subscription by Sunsuria for 1,000,000 new ordinary shares of RM1.00 each in SGSB (“**SGSB Shares**”), representing approximately 100% equity interest in SGSB at a cash subscription price of RM1,000,000 and proposed subscription for 237,000,000 new redeemable preference shares-Class B of RM0.01 each in SGSB (“**SGSB RPS-B**”) at a subscription price of RM237,000,000 (**Collectively, the “Proposed SGSB Subscription”**);

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



**(a) Proposed SDSDSB Transactions (Cont'd)**

**(i) Proposed SGSB Transactions; and (Cont'd)**

On 20 April 2015, Sunsuria entered into the Supplemental SGSB Subscription Agreement with SGSB, Datuk Ter Leong Yap ("**Datuk Ter**") and Datin Kwan May Yuen (as existing shareholders of SGSB) to fix the maximum redemption sum payable for the full and final capital redemption of all redeemable preference shares-class A of RM0.01 each issued by SGSB ("**SGSB RPS-A**") and held by Datuk Ter at a maximum of RM168,390,000 and thereafter there shall be no further issuance of SGSB RPS-A under the terms of the SGSB Subscription Agreement ("**Proposed Full and Final Capital Return**").

Arising from the Proposed Full and Final Capital Return of SGSB RPS-A, there will be an amount of RM69,610,000 in SGSB intended to be utilised for inter-alia working capital purposes of SGSB, including, the payment of the remaining unpaid Suria Serenia Land purchase consideration by SDSDSB.

In addition to the Proposed SGSB Subscription, Datuk Ter has also committed to subscribe for RM100,000,000 in value of ordinary share of RM0.50 each in Sunsuria ("**Sunsuria Share**") at an issue price of RM0.98 per Sunsuria Share, amounting to 102,040,816 Sunsuria Shares ("**Proposed Reinvestment**"). SGSB, Datuk Ter and Sunsuria have agreed to set-off RM100,000,000 of the redemption sum payable under the Proposed Full and Final Capital Return of SGSB RPS-A against the subscription price payable under the Proposed Reinvestment.

**(ii) Proposed SDSDSB Acquisition**

The Proposed SDSDSB Acquisition entails Sime Darby Property (Sungai Kapar) Sdn. Bhd. ("**Sime Darby Property**") agreeing to sell and Sunsuria agreeing to purchase the 1 ordinary share of RM1.00 in SDSDSB, representing the 50% of the issued and paid-up share capital of SDSDSB for a total cash consideration of RM173,390,700, comprising RM157,000,000 for the Proposed SDSDSB Acquisition as well as RM16,390,700 for the settlement of the existing shareholder's advances owing by SDSDSB to Sime Darby Property, which as at 31 March 2015 amounts to RM16,390,700 and any additional shareholder's advances granted by Sime Darby Property to SDSDSB for the purposes of the ongoing business or operations of SDSDSB pending completion of the Proposed SDSDSB Acquisition ("**Sime Darby Advances**") on or before the expiry of 12 months after 30 June 2015 or such other date as may be agreed upon between Sunsuria and Sime Darby Property ("**SDSDSB Completion Date**").

Upon completion of the Proposed SGSB Subscription and Proposed SDSDSB Acquisition, Sunsuria would have an approximately 100% equity interest in SDSDSB.

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**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**


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**(b) Proposed Sunsuria Medini Sdn. Bhd. ("SMSB") Acquisitions**

The Proposed SMSB Acquisitions entails proposed acquisition of a 21% effective equity interest in SMSB by:-

- (i) Proposed acquisition of 2 ordinary shares of RM1.00 each in Concord Property Management Sdn. Bhd. ("**Concord**") ("**Concord Sale Shares**") representing the entire equity interest in Concord (which currently holds 250,000 ordinary shares of RM1.00 each in SMSB, representing 20% equity interest in SMSB) for a total cash consideration of RM53,121,296.30 ("**Proposed SMSB Acquisition 1**");
- (ii) Proposed acquisition of 12,500 ordinary shares of RM1.00 each in SMSB ("**SMSB Sale Shares**") representing 1% equity interest in SMSB for a total cash consideration of RM1,848,399.97 ("**Proposed SMSB Acquisition 2**")

(The Proposed SMSB Acquisition 1 and the Proposed SMSB Acquisition 2 are collectively referred to as the "**Proposed SMSB Acquisitions**")

**(c) Proposed Rentak Nusantara Sdn. Bhd. ("RNSB") Subscription**

The Proposed RNSB Subscription entails the subscription by Sunsuria for:-

- (i) 25,000,000 new ordinary shares of RM1.00 each, representing 99.01% of the enlarged issued and paid-up share capital of RNSB at the cash subscription price of RM25,000,000; and
- (ii) 32,000,000 new redeemable preference Shares of RM0.01 each in RNSB ("**RNSB RPS**") at the cash subscription price of RM32,000,000.

(The proposals set out in (a), (b) and (c) above are collectively referred to as the "**Proposals**")

- (d) Renounceable rights issue of up to 475,084,416 Sunsuria Shares ("**Rights Share**") on the basis of three (3) Rights Share for every one (1) existing Sunsuria Share held on an entitlement date to be determined and announced later ("**Entitlement Date**"), together with up to 158,361,472 free detachable Warrants ("**Warrants**") on the basis of one (1) free Warrant for every three (3) Rights Shares subscribed ("**Rights Issue With Warrants**");

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**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**


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- (e) Private placement of up to 63,344,588 Sunsuria Shares ("**Placement Shares**") representing approximately 8.6% of the enlarged issued and paid-up share capital of Sunsuria after the Proposed Reinvestment and Rights Issue With Warrants at an issue price to be determined later ("**Private Placement**"); and
- (f) Increase in authorised share capital of Sunsuria from RM100,000,000 comprising 200,000,000 Sunsuria Shares to RM750,000,000 comprising 1,500,000,000 Sunsuria Shares ("**Increase In Authorised Share Capital**"), and in consequence thereof, the Company's Memorandum of Association be amended accordingly ("**Amendments**").

The pro forma consolidated statements of financial position have been compiled by the Board of Directors to illustrate the impact of the Proposals, as set out in Note 1 of the pro forma consolidated statements of financial position, on Sunsuria's financial position as at 31 March 2014.

As part of this process, information about Sunsuria's financial position has been extracted by the Board of Directors from Sunsuria's audited consolidated financial statements for the financial year ended 31 March 2014, dated 16 May 2014.

*Directors' responsibilities for the pro forma consolidated statements of financial position*

The Board of Directors of Sunsuria is solely responsible for compiling the pro forma consolidated statements of financial position on the basis set out in Note 1 of the pro forma consolidated statements of financial position.

*Our responsibilities*

Our responsibility is to express an opinion, as required by Bursa Securities Malaysia Berhad, about whether the pro forma consolidated statements of financial position have been compiled, in all material respects, by the Board of Directors on the basis set out in Note 1 of the pro forma consolidated statements of financial position.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro forma Financial Information included in the Abridged Prospectus to Shareholders, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma consolidated statements of financial position on the basis set out in Note 1 of the pro forma consolidated statements of financial position.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)***Our responsibilities (Cont'd)*

The purpose of the pro forma consolidated statements of financial position included in the Abridged Prospectus to Shareholders is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, on the basis set out in Note 1 of the pro forma consolidated statements of financial position involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statements of financial position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of Sunsuria, the event or transaction in respect of which the pro forma consolidated statements of financial position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

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

*Opinion*

In our opinion,

- (a) the pro forma consolidated statements of financial position of Sunsuria, which have been prepared by the Directors of the Company, have been prepared on the basis of assumptions as set out in the accompanying notes using financial statements prepared in accordance with Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the financial statements and the accounting policies adopted by Sunsuria; and
- (b) each material adjustment made to the information used in the preparation of the pro forma consolidated statements of financial position is appropriate for the purpose of preparing the pro forma consolidated statements of financial position.

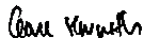
**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



*Other Matters*

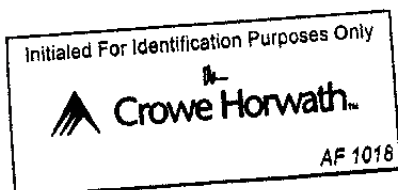
We understand that this letter is issued solely for the purpose of inclusion in the Abridged Prospectus to Shareholders in connection with the Proposals, Rights Issue With Warrants, Private Placement and Amendments. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

  
**Crowe Horwath**  
Firm No : AF 1018  
Chartered Accountants

  
**Chin Kit Seong**  
Approval No: 3030/01/17(J)  
Chartered Accountant

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

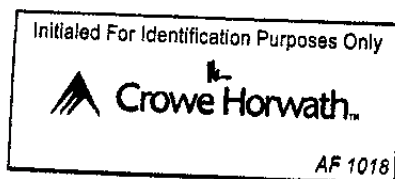


## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS  
AT 31 MARCH 2014**

		Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV
		After	After	After	After
		the Proposals	Pro Forma I	Pro Forma II,	Pro Forma III
		RM'000	and after the	the Private	and assuming
			Rights Issue	Placement and	full exercise of
			With Warrants	utilisation of	the Warrants
			RM'000	proceeds	RM'000
				RM'000	
Note	Audited as at 31.3.2014 RM'000	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
	Property, plant and equipment	3,593	3,593	3,593	3,593
	Investment property	6,704	6,704	6,704	6,704
2	Investment in an associate	666	55,635	55,635	55,635
	Investment in club membership, at cost	25	25	25	25
3	Goodwill	-	7,099	7,099	7,099
		10,988	73,056	73,056	73,056
<b>CURRENT ASSETS</b>					
	Inventories	4,285	4,285	4,285	4,285
4	Receivables	7,863	51,640	51,640	51,640
	Prepayments	108	108	108	108
5	Amount owing by an associate	-	15,417	15,417	15,417
6	Property development costs	48,807	565,807	565,807	565,807
	Current tax assets	86	86	86	86
7	Cash and cash equivalents	33,499	6,368	381,435	416,362
		94,648	643,711	1,018,778	1,053,705
	<b>TOTAL ASSETS</b>	<b>105,636</b>	<b>716,767</b>	<b>1,091,834</b>	<b>1,126,761</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
8	Share capital	79,180	130,201	367,743	478,596
9	Share premium	13,296	62,275	131,038	389,834
	Capital reserve	815	815	815	815
10	Capital redemption reserve	-	100	100	168
11	Warrant reserve	-	-	68,762	68,762
12	(Accumulated losses)/Retained profits	(5,037)	43,701	43,701	43,633
	<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>88,254</b>	<b>237,092</b>	<b>612,159</b>	<b>913,046</b>
13	<b>NON-CONTROLLING INTERESTS</b>	<b>30</b>	<b>209</b>	<b>209</b>	<b>209</b>
	<b>TOTAL EQUITY</b>	<b>88,284</b>	<b>237,301</b>	<b>612,368</b>	<b>913,255</b>

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

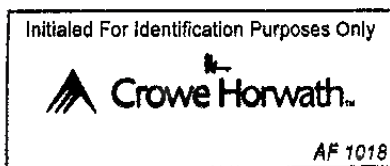


## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

		Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV
		After	After	After	After
		the Proposals	Pro Forma I	Pro Forma II,	Pro Forma III
		RM'000	and after the	the Private	and assuming
			Rights Issue	Placement and	full exercise of
			With Warrants	utilisation of	the Warrants
			RM'000	proceeds	RM'000
				RM'000	
Note	Audited as at 31.3.2014 RM'000	RM'000	RM'000	RM'000	RM'000
<b>NON-CURRENT LIABILITIES</b>					
	Retirement benefits	1,104	1,104	1,104	1,104
	Payables	14	4,097	4,097	4,097
	Deferred tax liabilities	15	6	110,406	110,406
			115,607	115,607	115,607
		1,110	115,607	115,607	115,607
<b>CURRENT LIABILITIES</b>					
	Progress billings	16	9,691	27,034	27,034
	Payables	14	5,779	163,203	163,203
	Amount owing to related parties	17	-	83,197	83,197
	Amount owing to a director	18	-	21,249	21,249
	Redeemable preference shares	19	-	68,390	68,390
	Current tax liabilities	20	772	786	786
			16,242	363,859	363,859
			17,352	479,466	479,466
			105,636	716,767	1,091,834
				213,506	213,506
				889,219	1,126,761
	Number of ordinary shares of RM0.50 each ('000)	8	158,361	260,402	735,486
	Net assets (RM'000) ("NA")		88,254	237,092	612,159
	Net tangible assets (RM'000) ("NTA")		88,254	229,993	605,060
	NA per ordinary share (RM)		0.56	0.91	0.83
	NTA per ordinary share (RM)		0.56	0.88	0.82
	Bank borrowings (RM'000)		Not applicable	Not applicable	Not applicable
	Gearing ratio (times)		Not applicable	Not applicable	Not applicable



**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014****1. Basis Of Preparation**

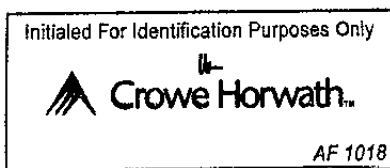
The pro forma consolidated statements of financial position of Sunsuria have been prepared based on the audited consolidated statements of financial position of Sunsuria as at 31 March 2014 had the Proposals, Rights Issue With Warrants, Private Placement, and the full exercise of the Warrants issued pursuant to the Proposed Rights Issue With Warrants been effected as at 31 March 2014.

The audited consolidated statements of financial position of Sunsuria as at 31 March 2014 have been prepared in accordance with Financial Reporting Standards ("FRSs").

In illustrating the effects of the Proposals on the pro forma consolidated statements of financial position of Sunsuria as at 31 March 2014, the audited financial statements of the related proposed subsidiaries for the financial year ended 31 December 2014 used in the preparation of the pro forma consolidated statements of financial position have been prepared in accordance with Private Entity Reporting Standards ("PERS"). We have reviewed the audited financial statements of the related proposed subsidiaries, for the conversion to FRSs and for the use in the preparation of the pro forma consolidated statements of financial position of Sunsuria. Certain adjustments were identified and have been adjusted in the related proposed subsidiaries' financial statements.

The pro forma consolidated statements of financial position have been prepared solely for illustrative purposes, to show the effects in relation to the Proposals, the Rights Issue With Warrants and the Private Placement to raise gross proceeds of RM380,067,000 (Assuming all entitled shareholders subscribe in full for their respective entitlements under the Rights Issue with Warrants on the assumptions that the Private Placement is implemented).

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014**

**1. Basis Of Preparation (Cont'd)**

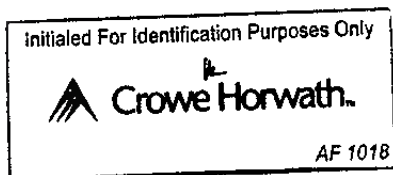
The scenario assumes the following:-

- (i) Full subscription and issuance of 475,084,416 Rights Shares together with 158,361,472 Warrants at an indicative issue price of RM0.80 per Rights Share to raise indicative gross proceeds of RM380,067,000 on the basis of three (3) Rights Share for every one (1) existing Sunsuria Share held, together with one (1) Warrant for every three (3) Rights Share subscribed. It also incorporates the effects of estimated expenses of RM5,000,000 in relation to the Proposed Rights Issue With Warrants; and
- (ii) Private placement of 63,344,588 Shares, representing approximately 8.61% of the enlarged issued and paid-up share capital of the Company after the Proposed Reinvestment and Rights Issue With Warrants, being the maximum number of Placement Shares approved by shareholders of Sunsuria at its EGM on 12 May 2014.

The Placement Shares are issued at an indicative issue price of RM1.00 per Placement Share. The indicative gross proceeds to be raised by the Private Placement amounted to RM63,345,000.

The Proposed SGSB Transactions, Proposed SDSDSB Acquisition, Proposed SMSB Acquisition 1 and Proposed RNSB Subscription have been accounted for using the acquisition method in accordance with FRS 3 *Business Combinations*, whilst Proposed SMSB Acquisition 2 has been accounted for using the equity method in accordance with FRS 128 *Investments in Associates and Joint Ventures*.

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

**1. Basis Of Preparation (Cont'd)**

**1.1 Pro Forma I**

The details of the Proposals are as follows:-

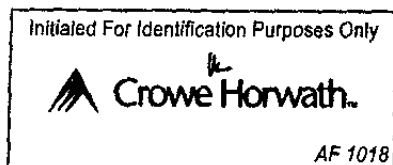
**(a) Proposed SGSB Transactions**

The Proposed SGSB Transactions comprise the Proposed SGSB Subscription and the Proposed Reinvestment. The Proposed SGSB Subscription involves the subscription by Sunsuria of the following:-

	Consideration
	RM'000
1,000,000 new SGSB Shares	1,000
237,000,000 new SGSB RPS-B	237,000
<b>Total</b>	<b>238,000</b>

The Proposed SGSB Subscription would increase the issued and paid-up ordinary share capital of SGSB from RM2 comprising two (2) SGSB Shares, to RM1,000,002 comprising 1,000,002 SGSB Shares, in which Sunsuria will hold approximately 100% equity interest in SGSB.

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

**1. Basis Of Preparation (Cont'd)**

**1.1 Pro Forma I (Cont'd)**

**(a) Proposed SGSB Transactions (Cont'd)**

In addition to the Proposed SGSB Subscription, Datuk Ter has also committed to subscribe for RM100,000,000 in value ("**Reinvestment Amount**") of Sunsuria Shares at an issue price of RM0.98 per Sunsuria Share ("**Reinvestment Shares Issue Price**"), amounting to 102,040,816 Sunsuria Shares ("**Reinvestment Shares**"). Datuk Ter and Sunsuria have agreed to set off the redemption sum payable under the Proposed Full and Final Capital Return of SGSB RPS-A against the subscription price payable under the Proposed Reinvestment.

An amount of RM100,000,000 will be used to redeem 10,000,000 of SGSB RPS-A, which represents part of the outstanding SGSB RPS-A held by Datuk Ter.

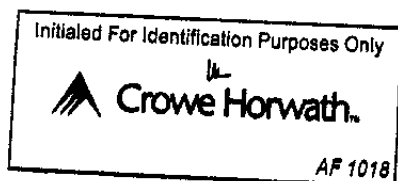
The Reinvestment Shares shall not be entitled to the Rights Issue With Warrants as the Reinvestment Shares will only be issued after the entitlement date for the Rights Issue With Warrants.

**(b) Proposed Acquisitions**

The Proposed Acquisitions entails:-

- (i) Proposed acquisition of 2 ordinary shares of RM1.00 each in Concord representing the entire equity interest in Concord (which currently holds 250,000 ordinary shares of RM1.00 each in SMSB, representing 20% equity interest in SMSB) for a total cash consideration of RM53,121,296.30.
- (ii) Proposed acquisition of 12,500 ordinary shares of RM1.00 each in SMSB representing 1% equity interest in SMSB for a total cash consideration of RM1,848,399.97.

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

**1. Basis Of Preparation (Cont'd)**

**1.1 Pro Forma I (Cont'd)**

**(b) Proposed Acquisitions (Cont'd)**

In addition, pursuant to the terms of the SMSB Share Purchase Agreement 2, the Company will also be paying THK Capital Sdn. Bhd. ("TCSB"), in return for the novation by TCSB to Sunsuria of an amount owing by SMSB to TCSB, of RM730,303.73, together with interest accrued up to the completion date of the Proposed SMSB Acquisition 2.

Upon completion of the Proposed Acquisitions, Concord will become a wholly-owned subsidiary of Sunsuria and the effective shareholding of Sunsuria in SMSB (via its direct holding of equity interest in SMSB under the Proposed SMSB Acquisition 2 and its indirect holding of equity interest in SMSB via Concord under the Proposed SMSB Acquisition 1) will amount to 262,500 SMSB Shares or 21% effective equity interest in SMSB.

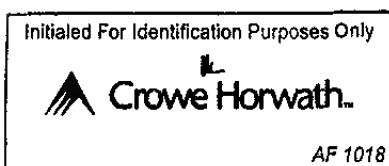
**(c) Proposed RNSB Subscription**

The Proposed RNSB Subscription entails the subscription by Sunsuria for:-

- (i) 25,000,000 new RNSB Shares, representing 99.01% of the enlarged issued and paid-up share capital of RNSB at the cash subscription price of RM25,000,000; and
- (ii) 32,000,000 new RNSB RPS at the cash subscription price of RM32,000,000.

The Proposed RNSB Subscription would result in Sunsuria holding 99.01% equity interest in RNSB.

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

**1. Basis Of Preparation (Cont'd)**

**1.1 Pro Forma I (Cont'd)**

**(d) Proposed SDSDSB Acquisition and Proposed Variations**

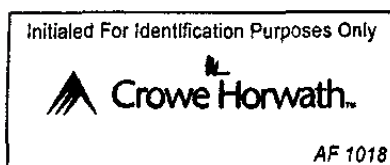
Sunsuria had on 20 April 2015 entered into:-

- (i) a Conditional Share Purchase Agreement with Sime Darby Property ("**SDSDSB SPA**") for the Proposed SDSDSB Acquisition for a total cash consideration of RM173,390,700, comprising RM157,000,000 ("**SDSDSB Consideration**") for the Proposed SDSDSB Acquisition as well as the settlement of the Sime Darby Advances, which amount to RM16,390,700 as at 31 March 2015 are due and payable by SDSDSB to Sime Darby Property and/or persons connected with them.

Sunsuria shall pay and settle for and on behalf of SDSDSB, all outstanding Sime Darby Advances on or before the expiry of 12 months after 30 June 2015 or such other date as may be agreed upon between Sunsuria and Sime Darby Property upon which completion of the Proposed SDSDSB Acquisition is to take place. For the avoidance of doubt, no further interest or other charges shall accrue or be payable on the Sime Darby Advances and this shall survive the completion of the SDSDSB SPA.

Sunsuria is expected to repay the Sime Darby Advances in 12 equal monthly instalments, commencing from 1 July 2015. The tenth (10) to twelfth (12) instalments, amounting to RM4,097,000 was classified as non-current liability as the said amounts are expected to be settled more than 12 months from the reporting period.

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

**1. Basis Of Preparation (Cont'd)**

**1.1 Pro Forma I (Cont'd)**

**(d) Proposed SDSDB Acquisition and Proposed Variations (Cont'd)**

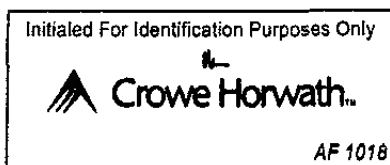
- (ii) Proposed variations to the terms of the SGSB Subscription Agreement dated 9 March 2015 ("SGSB Subscription Agreement") entered into between Sunsuria, SGSB, Datuk Ter and Datin Kwan May Yuen (as existing shareholders of SGSB) ("**Supplemental SGSB Subscription Agreement**") to fix the maximum redemption sum payable for full and final capital redemption of all SGSB RPS-A issued by SGSB and held by Datuk Ter amounting to a maximum RM168,390,000 ("**Proposed Full and Final Capital Return of SGSB RPS-A**") and thereafter there shall be no further issuance of SGSB RPS-A under the terms of the SGSB Subscription Agreement (collectively referred to as the "**Proposed Variations**").

The balance redemption for SGSB RPS-A (after Proposed Reinvestment) amounting to RM68,390,000 shall be paid in cash to Datuk Ter being the remaining sum payable by Sunsuria to Datuk Ter pursuant to the Proposed Full and Final Capital Return of SGSB RPS-A.

Arising from the Proposed Variations, there will be an amount of RM69,610,000 in SGSB in which Sunsuria will hold 99.99% effective equity interest, which is intended to be utilised for *inter-alia*, working capital purposes, including the payment of the remaining unpaid Suria Serenia Land purchase consideration by SDSDB.

Accordingly, the Proposed SGSB Transactions will hereinafter include the Proposed Variations.

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

**1. Basis Of Preparation (Cont'd)**

**1.1 Pro Forma I (Cont'd)**

**Subsequent events**

Below are the details of the subsequent events between the date of the last audited financial statements used in the preparation of this pro forma and the date of this report:-

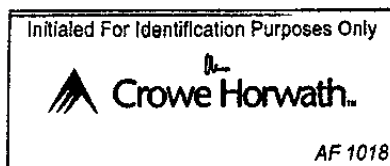
- (a) SGSB had on 30 March 2015 allotted and issued 1,893,358 SGSB RPS-A of RM0.01 each at premium of RM0.99 each by contra of a loan owing to Datuk Ter.
- (b) SDSDSB had on 4 September 2014 entered into a Sale and Purchase Agreement ("SPA") with Sime Darby Serenia Development Sdn. Bhd. (formerly known as Sime Darby Ampar Tenang Development Sdn. Bhd.) for the purchase of three plots of freehold development land, namely Plot 3, Plot 9 and Plot 10 in the Mukim of Dengkil, District of Sepang, Negeri Selangor Darul Ehsan measuring approximately 40 acres for a total purchase consideration of RM46,000,000.

A deposit of RM4,600,000 representing 10% of the purchase consideration has been paid on behalf in the same proportion by SGSB and Sime Darby Property upon execution of the SPA. The purchase transaction is on-going and has not been completed as at the date of this letter.

- (c) SDSDSB received additional shareholder's advances of RM1,786,287 and RM1,645,502 from Sime Darby Property and SGSB, respectively which results in the increase of the amount owing by SDSDSB to Sime Darby Property and SGSB as at 31 March 2015 to RM16,390,700 each.



**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

## 1. Basis Of Preparation (Cont'd)

## 1.1 Pro Forma I (Cont'd)

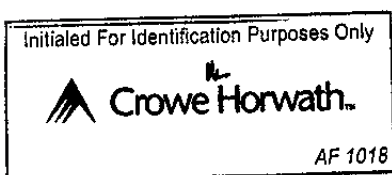
The total consideration for the Proposals amounting to approximately RM506,969,000 will be funded as follows:-

	RM'000
Proceeds from the Rights Issue With Warrants and Private Placements	380,276
Reinvestment amount	100,000
Borrowings (i)	-
Internally generated funds (ii)	26,693
	506,969

- (i) The borrowing represents the drawdown of external bank borrowings which was classified as non-current liability in the pro forma consolidated statements of financial position.
- (ii) Represents 20% deposits for the Proposed Acquisitions and 10% deposit for the Proposed SDSDSB Acquisition which have been paid by Sunsuria to the vendors or their nominees upon the execution of the SMSB Share Purchase Agreement dated 9 March 2015 and SDSDSB SPA dated 20 April 2015, respectively.

The estimated expenses of RM5,000,000 in relation to the Proposals are expensed off to profit or loss.

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

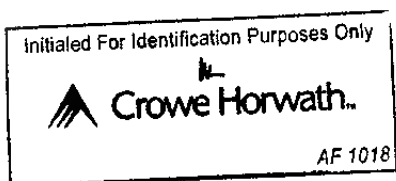
## 1. Basis Of Preparation (Cont'd)

## 1.1 Pro Forma I (Cont'd)

For the purpose of pro forma consolidated statements of financial position, the following are the identifiable assets acquired and liabilities assumed of SGSB, Concord and RNSB at the date of acquisition.

	SGSB & SDSDSB RM'000	Concord RM'000	RNSB RM'000	Total RM'000
<b>Non-current asset</b>				
Investment in an associate	-	53,121	-	53,121
<b>Current assets</b>				
Property development costs	460,000 #1	-	57,000	517,000
Receivables	29,593	-	14,184	43,777
Amount owing by an associate	-	14,687	-	14,687
Fixed deposits with licensed banks	-	-	26	26
Cash and bank balances	4,884 #2,3	-	26,382 #3	31,266
<b>Current liabilities</b>				
Payables	(7)	(1,559)	(2,264)	(3,830)
Amount owing to Sime Darby Property	(12,294) #4	-	-	(12,294)
Amount owing to related parties	(565)	-	(59,905)	(60,470)
Progress billings	-	-	(17,343)	(17,343)
Provision for taxation	-	(14)	-	(14)
Deferred taxation	(110,400)	-	-	(110,400)
Redeemable preference shares (SGSB RPS-A)	(168,390) #2	-	-	(168,390)
<b>Non-current liability</b>				
Amount owing to Sime Darby Property	(4,097) #4	-	-	(4,097)
<b>Fair value of assets acquired and liabilities assumed</b>	198,724	66,235	18,080	283,039
<b>Non-controlling interests</b>	*	-	(179)	(179)
	198,724	66,235	17,901	282,860
<b>Less: Consideration transferred</b>	(158,000) #3	(53,121)	(25,000) #3	(236,121)
<b>Gain on bargain purchase/(Goodwill)</b>	40,724	13,114	(7,099)	46,739

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

## 1. Basis Of Preparation (Cont'd)

## 1.1 Pro Forma I (Cont'd)

## Notes:

- #1 On the assumption that the purchase transactions for the acquisition of the land will be completed as at or before the completion date of the Proposed SGSB Transactions and Proposed SDSDSB Acquisitions, the fair value on the property development costs is allocated on the land portion.
- #2 After taken into consideration of the subsequent events as highlighted in Note 1.1.
- #3 The cash and bank balances include the Proposed Subscriptions by Sunsuria amounting to RM1,000,000 in SGSB and RM25,000,000 in RNSB. There is no cash outflows by Sunsuria Group in relation to the Proposed Subscriptions, as the cash outflows by Sunsuria represent cash inflows in SGSB and RNSB.

	SGSB & SDSDSB RM'000	Concord RM'000	RNSB RM'000	Total RM'000
Fixed deposits with licensed banks	-	-	26	26
Cash and bank balances	4,884	-	26,382	31,266
	4,884	-	26,408	31,292
Less: Proposed Subscriptions	(1,000)	-	(25,000)	(26,000)
Net cash inflows from acquisitions (Note 10)	3,884	-	1,408	5,292

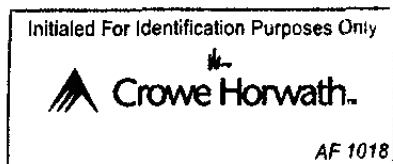
- #4 For the purpose of consolidation, the amount owing to SGSB of RM16,391,000 in SDSDSB's books has been eliminated against the amount owing by SDSDSB in SGSB's book.

At the completion date of the Proposed SDSDSB Acquisition, Sime Darby Property is no longer a shareholder of SDSDSB. Therefore, the amount owing is being classified as other payables in Sunsuria's Pro Forma Consolidated Statements of Financial Position.

As set out in Note 1.1(d)(i), the Company expected to repay the Sime Darby Advances in 12 equal monthly instalments, commencing from 1 July 2015. Below are the repayment details:-

	Repayment period	RM'000
<u>Current liability</u>		
No. 1 to 9 instalments	July 2015 - March 2016	12,294
<u>Non-current liability</u>		
No. 10 to 12 instalments	April 2016 to June 2016	4,097
		<u>16,391</u>

\* Less than RM500

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

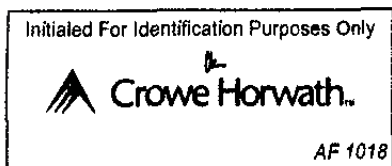
## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)****1. Basis Of Preparation (Cont'd)****1.1 Pro Forma I (Cont'd)**

The pro forma consolidated statements of financial position are prepared on the basis as described above solely for purpose stated above. The final determination of the purchase price allocation will be based on the established fair value of the assets acquired, including the fair value of the identifiable intangible assets, liabilities assumed as of the acquisition date, in accordance with FRS 3 - Business Combinations. The excess of the purchase price over the fair value net assets acquired is allocated to goodwill, or vice versa be reflected as discount on acquisition.

Accordingly, the final determination of the purchase price fair value and resulting goodwill or discount on acquisition may differ from what is reflected in the pro forma consolidated statements of financial position.

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



**APPENDIX A**

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

**1. Basis Of Preparation (Cont'd)**

**1.2 Pro Forma II**

The full subscription of 475,084,416 Rights Shares would give rise to an increase in the issued and paid-up share capital of Sunsuria of approximately RM237,542,000. Share premium will increase by RM68,763,000 to RM131,038,000 after netting off estimated expenses of approximately RM4,083,000.

The full issuance of 158,361,472 Warrants will generate a total of RM68,762,000 warrants reserve with the relative fair value method of the Warrants of RM0.44 per Warrant, after netting off estimated expenses of RM917,000.

The full subscription of 475,084,416 Rights Shares and full issuance of 158,361,472 Warrants, based on illustrative issue price of RM0.80 per Rights Share will generate total gross cash proceeds of RM422,575,000 after netting off estimated expenses of RM5,000,000.

The Rights Shares and Warrants are recognised at their relative fair values. In arriving at the relative fair values, the fair values of the Rights Shares and Warrants were proportionately adjusted to their illustrative issue price of RM0.80 per Rights Share.

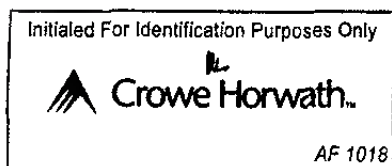
The fair value of the warrants of RM0.44 per Warrant is determined using "Black-Scholes Option" pricing model based on the following key assumptions:

Expiry date	*
Expected volatility of Sunsuria's Share price <sup>^</sup>	53.536%

\* Five years from the date of issuance of the Warrants

<sup>^</sup> Source : Black Scholes Option Calculator

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

**1. Basis Of Preparation (Cont'd)**

**1.3 Pro Forma III**

The Private Placement gave rise to an increase of RM31,672,000 in the issued and paid-up share capital of Sunsuria. The share premium will increase by RM31,673,000 and the Private Placement will generate total gross proceeds of RM63,345,000.

The Private Placement is to be undertaken after the implementation of the Rights Issue With Warrants.

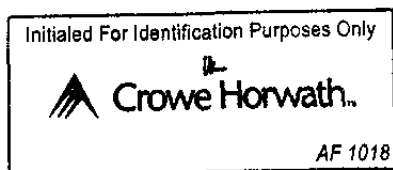
The total proceeds raised from the Rights Issue With Warrants and the Private Placement (excluding the exercise of Warrants) amounts to RM438,412,000 after netting off estimated expenses of RM5,000,000 respectively. The expected utilisation of those proceeds are as follows:-

Proposed utilisation of proceeds	Amount RM'000	Expected timeframe for utilisation (from the date of listing of Rights Shares and Placement Shares, whichever applicable)
Proposed subscription and acquisition	433,412	Within 12 months
Working capital	5,000	Within 12 months
Estimated expenses	5,000	Within 6 months
Total gross proceeds	<u>443,412</u>	

**1.4 Pro Forma IV**

The full exercise of 158,361,472 Warrants will generate total cash proceeds of RM237,542,000 based on the indicative exercise price of RM1.50 per Warrant. The exercise price of RM1.50 per Warrant represents a premium of approximately 38.43% to the theoretical ex-rights price of Sunsuria Shares of RM1.0836, based on five (5)-day volume weighted average market price up and including 10 June 2015, being the last market day prior to the date of announcement of RM1.9343. Pursuant to the full exercise of the 158,361,472 Warrants, 158,361,472 new Sunsuria Shares will be issued and this will increase the issued and paid-up share capital and share premium account of Sunsuria by RM79,181,000 and RM158,361,000, respectively. The amount of RM68,762,000 of the warrants reserve will be transferred to share premium upon full exercise of the Warrants.

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

## 2. Investment In An Associate

	<b>RM'000</b>
Audited as at 31.3.2014	666
Effects of Proposed SMSB Acquisitions 1 (Note 1.1(b))	53,121
Effects of Proposed SMSB Acquisitions 2 (Note 1.1(b))	1,848
	<hr/>
As per Pro Forma I, II, III and IV	<u>55,635</u>

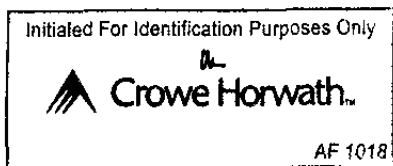
## 3. Goodwill

	<b>RM'000</b>
Audited as at 31.3.2014	-
Effects of Proposed RNSB Subscription (Note 1.1)	7,099
	<hr/>
As per Pro Forma I, II, III and IV	<u>7,099</u>

## 4. Receivables

	<b>RM'000</b>
Audited as at 31.3.2014	7,863
Effects of Proposals	43,777
	<hr/>
As per Pro Forma I, II, III and IV	<u>51,640</u>

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

**5. Amount Owning By An Associate**

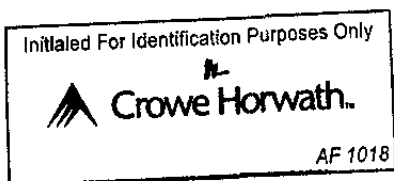
	<b>RM'000</b>
Audited as at 31.3.2014	-
Effects of Proposals	14,687
Novation of debts (Note 1.1(b))	730
As per Pro Forma I, II, III and IV	<u>15,417</u>

**6. Property Development Costs**

	<b>RM'000</b>
Audited as at 31.3.2014	48,807
Effects of Proposals	517,000
As per Pro Forma I, II, III and IV	<u>565,807</u>



**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



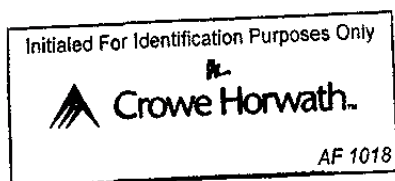
## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

## 7. Cash and Cash Equivalents

	RM'000
Audited as at 31.3.2014	33,499
Effects of Proposed Acquisitions:	
- Effects of Proposals and subsequent events (Note 1.1)	5,292
- Payment of deposits for the Proposed Acquisition (Note 7.1)	(26,693)
- Estimated expenses related to the Proposals (Note 1.1)	(5,000)
- Novation of debts (Note 1.1(b))	(730)
As per Pro Forma I	6,368
Proceeds from the Rights Issue With Warrants	380,067
Estimated expenses related to the Rights Issue With Warrants (Note 1.3)	(5,000)
As per Pro Forma II	381,435
Proceeds from the Private Placement	63,345
Utilisation of proceeds:	
- Repayment of remaining purchase consideration to vendors (Note 7.1)	(185,276)
- Repayment of shareholder's advances to Sime Darby Property (Note 1.1 and 14)	(12,294)
- Repayment of remaining balance for SGSB RPS-A redemption (Note 1.1(d)(ii)(ad))	(68,390)
As per Pro Forma III	178,820
Proceeds from the full exercise of the Warrants	237,542
As per Pro Forma IV	416,362

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

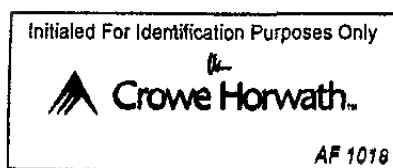
**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

## 7. Cash and Cash Equivalents (Cont'd)

7.1 Below are the purchase consideration details for the Proposed Acquisitions and Proposed SDSDSB Acquisition:-

	Related parties		Sub- Total RM'000	Other payable	Director	Total RM'000
	Ter Hong Khim @ Tai Foong Chin RM'000	TCSB RM'000		Sime Darby Property RM'000	Datuk Ter Leong Yap RM'000	
<u>Purchase consideration (Note 1.1)</u>						
- Proposed SMSB Acquisition 1	26,560	-	26,560	-	26,561	53,121
- Proposed SMSB Acquisition 2	-	1,848	1,848	-	-	1,848
- Proposed SDSDSB Acquisition	-	-	-	157,000	-	157,000
	26,560	1,848	28,408	157,000	26,561	211,969
<u>Represented by:-</u>						
Deposits (Note 7)	5,311	370	5,681	15,700	5,312	26,693
Remaining purchase consideration (Note 7, 14, 17 and 18)	21,249	1,478	22,727	141,300	21,249	185,276
	26,560	1,848	28,408	157,000	26,561	211,969

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



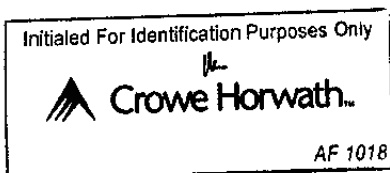
## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

## 8. Share Capital

	<b>Maximum scenario</b>	
	<b>No. of ordinary shares ( '000)</b>	<b>RM'000</b>
Audited as at 31.3.2014	158,361	79,180
Effects of Proposed Reinvestment (Note 18)	102,041	51,021
As per Pro Forma I	260,402	130,201
Arising from the Rights Issue With Warrants	475,084	237,542
As per Pro Forma II	735,486	367,743
Arising from the Private Placement	63,345	31,672
As per Pro Forma III	798,831	399,415
Arising from the full exercise of Warrants	158,361	79,181
As per Pro Forma IV	957,192	478,596

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

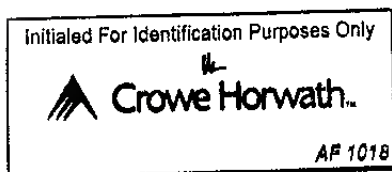
**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

## 9. Share Premium

	RM'000
Audited as at 31.3.2014	13,296
Effects of Proposed Reinvestment (Note 18)	48,979
As per Pro Forma I	<u>62,275</u>
Arising from the Rights Issue With Warrants	142,525
Less: Adjustment to fair value of Warrants (Note 11)	<u>(69,679)</u>
	72,846
Estimated expenses related to the Rights Issue With Warrants *	<u>(4,083)</u>
As per Pro Forma II	131,038
Arising from the Private Placement	<u>31,673</u>
As per Pro Forma III	162,711
Arising from the full exercise of Warrants	158,361
Transfer from warrant reserve upon full exercise of Warrants (Note 11)	<u>68,762</u>
As per Pro Forma IV	<u><u>389,834</u></u>

\* - Represents 81.67% of the total estimated expenses of RM5,000,000 in relation to the Rights Issue With Warrants. The basis of 81.67% is derived based on the fair value of RM0.6533 for each Rights Share subscribed over the illustrative issue price of RM0.80 per Rights Share, which is based on the recommended practice stated in Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 9.

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

## 10. Capital Redemption Reserve

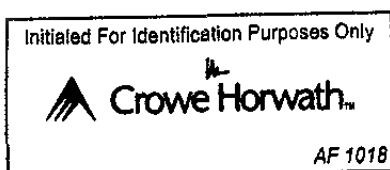
	RM'000
Audited as at 31.3.2014	-
Effects of redemption of 10,000,000 SGSB RPS-A (Note 12)	100
As per Pro Forma I and II	100
Effects of redemption of remaining 6,839,000 SGSB RPS-A (Note 12)	68
As per Pro Forma III and IV	168

## 11. Warrant Reserve

	RM'000
Audited as at 31.3.2014/As per Pro Forma I	-
Arising from the Rights Issue With Warrants (Note 9)	69,679
Estimated expenses related to the Rights Issue With Warrants *	(917)
As per Pro Forma II and III	68,762
Transfer to share premium upon full exercise of Warrants (Note 9)	(68,762)
As per Pro Forma IV	-

\* - Represents 18.33% of the total estimated expenses of RM5,000,000 in relation to the Rights Issue With Warrants. The basis of 18.33% is derived based on the proportionate fair value of Warrants of RM0.1467 for each Rights Share subscribed over the illustrative issue price of RM0.80 per Rights Share, which is based on the recommended practice stated in Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 9.

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

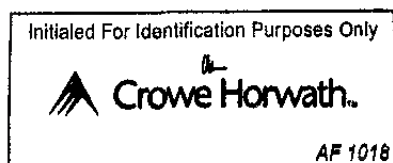
## 12. (Accumulated Losses)/Retained Profits

	RM'000
Audited as at 31.3.2014	(5,037)
Estimated expenses related to the Proposals (Note 1.1)	(5,000)
Gain on bargain purchase (Note 1.1)	
- Arising from Proposed SGSB Subscription	40,724
- Arising from Proposed Acquisitions	13,114
Transfer to capital redemption accounts upon redemption of 10,000,000 SGSB RPS-A (Note 10)	(100)
As per Pro Forma I and II	43,701
Transfer to capital redemption accounts upon redemption of remaining 6,839,000 SGSB RPS-A (Note 10)	(68)
As per Pro Forma III and IV	43,633

## 13. Non-controlling Interests

	RM'000
Audited as at 31.3.2014	30
Effects of Proposed RNSB Subscriptions	179
As per Pro Forma I, II, III and IV	209

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



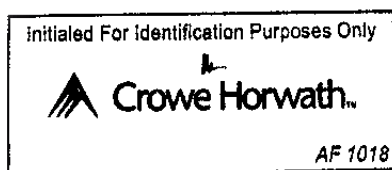
## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

## 14. Payables

	RM'000
<u>Non-current</u>	
Audited as at 31.3.2014	-
Effects of Proposals (Note 1.1(d)(i))	4,097
	<hr/>
As per Pro Forma I, II, III and IV	4,097
	<hr/>
<u>Current</u>	
Audited as at 31.3.2014	5,779
Effects of Proposals	16,124
Remaining purchase consideration for Proposed SDSDSB Acquisition (Note 7.1)	141,300
	<hr/>
As per Pro Forma I and II	163,203
Repayment of remaining purchase consideration (Note 7.1)	(141,300)
Repayment of shareholder's advances to Sime Darby Property (Note 1.1(d)(i) and 7)	(12,294)
	<hr/>
As per Pro Forma III and IV	9,609
	<hr/>

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

**15. Deferred tax liabilities**

	RM'000
Audited as at 31.3.2014	6
Effects of Proposals	110,400
As per Pro Forma I, II, III and IV	<u>110,406</u>

**16. Progress billings**

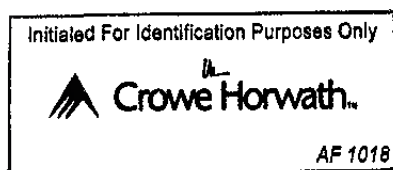
	RM'000
Audited as at 31.3.2014	9,691
Effects of Proposals	17,343
As per Pro Forma I, II, III and IV	<u>27,034</u>

**17. Amount Owing To Related Parties**

	RM'000
Audited as at 31.3.2014	-
Effects of Proposals	60,470
Remaining purchase consideration (Note 7.1)	22,727
As per Pro Forma I and II	<u>83,197</u>
Repayment of remaining purchase consideration (Note 7)	(22,727)
As per Pro Forma III and IV	<u>60,470</u>



**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

## 18. Amount Owing To A Director

	RM'000
Audited as at 31.3.2014	-
Amount payable upon redemption of 16,839,000 SGSB RPS-A (Note 1.1(a))	168,390
Effects of Proposed Reinvestment (Note 1.1(a), 8, 9 and 19)	(100,000)
Remaining purchase consideration arising from Proposed SMSB Acquisition 1 (Note 7.1)	21,249
As per Pro Forma I and II	89,639
Repayment of remaining purchase consideration (Note 7)	(21,249)
Repayment of amount payable for redemption of remaining 6,839,000 SGSB RPS-A (Note 7 and 19)	(68,390)
As per Pro Forma III and IV	-

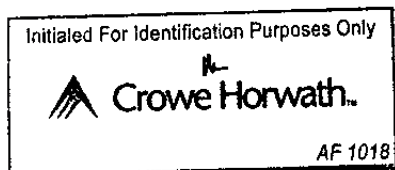
## 19. Redeemable Preference Shares

	RM'000
Audited as at 31.3.2014	-
Effects of Proposed SGSB Transactions	16,839
Contingent liabilities assumed in a business combination at the acquisition date	151,551
Amount payable upon full redemption of SGSB RPS-A (Note 1.1)	168,390
Effects of redemption of 10,000,000 SGSB RPS-A (Note 18)	(100,000)
As per Pro Forma I and II	68,390
Effects of redemption of remaining 6,839,000 SGSB RPS-A (Note 18)	(68,390)
As per Pro Forma III and IV	-

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**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

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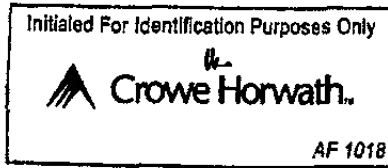
## APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

## 20. Provision For Taxation

	RM'000
Audited as at 31.3.2014	772
Effects of Proposals	14
As per Pro Forma I, II, III and IV	<u>786</u>

**OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



**SUNSURIA BERHAD ("SUNSURIA")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2014 (CONT'D)**

**APPROVAL BY THE BOARD OF DIRECTORS**

Approved by the Board of Directors in accordance with a resolution dated **24 APR 2015**

.....  
**DATUK TER LEONG YAP**  
DIRECTOR  
SUNSURIA BERHAD

.....  
**HOONG WAI SENG**  
DIRECTOR  
SUNSURIA BERHAD

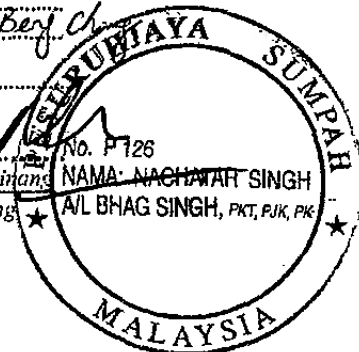
**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON**

PERKARA.....

Inilah Benda bukti bertanda.....<sup>"A"</sup>  
yang disebutkan didalam surat ikrar.....*Teeh Berg ch*

Diikrar pada ..... 16 MAY 2014

.....  
*Pengadil, Mahkamah Rendah, Pulau Pinang*  
*Pesuruhjaya Sumpah Pulau Pinang*



120 LEBUH PENANG  
10200 PULAU PINANG

**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
Company No: 8235-K

**FINANCIAL REPORT**  
*for the financial year ended 31 March 2014*

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**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**


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**SUNSURIA BERHAD****(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)

Company No: 8235-K

**DIRECTORS' REPORT**

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

**CHANGE OF NAME**

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

**PRINCIPAL ACTIVITIES**

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

**RESULTS**

	The Group RM'000	The Company RM'000
Profit/(Loss) for the financial year attributable to:-		
- Owners of the Company	3,564	(1,236)
- Non-controlling interests	3	0
	<u>3,567</u>	<u>(1,236)</u>

**DIVIDENDS**

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

**RESERVES AND PROVISIONS**

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

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**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

---

**SUNSURIA BERHAD****(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)

Company No: 8235-K

**DIRECTORS' REPORT**

---

**ISSUE OF SHARES OR DEBENTURES**

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

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

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

**OPTIONS GRANTED OVER UNISSUED SHARES**

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

**BAD AND DOUBTFUL DEBTS**

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

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

**CURRENT ASSETS**

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

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

**VALUATION METHODS**

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

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**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

---

**SUNSURIA BERHAD  
(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)

Company No: 8235-K

**DIRECTORS' REPORT**

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**CONTINGENT AND OTHER LIABILITIES**

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

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

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

**CHANGE OF CIRCUMSTANCES**

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

**ITEMS OF AN UNUSUAL NATURE**

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

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

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
 Company No: 8235-K

**DIRECTORS' REPORT**

**DIRECTORS OF THE COMPANY**

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

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

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

Name of Director	Number of Ordinary Shares of RM0.50 Each			Balance at 31.3.2014
	Balance at date of appointment	Bought	Sold	
Datuk Ter Leong Yap				
- Direct interest	33,728,000	0	0	33,728,000
- Deemed interest	6,341,200	39,298,144	0	45,639,344
Dato' Tan Tian Meng				
- Direct interest	6,957,200	0	0	6,957,200

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

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



**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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**SUNSURIA BERHAD  
(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
Company No: 8235-K

**DIRECTORS' REPORT**

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**DIRECTORS' BENEFITS**

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

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

**AUDITORS**

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

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS**

DATED 18 MAY 2014



**Datuk Ter Leong Yap**



**Koong Wai Seng**

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**SUNSURIA BERHAD**

**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)

Company No: 8235-K

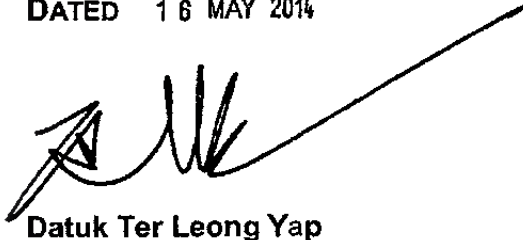
**STATEMENT BY DIRECTORS**

We, Datuk Ter Leong Yap and Koong Wai Seng, being two of the directors of Sunsuria Berhad (formerly known as Malaysia Aica Berhad), do hereby state that in the opinion of the directors, the financial statements set out on pages 10 to 58 give a true and fair view of the financial position of the Group and the Company as at 31 March 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

In the opinion of the directors, the supplementary information set out on page 59 is prepared, in all material respects, in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS**

**DATED 16 MAY 2014**



**Datuk Ter Leong Yap**



**Koong Wai Seng**

**STATUTORY DECLARATION**

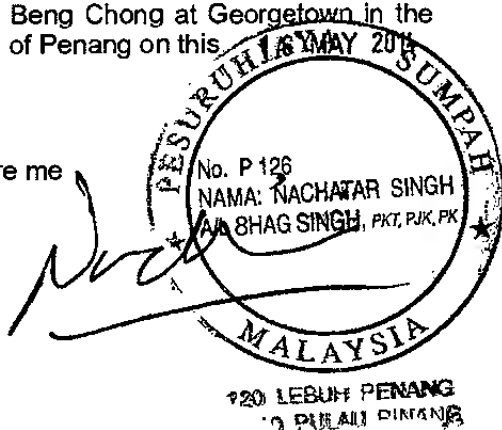
I, Teoh Beng Chong, being the officer primarily responsible for the financial management of Sunsuria Berhad (formerly known as Malaysia Aica Berhad), do solemnly and sincerely declare that the financial statements set out on pages 10 to 58 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

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



**Teoh Beng Chong**

Before me



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**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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Crowe Horwath AF 1018  
Chartered Accountants  
Member Crowe Horwath International

Penang Office  
17.01 Menara Boustead Penang  
39 Jalan Sultan Ahmad Shah  
10050 Penang, Malaysia  
+6 04 2277 061 Main  
+6 04 2278 011 Fax  
[www.crowehorwath.com.my](http://www.crowehorwath.com.my)  
[info.pg@crowehorwath.com.my](mailto:info.pg@crowehorwath.com.my)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SUNSURIA BERHAD**

**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
Company No: 8235-K

**Report on the Financial Statements**

We have audited the financial statements of Sunsuria Berhad (formerly known as Malaysia Aica Berhad), which comprise the statements of financial position as at 31 March 2014 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 58.

*Directors' Responsibility for the Financial Statements*

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

*Auditors' Responsibility*

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

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

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

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**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SUNSURIA BERHAD  
(formerly known as MALAYSIA AICA BERHAD) (cont'd)**

(Incorporated in Malaysia)  
Company No: 8235-K

*Opinion*

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

**Report on Other Legal and Regulatory Requirements**

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

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

The supplementary information set out on page 59 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants ("the MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SUNSURIA BERHAD  
(formerly known as MALAYSIA AICA BERHAD) (cont'd)**

(Incorporated in Malaysia)  
Company No: 8235-K

**Other Matters**

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

A handwritten signature in black ink, appearing to read "Chan Kheng Hoe", with a long horizontal flourish extending to the right.

A handwritten signature in black ink, appearing to read "Chan Kheng Hoe", with a long horizontal flourish extending to the right.

**Crowe Horwath**  
Firm No: AF 1018  
Chartered Accountants

**Chan Kheng Hoe**  
Approval No: 2979/03/16(J)  
Chartered Accountant

Date: 16 MAY 2014

Penang

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
Company No: 8235-K

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As At 31 MARCH 2014**

	Note	31.3.2014 RM'000	31.3.2013 RM'000	1.4.2012 RM'000
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	4	3,693	3,377	3,496
Investment properties	5	6,704	6,907	7,110
Investment in associate	7	666	638	620
Investment in club membership, at cost		25	25	25
Receivables	10	0	9,477	17,535
		<u>10,988</u>	<u>20,424</u>	<u>28,786</u>
<b>CURRENT ASSETS</b>				
Property development costs	8	48,807	0	0
Inventories	9	4,285	4,151	4,082
Receivables	10	7,863	21,803	29,793
Prepayments		108	265	123
Current tax assets		86	28	83
Cash and cash equivalents	11	33,499	27,314	10,695
		<u>94,648</u>	<u>53,561</u>	<u>44,776</u>
<b>CURRENT LIABILITIES</b>				
Progress billings	8	9,891	0	0
Payables	12	5,779	1,656	1,469
Loans and borrowings		0	0	896
Advance payments from customers		0	278	127
Retirement benefits	13	0	63	77
Current tax liabilities		772	155	228
		<u>16,242</u>	<u>2,152</u>	<u>2,797</u>
<b>NET CURRENT ASSETS</b>		<b>78,406</b>	<b>51,409</b>	<b>41,979</b>
<b>NON-CURRENT LIABILITIES</b>				
Retirement benefits	13	1,104	1,275	1,193
Deferred tax liabilities	14	6	6	9
		<u>1,110</u>	<u>1,281</u>	<u>1,202</u>
<b>NET ASSETS</b>		<b>88,284</b>	<b>70,552</b>	<b>69,563</b>
<b>EQUITY</b>				
Share capital	15	79,180	65,180	65,180
Share premium		13,296	13,296	13,296
Capital reserve		815	815	815
Accumulated losses		(5,037)	(8,766)	(9,755)
Equity attributable to owners of the Company		<u>88,254</u>	<u>70,525</u>	<u>69,536</u>
Non-controlling interests	16	30	27	27
<b>TOTAL EQUITY</b>		<b>88,284</b>	<b>70,552</b>	<b>69,563</b>

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**SUNSURIA BERHAD  
(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
Company No: 8235-K

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

	Note	2014 RM'000	2013 RM'000
<b>Continuing Operations</b>			
Revenue	17	35,462	15,343
Cost of sales		(27,075)	(13,101)
Gross profit		<u>8,387</u>	<u>2,242</u>
Other income		267	138
Administrative and general expenses		(5,319)	(3,051)
Selling and distribution expenses		(863)	(175)
Share of profit of associate		28	18
Profit/(Loss) before tax	18	<u>2,500</u>	<u>(828)</u>
Tax expense	20	(723)	(79)
Profit/(Loss) from continuing operations		<u>1,777</u>	<u>(907)</u>
<b>Discontinued Operation</b>			
Profit from discontinued operation	21	1,790	1,896
Profit for the financial year		<u>3,567</u>	<u>989</u>
Other comprehensive income:-			
<i>Item that will not be reclassified to profit or loss:-</i>			
- Remeasurements of defined benefit liabilities		165	0
Other comprehensive income for the financial year		<u>165</u>	<u>0</u>
Total comprehensive income for the financial year		<u>3,732</u>	<u>989</u>

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**SUNSURIA BERHAD  
(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)

Company No: 8235-K

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (cont'd)**

	Note	2014 RM'000	2013 RM'000
Profit/(Loss) from continuing operations attributable to:-			
- Owners of the Company		1,775	(907)
- Non-controlling interests		2	0
		<u>1,777</u>	<u>(907)</u>
Profit from discontinued operation attributable to:-			
- Owners of the Company		1,789	1,896
- Non-controlling interests		1	0
		<u>1,790</u>	<u>1,896</u>
Profit for the financial year attributable to:-			
- Owners of the Company		3,564	989
- Non-controlling interests	16	3	0
		<u>3,567</u>	<u>989</u>
Total comprehensive income for the financial year attributable to:-			
- Owners of the Company		3,729	989
- Non-controlling interests		3	0
		<u>3,732</u>	<u>989</u>
Basic earnings/(loss) per share (sen):-	22		
- Continuing operations		1.29	(0.69)
- Discontinued operation		1.30	1.45
		<u>2.59</u>	<u>0.76</u>
Diluted earnings/(loss) per share (sen):-	22		
- Continuing operations		1.29	(0.69)
- Discontinued operation		1.30	1.45
		<u>2.59</u>	<u>0.76</u>



**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
Company No: 8235-K

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

	Non-distributable			Accumulated losses RM'000	Equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000				
Balance at 1 April 2012	65,180	13,296	815	(9,755)	69,536	27	69,563
Profit (representing total comprehensive income) for the financial year	0	0	0	989	989	0	989
Balance at 31 March 2013	65,180	13,296	815	(8,766)	70,525	27	70,552
Profit for the financial year	0	0	0	3,564	3,564	3	3,567
Remeasurements of defined benefit liabilities (representing other comprehensive income for the financial year)	0	0	0	165	165	0	165
Total comprehensive income for the financial year	0	0	0	3,729	3,729	3	3,732
Issuance of shares (representing total transactions with owners)	14,000	0	0	0	14,000	0	14,000
Balance at 31 March 2014	79,180	13,296	815	(5,037)	88,254	30	88,284

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

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**SUNSURIA BERHAD  
(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
Company No: 8235-K

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	Note	2014 RM'000	2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Granting of hire purchase financing		(14,951)	(17,220)
Cash receipts from customers		85,444	51,548
Cash payments to suppliers		(21,340)	(15,840)
Acquisition of development project and land		(42,000)	0
Cash generated from operations		7,153	18,488
Interest paid		0	(6)
Retirement benefits paid		(68)	(77)
Tax paid		(734)	(845)
Tax refunded		0	79
Net cash from operating activities		6,351	17,639
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		685	363
Proceeds from disposal of property, plant and equipment		0	27
Purchase of property, plant and equipment		(851)	(514)
Net cash used in investing activities		(166)	(124)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Net decrease in loans and borrowings		0	(896)
Net cash used in financing activity		0	(896)
Net increase in cash and cash equivalents		6,185	16,619
Cash and cash equivalents brought forward		27,314	10,695
Cash and cash equivalents carried forward	11	33,499	27,314

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**SUNSURIA BERHAD  
(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
Company No: 8235-K

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2014**

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

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**SUNSURIA BERHAD  
(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
Company No: 8235-K

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

	Note	2014 RM'000	2013 RM'000
Revenue	17	2,130	1,643
Administrative and general expenses		(3,366)	(1,342)
(Loss)/Profit before tax	18	<u>(1,236)</u>	<u>301</u>
Tax expense	20	0	(7)
(Loss)/Profit for the financial year		<u>(1,236)</u>	<u>294</u>
Other comprehensive income:-			
<i>Item that will not be reclassified to profit or loss:-</i>			
- Remeasurements of defined benefit liabilities		163	0
Other comprehensive income for the financial year		<u>163</u>	<u>0</u>
Total comprehensive income for the financial year		<u>(1,073)</u>	<u>294</u>

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**SUNSURIA BERHAD**

**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)

Company No: 8235-K

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

	Share capital RM'000	Non-distributable		Accumulated losses RM'000	Total equity RM'000
		Share premium RM'000	Capital reserve RM'000		
Balance at 1 April 2012	65,180	13,296	1,800	(8,793)	71,483
Profit (representing total comprehensive income) for the financial year	0	0	0	294	294
Balance at 31 March 2013	65,180	13,296	1,800	(8,499)	71,777
Loss for the financial year	0	0	0	(1,236)	(1,236)
Remeasurements of defined benefit liabilities (representing other comprehensive income for the financial year)	0	0	0	163	163
Total comprehensive income for the financial year	0	0	0	(1,073)	(1,073)
Issuance of shares (representing total transactions with owners)	14,000	0	0	0	14,000
Balance at 31 March 2014	79,180	13,296	1,800	(9,572)	84,704

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**SUNSURIA BERHAD  
(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
Company No: 8235-K

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	Note	2014 RM'000	2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		381	411
Cash payments to suppliers		(2,868)	(1,232)
Cash absorbed by operations		(2,487)	(821)
Tax paid		(4)	(4)
Tax refunded		0	76
Net cash used in operating activities		(2,491)	(749)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		66	39
Net (advance to)/repayment from subsidiaries		(22,964)	700
Purchase of property, plant and equipment		(323)	(3)
Redemption of preference shares by subsidiary		40,000	0
Net cash from investing activities		16,779	736
Net increase/(decrease) in cash and cash equivalents		14,288	(13)
Cash and cash equivalents brought forward		1,482	1,495
Cash and cash equivalents carried forward	11	15,770	1,482

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**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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**SUNSURIA BERHAD****(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)

Company No: 8235-K

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

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**1. GENERAL INFORMATION**

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

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

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

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

The consolidated financial statements set out on pages 10 to 14 together with the notes thereto cover the Company and its subsidiaries ("the Group") and the Group's interest in an associate. The separate financial statements of the Company set out on pages 15 to 18 together with the notes thereto cover the Company solely.

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

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

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of Preparation of Financial Statements**

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

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**SUNSURIA BERHAD**

**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)

Company No: 8235-K

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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

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

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

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

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

FRS (Issued as at the end of the reporting period)	Effective for annual periods beginning on or after
FRS 9 <i>Financial Instruments</i>	To be announced
FRS 9 <i>Financial Instruments</i> (Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139)	To be announced
IC Interpretation 21 <i>Levies</i>	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127 <i>Investment Entities</i>	1 January 2014
Amendments to FRS 119 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014



**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**SUNSURIA BERHAD**  
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(Incorporated in Malaysia)  
 Company No: 8235-K

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

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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

<u>FRS (Issued as at the end of the reporting period)</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 132 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to FRS 136 <i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
Amendments to FRS 139 <i>Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
Amendments to FRSs contained in the document entitled " <i>Annual Improvements to FRSs 2010 - 2012 Cycle</i> "	1 July 2014
Amendments to FRSs contained in the document entitled " <i>Annual Improvements to FRSs 2011 - 2013 Cycle</i> "	1 July 2014

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

FRS 9 *Financial Instruments*

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

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**SUNSURIA BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**2.2 Transition from MFRSs to FRSs**

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

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

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**SUNSURIA BERHAD**

**(formerly known as MALAYSIA AICA BERHAD)**

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Company No: 8235-K

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

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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

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

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

**2.3 Basis of Consolidation**

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

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

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

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

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**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
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**SUNSURIA BERHAD****(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)

Company No: 8235-K

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

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**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****2.3 Basis of Consolidation (cont'd)**

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

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

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

**2.4 Property, Plant and Equipment**

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

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

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

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

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**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
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**SUNSURIA BERHAD****(formerly known as MALAYSIA AICA BERHAD)**

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

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**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****2.4 Property, Plant and Equipment (cont'd)**

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

**2.5 Investment Properties**

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

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

**2.6 Investments in Subsidiaries**

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

**2.7 Investment in Associate**

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

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

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

**2.8 Investment in Club Membership**

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

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**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
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**SUNSURIA BERHAD****(formerly known as MALAYSIA AICA BERHAD)**

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

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**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****2.9 Property Development Activities**

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

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

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

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

**2.10 Impairment of Non-financial Assets**

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

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**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****2.10 Impairment of Non-financial Assets (cont'd)**

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

**2.11 Inventories**

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

**2.12 Financial Assets**

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

**Recognition and Measurement**

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

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

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**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
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**SUNSURIA BERHAD****(formerly known as MALAYSIA AICA BERHAD)**

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

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**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****2.12 Financial Assets (cont'd)****Impairment**

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

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

**2.13 Financial Liabilities**

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

**Recognition and Measurement**

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

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



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**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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

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**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**2.14 Foreign Currency Transactions and Translation**

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

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

**2.15 Share Capital**

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

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

**2.16 Fair Value Measurement**

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

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

- (i) Market approach - which uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.
- (ii) Cost approach - which reflects the amount that would be required currently to replace the service capacity of an asset.

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**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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

- (iii) Income approach - which converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount.

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

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

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

**Non-financial Assets**

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

**Financial Assets and Financial Liabilities**

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

**2.17 Income Recognition**

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

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

Property development revenue is recognised in accordance with Note 2.9.

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

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**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****2.17 Income Recognition (cont'd)**

Interest income is recognised using the effective interest method.

Rental income is recognised on an accrual basis.

**2.18 Employee Benefits****Short-term Employee Benefits**

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

**Defined Contribution Plans**

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

**Defined Benefit Plans**

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

**2.19 Borrowing Costs**

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

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**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****2.20 Income Taxes**

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

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

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

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

**2.21 Cash and Cash Equivalents**

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

**3. JUDGEMENTS AND ESTIMATION UNCERTAINTY****Judgements Made in Applying Accounting Policies**

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

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**3. JUDGEMENTS AND ESTIMATION UNCERTAINTY (cont'd)**

**Sources of Estimation Uncertainty**

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

Property development activities

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

Allowance for inventories

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

**4. PROPERTY, PLANT AND EQUIPMENT**

The Group

	Long-term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Spare parts and loose tools RM'000	Total RM'000
<u>Cost</u>							
Balance at 1 April 2012	1,409	2,436	17,203	2,776	1,189	65	25,078
Additions	0	62	266	54	132	0	514
Disposals	0	0	0	0	(83)	0	(83)
Balance at 31 March 2013	1,409	2,498	17,469	2,830	1,238	65	25,509
Additions	0	0	498	353	0	0	851
Balance at 31 March 2014	1,409	2,498	17,967	3,183	1,238	65	26,360

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**4. PROPERTY, PLANT AND EQUIPMENT (cont'd)**

The Group

	Long-term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Spare parts and loose tools RM'000	Total RM'000
<u>Depreciation and Impairment Losses</u>							
Balance at 1 April 2012							
Accumulated depreciation	454	1,229	14,793	2,547	943	65	20,031
Accumulated impairment losses	0	0	1,401	150	0	0	1,551
	454	1,229	16,194	2,697	943	65	21,582
Depreciation	16	49	412	25	114	0	616
Disposals	0	0	0	0	(66)	0	(66)
Balance at 31 March 2013							
Accumulated depreciation	470	1,278	15,205	2,572	991	65	20,581
Accumulated impairment losses	0	0	1,401	150	0	0	1,551
	470	1,278	16,606	2,722	991	65	22,132
Depreciation	16	49	402	54	114	0	635
Balance at 31 March 2014							
Accumulated depreciation	486	1,327	15,607	2,626	1,105	65	21,216
Accumulated impairment losses	0	0	1,401	150	0	0	1,551
	486	1,327	17,008	2,776	1,105	65	22,767
<u>Carrying Amount</u>							
Balance at 1 April 2012	955	1,207	1,009	79	246	0	3,496
Balance at 31 March 2013	939	1,220	863	108	247	0	3,377
Balance at 31 March 2014	923	1,171	959	407	133	0	3,593

The Company

	Buildings RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Total RM'000
<u>Cost</u>				
Balance at 1 April 2012	317	512	119	948
Additions	0	3	0	3
Balance at 31 March 2013	317	515	119	951
Additions	0	323	0	323
Balance at 31 March 2014	317	838	119	1,274
<u>Accumulated Depreciation</u>				
Balance at 1 April 2012	126	501	58	685
Depreciation	7	2	23	32
Balance at 31 March 2013	133	503	81	717
Depreciation	6	35	23	64
Balance at 31 March 2014	139	538	104	781

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**4. PROPERTY, PLANT AND EQUIPMENT (cont'd)**

The Company

	Buildings RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Total RM'000
<u>Carrying Amount</u>				
Balance at 1 April 2012	191	11	61	263
Balance at 31 March 2013	184	12	38	234
Balance at 31 March 2014	178	300	15	493

**5. INVESTMENT PROPERTIES**

The Group

	Freehold land RM'000	Short-term leasehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Total RM'000
<u>Cost</u>					
Balance at 1 April 2012	944	652	1,750	8,570	11,916
Movement during the year	0	0	0	0	0
Balance at 31 March 2013	944	652	1,750	8,570	11,916
Movement during the year	0	0	0	0	0
Balance at 31 March 2014	944	652	1,750	8,570	11,916
<u>Accumulated Depreciation</u>					
Balance at 1 April 2012	0	327	308	4,171	4,806
Depreciation	0	11	21	171	203
Balance at 31 March 2013	0	338	329	4,342	5,009
Depreciation	0	11	21	171	203
Balance at 31 March 2014	0	349	350	4,513	5,212
<u>Carrying Amount</u>					
Balance at 1 April 2012	944	325	1,442	4,399	7,110
Balance at 31 March 2013	944	314	1,421	4,228	6,907
Balance at 31 March 2014	944	303	1,400	4,057	6,704
<u>Fair Value</u>					
Estimated fair value at 31 March 2014	3,185	5,000	1,472	7,918	17,575

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**5. INVESTMENT PROPERTIES (cont'd)**

The Company

	Freehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Total RM'000
<u>Cost</u>				
Balance at 1 April 2012	594	873	1,402	2,869
Movement during the year	0	0	0	0
Balance at 31 March 2013	594	873	1,402	2,869
Movement during the year	0	0	0	0
Balance at 31 March 2014	594	873	1,402	2,869
<u>Accumulated Depreciation</u>				
Balance at 1 April 2012	0	281	659	940
Depreciation	0	9	28	37
Balance at 31 March 2013	0	290	687	977
Depreciation	0	10	28	38
Balance at 31 March 2014	0	300	715	1,015
<u>Carrying Amount</u>				
Balance at 1 April 2012	594	592	743	1,929
Balance at 31 March 2013	594	583	715	1,892
Balance at 31 March 2014	594	573	687	1,854
<u>Fair Value</u>				
Estimated fair value at 31 March 2014	2,085	5,800	2,955	10,840

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



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**6. INVESTMENTS IN SUBSIDIARIES**

The Company

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

The details of the subsidiaries are as follows:-

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

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

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

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**7. INVESTMENT IN ASSOCIATE**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unquoted shares, at cost	672	672	672	672
Share of post-acquisition changes in net assets	570	542	0	0
Impairment loss	(576)	(576)	(78)	(78)
	<u>666</u>	<u>638</u>	<u>594</u>	<u>594</u>

The details of the associate are as follows:-

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

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

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

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

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

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**8. PROPERTY DEVELOPMENT ACTIVITIES**

The Group

**Property Development Costs**

	2014 RM'000	2013 RM'000
Balance at 1 April	0	0
Acquisition of development project <sup>1</sup>	25,000	0
Acquisition of development land <sup>2</sup>	31,000	0
Development costs incurred	6,304	0
Costs recognised in profit or loss	<u>(13,497)</u>	0
Balance at 31 March	<u>48,807</u>	<u>0</u>

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

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

**Progress Billings**

	2014 RM'000	2013 RM'000
Billings to purchasers	28,085	0
Property development revenue recognised in profit or loss	<u>(18,394)</u>	0
	<u>9,691</u>	<u>0</u>

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**9. INVENTORIES**

The Group

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

**10. RECEIVABLES**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade receivables	7,732	559	0	0
Allowance for impairment	(147)	(212)	0	0
	7,585	347	0	0
Hire purchase receivables (fixed rate)	0	30,822	0	0
Other receivables:-				
- Subsidiaries	0	0	43,402	4,356
- Unrelated parties	278	111	54	43
	<u>278</u>	<u>111</u>	<u>43,456</u>	<u>4,399</u>
	<u>7,863</u>	<u>31,280</u>	<u>43,456</u>	<u>4,399</u>
Disclosed as:-				
- Non-current assets	0	9,477	0	0
- Current assets	7,863	21,803	43,456	4,399
	<u>7,863</u>	<u>31,280</u>	<u>43,456</u>	<u>4,399</u>

**Trade Receivables**

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

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**10. RECEIVABLES (cont'd)**

**Trade Receivables (cont'd)**

The movements in allowance for impairment are as follows:-

	The Group	
	2014 RM'000	2013 RM'000
Balance at 1 April	212	78
Impairment loss recognised	0	134
Impairment loss written off	(65)	0
Balance at 31 March	<u>147</u>	<u>212</u>

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

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

	The Group	
	2014 RM'000	2013 RM'000
Not past due	120	216
Past due 1 to 30 days	2,735	131
Past due 31 to 120 days	2,026	0
Past due more than 120 days	2,704	0
	<u>7,585</u>	<u>347</u>

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

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

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**10. RECEIVABLES (cont'd)**

**Hire Purchase Receivables**

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

	The Group	
	2014 RM'000	2013 RM'000
Minimum hire purchase payments:-		
- Within 1 year	0	22,621
- Later than 1 year and not later than 5 years	0	9,853
	0	32,474
Unearned finance income	0	(1,652)
Present value of hire purchase receivables:-		
- Within 1 year	0	21,345
- Later than 1 year and not later than 5 years	0	9,477
	0	30,822

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

**Other Receivables**

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

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**11. CASH AND CASH EQUIVALENTS**

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

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

**12. PAYABLES**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade payables	4,078	898	0	0
Other payables:-				
- Subsidiary	0	0	410	0
- Other related parties <sup>1</sup>	103	0	103	0
- Unrelated parties	1,598	758	430	156
	<u>1,701</u>	<u>758</u>	<u>943</u>	<u>156</u>
	<u>5,779</u>	<u>1,656</u>	<u>943</u>	<u>156</u>

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

The currency profile of payables is as follows:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Ringgit Malaysia	5,405	1,524	943	156
US Dollar	374	107	0	0
Others	0	25	0	0
	<u>5,779</u>	<u>1,656</u>	<u>943</u>	<u>156</u>

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

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**12. PAYABLES (cont'd)**

**Trade Payables**

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

**Other Payables**

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

**13. RETIREMENT BENEFITS**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Balance at 1 April	1,338	1,270	212	184
Defined benefit costs	(166)	145	(144)	28
Payments	(68)	(77)	0	0
Balance at 31 March	<u>1,104</u>	<u>1,338</u>	<u>68</u>	<u>212</u>
Being present value of defined benefit obligations disclosed as:-				
- Current liabilities	0	63	0	0
- Non-current liabilities	<u>1,104</u>	<u>1,275</u>	<u>68</u>	<u>212</u>
	<u>1,104</u>	<u>1,338</u>	<u>68</u>	<u>212</u>

The components of defined benefit costs are as follows:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current service cost	65	77	9	18
Past service cost	(135)	0	(1)	0
Interest expense	69	68	11	10
Remeasurements arising from experience adjustments	<u>(165)</u>	<u>0</u>	<u>(163)</u>	<u>0</u>
	<u>(166)</u>	<u>145</u>	<u>(144)</u>	<u>28</u>



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**13. RETIREMENT BENEFITS (cont'd)**

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

	The Group		The Company	
	2014 %	2013 %	2014 %	2013 %
Discount rate	5.50	5.50	5.50	5.50
Future salary growth	5.00	5.00	5.00	5.00

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

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

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

**14. DEFERRED TAX LIABILITIES**

The Group

	2014 RM'000	2013 RM'000
Balance at 1 April	6	9
Deferred tax income relating to origination and reversal of temporary differences	0	(3)
Balance at 31 March	6	6
In respect of taxable temporary differences of:-		
- Property, plant and equipment	4	4
- Investment properties	2	2
	6	6

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**14. DEFERRED TAX LIABILITIES (cont'd)**

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deductible temporary differences of:-				
- Property, plant and equipment	57	58	0	0
- Inventories	60	13	0	0
- Retirement benefits	1,104	1,338	68	212
Unused capital allowances	15,635	16,888	553	454
Unused tax losses	33,924	35,027	76	76
Taxable temporary differences of:-				
- Property, plant and equipment	(1,206)	(1,305)	(80)	(36)
- Investment properties	(1,033)	(973)	0	0
	<u>48,541</u>	<u>51,046</u>	<u>617</u>	<u>706</u>

**15. SHARE CAPITAL**

	2014		2013	
	No. of Shares '000	RM'000	No. of Shares '000	RM'000
Ordinary shares of RM0.50 each				
Authorised	<u>200,000</u>	<u>100,000</u>	<u>200,000</u>	<u>100,000</u>
Issued and fully paid-up:-				
Balance at 1 April	130,361	65,180	130,361	65,180
Issuance during the year	28,000	14,000	0	0
Balance at 31 March	<u>158,361</u>	<u>79,180</u>	<u>130,361</u>	<u>65,180</u>

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

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

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**16. NON-CONTROLLING INTERESTS ("NCI")**

The Group

	Accumulated NCI		Profit Allocated to NCI	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Maica Wood Industries Sdn. Bhd. and its subsidiary, Maicador Sdn. Bhd.	3	1	2	0
Consolidated Factoring (M) Sdn. Bhd.	27	26	1	0
	<u>30</u>	<u>27</u>	<u>3</u>	<u>0</u>

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

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

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

	2014 RM'000	2013 RM'000
Non-current assets	7,495	7,639
Current assets	9,995	8,722
Non-current liabilities	(1,037)	(1,063)
Current liabilities	(1,813)	(1,840)
Net assets	14,640	13,458
Revenue	16,880	15,104
Profit	1,180	47
Other comprehensive income	2	0
Total comprehensive income	1,182	47
Net cash from operating activities	1,940	1,042
Net cash used in investing activities	(441)	(427)
Net cash used in financing activities	(410)	0
Net cash inflow	<u>1,089</u>	<u>615</u>

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**17. REVENUE**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Continuing Operations</b>				
Income from sale of goods	16,382	14,921	0	0
Income from rendering of services	0	0	712	240
Property development revenue	18,394	0	0	0
Dividend income	0	0	1,200	1,200
Interest income	66	106	66	39
Rental income	620	316	152	164
	<u>35,462</u>	<u>15,343</u>	<u>2,130</u>	<u>1,643</u>
<b>Discontinued Operation</b>				
Interest income	2,582	3,123	0	0
Rental income	36	31	0	0
	<u>2,618</u>	<u>3,154</u>	<u>0</u>	<u>0</u>
	<u>38,080</u>	<u>18,497</u>	<u>2,130</u>	<u>1,643</u>

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit/(Loss) before tax is arrived at after charging:-				
Allowance for slow moving inventories	47	28	0	0
Auditors' remuneration	82	52	38	20
Depreciation of:-				
- Investment properties	203	203	38	37
- Property, plant and equipment	635	616	64	32
Direct operating expenditure for investment properties	479	103	48	42
Directors' remuneration:-				
- Fees	37	45	37	45
- Other emoluments	609	421	609	421
Fee expense for financial instruments not at fair value through profit or loss	13	24	1	1
Impairment loss on loans and receivables	0	134	0	0
Interest expense for financial liabilities not at fair value through profit or loss	0	6	0	0
Property development costs	13,497	0	0	0
Realised loss on foreign exchange	0	8	0	0
Rental of motor vehicles	20	0	20	0
Rental of premises	83	0	83	0

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**18. PROFIT/(LOSS) BEFORE TAX (cont'd)**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
and crediting:-				
Dividend income from investments in subsidiaries	0	0	1,200	1,200
Gain on disposal of property, plant and equipment	0	10	0	0
Interest income for financial assets not at fair value through profit or loss:-				
- Hire purchase financing	2,146	2,931	0	0
- Cash and cash equivalents	685	363	66	39
Realised gain on foreign exchange	10	0	0	0
Rental income from investment properties	656	347	152	164
Reversal of allowance for slow moving inventories	0	67	0	0
	<u>0</u>	<u>67</u>	<u>0</u>	<u>0</u>

**19. EMPLOYEE BENEFITS EXPENSE**

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

**20. TAX EXPENSE**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Tax based on results for the year:-				
Malaysian income tax	1,313	741	0	3
Deferred tax	0	(3)	0	0
	<u>1,313</u>	<u>738</u>	<u>0</u>	<u>3</u>
Tax (over)/under provided in prior year	(20)	7	0	4
	<u>1,293</u>	<u>745</u>	<u>0</u>	<u>7</u>
Attributable to:-				
- Continuing operations	723	79	0	7
- Discontinued operation	570	668	0	0
	<u>1,293</u>	<u>745</u>	<u>0</u>	<u>7</u>

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**20. TAX EXPENSE (cont'd)**

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

	The Group		The Company	
	2014 %	2013 %	2014 %	2013 %
Applicable tax rate	25.00	25.00	(25.00)	25.00
Non-taxable income	0.00	(0.46)	(24.26)	(99.48)
Non-deductible expenses	14.20	21.95	47.79	77.66
Share of profit of associate	(0.14)	(0.26)	0.00	0.00
Expenses eligible for double deduction (Decrease)/Increase in unrecognised deferred tax assets	0.00	(1.26)	0.00	0.00
	(12.04)	(2.41)	1.47	(2.18)
Average effective tax rate	<u>27.02</u>	<u>42.56</u>	<u>0.00</u>	<u>1.00</u>

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

**21. DISCONTINUED OPERATION**

The Group

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

	Note	2014 RM'000	2013 RM'000
<b>Results</b>			
Revenue	17	2,618	3,154
Other income		1	1
Administrative and general expenses		(259)	(587)
Finance costs		0	(6)
Profit before tax	18	<u>2,360</u>	<u>2,562</u>
Tax expense	20	(570)	(666)
Profit from discontinued operation		<u>1,790</u>	<u>1,896</u>

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**21. DISCONTINUED OPERATION (cont'd)**

	Note	2014 RM'000	2013 RM'000
<b>Cash Flows</b>			
Net cash from operating activities		32,486	17,560
Net cash from investing activities		0	17
Net cash used in financing activities		(44,010)	(1,596)
Net cash (outflow)/inflow		<u>(11,524)</u>	<u>15,981</u>

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

The Group

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

	2014	2013
Profit/(Loss) attributable to owners of the Company (RM'000):-		
- Continuing operations	1,775	(907)
- Discontinued operation	1,789	1,896
	<u>3,564</u>	<u>989</u>
Number of shares in issue at 1 April ('000)	130,361	130,361
Effect of shares issued ('000)	7,000	0
Weighted average number of shares in issue ('000)	<u>137,361</u>	<u>130,361</u>
Basic earnings/(loss) per share (sen):-		
- Continuing operations	1.29	(0.69)
- Discontinued operation	1.30	1.45
	<u>2.59</u>	<u>0.76</u>

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

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**23. RELATED PARTY DISCLOSURES**

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Key management personnel compensation:-				
- Short-term employee benefits	628	614	581	421
- Defined contribution plan	70	66	65	45
	698	680	646	466
Dividend declared from subsidiary	0	0	1,200	1,200
Management fee charged to subsidiaries	0	0	712	240
Redemption of preference shares by subsidiary	0	0	40,000	0
Rental of premises charged to subsidiary	0	0	30	30
Granting of hire purchase financing to other related party <sup>1</sup> :-				
- Principal financed	14,951	17,220	0	0
- Principal repaid	45,773	32,754	0	0
- Interest charged and repaid	2,146	2,931	0	0
Rental of motor vehicles charged by other related party <sup>2</sup>	20	0	20	0
Rental of premises charged by other related parties <sup>2</sup>	83	0	83	0

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

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

**24. SEGMENT REPORTING**

The Group

**Operating Segments**

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

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

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



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**24. SEGMENT REPORTING (cont'd)**

**Operating Segments (cont'd)**

	Manufacture of wood products RM'000	Property development RM'000	Granting of financing (discontinued operation) RM'000	Unallocated non-operating segments RM'000	Consolidation adjustments and eliminations RM'000	Total RM'000
<b>31.3.2014</b>						
Segment assets	18,295	60,700	9,039	17,602	0	105,636
Included in the measure of segment assets are:-						
- Investment in associate	666	0	0	0	0	666
- Additions to non-current assets	528	0	0	323	0	851
Segment liabilities	2,737	13,821	193	601	0	17,352
Segment profit/(loss) attributable to:-						
- Continuing operations	1,232	3,122	0	(1,257)	(1,320)	1,777
- Discontinued operation	0	0	1,670	0	120	1,790
	1,232	3,122	1,670	(1,257)	(1,200)	3,567
Included in the measure of segment profit/(loss) are:-						
- External revenue	16,880	18,394	2,618	188	0	38,080
- Intersegment revenue	0	0	0	1,912	(1,912)	0
- Interest income	87	96	0	0	0	183
- Allowance for slow moving inventories	47	0	0	0	0	47
- Depreciation	675	0	71	92	0	838
- Share of profit of associate	28	0	0	0	0	28
- Tax expense	19	704	570	0	0	1,293
<b>31.3.2013</b>						
Segment assets	17,147	0	51,460	5,378	0	73,985
Included in the measure of segment assets are:-						
- Investment in associate	638	0	0	0	0	638
- Additions to non-current assets	511	0	0	3	0	514
Segment liabilities	2,792	0	271	370	0	3,433

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**24. SEGMENT REPORTING (cont'd)**

**Operating Segments (cont'd)**

	Manufacture of wood products RM'000	Property development RM'000	Granting of financing (discontinued operation) RM'000	Unallocated non-operating segments RM'000	Consolidation adjustments and eliminations RM'000	Total RM'000
<u>31.3.2013 (cont'd)</u>						
Segment profit attributable to:-						
- Continuing operations	88	0	0	327	(1,320)	(907)
- Discontinued operation	0	0	1,776	0	120	1,898
	<u>86</u>	<u>0</u>	<u>1,776</u>	<u>327</u>	<u>(1,200)</u>	<u>989</u>

Included in the measure of segment profit are:-

- External revenue	15,103	0	3,154	240	0	18,497
- Intersegment revenue	0	0	0	1,440	(1,440)	0
- Interest income	65	0	0	0	0	65
- Allowance for slow moving inventories	28	0	0	0	0	28
- Reversal of allowance for slow moving inventories	67	0	0	0	0	67
- Depreciation	683	0	78	60	0	819
- Impairment loss on loans and receivables	134	0	0	0	0	134
- Interest expense	0	0	6	0	0	6
- Share of profit of associate	18	0	0	0	0	18
- Tax expense	60	0	666	19	0	745

1.4.2012

Segment assets	16,738	0	51,352	5,472	0	73,562
Segment liabilities	2,434	0	1,237	328	0	3,999

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**24. SEGMENT REPORTING (cont'd)**

**Geographical Segments**

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

	2014 RM'000	2013 RM'000
Malaysia	35,818	16,124
United States of America	2,233	2,373
Others	29	0
	<u>38,080</u>	<u>18,497</u>

**Major Customers**

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

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

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

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

The Group

	2014 RM'000	2013 RM'000
Contracted but not provided for	<u>0</u>	<u>160</u>

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**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
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**SUNSURIA BERHAD****(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)

Company No: 8235-K

**NOTES TO THE FINANCIAL STATEMENTS  
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**26. CONTINGENT LIABILITIES - UNSECURED**

## The Company

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

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

**27. FINANCIAL RISK MANAGEMENT**

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

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

**Credit Risk**

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

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

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
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**SUNSURIA BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**27. FINANCIAL RISK MANAGEMENT (cont'd)**

**Liquidity Risk**

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

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

**Currency Risk**

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

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

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

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

**Interest Rate Risk**

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

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

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

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**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE  
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**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**28. CAPITAL MANAGEMENT**

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

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

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

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

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**SUNSURIA BERHAD**

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**SUPPLEMENTARY INFORMATION - REALISED AND UNREALISED PROFITS OR LOSSES**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total accumulated losses of the Company and its subsidiaries:-				
- Realised	(38,437)	(41,714)	(9,572)	(8,499)
- Unrealised	100	106	0	0
	<u>(38,337)</u>	<u>(41,608)</u>	<u>(9,572)</u>	<u>(8,499)</u>
Total share of accumulated losses of associate:-				
- Realised	(286)	(314)	0	0
- Unrealised	0	0	0	0
	<u>(38,623)</u>	<u>(41,922)</u>	<u>(9,572)</u>	<u>(8,499)</u>
Consolidation adjustments and eliminations	33,586	33,156	0	0
Total accumulated losses as per statement of financial position	<u>(5,037)</u>	<u>(8,766)</u>	<u>(9,572)</u>	<u>(8,499)</u>

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

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE (12)-  
MONTHS FPE 31 MARCH 2015



**SUNSURIA BERHAD**

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**INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 31 MARCH 2015**



**OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE (12)-MONTHS FPE 31 MARCH 2015 (Cont'd)**



**SUNSURIA BERHAD**

(Company No. 8235-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Year To Date	
	Current Year 31/03/2015 RM'000	Preceding Year 31/03/2014 RM'000 (Audited)	Current Year 31/03/2015 RM'000	Preceding Year 31/03/2014 RM'000 (Audited)
<b>Continuing Operations</b>				
Revenue	21,015	22,471	77,046	35,462
Cost of sales	(12,247)	(16,624)	(48,754)	(27,075)
Gross profit	8,768	5,847	28,292	8,387
Other income	964	117	1,673	267
Administrative and other expenses	(7,414)	(3,273)	(22,325)	(6,182)
Finance costs	(5)	-	(15)	-
Share of results of associates	(4)	28	(4)	28
Profit before tax	2,309	2,719	7,621	2,500
Taxation	(835)	(710)	(3,167)	(723)
Profit from continuing operations	1,474	2,009	4,454	1,777
<b>Discontinued Operation</b>				
Profit from discontinued operations	-	310	-	1,790
Profit for the financial year	1,474	2,319	4,454	3,567
Other comprehensive income	-	165	-	165
Total comprehensive income	1,474	2,484	4,454	3,732
<b>Profit attributable to:</b>				
Owners of the Company	1,473	2,316	4,451	3,564
Non-controlling interests	1	3	3	3
	1,474	2,319	4,454	3,567
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	1,473	2,481	4,451	3,729
Non-controlling interests	1	3	3	3
	1,474	2,484	4,454	3,732
<b>Earnings per share attributable to Owners of the Company:</b>				
- Basic (sen)	0.93	1.69	2.81	2.59
- Diluted (sen)	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.

**OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE (12)-MONTHS FPE 31 MARCH 2015 (Cont'd)**



**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015  
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As At 31/03/2015 RM'000 (Unaudited)	As At 31/03/2014 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	6,302	3,593
Investment properties	5,147	6,704
Investment in associates	663	666
Other investment	25	25
	<u>12,137</u>	<u>10,988</u>
<b>Current Assets</b>		
Property development costs	34,411	48,807
Inventories	4,493	4,285
Trade and other receivables	33,675	7,863
Prepayments	80	108
Accrued progress billings	11,936	-
Current tax assets	20	86
Cash and bank balances	40,118	33,499
	<u>124,733</u>	<u>94,648</u>
<b>TOTAL ASSETS</b>	<u>136,870</u>	<u>105,636</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners of the Company</b>		
Share capital	79,180	79,180
Reserves	12,871	9,074
	<u>92,051</u>	<u>88,254</u>
<b>Non-controlling interests</b>	33	30
<b>TOTAL EQUITY</b>	<u>92,084</u>	<u>88,284</u>
<b>Non-Current Liabilities</b>		
Retirement benefits	1,220	1,104
Deferred tax liabilities	6	6
Hire purchase payables	347	-
	<u>1,573</u>	<u>1,110</u>
<b>Current Liabilities</b>		
Progress billings	-	9,691
Trade and other payables	12,029	5,779
Bank borrowings	30,000	-
Hire purchase payables	94	-
Current tax liabilities	1,090	772
	<u>43,213</u>	<u>16,242</u>
<b>TOTAL LIABILITIES</b>	<u>44,786</u>	<u>17,352</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>136,870</u>	<u>105,636</u>
<b>Net assets per share attributable to Owners of the Company (RM)</b>	<u>0.58</u>	<u>0.56</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.

## OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE (12) - MONTHS FPE 31 MARCH 2015 (Cont'd)



**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to Owners of the Company		Accumulated Losses / Retained profits	Non-controlling Interests	Total Equity
	Share premium	Capital reserve			
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>12 months ended 31 March 2015</b>					
Balance as at 1 April 2014	79,180	815	(5,037)	30	88,284
Total comprehensive income	-	-	4,451	3	4,454
Expenses related to Share Issuance	-	-	-	-	(654)
<b>Balance as at 31 March 2015</b>	<b>79,180</b>	<b>815</b>	<b>(586)</b>	<b>33</b>	<b>92,084</b>

	Attributable to Owners of the Company		Accumulated Losses / Retained profits	Non-controlling Interests	Total Equity
	Share premium	Capital reserve			
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>12 months ended 31 March 2014</b>					
Balance as at 1 April 2013	65,180	815	(8,766)	27	70,552
Total comprehensive income	-	-	3,729	3	3,732
Issuance of Shares	14,000	-	-	-	14,000
<b>Balance as at 31 March 2014</b>	<b>79,180</b>	<b>815</b>	<b>(5,037)</b>	<b>30</b>	<b>88,284</b>

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.

**OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE (12)-MONTHS FPE 31 MARCH 2015 (Cont'd)**



**SUNSURIA BERHAD**

(Company No.: 8235-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	12 months ended	
	31/03/2015	31/03/2014
	RM'000	RM'000
<b>Cash Flows From Operating Activities</b>		
Granting of hire purchase financing	-	(14,951)
Cash receipts from customers	40,950	85,444
Cash payments to suppliers	(51,958)	(21,340)
Acquisition of development land and project	-	(42,000)
Acquisition of subsidiaries	(10,994)	-
Cash generated from/(absorbed by) operations	(22,002)	7,153
Interest paid	(15)	-
Retirement benefits paid	-	(68)
Taxation paid	(1,996)	(734)
Net cash from operating activities	(24,013)	6,351
<b>Cash Flows From Investing Activities</b>		
Interest received	801	685
Proceed from disposal of property, plant and equipment	2,501	-
Purchase of property, plant and equipment	(2,670)	(851)
Net cash from investing activities	632	(166)
<b>Cash Flows From Financing Activities</b>		
Drawdown from bank borrowings	30,000	-
Net cash from financing activities	30,000	-
<b>Net change in cash &amp; cash equivalents</b>	<b>6,619</b>	<b>6,185</b>
<b>Cash &amp; cash equivalents at the beginning of the financial period</b>	<b>33,499</b>	<b>27,314</b>
<b>Cash &amp; cash equivalents at the end of the financial period</b>	<b>40,118</b>	<b>33,499</b>

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

	12 months ended	
	31/03/2015	31/03/2014
	RM'000	RM'000
Cash and bank balances	40,118	33,499
Less: Cash and cash equivalents not available for use	-	-
	<u>40,118</u>	<u>33,499</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.

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**OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE (12)-MONTHS FPE 31 MARCH 2015 (Cont'd)**


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**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015**
**PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134**
**A1. Basis of Preparation**

The unaudited interim financial report has been prepared in accordance with the reporting requirements as set out in the Financial Reporting Standards (“FRS”) No. 134 - Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2014.

**A2. Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2014, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations:

Effective for financial periods beginning on or after 1 January 2014:

IC Interpretation 21 Levies

Amendments to FRS 10, FRS 12 and FRS 127 (2011) Investment Entities

Amendments to FRS 132 Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 136 Recoverable Amount Disclosures for Non-Financial Assets

Amendments to FRS 139 Novation of Derivatives and Continuation of Hedge Accounting

Management foresees that the initial application of the above FRSs will not have any significant impacts on the financial statements.

**Malaysian Financial Reporting Standards (MFRS Framework)**

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 announced by MASB on 2 September 2014, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2017.

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 31 March 2018. The Group is currently assessing the possible financial impact that may arise from the adoption of MFRSs and the process is still ongoing.

**A3. Auditors' Report for the Financial Year Ended 31 March 2014**

The auditors' report on the financial statements for the financial year ended 31 March 2014 was not subject to any qualification.

**OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE (12)-MONTHS FPE 31 MARCH 2015 (Cont'd)**



**SUNSURIA BERHAD**  
(Company No.: 8235-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015**

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

**A4. Seasonality or Cyclical Factors**

The Group's operations during the financial period under review were not materially affected by any seasonal or cyclical factors.

**A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items which affect the assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

**A6. Material Changes in Estimates of Amounts**

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

**A7. Debts and Equity Securities**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review.

**A8. Dividends Paid**

The company did not pay any dividend for the quarter under review.

**A9. Segmental Information**

Segmental information is presented in respect of the Group's business segments which are based on the internal reporting structure presented to the management of the Company. The Group's business segments include property development, manufacturing and investment holding.

The information by geographical location is not presented as the Group's activities are carried out pre-dominantly in Malaysia.

Business Segment Analysis (RM'000)	Quarter ended 31 March 2015				Year to date ended 31 March 2015			
	Property Development	Manufacturing	Investment Holdings and Others	Total	Property Development	Manufacturing	Investment Holdings and Others	Total
a) Revenue	12,509	3,942	4,564	21,015	50,397	16,398	10,251	77,046
b) Results from Operation	3,046	214	(742)	2,518	12,023	932	(4,651)	8,304
c) Profits Before Tax	2,990	211	(892)	2,309	11,925	918	(5,222)	7,621

**OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE (12)-MONTHS FPE 31 MARCH 2015 (Cont'd)**



**SUNSURIA BERHAD**  
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**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015**

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

Business Segment Analysis (RM'000)	Quarter ended 31 March 2014					
	Property Development	Manufacturing	Investment Holdings and Others	Sub-Total	Granting of Financing (*discontinued operations)	Total
a) Revenue	18,394	4,043	34	22,471	543	23,014
b) Results from Operation	3,627	621	(1,369)	2,879	477	3,356
c) Profits Before Tax	3,627	448	(1,356)	2,719	453	3,172

Business Segment Analysis (RM'000)	Year to date ended 31 March 2014					
	Property Development	Manufacturing	Investment Holdings and Others	Sub-Total	Granting of Financing (*discontinued operations)	Total
a) Revenue	18,394	16,880	188	35,462	2,618	38,080
b) Results from Operation	3,627	1,382	(2,148)	2,861	2,431	5,292
c) Profits Before Tax	3,627	1,194	(2,321)	2,500	2,360	4,860

(\*) This is referring to the leasing segment which has ceased operation in the quarter ended 31 March 2014.

**A10. Valuation on Property, Plant and Equipment**

There was no valuation done on the Group's property, plant and equipment during the financial period under review.

**A11. Material Events Subsequent to the End of the Period**

There was no material event subsequent to the end of the current quarter up to the date of this report that have not been reflected in the interim financial statements.

**A12. Changes in the Composition of the Group**

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

**A13. Changes in Contingent Liabilities or Contingent Assets**

There was no changes in contingent liabilities or contingent assets since the last annual audited position as at 31 March 2014.

**OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE (12)-MONTHS FPE 31 MARCH 2015 (Cont'd)**



**SUNSURIA BERHAD**  
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**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015**

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

**A14. Discontinued Operation**

In January 2014, the entire Hire Purchase debtors were redeemed and the Group has no intention to continue with the Hire Purchase business.

The Revenue, results and cash flow of the discontinued operations is as follows:

	Individual quarter		Year to date	
	31/03/2015 RM'000	31/03/2014 RM'000	31/03/2015 RM'000	31/03/2014 RM'000
Revenue	-	543	-	2,618
Result				
Profit before taxation	-	453	-	2,360
Taxation	-	(143)	-	(570)
Profit for the period from a discontinued operations	-	310	-	1,790
	12 months ended 31/03/2015 RM'000	12 months ended 31/03/2014 RM'000		
Cash Flows				
Net cash from operating activities	-	32,486		
Net cash from financing activities	-	(44,010)		
Net cash (outflows)	-	(11,524)		

**A15. Capital Commitment**

The amount of commitments for capital expenditure as at 31/03/2015 is as follows :

	As at 31/03/2015 RM'000	As at 31/03/2014 RM'000
Approved and contracted for:		
Purchase of property, plant and equipment	1,332	-



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**OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE (12)-MONTHS FPE 31 MARCH 2015 (Cont'd)**


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**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015**
**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD**
**B1. Review of Performance****Quarterly Results**

For the current quarter under review, the Group achieved a revenue and profit before tax ('PBT') of RM21.02million and RM2.31million respectively, as compared to RM22.47million and RM2.72million recorded in the previous corresponding quarter. The revenue was mainly contributed by the property development segment i.e. Trivo, a commercial shop offices project and Suria Residence, a serviced apartments project, both located in Suria Jelutong.

The segmental performances for the current quarter ended 31 March 2015 are as follows:

**(a) Property Development Segment**

For the current quarter under review this segment recorded a revenue and PBT of RM12.51million and RM2.99million as compared to RM18.39million and RM3.63million respectively in the previous corresponding quarter. The higher revenue and PBT in the previous corresponding quarter (i.e. quarter ended 31 March 2014) is mainly due to recognition of the accrued revenue upon completion of the acquisition of the project Trivo in January 2014.

**(b) Manufacturing Segment**

For the current quarter under review, this segment recorded a revenue and PBT of RM3.94million and RM211,000 as compared to RM4.04million and RM448,000 respectively in the previous corresponding quarter. The lower performance for the manufacturing due to higher production and operating cost.

**Year-to-date Results**

For the period ending 31 March 2015, the Group recorded revenue of RM77.05million, which was 117% higher in comparison to the corresponding period of the previous year. The Group's PBT has substantially increased by 205% to RM7.62million against the corresponding period of the previous year. The significant improvement in financial performance for the current period is mainly due to the contribution from the property development segment.

**B2. Variation of Result against Preceding Quarter**

The Group registered a revenue and PBT of RM21.02million and RM2.31million respectively in the current quarter as compared to RM23.16million and RM1.95million, respectively in the preceding quarter. The lower revenue is mainly due to the shorter work period at project site during the festive season in the current quarter. Nevertheless, the lower revenue has insignificant impact on the PBT compare to the preceding quarter.

**B3. Prospects**

The property development business shall continue to be the key growth driver for the Group. As per announcement on 10 March 2015 and 20 April 2015, the Group proposed to acquire certain projects and land banks, which will further enhance the property contribution once the acquisitions are completed. The property development business is expected to contribute higher revenues and profits for the Group.

**B4. Variance from Profit Forecast and Profit Guarantee**

Not applicable as there were no profits forecast and profit guarantee published.

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

**B5. Taxation**

The breakdown of Malaysian income tax charge is as follows:

	Individual quarter		Year to date	
	31/03/2015 RM'000	31/03/2014 RM'000	31/03/2015 RM'000	31/03/2014 RM'000
Provision based on current year's profit	<u>835</u>	<u>853</u>	<u>3,167</u>	<u>1,293</u>
Attributable to:				
Continuing operations	835	710	3,167	723
Discontinued operations	-	143	-	570
	<u>835</u>	<u>853</u>	<u>3,167</u>	<u>1,293</u>

The effective tax rate of the Group for the current quarter ended 31 March 2015 was higher than the applicable statutory tax rate mainly due to loss making in certain companies and some tax non-deductible expenses.

**B6. Realised/Unrealised Retained Profits/(Losses)**

	Current quarter 31/03/2015 RM'000	Immediate preceding quarter 31/03/2014 RM'000
Total retained profits/(loss) of the Group:		
- Realised	(32,786)	(38,437)
- Unrealised	95	100
	<u>(32,691)</u>	<u>(38,337)</u>
Total share of retained earnings from associate		
- Unrealised	(286)	(286)
Consolidation Adjustment	32,391	33,586
Total retained profits/(loss) c/f	<u>(586)</u>	<u>(5,037)</u>

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**B7. Corporate Proposals**

The following corporate proposals announced by the Company have not been completed as at 13 May 2015, (being the latest practicable date) which is not earlier than 7 days from the date of issuance of these Interim Financial Statements:

- (a) **On 28 March 2014, the Board via RHB Investment Bank Berhad, AmInvestment Bank Berhad and Astramina Advisory Sdn Bhd (“Joint Advisers”) had announced that the Company proposes to undertake the following:-**
- (i) Proposed renounceable rights issue of up to 475,084,416 new ordinary shares of RM0.50 each in Sunsuria (“Sunsuria Shares”) (“Rights Share”) on the basis of three (3) Rights Shares for every one (1) existing Sunsuria Share held on an entitlement date to be determined and announced later (“Entitlement Date”), together with up to 158,361,472 free detachable Warrants (“Warrants”) on the basis of one (1) free Warrant for every three (3) Rights Shares subscribed (“Proposed Rights Issue With Warrants”);
  - (ii) Proposed private placement of up to 63,344,588 Sunsuria Shares (“Placement Shares”) representing approximately 10% of the enlarged issued and paid up share capital of Sunsuria after the Proposed Rights Issue With Warrants at an issue price to be determined later (“Proposed Private Placement”); and
  - (ii) Proposed increase in authorised share capital of Sunsuria from RM100,000,000 comprising 200,000,000 Sunsuria Shares to RM750,000,000 comprising 1,500,000,000 Sunsuria Shares (“Proposed Increase In Authorised Share Capital”), and in consequence thereof, the Company’s Memorandum of Association be amended accordingly (“Proposed Amendments”).

The Proposed Rights Issue with Warrants, Proposed Private Placement, Proposed Increase in Authorised Share Capital and Proposed Amendments are collectively referred to as the “Fund Raising Exercise”. The Fund Raising Exercise are not conditional or inter-conditional upon any other corporate exercises being or proposed to be undertaken by the Company.

The Company has obtained its shareholders’ approval for the implementation of the Fund Raising Exercise on 12 May 2014. On 2 October 2014, the Company obtained Bursa Malaysia Securities Berhad’s approval for an extension of time of six (6) months until 10 April 2015 and subsequently on 2 April 2015, the Company obtained Bursa Malaysia Securities Berhad’s approval for a second extension of time for a further period of six (6) months until 10 October 2015 to complete the Fund Raising Exercise. The Fund Raising Exercise is expected to be completed in the third quarter of 2015.

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- (b) **On 10 March 2015, the Board via the Joint Advisers had announced that the Company had on 9 March 2015 entered into the following agreements:**
- (i) a conditional subscription agreement with Sunsuria Gateway Sdn Bhd ("SGSB"), Datuk Ter Leong Yap ("Datuk Ter") and Datin Kwan May Yuen ("Datin Kwan") (being the existing shareholders of SGSB) for the Proposed SGSB Transactions ("SGSB Subscription Agreement") which comprises the:
- a. proposed subscription of 1,000,000 new ordinary share of RM1.00 each in SGSB, representing 99.99% equity interest in SGSB, at a cash subscription price of RM1,000,000 and proposed subscription of 237,000,000 redeemable preference shares-class B of RM0.01 each in SGSB, at a subscription price of RM237,000,000 ("Proposed SGSB Subscription"); and
  - b. proposed subscription of 102,040,816 new Sunsuria Shares at an issue price of RM0.98 per Sunsuria Share by Datuk Ter pursuant to the Proposed SGSB Subscription;
- (ii) a conditional share purchase agreement with Datuk Ter and Ter Hong Khim @ Tai Foong Chin for the proposed acquisition of 2 ordinary shares of RM1.00 each in Concord Property Management Sdn Bhd ("Concord"), representing 100% of the issued and paid-up share capital of Concord for a cash consideration of RM53,121,296.30 ("Proposed SMSB Acquisition 1");
- (iii) a conditional share purchase agreement with THK Capital Sdn Bhd for the proposed acquisition of 12,500 ordinary shares in Sunsuria Medini Sdn Bhd ("SMSB"), representing 1% of the issued and paid-up share capital of SMSB for a cash consideration of RM1,848,399.97 ("Proposed SMSB Acquisition 2"); and
- (iv) a conditional subscription agreement with Rentak Nusantara Sdn Bhd ("RNSB") and Sunsuria Development Sdn Bhd (being the existing shareholder of RNSB) for the proposed subscription of 25,000,000 new ordinary shares of RM1.00 each in RNSB for a cash subscription price of RM25,000,000 and proposed subscription of 32,000,000 new redeemable preference shares of RM0.01 each in RNSB for a cash subscription price of RM32,000,000 ("Proposed RNSB Subscription").

The Proposed SGSB Transactions, Proposed SMSB Acquisition 1, Proposed SMSB Acquisition 2 and Proposed RNSB Subscriptions are collectively referred to as the "Proposals".

The Proposals are not conditional or inter-conditional upon any other corporate exercises being or proposed to be undertaken by the Company. The Proposals are expected to be completed in the second quarter of 2015.

- (c) **On 20 April 2015, the Board via the Joint Advisers had announced that the Company had entered into:**
- (i) a conditional share purchase agreement with Sime Darby Property (Sungai Kapar) Sdn Bhd for the proposed acquisition of 1 ordinary shares of RM1.00 each in Sime Darby Sunsuria Development Sdn Bhd ("SDSDSB") held by Sime Darby Property, representing 50% of the issued and paid-up share capital of SDSDSB for a total consideration of RM173.4 million, comprising cash consideration of RM157.0 million and settlement of the existing shareholder's advances owing by SDSDSB to Sime Darby Property, which as at 31 March 2015 amounted to RM16,390,700 and any additional shareholder's advances to be granted by Sime Darby Property to SDSDSB for the purposes of the on-going business or operations of SDSDSB until completion of the acquisition ("Proposed SDSDSB Acquisition"); and

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- (ii) a supplemental agreement with SGSB, Datuk Ter and Datin Kwan to vary the terms of the SGSB Subscription Agreement ("Proposed Variation").

The Proposed SDSDSB Acquisition and the Proposed Variation are not conditional or inter-conditional upon any other corporate exercises being or proposed to be undertaken by the Company. However, for information purposes, the Proposed SDSDSB Acquisition is conditional upon the announcement of the books closure date and the execution of the underwriting agreement in respect of the Proposed Rights issue with Warrants.

The Proposed SDSDSB Acquisition and Proposed Variation are expected to be completed in the second quarter of 2015.

- (d) On 29 April 2015, the Board has announced for change of financial year end from 31 March 2015 to 30 September 2015.

**B8. Group Borrowings**

	As at 31/03/2015	As at 31/03/2014
	RM'000	RM'000
Secured short term borrowings	30,094	-
Secured long term borrowings	347	-
Total	<u>30,441</u>	<u>-</u>

There are no borrowings in foreign currency during the financial year under review.

**B9. Notes to the Statement of Comprehensive Income**

Description	Individual quarter 31/03/2015 RM'000	Year to date 31/03/2015 RM'000
Profit for the period is arrived at after crediting/(charging) :		
- Interest income	385	801
- Other income including investment income	579	872
- Interest expense	(5)	(15)
- Depreciation and amortization	(200)	(664)

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**B10. Material Litigation**

There is no material litigation against the Group as at the reporting date.

**B11. Dividend Proposed**

There was no dividend proposed for the quarter under review.

**B12. Earnings per Share ("EPS")**

**(a) Basic EPS**

The basic EPS has been calculated by dividing the Group's net profit attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Individual quarter		Year to date	
	31/03/2015 RM'000	31/03/2014 RM'000	31/03/2015 RM'000	31/03/2014 RM'000
Net profit attributable to ordinary equity holders of the Company (RM'000)	1,473	2,316	4,451	3,564
Weighted average number of ordinary shares in issues ('000)	158,360	137,361	158,360	137,361
Basic EPS (sen)	<u>0.93</u>	<u>1.69</u>	<u>2.81</u>	<u>2.59</u>

**(b) Diluted EPS**

The computation for diluted earnings per share is not applicable as the Company does not have any new issuance and /or convertible securities outstanding.

BY ORDER OF THE BOARD  
Secretary  
Kuala Lumpur  
19 May 2015