

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES

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The Board of Directors

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Dear Sirs

SUNSURIA GATEWAY SDN. BHD.
CONCORD PROPERTY MANAGEMENT SDN. BHD.
SUNSURIA MEDINI SDN. BHD.
RENTAK NUSANTARA SDN. BHD.
SIME DARBY SUNSURIA DEVELOPMENT SDN. BHD.
ACCOUNTANTS' REPORT

1. PURPOSE OF REPORT

This report has been prepared by Messrs. Crowe Horwath, an approved company auditor and a firm of public accountants registered in Malaysia, for inclusion in the Abridged Prospectus to Shareholders of Sunsuria Berhad ("Sunsuria" or "the Company") in connection with the Proposals for Proposed Subscriptions and Proposed Acquisitions. The details of the Proposals are disclosed in Section 2 of this report.

1.1 ABBREVIATIONS

Unless the context otherwise requires, the following abbreviations shall apply throughout this report.

Abbreviations

Concord	Concord Property Management Sdn. Bhd.
Datin Kwan	Datin Kwan May Yuen
Datuk Ter	Datuk Ter Leong Yap
Gearing ratio (times)	Gearing ratio was calculated based on the Company's interest bearing borrowings, divided by the shareholders' equity of the Company at the end of the reporting period.
Gross EPS	Gross earnings per share, computed by dividing the profit before taxation by the number of ordinary shares in issue during the Relevant Financial Period.
Gross LPS	Gross loss per share, computed by dividing the loss before taxation by the number of ordinary shares in issue during the Relevant Financial Period.
GP	Gross profit
JCE	Jointly controlled entity

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ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**1. PURPOSE OF REPORT (CONT'D)****1.1 ABBREVIATIONS (CONT'D)*****Abbreviations (Cont'd)***

LAT	Loss after taxation
LBT	Loss before taxation
NA	Net assets
N/A	Not applicable
Net EPS	Net earnings per share, computed by dividing the profit after taxation by the number of ordinary shares in issue during the Relevant Financial Period.
Net LPS	Net loss per share, computed by dividing the loss after taxation by the number of ordinary shares in issue during the Relevant Financial Period.
NL	Net liabilities
PAT	Profit after taxation
PBT	Profit before taxation
RNSB	Rentak Nusantara Sdn. Bhd.
SDSDSB	Sime Darby Sunsuria Development Sdn. Bhd.
SDSDSB SPA	Conditional share purchase agreement dated 20 April 2015 entered into between Sunsuria with Sime Darby Property for the Proposed SDSDSB Acquisition
SDSB	Sunsurria Development Sdn. Bhd.
SDP	Sime Darby Property (Sungai Kapar) Sdn. Bhd.
SGSB	Sunsurria Gateway Sdn. Bhd.
SGSB Payment Date	Sixty (60) days after the completion date as contemplated under the SGSB Subscription Agreement
SGSB RPS-A	Existing redeemable preference shares-class A of RM0.01 each in SGSB
SHSB	Sunsurria Holdings Sdn. Bhd.
Sime Darby Advances	Inter-company advances owing by SDSDSB to SDP, comprising shareholders' advances provided and to be provided by SDP for the purposes of the ongoing business or operations of SDSDSB pending the completion of the SDSDSB SPA, which as at 31 March 2015 amounts to RM16,390,700.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

**1. PURPOSE OF REPORT (CONT'D)****1.1 ABBREVIATIONS (CONT'D)*****Abbreviations (Cont'd)***

SMSB	Sunsuria Medini Sdn. Bhd.
Sunsuria	Sunsuria Berhad
Sunsuria Share	Ordinary share of RM0.50 each in Sunsuria

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ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**2. DETAILS OF THE PROPOSALS**

The Proposals to be undertaken by Sunsuria are as follows:-

(a) Proposed SDSDSB Transactions

The Proposed SDSDSB Transactions comprises the following proposals undertaken collectively with a view to obtain full control over SDSDSB:-

(i) Proposed SGSB Transactions (together with the Proposed Variation); and

The Proposed SGSB Subscription is a component of the Proposed SGSB Transactions and involves the subscription by Sunsuria for 1,000,000 new ordinary shares of RM1.00 each in SGSB ("**SGSB Shares**"), representing 99.99% 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"**);

On 20 April 2015, Sunsuria entered into the Supplemental SGSB Subscription Agreement with SGSB, Datuk Ter and Datin Kwan (as existing shareholders of SGSB) to fix the maximum redemption sum payable for the full and final capital redemption of all SGSB RPS-A issued by SGSB 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 Sunsuria Shares 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 agreeing to sell and Sunsuria agreeing to purchase the remaining SDSDSB Sale Share 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 Sime Darby Advances on or before the expiry of 12 months after the SDSDSB Completion Date.

Upon completion of the Proposed SGSB Subscription and Proposed SDSDSB Acquisition, Sunsuria would have an approximately 100% equity interest in SDSDSB.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



2. DETAILS OF THE PROPOSALS (CONT'D)

(b) Proposed 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 ("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 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 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 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 at the cash subscription price of RM32,000,000.

(Collectively referred to as the "**Proposals**")

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

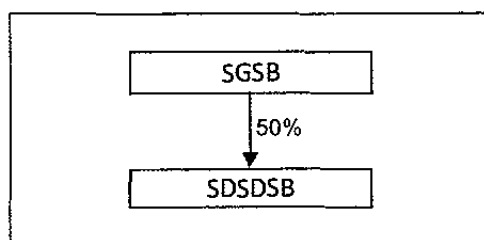


3. GENERAL INFORMATION

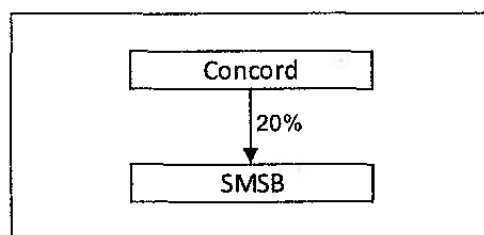
3.1 STRUCTURES

As at the date of this report, the structures of SGSB and Concord are as follows:-

3.1.1 SGSB



3.1.2 Concord



3.2 BACKGROUND INFORMATION

3.2.1 SGSB

(a) Corporate information

SGSB was incorporated as a private limited company on 23 April 2013 under the Companies Act 1965 ("Act") in Malaysia.

SGSB is principally engaged in investment holding.

As at the date of this report, SGSB has a jointly controlled entity, namely SDSDB wherein its shareholding is 50%. Please refer to Section 3.2.5 for the information on SDSDB.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**3. GENERAL INFORMATION (CONT'D)****3.2 BACKGROUND INFORMATION (CONT'D)****3.2.1 SGSB (CONT'D)****(b) Share capital**

As at the date of this Report, the authorised and issued share capital of SGSB since its incorporation are as follows:-

(i) AuthorisedOrdinary Shares

Date of creation	No. of ordinary shares increased/ (reclassified)	Par value RM	Cumulative authorised share capital RM
23 April 2013 (Date of incorporation)	400,000	1.00	400,000
22 December 2014 [#]	(260,000)	1.00	140,000

[#] The authorised share capital of the Company at the date of incorporation is RM400,000 divided into 400,000 ordinary shares of RM1.00 each was altered by re-classifying the shares into 140,000 ordinary shares of RM1.00 each and 26,000,000 preference shares of RM0.01 each.

Redeemable Preference Shares ("SGSB RPS-A")

Date of creation	No. of RPS increased	Par value RM	Cumulative authorised share capital RM
22 December 2014	26,000,000	0.01	260,000

(ii) Issued And Fully Paid-upOrdinary Shares

Date of allotment	No. of ordinary shares issued	Par value RM	Cumulative issued and paid-up share capital RM
23 April 2013	2	1.00	2

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**3. GENERAL INFORMATION (CONT'D)****3.2 BACKGROUND INFORMATION (CONT'D)****3.2.1 SGSB (CONT'D)****(b) Share capital (Cont'd)****(ii) Issued And Fully Paid-up (Cont'd)****SGSB RPS-A**

Date of allotment	No. of RPS issued	Par value RM	Cumulative issued and paid-up share capital RM
22 December 2014	14,945,642	0.01	149,456
30 March 2015	1,893,358	0.01	168,390

3.2.2 CONCORD**(a) Corporate information**

Concord was incorporated as a private limited company on 31 August 2007 in Malaysia under the Act.

Concord is principally an investment holding company.

As at the date of this report, Concord has an associate, namely SMSB wherein its shareholding is 20%. Please refer to Section 3.2.3 for the information on SMSB.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**3. GENERAL INFORMATION (CONT'D)****3.2 BACKGROUND INFORMATION (CONT'D)****3.2.2 CONCORD (CONT'D)****(b) Share capital**

As at the date of this Report, the authorised and issued share capital of Concord since its incorporation are as follows:-

(i) Authorised

Date of creation	No. of ordinary shares increased	Par value RM	Cumulative authorised share capital RM
31 August 2007 (Date of incorporation)	100,000	1.00	100,000

(i) Issued And Fully Paid-up

Date of allotment	No. of ordinary shares issued	Par value RM	Cumulative issued and paid-up share capital RM
31 August 2007	2	1.00	2

3.2.3 SMSB**(a) Corporate information**

SMSB was incorporated as a private limited company on 3 August 2009 in Malaysia under the Act.

SMSB is principally engaged in property development and property investment.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**3. GENERAL INFORMATION (CONT'D)****3.2 BACKGROUND INFORMATION (CONT'D)****3.2.3 SMSB (CONT'D)****(b) Share capital**

As at the date of this Report, the authorised and issued share capital of SMSB since its incorporation are as follows:-

(i) Authorised

Date of creation	No. of ordinary shares increased	Par value RM	Cumulative authorised share capital RM
3 August 2009 (Date of incorporation)	100,000	1.00	100,000
18 September 2013	300,000	1.00	400,000
27 August 2014	600,000	1.00	1,000,000
28 November 2014	4,000,000	1.00	5,000,000

(ii) Issued And Fully Paid-up

Date of allotment	No. of ordinary shares issued	Par value RM	Cumulative issued and paid-up share capital RM
3 August 2009	2	1.00	2
28 October 2009	98	1.00	100
18 September 2013	249,900	1.00	250,000
27 August 2014	750,000	1.00	1,000,000
28 November 2014	250,000	1.00	1,250,000

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**3. GENERAL INFORMATION (CONT'D)****3.2 BACKGROUND INFORMATION (CONT'D)****3.2.4 RNSB****(a) Corporate information**

RNSB was incorporated as a private limited company on 11 November 2008 in Malaysia under the Act.

RNSB is a wholly-owned subsidiary of SDSB, which in turn is wholly-owned by SHSB. RNSB is principally engaged in property development.

(b) Share capital

As at the date of this Report, the authorised and issued share capital of RNSB since its incorporation are as follows:-

(i) Authorised

Date of creation	No. of ordinary shares increased	Par value RM	Cumulative authorised share capital RM
11 November 2008 (Date of incorporation)	100,000	1.00	100,000
31 May 2013	300,000	1.00	400,000

(ii) Issued And Fully Paid-up

Date of allotment	No. of ordinary shares issued	Par value RM	Cumulative issued and paid-up share capital RM
11 November 2008	2	1.00	2
31 May 2013	249,998	1.00	250,000

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**3. GENERAL INFORMATION (CONT'D)****3.2 BACKGROUND INFORMATION (CONT'D)****3.2.5 SDSDSB****(a) Corporate information**

SDSDB was incorporated as a private limited company on 6 June 2013 in Malaysia under the Act. SDSDB is presently a joint venture company incorporated between SDP and SGSB. SDSDB is a 50% owned jointly controlled entity of SGSB and a 50% owned jointly controlled entity of SDP.

The principal activity of SDSDB will be to undertake the mixed development of Suria Serenia.

(b) Share capital

As at the date of this Report, the authorised and issued share capital of SDSDB since its incorporation are as follows:-

(ii) Authorised

Date of creation	No. of ordinary shares increased	Par value RM	Cumulative authorised share capital RM
6 June 2013 (Date of incorporation)	400,000	1.00	400,000

(iii) Issued And Fully Paid-up

Date of allotment	No. of ordinary shares issued	Par value RM	Cumulative issued and paid-up share capital RM
6 June 2013	2	1.00	2

4. DIVIDENDS

SGSB, SMSB, Concord, RNSB and SDSDB have not paid or declared any dividend for the period/years under review.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**5. RELEVANT FINANCIAL PERIOD AND AUDITORS**

During the financial period under review, the financial year end of all the companies is at 31 December except for SMSB, RNSB and SDSDSB which are 31 October, 31 March and 30 June respectively. SMSB and RNSB had changed its financial year end to 31 December at the beginning of the financial period from 1 November 2011 to 31 December 2012 and 1 April 2012 to 31 December 2012 respectively, in order to be coterminous with the financial year end of its holding company.

The relevant financial years/period of the audited financial statements provided in this report ("Relevant Financial Period") and the auditors of the respective companies for the Relevant Financial Period are as follows:-

Companies	Relevant Financial Periods	Auditors	Auditors' Report
SGSB	Financial period from 23 April 2013 (Date of incorporation) to 31 December 2013 ("FPE 2013")	Messrs. Hong Associates	Appendix I
	Financial year ended ("FYE") 31 December 2014 ("FYE 2014")	Messrs. Hong Associates	
Concord	FYE 31 December 2012 ("FYE 2012")	Messrs. Hong Associates	Appendix II
	FYE 31 December 2013 ("FYE 2013")	Messrs. Hong Associates	
	FYE 31 December 2014 ("FYE 2014")	Messrs. Hong Associates	
SMSB	Financial period from 1 November 2011 to 31 December 2012 ("FPE 2012")	Messrs. Hong Associates	Appendix III
	FYE 31 December 2013 ("FYE 2013")	Messrs. Hong Associates	
	FYE 31 December 2014 ("FYE 2014")	Messrs. Hong Associates	
RNSB	FYE 31 March 2012 ("FYE 2012")	Wong Chau Hwa & Co.	Appendix IV
	Financial period from 1 April 2012 to 31 December 2012 ("FPE 2012")	Messrs. Hong Associates	
	FYE 31 December 2013 ("FYE 2013")	Messrs. Hong Associates	
	FYE 31 December 2014 ("FYE 2014")	Messrs. Hong Associates	
SDSDSB	Financial period from 6 June 2013 (Date of incorporation) to 30 June 2014 ("FPE 2014")	Messrs. Crowe Horwath	Appendix V

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**5. RELEVANT FINANCIAL PERIOD AND AUDITORS (CONT'D)**

The auditors' reports on the respective financial statements included in this report for the Relevant Financial Period were not subjected to any qualification or modification, except as follows:-

RNSB

The auditors' report for the FYE 2013 contained an emphasis of matter on the continuation of RNSB as a going concern.

SMSB

The auditors' report for the FYE 2014 contained an emphasis of matter on the continuation of SMSB as a going concern.

6. BASIS OF PREPARATION**6.1 APPLICATION AND REASSESSMENT OF EXISTING STANDARDS AND ADOPTION OF FRS**

This report is prepared based on the audited financial statements of SGSB, Concord, SMSB, RNSB and SDSDSB for the Relevant Financial Period.

The financial statements of SGSB, Concord, SMSB and RNSB have been prepared in accordance with Private Entity Reporting Standards ("PERS") whilst the financial statements of SDSDSB have been prepared in accordance with Financial Reporting Standards ("FRSs").

We have reviewed the financial statements of SGSB, Concord, SMSB and RNSB for the Relevant Financial Period for the purpose of FRSs compliance. There are no material differences between PERS and FRSs that have been adopted by SGSB, Concord, SMSB and RNSB for the Relevant Financial Period other than the investment in an associate or a jointly controlled entity shall be accounted for using the equity method in its financial statements (known as primary financial statements) in accordance with FRS 128 *Investments in Associates and Joint Ventures*. As a result, the investment in an associate or a jointly controlled entity shall be accounted for in the entity's separate financial statements using the cost method or fair value method.

Below is the summary of the reconciliation for the adoption of FRS 128:-

(a) Reconciliation of Statements of Financial Position**FYE 2014**

	Concord As previously reported RM'000	Note 6.1 RM'000	Concord And Its Associates As restated RM'000
Investment in an associate	250	(250)	-
Retained profits	13,364	(250)	13,114

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**6. BASIS OF PREPARATION (CONT'D)****6.1 APPLICATION AND REASSESSMENT OF EXISTING STANDARDS AND ADOPTION OF FRS (CONT'D)****(b) Reconciliation of Statements or Profit Or Loss and Other Comprehensive Income****FYE 2014**

	Concord As previously reported RM'000	Note 6.1 RM'000	Concord And Its Associates As restated RM'000
Share of loss in an associate, net of tax	-	250	250
Profit before taxation	13,387	(250)	13,137
Profit after taxation	13,373	(250)	13,123

(c) Reconciliation of Statements of Cash Flows**FYE 2014**

There are no material differences between the statements of cash flows presented under PERS and FRSS.

(d) Reconciliation of Statements of Changes in Equity**FYE 2014**

	Concord As previously reported RM'000	Note 6.1 RM'000	Concord And Its Associates As restated RM'000
Retained profits	13,364	(250)	13,114

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**6. BASIS OF PREPARATION (CONT'D)****6.1 APPLICATION AND REASSESSMENT OF EXISTING STANDARDS AND ADOPTION OF FRS (CONT'D)**

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

- 6.2 For the purpose of this Report, SGSB, Concord, SMSB, RNSB and SDSDSB have adopted all FRSs and/or interpretation(s) (including the consequential amendments, if any) issued and effective for annual periods beginning on or after 1 January 2014.

There are no material differences between PERS and FRSs other than the nomenclature of the accounting standards used in this report have been changed to FRSs equivalent.

- 6.3 SGSB, Concord, SMSB, RNSB and SDSDSB has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the FYE 2014:

FRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
FRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to FRS 10 and FRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 (2011): Investment Entities - Applying the Consolidation Exception	1 January 2016
Amendments to FRS 101: Presentation of Financial Statements - Disclosure Initiative	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 119: Defined Benefit Plans - Employee Contributions	1 July 2014
Amendments to FRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to FRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 - 2013 Cycle	1 July 2014
Annual Improvements to FRSs 2012 - 2014 Cycle	1 January 2016

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**6. BASIS OF PREPARATION (CONT'D)**

6.3 The above accounting standard(s) and/or interpretation(s) (including the consequential amendments) are not relevant to SGSB, Concord, SMSB, RNSB and SDSDSB operations except as follows:-

- (i) FRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in FRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this FRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. There will be no financial impact on the financial statements of the Company upon its initial application but may impact its future disclosures.
- (ii) Amendments to FRS 10 & FRS 128 (2011): Sales or Contribution of Assets between an Investor and its Associate or Joint Venture. The possible impact is not disclosed as the amendments are to be applied prospectively to future events which is currently undeterminable.
- (iii) The amendments to FRS 10, FRS 12 and FRS 128 (2011) allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.
- (iv) Annual Improvements to FRSs 2010 - 2012 Cycle. Generally there will be no impact on the financial statements except for the amendments to FRS 116 which will only affect the amount of accumulated depreciation of future revaluations.
- (v) Annual Improvements to FRSs 2011 - 2013 Cycle. Generally there will be no impact on the financial statements.
- (vi) Annual Improvements to FRSs 2012 - 2014 Cycle. Generally there will be no impact on the financial statements.

6.4 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 Company 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 December 2017. The Company is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**7. SIGNIFICANT ACCOUNTING POLICIES****7.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

(i) Depreciation of Equipment

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

(ii) Income Taxes

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

(iii) Impairment of Non-financial Assets

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

(iv) Impairment of Trade and Other Receivables

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

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**7. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****7.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)****(v) Classification of Leasehold Land**

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

(vi) Property Development

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

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

(vii) Fair Value Estimates for Certain Financial Assets and Liabilities

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

7.2 FUNCTIONAL AND FOREIGN CURRENCIES**(a) Functional and Presentation Currency**

The functional currency of the Company is the currency of the primary economic environment in which the Company operates.

The financial statements of the Company are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Transactions and Balances

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

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**7. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****7.3 FINANCIAL INSTRUMENTS**

Financial instruments are recognised in the statements of financial position when the Company has become a party to the contractual provisions of the instruments.

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

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

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

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

(a) Financial Assets

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

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

As at the end of the reporting period, there were no financial assets classified under this category.

(ii) Held-to-maturity Investments

As at the end of the reporting period, there were no financial assets classified under this category.

(iii) Loans and Receivables Financial Assets

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

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

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**7. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****7.3 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Assets (Cont'd)****(iv) Available-for-sale Financial Assets**

As at the end of the reporting period, there were no financial assets classified under this category.

(b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

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

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

(c) Equity Instruments

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

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

(d) Derecognition

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

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

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**7. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****7.4 INVESTMENTS IN ASSOCIATES**

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

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

The investment in an associate is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the associate made up to 31 December 2014. The Company's share of the post-acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Company, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Company's interest in the associate is carried in the consolidated statement of financial position at cost plus the Company's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

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

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

When the Company ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with FRS 139. Furthermore, the Company also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued. However, the Company will continue to use the equity method if the dilution does not result in a loss of significant influence or when an investment in a joint venture becomes an investment in an associate. Under such changes in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the associate will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in associates are recognised in profit or loss.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**7. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****7.5 JOINT ARRANGEMENTS**

Joint arrangements are arrangements of which the Company has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Company has assessed the nature of its joint arrangements and determined them to be joint ventures

A joint venture is a joint arrangement whereby the Company has rights only to the net assets of the arrangement. The investment in a joint venture is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the joint venture made up to 31 December 2014. The Company's share of the post-acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Company, up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Company's interest in the joint venture is carried in the consolidated statement of financial position at cost plus the Company's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

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

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

The Company discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Company retains an interest in the former joint venture and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with FRS 139. Furthermore, the Company also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Company will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**7. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****7.6 EQUIPMENT**

Equipment are stated at cost less accumulated depreciation and impairment losses, if any.

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

Office equipment, furniture and fittings	20%
Renovation	20%

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

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the acquisition of the assets to the date that the assets are completed and put into use.

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

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



7. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

7.7 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**7. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****7.8 PROPERTY DEVELOPMENT COSTS**

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

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

When the financial outcome of a development activity can be reliably estimated, the amount of property revenues and expenses recognised in the statement of comprehensive income are determined by reference to the stage of completion of development activity at the end of the reporting period.

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

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

7.9 PROGRESS BILLINGS/ACCRUED BILLINGS

In respect of progress billings:-

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

7.10 INCOME TAXES

Income tax for the year comprises current and deferred tax.

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**7. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****7.10 INCOME TAXES (CONT'D)**

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity.

7.11 REDEEMABLE PREFERENCE SHARES

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

Preference shares are classified as financial liabilities if they are redeemable on a specific date or at the option of the preference shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued. The dividends or the returns of the RPS which represent the finance cost of the instruments are reported as an expense.

If an entity does not have an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation, the obligation meets the definition of a financial liability.

7.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**7. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****7.13 EMPLOYEE BENEFITS****(a) Short-term Benefits**

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

(b) Defined Contribution Plans

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

7.14 RELATED PARTIES

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

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

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

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**7. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****7.15 FAIR VALUE MEASUREMENTS**

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

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

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

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

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

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

7.16 REVENUE AND OTHER INCOME**(i) Property Development**

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

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

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

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

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

(ii) Interest Income

Interest income is recognised on an accrual basis.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**7. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****7.17 BORROWING COSTS**

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

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

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

8. CONSISTENCY OF APPLICATION OF ACCOUNTING POLICIES

There were no significant changes in the accounting policies adopted in the preparation of this report by SGSB, Concord, SMSB, RNSB and SDSDSB during the Relevant Financial Period other than as disclosed in Section 6.1.

9. AUDITED FINANCIAL INFORMATION

The financial information presented in Section 10 is based on the audited financial statements of SGSB, Concord, SMSB, RNSB and SDSDSB, after restatements and reclassifications, except for:-

- (a) additional disclosure notes to the financial statements prepared in accordance with FRSS; and
- (b) those in italics which are prepared based on calculations, representations and/or explanation provided by the management and those as otherwise indicated.

The scope of work involved in the preparation of this report does not constitute an audit in accordance with approved standards on auditing in Malaysia.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION

10.1 SGSB

10.1.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		SGSB And Its JCE/SGSB	
		FPE	FYE
		2013	2014
	Section	RM'000	RM'000
Other income		5	*
Administrative expense		(3)	(12)
Profit/(Loss) for the financial period/year	10.1.5	2	(12)
Other comprehensive income		-	-
Total comprehensive income/(expenses) for the financial period/year		2	(12)
Profit/(Loss) for the financial period/year attributable to:-			
Owners of the Company		2	(12)
Total comprehensive income/(expenses) attributable to:-			
Owners of the Company		2	(12)
		SGSB And Its JCE/SGSB	
		FPE	FYE
		2013	2014
Weighted average number of ordinary shares		2	2
Gross EPS/(LPS) (RM)		1,000	(6,000)
Net EPS/(LPS) (RM)		1,000	(6,000)

Note:-

* - Less than RM500

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.1 SGSB (CONT'D)

10.1.2 STATEMENTS OF FINANCIAL POSITION

	Section	SGSB And Its JCE/SGSB FPE 2013 RM'000	FYE 2014 RM'000 (Restated)
ASSETS			
NON-CURRENT ASSET			
Investment in a jointly controlled entity	10.1.7	**	**
CURRENT ASSETS			
Other receivables and prepayments		128	554
Amount owing by a jointly controlled entity	10.1.8	11,761	14,946
Cash and bank balances		**	2
		11,889	15,502
TOTAL ASSETS		11,889	15,502
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10.1.9	^	^
Retained profits/(Accumulated losses)	10.1.10	2	(10)
TOTAL EQUITY		2	(10)
CURRENT LIABILITIES			
Other payables and accruals		1	1
Amount owing to ultimate holding company	10.1.11	2	-
Amount owing to immediate holding company	10.1.12	11,884	-
Amount owing to a related party	10.1.13	-	565
Redeemable preference shares	10.1.14	-	14,946
TOTAL LIABILITIES		11,887	15,512
TOTAL EQUITY AND LIABILITIES		11,889	15,502
SGSB And Its JCE/SGSB			
		FPE 2013	FYE 2014
Weighted average number of ordinary shares		2	2
NAI(NL) (RM'000)		2	(10)
NAI(NL) per ordinary share (RM)		1,000	(5,000)
Current ratio		1.00	1.00
Gearing ratio (times)		N/A	N/A

Notes:-

** - RM1

^ - RM2

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.1 SGSB (CONT'D)****10.1.3 STATEMENTS OF CASH FLOWS**

	SGSB And Its JCE/SGSB FPE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit/(Loss) for the financial period/year	2	(12)
Adjustments for:-		
Interest income	-	*
Waiver of loan	(5)	-
Operating loss before working capital changes	(3)	(12)
Increase in other receivables	(128)	(426)
Increase in other payables	1	-
NET CASH FOR OPERATING ACTIVITIES	(130)	(438)
CASH FLOWS FOR INVESTING ACTIVITIES		
Advances to a jointly controlled entity	(11,761)	(3,185)
Interest income	-	*
NET CASH FOR INVESTING ACTIVITIES	(11,761)	(3,185)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from a director	5	-
Advances from/(Repayment to) immediate holding company	11,884	(11,884)
Advances from ultimate holding company	2	-
Advances from a related party	-	565
Proceeds from issuance of ordinary shares	^	-
Proceeds from issuance of redeemable preference shares	-	14,946
Repayment to ultimate holding company	-	(2)
NET CASH FROM FINANCING ACTIVITIES	11,891	3,625
NET INCREASE IN CASH AND BANK BALANCES	-	2
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	-	**
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD/YEAR	**	2

Notes:-

* - Less than RM500

** - RM1

^ - RM2

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.1 SGSB (CONT'D)****10.1.4 STATEMENTS OF CHANGES IN EQUITY**

	Share Capital RM'000	Retained Profits/ (Accumulated Losses) RM'000	Total RM'000 (Restated)
SGSB And Its JCE/SGSB			
Balance at 23.4.2013 (date of incorporation)	^	-	^
Profit for the financial period/Total comprehensive income for the financial period	-	2	2
Balance at 31.12.2013/1.1.2014	^	2	2
Loss for the financial year/Total comprehensive expenses for the financial year	-	(12)	(12)
Balance at 31.12.2014	^	(10)	(10)

Note:-

^ - RM2

10.1.5 PROFIT/(LOSS) FOR THE FINANCIAL PERIOD/YEAR

	SGSB And Its JCE/SGSB	
	FPE 2013 RM'000	FYE 2014 RM'000
Profit/(Loss) for the financial period/year is arrived at after charging/(crediting):-		
Audit fee:		
- for the financial period/year	1	1
- underprovision in the previous financial period	-	*
Preliminary expenses	2	-
Interest income	-	*
Waiver of loan from a director	(5)	-

Note:-

* - Less than RM500

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.1 SGSB (CONT'D)****10.1.6 INCOME TAX EXPENSE**

The Company is not subject to tax as it is in a tax loss position.

A reconciliation of income tax expense applicable to the profit/(loss) for the financial period/year at the statutory tax rate to income tax expense at the effective tax rate of the Company is as follows:-

	SGSB And Its JCE/SGSB	
	FPE 2013 RM'000	FYE 2014 RM'000
Profit/(Loss) for the financial period/year	2	(12)
Tax at the statutory tax rate of 25%	*	(3)
Tax effect of:-		
Non-deductible expenses	2	3
Income tax expense for the financial period/year	*	-

Note:-

* - Less than RM500

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

10.1.7 INVESTMENT IN A JOINTLY CONTROLLED ENTITY

	SGSB And Its JCE/SGSB	
	FPE 2013 RM'000	FYE 2014 RM'000
Unquoted shares in Malaysia, at cost	**	**

Note:-

** - RM1

Details of the jointly controlled entity are as follows:-

Name of Entity	Country of Incorporation	Effective Equity Interest		Principal Activities
		FPE 2013 %	FYE 2014 %	
Sime Darby Sunsuria Development Sdn. Bhd.	Malaysia	50	50	Property development.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.1 SGSB (CONT'D)****10.1.7 INVESTMENT IN A JOINTLY CONTROLLED ENTITY (CONT'D)**

- (a) The investment in jointly controlled entity is measured using the equity method.
- (b) The Company has not recognised losses relating to the jointly controlled entity, where its share of losses exceeds the Company's interest in this jointly controlled entity. The Company's share of the current financial year's losses and cumulative share of unrecognised losses at the end of the reporting period are as follows:-

	FPE 2013 RM'000	FYE 2014 RM'000
Share of the current financial year's losses	1	398
Cumulative share of unrecognised losses	1	399

The Company has no obligation in respect of these losses.

The Company unrecognised losses in the jointly controlled entity are based on the unaudited financial statements for the 12-month ended 31 December 2014 (2013 - 6 June 2013 (date of incorporation) to 31 December 2013).

- (c) The summarised financial information (after any fair value adjustment at the acquisition date) of the jointly controlled entity is as follows:-

	Unaudited FPE 31.12.2013 RM'000	Unaudited FPE 31.12.2014 RM'000
At 31 December		
Non-current assets	-	-
Current assets	23,523	29,206
Non-current liabilities	-	-
Current liabilities	(23,526)	(30,005)
	(3)	(799)
	Unaudited 6.6.2013 (date of Incorporation) to 31.12.2013 RM'000	Unaudited 1.1.2013 to 31.12.2013 RM'000
Revenue	-	-
Loss for the financial period/year	(3)	(796)
Total comprehensive income	-	-

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.1 SGSB (CONT'D)****10.1.7 INVESTMENT IN A JOINTLY CONTROLLED ENTITY (CONT'D)**

- (d) The share of the Company in the jointly controlled entity's capital commitment is as follows:-

	Unaudited FPE 31.12.2013 RM'000	Unaudited FPE 31.12.2014 RM'000
Approved and contracted for:-		
Purchase of freehold land, net of deposits paid	-	129,516

10.1.8 AMOUNT OWING BY A JOINTLY CONTROLLED ENTITY

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

10.1.9 SHARE CAPITAL

	SGSB			
	FPE 2013 Number of Shares'000	FYE 2014 (Restated)	FPE 2013 RM'000	FYE 2014 RM'000 (Restated)
Ordinary shares of RM1 each:-				
Authorised				
At 23 April 2013 (date of incorporation)/				
1 January 2014	400	400	400	400
Reclassified to RPS	-	(260)	-	(260)
At 31 December	400	140	400	140
Issued And Fully Paid-Up				
At 23 April 2013 (date of incorporation)/				
31 December	#	#	^	^

Notes:-

- # - 2 ordinary shares
^ - RM2

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.1 SGSB (CONT'D)****10.1.10 RETAINED EARNINGS**

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

10.1.11 AMOUNT OWING TO ULTIMATE HOLDING COMPANY

In the previous financial period, the amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

10.1.12 AMOUNT OWING TO IMMEDIATE HOLDING COMPANY

In the previous financial period, the amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

10.1.13 AMOUNT OWING TO A RELATED PARTY

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

In the previous financial period, the relationships of the Company with the entity are that of immediate holding company.

10.1.14 REDEEMABLE PREFERENCE SHARES ("SGSB RPS-A")

	SGSB			
	FPE 2013	FYE 2014	FPE 2013	FYE 2014
	Number of Shares'000	(Restated)	RM'000	RM'000
				(Restated)
SGSB RPS-A of RM0.01 each:-				
Authorised				
At 23 April (date of incorporation)/				
1 January	-	-	-	-
Reclassified from ordinary shares	-	26,000	-	260
At 31 December	-	26,000	-	260
Issued And Fully Paid-Up				
At 23 April (date of incorporation)/				
1 January	-	-	-	-
Issuance of new shares	-	14,946	-	149
At 31 December	-	14,946	-	149

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.1 SGSB (CONT'D)****10.1.14 SGSB RPS-A (CONT'D)**

On 22 December 2014, SGSB issued 14,945,642 RPS-A of RM0.01 each at a premium of RM0.99 each. The details of the SGSB RPS-A are as follows:-

	← SGSB →	
	FPE 2013 RM'000	FYE 2014 RM'000 (Restated)
Nominal value of RM0.01 each	-	149
Share premium	-	14,797
	-	14,946

Although the dividends and redemption are at the option of the Company, the Redeemable preference shares are classified as financial liabilities as the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation. Hence, the obligation meets the definition of a financial liability.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.1 SGSB (CONT'D)****10.1.14 SGSB RPS-A (CONT'D)**

The salient terms of the SGSB RPS-A are as follows:-

Terms	Details
Dividend	Each SGSB RPS-A shall confer on the holder thereof the right to receive, in priority to any payment to the holders of any other class of shares in the capital of the Issuer, out of the profits of the Company each year available for dividend and resolved to be distributed in respect of any period for which the Issuer's financial statements are made up, a non-cumulative preferential dividend at rate to be determined by the Company on the capital paid-up or credit as paid up thereon (with rights, in case of deficiency, to resort to subsequent profits).
Redemption	The SGSB RPS-A may be redeemed upon meeting the debt service ratio required by the financier at the discretion of the board of directors of the Company
Voting rights	<p>The SGSB RPS-A shall not confer on the holders thereof to vote in either in person or by proxy at any general meeting of the Company unless:-</p> <ul style="list-style-type: none"> (a) at the date of the notice convening the meeting any dividend on the SGSB RPS-A has been declared but remains unpaid for more than 6 months; or (b) the business of such meetings is or includes the consideration of a resolution relating to the following: <ul style="list-style-type: none"> (i) the reduction of capital of the Company; (ii) the winding-up of the Company; (iii) any abrogation or variation or otherwise directly affecting the special rights and privileges attaching to the SGSB RPS-A; (iv) the creation of any new class of RPS ranking in priority to or <i>pari passu</i> with those SGSB RPS-A in issue unless the holders holding at least 75% in nominal value of those SGSB RPS-A consent thereto in writing; or (v) proposal for the disposal of the whole of the Company's property, business and undertaking except for in the ordinary course of business.
Ranking	The SGSB RPS-A shall rank <i>pari passu</i> among themselves and in priority to the ordinary shares of the Company and other preference shares issued from time to time subsequent to the issuance of the SGSB RPS-A but after all secured and unsecured obligations of the Company.

10.1.15 SIGNIFICANT RELATED PARTY TRANSACTIONS**(a) Identities of related parties**

In addition to the information detailed elsewhere in Section 10, the Company has related party relationships with its directors, key management personnel and entities within the same group of companies.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.1 SGSB (CONT'D)****10.1.15 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)**

- (b) Other than those disclosed elsewhere in Section 10, the Company also carried out the following significant transactions with the related parties during the financial period/year:-

	SGSB And Its JCE/SGSB	
	FPE	FYE
	2013	2014
	RM'000	RM'000
Jointly controlled entity		
Advances to	11,761	3,184
Ultimate holding company		
Payment on behalf by	2	3,321
Assignment of debts to a director	-	3,324
Immediate holding company		
Payment on behalf by	11,884	303
Assignment of debts to a director	-	11,622
Related party		
Payment on behalf for	-	553
A director		
Assignment of debts from ultimate and immediate holding company	-	14,946

10.1.16 FINANCIAL INSTRUMENTS

The Company's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(A) FINANCIAL RISK MANAGEMENT POLICIES

The Company's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk**(i) Foreign Currency Risk**

The Company does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

(ii) Interest Rate Risk

The Company does not have any interest-bearing borrowings and hence is not exposed to interest rate risk.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.1 SGSB (CONT'D)****10.1.16 FINANCIAL INSTRUMENTS (CONT'D)****(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(iii) Equity Price Risk**

The Company does not have any quoted investments and hence is not exposed to equity price risk.

(b) Credit Risk

The Company does not have any major concentration of credit risk related to any individual customer or counterparty.

(c) Liquidity Risk

The Company maintains sufficient cash balances to support its daily operations. The shareholders of the Company have undertaken to provide continued financial support to meet the Company's obligations as and when they fall due.

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
SGSB And Its JCE/ SGSB						
FPE 2013						
Other payables and accruals	-	1	1	1	-	-
Amount owing to ultimate holding company	-	2	2	2	-	-
Amount owing to immediate holding company	-	11,884	11,884	11,884	-	-
		11,887	11,887	11,887	-	-

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.1 SGSB (CONT'D)

10.1.16 FINANCIAL INSTRUMENTS (CONT'D)

(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Liquidity Risk

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
		<div>← (Restated) →</div>				
SGSB And Its JCE/ SGSB						
FYE 2014						
Other payables and accruals	-	1	1	1	-	-
Amount owing to a related party	-	565	565	565	-	-
Redeemable preference shares	-	14,946	14,946	14,946	-	-
		15,512	15,512	15,512	-	-

(B) CAPITAL RISK MANAGEMENT

The Company manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholder's value. To achieve this objective, the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Company manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total net borrowings from financial institutions divided by total equity.

There was no change in the Company's approach to capital management during the financial year.

The debt-to-equity ratio of the Company as at the end of the reporting period is not presented as it has no interest-bearing borrowings.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.1 SGSB (CONT'D)

10.1.16 FINANCIAL INSTRUMENTS (CONT'D)

(C) CLASSIFICATION OF FINANCIAL INSTRUMENTS

	SGSB And Its JCE/SGSB	
	FPE	FYE
	2013	2014
	RM'000	RM'000
		(Restated)
Financial Assets		
<u>Loans and receivables financial assets</u>		
Other receivables	-	554
Amount owing by a jointly controlled entity	11,761	14,946
Cash and bank balances	**	2
	<u>11,761</u>	<u>15,502</u>

Financial Liabilities

<u>Other financial liabilities</u>		
Other payables and accruals	1	1
Amount owing to ultimate holding company	2	-
Amount owing to immediate holding company	11,884	-
Amount owing to a related party	-	565
Redeemable preference shares	-	14,946
	<u>11,887</u>	<u>15,512</u>

Note:-

** - RM1

(D) FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position.

The fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The fair values are included in level 2 of the fair value hierarchy.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.1 SGSB (CONT'D)****10.1.17 SIGNIFICANT EVENTS DURING THE RELEVANT FINANCIAL PERIOD**

The significant events during the relevant financial period are as follows:-

- (a) On 16 June 2014, Sunsuria Holdings Sdn. Bhd. and Sunsuria Development Sdn. Bhd., have ceased to be the ultimate and immediate holding company of the Company;
- (b) On 22 December 2014, the Company altered its authorised share capital from RM400,000 divided into 400,000 ordinary shares of RM1.00 each into 140,000 ordinary shares of RM1.00 each and 26,000,000 redeemable preference shares of RM0.01 each; and
- (c) On 22 December 2014, the Company allotted and issued 14,945,642 redeemable preference shares of RM0.01 each at a premium of RM0.99 each by way of capitalisation of amount owing to Datuk Ter Leong Yap, amounting to RM14,945,642 as at 22 December 2014.

10.1.18 COMPARATIVE FIGURES

The financial statements for the current year covered the period from 1 January 2014 to 31 December 2014. The comparative amounts disclosed are in respect of the period from 23 April 2013 (date of incorporation) to 31 December 2013. Accordingly, the comparative amounts for the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not comparable.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.2 CONCORD

10.2.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Concord FYE 2012 RM'000	Concord And Its Associate/ Concord FYE 2013 RM'000	Concord And Its Associate FYE 2014 RM'000 (Restated)	Concord FYE 2014 RM'000
Other income		-	-	13,415	13,415
Administrative expenses		(1)	(2)	(28)	(28)
Share of loss in an associate, net of tax		-	-	(250)	-
(Loss)/Profit before taxation	10.2.5	(1)	(2)	13,137	13,387
Income tax expense	10.2.6	-	-	(14)	(14)
(Loss)/Profit after taxation		(1)	(2)	13,123	13,373
Other comprehensive income		-	-	-	-
Total comprehensive (expenses)/ income for the financial year		(1)	(2)	13,123	13,373
(Loss)/Profit after taxation attributable to:- Owners of the Company		(1)	(2)	13,123	13,373
Total comprehensive (expenses)/ income attributable to:- Owners of the Company		(1)	(2)	13,123	13,373
		Concord FYE 2012	Concord And Its Associate/ Concord FYE 2013	Concord And Its Associate FYE 2014	Concord FYE 2014
Weighted average number of ordinary shares		2	2	2	2
Gross (LPS)/EPS (RM)		(500)	(1,000)	6,568,500	6,693,500
Net (LPS)/EPS (RM)		(500)	(1,000)	6,561,500	6,686,500

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.2 CONCORD (CONT'D)

10.2.2 STATEMENTS OF FINANCIAL POSITION

	Section	Concord FYE 2012 RM'000	Concord And Its Associate/ Concord FYE 2013 RM'000	Concord And Its Associate FYE 2014 RM'000 (Restated)	Concord FYE 2014 RM'000
ASSETS					
NON-CURRENT ASSET					
Investment in an associate	10.2.7	-	50	-	250
CURRENT ASSETS					
Amount owing by an associate	10.2.8	- ^	9,950 ^	14,687 ^	14,687 ^
Cash in hand		^	9,950	14,687	14,687
TOTAL ASSETS		^	10,000	14,687	14,937
EQUITY AND LIABILITY					
EQUITY					
Share capital	10.2.9	^	^	^	^
(Accumulated losses)/ Retained profits	10.2.10	(7)	(9)	13,114	13,364
TOTAL EQUITY		(7)	(9)	13,114	13,364
CURRENT LIABILITIES					
Other payables and accruals		2	8	11	11
Amount owing to holding company	10.2.11	5	10,001	1,548	1,548
Provision for taxation		-	-	14	14
TOTAL LIABILITY		7	10,009	1,573	1,573
TOTAL EQUITY AND LIABILITY		^	10,000	14,687	14,937

Note:-

^ - RM2

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.2 CONCORD (CONT'D)****10.2.2 STATEMENTS OF FINANCIAL POSITION (CONT'D)**

	Concord FYE 2012	Concord And Its Associate/ Concord FYE 2013	Concord And Its Associate FYE 2014	Concord FYE 2014
<i>Weighted average number of ordinary shares</i>	2	2	2	2
<i>(NL)/NA (RM'000)</i>	(7)	(9)	13,114	13,364
<i>(NL)/NA per ordinary share (RM)</i>	(3,500)	(4,500)	6,557,000	6,682,000
<i>Current ratio</i>	-	0.99	9.34	9.34
<i>Gearing ratio (times)</i>	N/A	N/A	N/A	N/A

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.2 CONCORD (CONT'D)****10.2.3 STATEMENTS OF CASH FLOWS**

Section	Concord FYE 2012 RM'000	Concord And Its Associate/ Concord FYE 2013 RM'000 (Restated)	Concord And Its Associate FYE 2014 RM'000 (Restated)	Concord FYE 2014 RM'000 (Restated)
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Loss/(Profit) before taxation	(1)	(2)	13,137	13,387
Adjustments for:-				
Interest expenses	-	-	25	25
Share of loss in an associate	-	-	250	-
Interest income	-	-	(81)	(81)
Waiver of loan	-	-	(13,334)	(13,334)
Waiver of loan interest expense	-	-	(56)	(56)
Operating loss before working capital changes	(1)	(2)	(59)	(59)
(Decrease)/Increase in other payables	(1)	6	3	3
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(2)	4	(56)	(56)
CASH FLOWS FOR INVESTING ACTIVITIES				
Additional investment in an associate	-	(50)	(200)	(200)
Advances to an associate	-	(9,950)	(4,656)	(4,656)
NET CASH FOR INVESTING ACTIVITIES	-	(10,000)	(4,856)	(4,856)

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.2 CONCORD (CONT'D)****10.2.3 STATEMENTS OF CASH FLOWS (CONT'D)**

Section	Concord FYE 2012 RM'000	Concord And Its Associate/ Concord FYE 2013 RM'000 (Restated)	Concord And Its Associate FYE 2014 RM'000 (Restated)	Concord FYE 2014 RM'000 (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances from/(Repayment to) immediate holding company	2	9,996	(8,478)	(8,478)
Advances from a director	-	-	13,390	13,390
NET CASH FROM FINANCING ACTIVITIES	2	9,996	4,912	4,912
NET INCREASE IN CASH IN HAND	-	-	-	-
CASH IN HAND AT BEGINNING OF THE FINANCIAL YEAR	^	^	^	^
CASH IN HAND AT END OF THE FINANCIAL YEAR	^	^	^	^

Note:-

^ - RM2

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.2 CONCORD (CONT'D)****10.2.4 STATEMENTS OF CHANGES IN EQUITY**

	Share Capital RM'000	(Accumulated Losses)/ Retained Profits RM'000	Total RM'000
Concord And Its Associate			
Balance 1.1.2013	^	(7)	(7)
Loss after taxation/Total comprehensive expenses for the financial year	-	(2)	(2)
Balance at 31.12.2013/1.1.2014	^	(9)	(9)
Profit after taxation/Total comprehensive income for the financial year	-	13,123	13,123
Balance at 31.12.2014	^	13,114	13,114
Concord			
Balance at 1.1.2012	^	(6)	(6)
Loss after taxation/Total comprehensive expenses for the financial year	-	(1)	(1)
Balance at 31.12.2012/1.1.2013	^	(7)	(7)
Loss after taxation/Total comprehensive expenses for the financial year	-	(2)	(2)
Balance at 31.12.2013/1.1.2014	^	(9)	(9)
Profit after taxation/Total comprehensive income for the financial year	-	13,373	13,373
Balance at 31.12.2014	^	13,364	13,364

Note:-

^ - RM2

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.2 CONCORD (CONT'D)****10.2.5 (LOSS)/PROFIT BEFORE TAXATION**

	Concord FYE 2012 RM'000	Concord And Its Associate/Concord FYE 2013 RM'000	FYE 2014 RM'000
(Loss)/Profit before taxation is arrived at after charging/(crediting):-			
Audit fee:			
- for the financial year	*	*	*
- underprovision in the previous financial year	*	-	*
Interest expense on amount owing to holding company	-	-	25
Interest income on amount owing by an associate	-	-	(81)
Income from waiver of loan from a director	-	-	(13,334)
Income from waiver of loan interest expense from a director	-	-	(56)

Note:-

* - Less than RM500

10.2.6 INCOME TAX EXPENSE

	Concord FYE 2012 RM'000	Concord And Its Associate/ Concord FYE 2013 RM'000	Concord And Its Associate FYE 2014 RM'000 (Restated)	Concord FYE 2014 RM'000
Income tax expense				
- for the current financial year	-	-	14	14

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.2 CONCORD (CONT'D)****10.2.6 INCOME TAX EXPENSE (CONT'D)**

A reconciliation of income tax expense applicable to the (loss)/profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Company is as follows:-

	Concord FYE 2012 RM'000	Concord And Its Associate/ Concord FYE 2013 RM'000	Concord And Its Associate FYE 2014 RM'000 (Restated)	Concord FYE 2014 RM'000
Loss/(Profit) before taxation	(1)	(2)	13,137	13,387
Tax at the statutory tax rate of 25%	*	(1)	3,284	3,347
Tax effects of:-				
Non-deductible expenses	*	1	*	*
Non-taxable income	-	-	(3,333)	(3,333)
Share of loss in an associate	-	-	63	-
Income tax expense for the financial year	-	-	14	14

Note:-

* - Less than RM500

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

10.2.7 INVESTMENT IN AN ASSOCIATE

	Concord FYE 2012 RM'000	Concord And Its Associate/ Concord FYE 2013 RM'000	Concord And Its Associate FYE 2014 RM'000 (Restated)	Concord FYE 2014 RM'000
Unquoted shares in Malaysia, at cost	-	50	250	250
Share of post-acquisition loss	-	-	(250)	-
	-	50	-	250

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.2 CONCORD (CONT'D)****10.2.7 INVESTMENT IN AN ASSOCIATE (CONT'D)**

Details of the associates are as follows:-

Name of Entity	Country of Incorporation	Effective Equity Interest		Principal Activities
		FYE 2013 %	FYE 2014 %	
Sunsuria Medini Sdn. Bhd.	Malaysia	20	20	Property development and property investment.

- (a) The investment in an associate is measured using the equity method.
- (b) The Company has not recognised losses relating to the associate, where its share of losses exceeds the Company's interest in this associate. The Company's share of the current financial year's losses and cumulative share of unrecognised losses at the end of the reporting period are as follows:-

	FYE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Share of unrecognised losses for the current financial year	-	58	1,237
Cumulative share of unrecognised losses	-	58	1,295

The Company has no obligation in respect of these losses.

The statutory financial year end of the associate was 31 December. The Company unrecognised losses in the associate is based on the audited financial statements for the 12-month ended 31 December 2013 and 31 December 2014.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.2 CONCORD (CONT'D)****10.2.7 INVESTMENT IN AN ASSOCIATE (CONT'D)**

- (c) The summarised audited financial information (after any fair value adjustment at acquisition date) of the associate is as follows:-

	FYE 2012 RM'000	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
<u>At 31 December</u>			
Non-current assets	-	1,843	1,938
Current assets	-	44,278	200,601
Non-current liabilities	-	-	(66,667)
Current liabilities	-	(46,169)	(142,357)
	-	(48)	(6,485)
<u>12-month period ended 31 December</u>			
Revenue	-	-	3,853
Loss after taxation	-	(289)	(7,437)
Total comprehensive expense	-	(289)	(7,437)

10.2.8 AMOUNT OWING BY AN ASSOCIATE

	Concord FYE 2012 RM'000	Concord And Its Associate/Concord FYE 2013 RM'000	FYE 2014 RM'000
<u>Non-trade balance</u>			
Interest bearing			
- Principal component	-	-	14,606
- Interest component	-	-	81
	-	-	14,687
Non-interest bearing	-	9,950	-
	-	9,950	14,687

The non-trade, non-interest bearing amount is unsecured and repayable on demand. The amount owing is to be settled in cash.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.2 CONCORD (CONT'D)****10.2.8 AMOUNT OWING BY AN ASSOCIATE (CONT'D)**

The interest-bearing amounts at the end of the reporting period bore interest rate as follows:-

	Concord FYE 2012	Concord And Its Associate/Concord FYE 2013	FYE 2014
Interest rate per annum (%)	-	-	5.93

10.2.9 SHARE CAPITAL

	Concord					
	FYE 2012	FYE 2013	FYE 2014	FYE 2012	FYE 2013	FYE 2014
	Number of Shares'000			RM'000	RM'000	RM'000
Ordinary shares of RM1 each:-						
Authorised						
At 31 December	100	100	100	100	100	100
Issued and Fully Paid-Up						
At 31 December	#	#	#	^	^	^

Note:-

- 2 ordinary shares
^ - RM2

10.2.10 RETAINED PROFITS

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.2 CONCORD (CONT'D)****10.2.11 AMOUNT OWING TO HOLDING COMPANY**

	Concord FYE 2012 RM'000	Concord And Its Associate/Concord FYE 2013 RM'000	FYE 2014 RM'000
<u>Non-trade balance</u>			
Interest bearing:			
- Principal component	-	-	1,272
- Interest component	-	-	4
	-	-	1,276
Non-interest bearing	5	10,001	272
	5	10,001	1,548

The non-trade, non-interest bearing amount is unsecured and repayable on demand. The amount owing is to be settled in cash.

The interest-bearing amounts at the end of the reporting period bore interest rate as follows:-

	Concord FYE 2012	Concord And Its Associate/Concord FYE 2013	FYE 2014
Interest rate per annum (%)	-	-	5.93

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.2 CONCORD (CONT'D)****10.2.12 SIGNIFICANT RELATED PARTY TRANSACTIONS****(a) Identities of related parties**

In addition to the information detailed elsewhere in Section 10, the Company has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Other than those disclosed elsewhere in Section 10, the Company also carried out the following significant transactions with the related parties during the financial year:-

	Concord FYE 2012 RM'000	Concord And Its Associate/Concord FYE 2013 RM'000	FYE 2014 RM'000
Holding company			
Advances from	2	1	8,491
Interest expense	-	-	25
Associate			
Advances from	-	-	4,843
Interest income	-	-	81
Director			
Income from waiver of loan	-	-	13,334
Income from waiver of loan interest expense	-	-	56
Payment on behalf by	-	-	13,334

10.2.13 FINANCIAL INSTRUMENTS

The Company's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(A) FINANCIAL RISK MANAGEMENT POLICIES

The Company's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk**(i) Foreign Currency Risk**

The Company does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.2 CONCORD (CONT'D)****10.2.13 FINANCIAL INSTRUMENTS (CONT'D)****(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(ii) Interest Rate Risk**

The Company is not exposed to interest rate risk as the interest-bearing financial instruments carry fixed interest rate and are measured at amortised cost. As such, sensitivity analysis is not disclosed.

(iii) Equity Price Risk

The Company does not have any quoted investments and hence is not exposed to equity price risk.

(b) Credit Risk

The Company does not have any major concentration of credit risk related to any individual customer or counterparty.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Company practises prudent risk management by maintaining sufficient cash balances to support its daily operations.

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
Concord						
FYE 2012						
Other payables and accruals	-	2	2	2	-	-
Amount owing to holding company	-	5	5	5	-	-
		<u>7</u>	<u>7</u>	<u>7</u>	<u>-</u>	<u>-</u>

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.2 CONCORD (CONT'D)

10.2.13 FINANCIAL INSTRUMENTS (CONT'D)

(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
Concord And Its Associates/ Concord						
FYE 2013						
Other payables and accruals	-	8	8	8	-	-
Amount owing to holding company	-	10,001	10,001	10,001	-	-
		10,009	10,009	10,009	-	-
FYE 2014						
Other payables and accruals	-	11	11	11	-	-
Amount owing to holding company	5.93	1,548	1,548	1,548	-	-
		1,559	1,559	1,559	-	-

(B) CAPITAL RISK MANAGEMENT

The Company manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholder's value. To achieve this objective, the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Company manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total net borrowings from financial institutions divided by total equity.

There was no change in the Company's approach to capital management during the financial year.

The debt-to-equity ratio of the Company as at the end of the reporting period is not presented as it has no interest-bearing borrowings.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10.2 CONCORD (CONT'D)****10.2.13 FINANCIAL INSTRUMENTS (CONT'D)****(C) CLASSIFICATION OF FINANCIAL INSTRUMENTS**

	Concord FYE 2012 RM'000	Concord And Its Associate/Concord FYE 2013 RM'000	FYE 2014 RM'000
Financial Assets			
<u>Loans and receivables financial assets</u>			
Amount owing by an associate	-	9,950	14,687
Cash in hand	^	^	^
	^	9,950	14,687
Financial Liabilities			
<u>Other financial liabilities</u>			
Other payables and accruals	2	8	11
Amount owing to holding company	5	10,001	1,548
	7	10,009	1,559

Note:-

^ - RM2

(D) FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position.

The fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The fair values are included in level 2 of the fair value hierarchy.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.2 CONCORD (CONT'D)****10.2.14 SIGNIFICANT EVENTS DURING THE RELEVANT FINANCIAL PERIOD**

The significant events during the relevant financial period are as follows:-

- (a) Concord had on 21 November 2014 entered into a Shareholders' Agreement (as amended via a supplemental letter dated 15 January 2015) between Creed Investments Pte Ltd ("Creed"), Sunsuria South Sdn. Bhd. ("SSSB"), THK Capital Sdn. Bhd., SMSB and Datuk Ter for the purposes of setting out the terms governing the relationship as shareholders of SMSB; and
- (b) Concord had on 21 November 2014 entered into a Share Purchase and Subscription Agreement between between Creed, Sunsuria Development Sdn. Bhd., SSSB, SMSB and Datuk Ter for the sale and purchase and subscription of shares in SMSB.

As at the end of the reporting period, the transaction is pending completion in accordance with the terms of the Share Purchase and Subscription Agreement.

10.2.15 SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are as follows:-

- (a) On 21 January 2015, Suez Domain Sdn. Bhd., the Company's holding company, had waived the outstanding loan amount of RM1,547,467 due by the Company; and
- (b) On 26 January 2015, Suez Domain Sdn. Bhd. sold 2 ordinary shares of RM1.00 each, representing the entire equity interest in Concord to Datuk Ter and Ter Hong Khim @ Tai Foong Chin for a cash consideration of RM53,121,296.30.

In consequent thereof, Suez Domain Sdn. Bhd. ceased to be the Company's holding company.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB****10.3.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Section	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Revenue	10.3.5	-	-	3,853
Cost of sales		-	-	(1,838)
GP		-	-	2,015
Other income		*	65	125
		-	65	2,140
Selling and marketing expenses		-	(113)	(6,321)
Administrative expenses		(3)	(229)	(1,224)
Other expenses		-	(12)	(1,713)
Finance costs		-	-	(295)
LBT	10.3.6	(3)	(289)	(7,413)
Income tax expense	10.3.7	*	*	(24)
LAT		(3)	(289)	(7,437)
Other comprehensive income		-	-	-
Total comprehensive expenses for the financial year		(3)	(289)	(7,437)
Loss after taxation attributable to:- Owners of the Company		(3)	(289)	(7,437)
Total comprehensive expenses attributable to:- Owners of the Company		(3)	(289)	(7,437)

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.3 SMSB (CONT'D)

10.3.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	FPE 2012	FYE 2013	FYE 2014
<i>GP margin (%)</i>	<i>N/A</i>	<i>N/A</i>	<i>52.30</i>
<i>LBT margin (%)</i>	<i>N/A</i>	<i>N/A</i>	<i>(192.40)</i>
<i>LAT margin (%)</i>	<i>N/A</i>	<i>N/A</i>	<i>(193.02)</i>
<i>Effective tax rate</i>	<i>#</i>	<i>#</i>	<i>#</i>
<i>Weighted average number of ordinary shares</i>	<i>100</i>	<i>71,304</i>	<i>534,247</i>
<i>Gross LPS (RM)</i>	<i>(30)</i>	<i>(4.05)</i>	<i>(13.88)</i>
<i>Net LPS (RM)</i>	<i>(30)</i>	<i>(4.05)</i>	<i>(13.92)</i>

Notes:-

* - Less than RM500

- Less than 0.5%

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.2 STATEMENTS OF FINANCIAL POSITION**

	Section	FPE 2012 RM'000	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
ASSETS				
NON-CURRENT ASSET				
Equipment	10.3.8	-	1,843	1,938
CURRENT ASSETS				
Trade receivables	10.3.9	-	-	6,829
Other receivables, deposits and prepayments	10.3.10	-	41,610	43,471
Amount owing by immediate holding company	10.3.11	910	-	-
Property development costs	10.3.12	-	-	136,685
Tax recoverable		-	13	15
Deposits with a licensed bank	10.3.13	-	2,349	11,012
Cash and bank balances		8	306	2,589
		918	44,278	200,601
TOTAL ASSETS		918	46,121	202,539

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.3 SMSB (CONT'D)

10.3.2 STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Section	FPE 2012 RM'000	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
EQUITY AND LIABILITIES				
EQUITY				
Share capital	10.3.14	@	250	1,250
Accumulated losses		(9)	(298)	(7,735)
TOTAL EQUITY		(9)	(48)	(6,485)
NON-CURRENT LIABILITY				
Term loan	10.3.15	-	-	66,667
CURRENT LIABILITIES				
Trade payables	10.3.16	-	350	741
Other payables, deposits received and accruals	10.3.17	5	5,323	18,338
Amount owing to ultimate holding company	10.3.18	922	6,647	-
Amount owing to intermediate holding company	10.3.19	-	2,904	-
Amount owing to immediate holding company	10.3.11	-	16,000	-
Amount owing to related companies	10.3.20	-	7	22,205
Amount owing to shareholders	10.3.21	-	14,938	52,782
Term loan	10.3.15	-	-	9,070
Progress billings	10.3.12	-	-	39,221
Provision for taxation		*	-	-
		927	46,169	142,357
TOTAL LIABILITIES		927	46,169	209,024
TOTAL EQUITY AND LIABILITIES		918	46,121	202,539
		FYE 2012	FYE 2013	FYE 2014
Weighted average number of ordinary shares		100	71,304	534,247
NL (RM'000)		(9)	(48)	(6,485)
NL per weighted average number of ordinary share (RM)		(90)	(0.67)	(12.14)
Current ratio		0.99	0.96	1.41
Gearing ratio (times)		N/A	N/A	(23.17)

Notes:-

* - Less than RM500

@ - RM100

Crowe Horwath Offices in Malaysia:

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ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.3 STATEMENTS OF CASH FLOWS**

	FPE 2012 RM'000 (Restated)	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
CASH FLOWS FOR OPERATING ACTIVITIES			
LBT	(3)	(289)	(7,413)
Adjustments for:-			
Depreciation of equipment	-	12	226
Unrealised loss on foreign exchange	-	-	1,487
Interest expense on advances to related companies	-	-	121
Interest expense on advances to shareholders	-	-	173
Interest income	*	(65)	(100)
Operating loss before working capital changes	(3)	(342)	(5,506)
Increase in property development costs	-	-	(136,685)
Increase in trade and other receivables	-	(41,610)	(8,690)
Increase in trade and other payables	2	5,668	13,406
Increase in progress billings	-	-	39,221
CASH FOR OPERATIONS	(1)	(36,284)	(98,254)
Interest paid	*	-	-
Income tax paid	*	(13)	(43)
Income tax refunded	-	-	17
NET CASH FOR OPERATING ACTIVITIES	(1)	(36,297)	(98,280)
CASH FLOWS FOR INVESTING ACTIVITIES			
(Advances to)/Repayment from immediate holding company	(910)	910	-
Interest income received	*	65	100
Purchase of equipment	-	(1,855)	(321)
NET CASH FOR INVESTING ACTIVITIES	(910)	(880)	(221)

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.3 STATEMENTS OF CASH FLOWS (CONT'D)**

	Section	FPE 2012 RM'000 (Restated)	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances from/(Repayment to) ultimate holding company		922	5,725	(6,647)
Advances from/(Repayment to) intermediate holding company		-	2,904	(2,904)
Advances from/(Repayment to) immediate holding company		-	16,000	(16,000)
Advances from related companies		-	7	22,077
Advances from shareholders		-	14,938	36,184
Drawdown of term loan		-	-	80,000
Repayment of term loan		-	-	(4,263)
Repayment to a director		(3)	-	-
Proceeds from issuance of shares		-	250	1,000
NET CASH FROM FINANCING ACTIVITIES		919	39,824	109,447
NET INCREASE IN CASH AND CASH EQUIVALENTS				
		8	2,647	10,946
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR				
		-	8	2,655
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	10.3.23	8	2,655	13,601

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.4 STATEMENTS OF CHANGES IN EQUITY**

	Share Capital RM'000	Accumulated Losses RM'000	Total RM'000
Balance at 1.11.2011	@	(6)	(6)
LAT/Total comprehensive expenses for the financial year	-	(3)	(3)
Balance at 31.12.2012/1.1.2013	@	(9)	(9)
LAT/Total comprehensive expenses for the financial year	-	(289)	(289)
Contribution by owners of the Company - Issuance of shares	250	-	250
Balance at 31.12.2013/1.1.2014	250	(298)	(48)
LAT/Total comprehensive expenses for the financial year	-	(7,437)	(7,437)
Contribution by owners of the Company - Issuance of shares	1,000	-	1,000
Balance at 31.12.2014	1,250	(7,735)	(6,485)

Note:-

@ - RM100

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.5 REVENUE**

Revenue comprises the proportionate sales revenue of development properties and attributable to the percentage of development work performed and the value of completed properties sold during the financial year.

10.3.6 LBT

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
LBT is arrived at after charging/(crediting):-			
Audit fee:			
- for the financial year	1	1	4
- underprovision in the previous financial year	-	-	3
Depreciation of equipment	-	12	226
Interest expense:			
- loan from shareholders	-	-	173
- loan from related companies	-	-	121
Rental of office equipment	-	*	8
Rental of premises	-	57	171
Staff cost:			
- defined contribution plan	-	11	65
- salaries and other benefits	-	115	571
Unrealised loss on foreign exchange	-	-	1,487
Interest income	*	(65)	(100)

Note:-

** - Less than RM500

10.3.7 INCOME TAX EXPENSE

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Current tax:			
- for the current financial year	*	-	24
- overprovision in the previous financial period	-	*	-
	*	*	24

Note:-

* - Less than RM500

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.7 INCOME TAX EXPENSE (CONT'D)**

A reconciliation of income tax expense applicable to the LBT at the statutory tax rate to income tax expense at the effective tax rate of the Company is as follows:-

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
LBT	(3)	(289)	(7,413)
Tax at the statutory tax rate of 20% (2013 and 2014 - 25%)	(1)	(72)	(1,853)
Tax effects of:-			
Non-deductible expenses	1	10	285
Deferred tax assets not recognised during the financial year	-	62	1,592
Effects of differential in tax rate	*	-	-
Overprovision of current tax in the previous financial period	-	*	-
Income tax expense for the financial period/year	*	-	24

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

The deferred tax asset/(liability) recognised in the statement of financial position at the end of the reporting period are as follows:-

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Deferred tax asset:-			
Unabsorbed capital allowances	-	88	107
Deferred tax liability:-			
Accelerated capital allowances over depreciation	-	(88)	(107)
	-	-	-

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.7 INCOME TAX EXPENSE (CONT'D)**

No deferred tax asset is recognised in the statement of financial position on the following items:-

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Unabsorbed capital allowances	-	6	63
Unutilised tax losses	-	240	6,552
	-	246	6,615

10.3.8 EQUIPMENT

	Office equipment, furniture and fittings RM'000	Renovation RM'000 (Restated)	Capital work-in progress RM'000 (Restated)	Total RM'000 (Restated)
Net book value				
At 1.11.2011	-	-	-	-
Addition/Disposal	-	-	-	-
At 31.12.2012/1.1.2013	-	-	-	-
Additions	178	1,316	361	1,855
Depreciation charge	(7)	(5)	-	(12)
At 31.12.2013/1.1.2014	171	1,311	361	1,843
Additions	155	7	305	467
Adjustment	-	(146)	-	(146)
Depreciation charge	(58)	(168)	-	(226)
At 31.12.2014	268	1,004	666	1,938
At 31.12.2012				
At cost	-	-	-	-
Accumulated depreciation	-	-	-	-
Net book value	-	-	-	-

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.8 EQUIPMENT (CONT'D)**

	Office equipment, furniture and fittings RM'000	Renovation RM'000 (Restated)	Capital work-in progress RM'000 (Restated)	Total RM'000 (Restated)
At 31.12.2013				
At cost	178	1,316	361	1,855
Accumulated depreciation	(7)	(5)	-	(12)
Net book value	171	1,311	361	1,843
At 31.12.2014				
At cost	333	1,177	666	2,176
Accumulated depreciation	(65)	(173)	-	(238)
Net book value	268	1,004	666	1,938

10.3.9 TRADE RECEIVABLES

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000 (Restated)
Trade receivables	-	-	5,890
Accrued billings	-	-	939
	-	-	6,829

The Company's normal trade credit term is 14 days. Other credit terms are assessed and approved on a case-by-case basis.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.10 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	FPE 2012 RM'000	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000
Other receivables	-	-	1,541
Deposits	-	35	255
Deposits paid for the purchase of leasehold land	-	39,626	41,658
Deferred expenditure	-	1,949	-
Prepayments	-	-	17
	-	41,610	43,471

Deposits paid for the purchase of leasehold land refers to deposits paid for the purchase of 16 parcels of leasehold land as disclosed in Section 10.3.28.

10.3.11 AMOUNTS OWING BY/TO IMMEDIATE HOLDING COMPANY

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

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.12 PROPERTY DEVELOPMENT COSTS**

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
At 1 November/1 January			
- leasehold land	-	-	-
- development costs	-	-	-
	-	-	-
Cost incurred during the financial year:			
- leasehold land	-	-	128,940
- development costs	-	-	9,583
	-	-	138,523
At 31 December			
- freehold land	-	-	128,940
- development costs	-	-	9,583
	-	-	138,523
Costs recognised in profit or loss			
Cumulative costs recognised at 1 November/ 1 January	-	-	-
Costs recognised during the financial year	-	-	(1,838)
Cumulative costs recognised at 31 December	-	-	(1,838)
Property development costs at 31 December	-	-	136,685
Cumulative revenue recognised in profit or loss	-	-	3,853
Less: cumulative billings to purchasers	-	-	(43,074)
Progress billings raised but revenue not recognised	-	-	(39,221)
Net balance at 31 December	-	-	97,464

Interest expense capitalised in property development costs are as follows:-

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Interest expense capitalised	-	-	3,243

The land and its property development costs with a carrying value of RM136,685,000 is pledged to a licensed bank as security for banking facilities granted to the Company as disclosed in Section 10.3.15.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.13 DEPOSITS WITH A LICENSED BANK**

The deposits with a licensed bank at the end of the reporting period bore weighted average interest rate as follows:-

	FPE 2012	FYE 2013	FYE 2014
Weighted average interest rate per annum (%)	-	2.8	3.00 - 3.25

The deposits have maturity period as follows:-

	FPE 2012	FYE 2013	FYE 2014
Maturity period (days)	-	8	3 - 8

10.3.14 SHARE CAPITAL

	FPE 2012	FYE 2013	FYE 2014	FPE 2012	FYE 2013	FYE 2014
	Number of Shares'000			RM'000		
Ordinary shares of RM1 each:-						
Authorised						
At 1 November/1 January	100	100	400	100	100	400
Creation during the financial year	-	300	4,600	-	300	4,600
At 31 December	100	400	5,000	100	400	5,000
Issued and Fully Paid-Up						
At 1 November/1 January	@	@	250	@	@	250
Issuance of new shares	-	250	1,000	-	250	1,000
At 31 December	@	250	1,250	@	250	1,250

Note:-

@ - RM100

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.15 TERM LOAN (CONT'D)**

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
<u>Current</u>			
Not later than one year	-	-	9,070
<u>Non-Current</u>			
Later than one year and not later than two years	-	-	26,667
Later than two years and not later than five years	-	-	40,000
	-	-	66,667
	-	-	75,737

Details of the term loan outstanding at the end of the reporting period are as follows:-

	Number of monthly instalments	Monthly instalment RM'000	Date of Commencement of Repayment	Amount outstanding		
				FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Term loan	48	2,222	July 2015	-	-	75,737

The term loan is secured by:-

- (i) a facility agreement;
- (ii) a first party legal charge over the lease of Parcel 1 consist of 6 plots leasehold land held under property development as disclosed in Section 10.3.12;
- (iii) a corporate guarantee of a company in which certain directors have substantial financial interests; and
- (iv) a joint and several guarantee of certain directors of the Company.

10.3.16 TRADE PAYABLES

	FPE 2012 RM'000	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
Trade payables	-	350	535
Retention sum	-	-	206
	-	350	741

The normal trade credit terms granted to the Company range from 30 to 60 days.

The retention sum is unsecured, interest-free and is expected to be collected in year ranges from 2015 to 2016.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10.3 SMSB (CONT'D)****10.3.17 OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS**

	FPE 2012 RM'000	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
Other payables	4	5,221	94
Deposits received	-	-	500
Accruals	1	2	4,583
Booking fee received from purchasers	-	-	13,161
Retention sum	-	100	-
	5	5,323	18,338

The retention sum is unsecured, interest-free and is expected to be collected over the years from 2015 to 2016.

10.3.18 AMOUNT OWING TO ULTIMATE HOLDING COMPANY

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

10.3.19 AMOUNT OWING TO INTERMEDIATE HOLDING COMPANY

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

10.3.20 AMOUNT OWING TO RELATED COMPANIES

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
<u>Non-trade balance</u>			
Interest bearing:			
- Principal component	-	-	21,909
- Interest component	-	-	121
	-	-	22,030
Non-interest bearing	-	7	175
	-	7	22,205

The non-trade, non-interest bearing amount is unsecured and repayable on demand. The amount owing is to be settled in cash.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.20 AMOUNT OWING TO RELATED COMPANIES (CONT'D)**

The interest-bearing amounts at the end of the reporting period bore interest rate as follows:-

	FPE 2012	FYE 2013	FYE 2014
Interest rate per annum (%)	-	-	5.93

In the FPE 2012, the relationship of the Company with Sunsuria Holdings Sdn. Bhd. and Sunsuria Development Sdn. Bhd. are that of ultimate and immediate holding company, whilst in the FYE 2013, the relationships are of that ultimate and intermediate holding company.

10.3.21 AMOUNT OWING TO SHAREHOLDERS

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
<u>Non-trade balance</u>			
Interest bearing:			
- Principal component	-	-	52,609
- Interest component	-	-	173
	-	-	52,782
Non-interest bearing	-	14,938	-
	-	14,938	52,782

The non-trade, non-interest bearing amount is unsecured and repayable on demand. The amount owing is to be settled in cash.

The interest-bearing amounts at the end of the reporting period bore interest rate as follows:-

	FPE 2012	FYE 2013	FYE 2014
Interest rate per annum (%)	-	-	2.56 - 5.93

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.22 CAPITAL COMMITMENT**

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
<u>Approved and contracted for</u>			
Purchase of leasehold land, net of deposit paid	-	358,111	237,532
Purchase of equipment	-	369	63
	-	358,480	237,595

10.3.23 CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Deposits with a licensed bank	-	2,349	11,012
Cash and bank balances	8	306	2,589
	8	2,655	13,601

10.3.24 FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of the foreign currency balances at the end of the reporting period are as follows:-

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
United States Dollar	-	-	3.50

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.25 SIGNIFICANT RELATED PARTY TRANSACTIONS****(a) Identities of related parties**

In addition to the information detailed elsewhere in Section 10, the Company has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Other than those disclosed elsewhere in Section 10, the Company also carried out the following significant transactions with the related parties during the financial year:-

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Ultimate holding company			
Advances from	922	24,725	1,490
Advances to	-	-	38,785
Assignment of the debts from intermediate and immediate holding company	-	-	53,143
Interest expense	-	-	121
Payment on behalf by	-	-	278
Intermediate holding company			
Advances from	-	-	5,013
Deposits received on behalf	-	-	93
Payment on behalf by	-	8,106	169
Payment on behalf for	-	91	3
Collection received on behalf by	-	4,292	-
Assignment of the debts to ultimate holding company	-	-	7,918
Immediate holding company			
Advances from	-	16,000	29,380
Payment on behalf by	-	-	660
Payment on behalf for	910	-	3
Assignment of the debts to ultimate holding company	-	-	45,225

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.25 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)**

- (b) Other than those disclosed elsewhere in the financial statements, the Company also carried out the following significant transactions with the related parties during the financial year (Cont'd):-

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Related companies			
Payment on behalf by	-	7	-
Shareholders			
Advances from	-	15,000	40,628
Interest expenses	-	-	173

10.3.26 FINANCIAL INSTRUMENTS

The Company's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(A) FINANCIAL RISK MANAGEMENT POLICIES

The Company's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk**(i) Foreign Currency Risk****FPE 2012**

The Company does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

FYE 2013

The Company does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.3 SMSB (CONT'D)

10.3.26 FINANCIAL INSTRUMENTS (CONT'D)

(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

FYE 2014

	USD RM'000 (Restated)	RM RM'000 (Restated)	Total RM'000 (Restated)
<u>Financial assets</u>			
Trade receivables	-	6,829	6,829
Other receivables and deposits	-	43,454	43,454
Deposits with a licensed bank	-	11,012	11,012
Cash and bank balances	-	2,589	2,589
	-	63,884	63,884
<u>Financial liabilities</u>			
Trade payables	-	741	741
Other payables, deposits received and accruals	-	18,338	18,338
Amount owing to related companies	-	22,205	22,205
Amount owing to shareholders	37,361	15,421	52,782
Term loan	-	75,737	75,737
	37,361	132,442	169,803
Net financial liabilities	(37,361)	(68,558)	(105,919)
Less: Net financial liabilities denominated in the respective entities' functional currencies	-	68,558	68,558
Currency exposure	(37,361)	-	(37,361)

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.26 FINANCIAL INSTRUMENTS (CONT'D)****(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)***Foreign currency risk sensitivity analysis*

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Effects On Loss After Taxation/Equity			
USD/RM:			
- strengthened by 5%	-	-	(1,401)
- weakened by 5%	-	-	1,401

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Company's policy is to obtain the most favourable interest rates available. Any surplus funds of the Company will be placed with licensed financial institutions to generate interest income.

Information relating to the Company's exposure to the interest rate risk of the financial liabilities is disclosed in Section 10.3.26(A)(c).

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.26 FINANCIAL INSTRUMENTS (CONT'D)****(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(ii) Interest Rate Risk (Cont'd)***Exposure to interest rate risk*

The interest rate profile of the Company's significant interest-bearing financial instruments based on the carrying amounts as at the end of the reporting period were:-

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Fixed rate instruments			
Amount owing to related companies	-	-	22,030
Amount owing to shareholders	-	-	52,782
	-	-	<u>74,812</u>
Floating rate instruments			
Term loan	-	-	<u>75,737</u>

The interest rate risk sensitivity analysis on the fixed rate instrument is not disclosed as this financial instrument is measured at amortised cost.

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Effects on profit after taxation/ equity			
Increase of 100 basis points (bp)	-	-	(568)
Decrease of 100 bp	-	-	<u>568</u>

(iii) Equity Price Risk

The Company does not have any quoted investments and hence is not exposed to equity price risk.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.26 FINANCIAL INSTRUMENTS (CONT'D)****(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk**

The Company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Company manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

(i) Credit risk concentration profile

The Company does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Exposure to credit risk

As the Company does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting period.

The Company does not have exposure to international risk as the entire receivables are concentrated in Malaysia.

(iii) Ageing analysis

The ageing analysis of the Company's trade receivables at the end of the reporting period is as follows:-

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Value RM'000
FYE 2014				
Not past due	604	-	-	604
Past due:				
- 1 to 30 days	1,041	-	-	1,041
- 31 to 60 days	4,245	-	-	4,245
	5,890	-	-	5,890

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.3 SMSB (CONT'D)

10.3.26 FINANCIAL INSTRUMENTS (CONT'D)

(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Ageing analysis (Cont'd)

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The trade receivables that are past due but not impaired at the reporting date relates to property buyers who were in the process of securing loan financing. Although these receivables have exceeded the credit term granted to them, no impairment has been made on these amounts as the Company is closely monitoring the status of loan application by these buyers.

Trade receivables that are neither past due nor impaired

The Company use ageing analysis to monitor the credit quality of trade receivables. Any receivables having significant balances past due more than 91 days, which are deemed to have higher credit risk, are monitored individually.

(c) Liquidity Risk

The Company maintains sufficient cash balances to support its daily operations. The ultimate holding company and related company has undertaken to provide continued financial support to meet the Company's obligations as and when they fall due.

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.3 SMSB (CONT'D)

10.3.26 FINANCIAL INSTRUMENTS (CONT'D)

(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
		← (Restated) →				
FPE 2012						
Other payables and accruals	-	5	5	5	-	-
Amount owing to ultimate holding company	-	922	922	922	-	-
		927	927	927	-	-
FYE 2013						
Trade payables	-	350	350	350	-	-
Other payables, deposits received and accruals	-	5,323	5,323	5,323	-	-
Amount owing to ultimate holding company	-	6,647	6,647	6,647	-	-
Amount owing to intermediate holding company	-	2,904	2,904	2,904	-	-
Amount owing to immediate holding company	-	16,000	16,000	16,000	-	-
Amount owing to related company	-	7	7	7	-	-
Amount owing to shareholders	-	14,938	14,938	14,938	-	-
		46,169	46,169	46,169	-	-

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.3 SMSB (CONT'D)

10.3.26 FINANCIAL INSTRUMENTS (CONT'D)

(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
		<div>← (Restated) →</div>				
FYE 2014						
Trade payables	-	741	741	741	-	-
Other payables, deposits received and accruals	-	18,338	18,338	18,338	-	-
Amount owing to related companies	-	22,205	22,205	22,205	-	-
Amount owing to shareholders	2.56 - 5.93	52,782	52,782	52,782	-	-
Term loan	6.35	75,737	85,922	13,787	72,135	-
		169,803	179,988	107,853	72,135	-

(B) CAPITAL RISK MANAGEMENT

The Company manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholder's value. To achieve this objective, the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Company manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total net borrowings from financial institutions divided by total equity.

There was no change in the Company's approach to capital management during the financial year.

The debt-to-equity ratio of the Company as at the end of the reporting period is not presented. The Company has significant borrowings but a relatively small equity base. The debt-to-ratio may not provide a meaningful indicator of the risk of borrowings.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.3 SMSB (CONT'D)

10.3.26 FINANCIAL INSTRUMENTS (CONT'D)

(C) CLASSIFICATION OF FINANCIAL INSTRUMENTS

	FPE 2012 RM'000	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
Financial Assets			
<u>Loans and receivables financial assets</u>			
Trade receivables	-	-	6,829
Other receivables and deposits	-	39,661	43,454
Amount owing by immediate holding company	910	-	-
Deposits with a licensed bank	-	2,349	11,012
Cash and bank balances	8	306	2,589
	918	42,316	63,884
Financial Liabilities			
<u>Other financial liabilities</u>			
Trade payables	-	350	741
Other payables, deposits received and accruals	5	5,323	18,338
Amount owing to ultimate holding company	922	6,647	-
Amount owing to intermediate holding company	-	2,904	-
Amount owing to immediate holding company	-	16,000	-
Amount owing to related companies	-	7	22,205
Amount owing to shareholders	-	14,938	52,782
Term loan	-	-	75,737
	927	46,169	169,803

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.26 FINANCIAL INSTRUMENTS (CONT'D)****(D) FAIR VALUE INFORMATION**

At the end of the reporting period, there were no financial instruments carried at fair values in the statement of financial position.

The fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The fair values are included in level 2 of the fair value hierarchy.

The carrying amounts of the term loan approximated their fair values as these instruments bear interest at variable rates. In regard to the instruments carried at fair value, there was no transfer between the fair value hierarchies during the financial year.

10.3.27 SIGNIFICANT EVENTS DURING THE RELEVANT FINANCIAL PERIOD

The details of the significant events during the relevant financial period are as follows:-

- (a) On 30 June 2013, the Company entered into a Lease Purchase Agreement ("LPA") with Metrogold Assets Sdn. Bhd. ("MASB") for the purchase of 16 parcels of leasehold 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 (Plot C16), PTD 200280 (Plot C17), PTD 200281 (Plot C18), PTD 200282 (Plot C19), PTD 200283 (Plot C20), PTD 199648 (Plot C21), PTD 199649 (Plot C22), PTD 199650 (Plot C23) and PTD 199651 (Plot C24) in the Mukim of Pulai, District of Johor Bahru, Johor measuring approximately 82.69 acres for a total purchase consideration of RM396,264,895;
- (b) On 11 March 2014, the Company entered into a Supplemental Agreement with MASB to vary the terms and conditions in relation to the Lease Top Up under the Lease Purchase Agreement and to reconfigure the Plots between Parcel 1 and Parcel 2 and to consequentially vary the details, payment structure and payment terms as set out in the Lease Purchase Agreement;
- (c) On 27 June 2014, the Company entered into a Second Supplemental Agreement with MASB to vary the timing of part of the payment of the Lease Consideration;
- (d) On 18 August 2014, the Company entered into an extension of lease agreement with Iskandar Investment Berhad (registered proprietor of a freehold land in block title in Zone C, Medini, Iskandar Malaysia) to extend the lease over one plot, held under PTD 199647 (Plot C15) in Mukim of Pulai, District of Johor Bahru, Johor measuring approximately 34,657 square metres in aggregate with a permitted gross floor area of 783,034.56 square feet in aggregate for a fixed period of 30 years commencing from 28 May 2113 expiring on 27 May 2143 for a premium of RM2,769,957.78;

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.3 SMSB (CONT'D)****10.3.27 SIGNIFICANT EVENTS DURING THE RELEVANT FINANCIAL PERIOD (CONT'D)**

- (d) SMSB had on 21 November 2014 entered into a Shareholders' Agreement (as amended via a supplemental letter dated 15 January 2015) between Creed, SSSB, THK Capital Sdn. Bhd., Concord and Datuk Ter for the purposes of setting out the terms governing the relationship as shareholders of SMSB;
- (e) SMSB had on 21 November 2014 entered into a Share Purchase and Subscription Agreement between between Creed, Sunsuria Development Sdn. Bhd., SSSB, Concord and Datuk Ter for the sale and purchase and subscription of shares in SMSB.

As at the end of the reporting period, the transaction is pending completion in accordance with the terms of the Share Purchase and Subscription Agreement;

- (f) On 4 December 2014, the Company entered into an extension of lease agreement with Iskandar Investment Berhad (registered proprietor of a freehold land in block title in Zone C, Medini, Iskandar Malaysia) to extend the lease over one plot, held under PTD 199650 (Plot C23) in Mukim of Pulai, District of Johor Bahru, Johor measuring approximately 24,444 square metres in aggregate with a permitted gross floor area of 261,360 square feet in aggregate for a fixed period of 30 years commencing from 28 May 2113 expiring on 27 May 2143 for a premium of RM1,437,480; and
- (g) On 4 December 2014, the Company entered into an extension of lease agreement with Iskandar Investment Berhad (registered proprietor of a freehold land in block title in Zone C, Medini, Iskandar Malaysia) to extend the lease over one plot, held under PTD 199651 (Plot C24) in Mukim of Pulai, District of Johor Bahru, Johor measuring approximately 28,938 square metres in aggregate with a permitted gross floor area of 456,093.66 square feet in aggregate for a fixed period of 30 years commencing from 28 May 2113 expiring on 27 May 2143 for a premium of RM2,508,515.13.

10.3.28 COMPARATIVE FIGURES

In the FPE 2012, the Company changed its financial year end from 31 October to 31 December so as to coincide with the financial year end of its holding company. Accordingly, the financial statements of the Company FPE 2012 covered a 13-month period from 1 November 2011 to 31 December 2012.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.4 RNSB

10.4.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Section	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
Revenue	10.4.5	-	-	3,636	35,257
Cost of sales		-	-	(2,905)	(28,851)
GP		-	-	731	6,406
Other income		-	-	-	6,685
		-	-	731	13,091
Selling and marketing expense		-	(148)	(659)	(3,977)
Administrative expense		(4)	(8)	(2,632)	(7,237)
(LBT)/PBT	10.4.6	(4)	(156)	(2,560)	1,877
Income tax expense	10.4.7	-	-	-	-
(LAT)/PAT		(4)	(155)	(2,560)	1,877
Other comprehensive income		-	-	-	-
Total comprehensive (expenses)/ income for the financial year		(4)	(156)	(2,560)	1,877
(LAT)/PAT attributable to:- Owners of the Company		(4)	(156)	(2,560)	1,877
Total comprehensive (expenses)/ income attributable to:- Owners of the Company		(4)	(156)	(2,560)	1,877
		FYE 2012	FPE 2012	FYE 2013	FYE 2014
GP margin (%)		N/A	N/A	20.10	18.17
(LBT)/PBT margin (%)		N/A	N/A	(70.41)	5.32
(LAT)/PAT margin (%)		N/A	N/A	(70.41)	5.32
Effective tax rate		N/A	N/A	-	-
Weighted average number of ordinary shares		2	2	146,576	250,000
Gross (LPS)/EPS (RM)		(2,000)	(78,000)	(17.47)	7.51
Net (LPS)/EPS (RM)		(2,000)	(78,000)	(17.47)	7.51

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.4 RNSB (CONT'D)

10.4.2 STATEMENTS OF FINANCIAL POSITION

	Section	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
ASSET					
CURRENT ASSETS					
Trade receivables	10.4.8	-	-	-	14,079
Other receivables, deposits and prepayments	10.4.9	27,413	*	105	105
Property development costs	10.4.10	-	91,628	90,184	63,321
Amount owing by a related company	10.4.11	-	-	7	-
Fixed deposits with a licensed bank	10.4.12	-	-	-	26
Cash and bank balances		20	372	3,360	1,382
TOTAL ASSET		27,433	92,000	93,656	78,913
EQUITY AND LIABILITY					
EQUITY					
Share capital	10.4.13	^	^	250	250
Accumulated losses		(10)	(166)	(2,726)	(849)
TOTAL EQUITY		(10)	(166)	(2,476)	(599)
CURRENT LIABILITIES					
Trade payables	10.4.14	-	-	93	87
Other payables, deposits received and accruals	10.4.15	27,443	88,843	1,008	2,177
Amount owing to ultimate holding company	10.4.16	-	-	77,300	48,590
Amount owing to immediate holding company	10.4.17	-	-	2,775	11,315
Progress billings	10.4.10	-	3,323	14,956	17,343
TOTAL LIABILITY		27,443	92,166	96,132	79,512
TOTAL EQUITY AND LIABILITY		27,433	92,000	93,658	78,913
		FYE 2012	FPE 2012	FYE 2013	FYE 2014
Weighted average number of ordinary shares		2	2	146,576	250,000
NL (RM'000)		(10)	(166)	(2,476)	(599)
NL per weighted average number of ordinary share (RM)		(5,000)	(83,000)	(16.89)	(2.40)
Current ratio		1.00	1.00	0.97	0.99
Gearing ratio (times)		N/A	N/A	N/A	N/A

Notes:-

* - Less than RM500

^ - RM2

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.4 RNSB (CONT'D)****10.4.3 STATEMENTS OF CASH FLOWS**

	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
(Loss)/Profit before taxation	(4)	(156)	(2,560)	1,877
Adjustments for:-				
Interest income	-	-	-	(18)
Waiver of loan	-	-	-	(6,666)
Operating loss before working capital changes	(4)	(156)	(2,560)	(4,807)
(Increase)/Decrease in property development costs	-	(91,628)	1,444	26,863
Decrease/(Increase) in trade and other receivables	(27,413)	27,413	(105)	(14,079)
Increase/(Decrease) in trade and other payables	27,436	61,400	(87,742)	1,163
Increase in progress billings	-	3,323	11,633	2,387
NET CASH FROM/(FOR) OPERATING ACTIVITIES	19	352	(77,330)	11,527
CASH FLOWS FOR INVESTING ACTIVITIES				
Interest income received	-	-	-	18
Placement of fixed deposits with a licensed bank	-	-	-	(26)
Advances to/(Repayment from) a related company	-	-	(7)	7
NET CASH FOR INVESTING ACTIVITIES	-	-	(7)	(1)

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.4 RNSB (CONT'D)****10.4.3 STATEMENTS OF CASH FLOWS (CONT'D)**

Section	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES				
Advances from/(Repayment to) ultimate holding company	-	-	77,300	(22,044)
Advances from immediate holding company	-	-	2,775	8,540
Proceeds from issuance of shares	-	-	250	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES	-	-	80,325	(13,504)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	19	352	2,988	(1,978)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	1	20	372	3,360
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	10.4.18 20	372	3,360	1,382

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.4 RNSB (CONT'D)****10.4.4 STATEMENTS OF CHANGES IN EQUITY**

	Share Capital RM'000	Accumulated Losses RM'000 (Restated)	Total RM'000 (Restated)
Balance at 1.4.2011	^	(6)	(6)
LAT/Total comprehensive expenses for the financial year	-	(4)	(4)
Balance at 31.3.2012/1.4.2012	^	(10)	(10)
LAT/Total comprehensive expenses for the financial year	-	(156)	(156)
Balance at 31.12.2012/1.1.2013	^	(166)	(166)
LAT/Total comprehensive expenses for the financial year	-	(2,560)	(2,560)
Contribution by owners of the Company - Issuance of shares	250	-	250
Balance at 31.12.2013/1.1.2014	250	(2,726)	(2,476)
PAT/Total comprehensive income for the financial year	-	1,877	1,877
Balance at 31.12.2014	250	(849)	(599)

Note:-

^ - RM2

10.4.5 REVENUE

Revenue comprises the proportionate sales revenue of development properties and attributable to the percentage of development work performed and the value of completed properties sold during the financial year.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.4 RNSB (CONT'D)****10.4.6 (LBT)/PBT**

	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
(LBT)/PBT is arrived at after charging/ (crediting):-				
Audit fee:				
- for the financial year	1	1	2	4
- underprovision in the previous financial year	-	-	1	2
Interest income	-	-	-	(18)
Waiver of loan	-	-	-	(6,666)

10.4.7 INCOME TAX EXPENSE

A reconciliation of income tax expense applicable to the (LBT)/PBT at the statutory tax rate to income tax expense at the effective tax rate of the Company is as follows:-

	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
(LBT)/PBT	(4)	(156)	(2,560)	1,877
Tax at the statutory tax rate of 25%	(1)	(39)	(640)	469
Tax effects of:-				
Non-deductible expenses	1	-	1	2
Non-taxable income	-	-	-	(1,666)
Deferred tax assets not recognised during the financial period/year	-	39	639	1,195
Income tax expense for the financial period/year	-	-	-	-

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.4 RNSB (CONT'D)****10.4.7 INCOME TAX EXPENSE (CONT'D)**

No deferred tax asset is recognised in the statement of financial position on the following item:-

	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
Unutilised tax losses	-	155	2,711	7,493

10.4.8 TRADE RECEIVABLES

The Company's credit period in respect of property development activities is 14 days in accordance with the sale and purchase agreements. Other credit terms are assessed and approved on a case-by-case basis.

10.4.9 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Other receivables	-	*	-	-
Deposits	-	-	105	105
Prepayments	27,413	-	-	-
	27,413	*	105	105

The prepayments refer to payment made in advance to the land owners as disclosed in Section 10.4.22. The transaction for the purchase of land was completed in the FPE 2012.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.4 RNSB (CONT'D)

10.4.10 PROPERTY DEVELOPMENT COSTS

	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
At 1 April/1 January				
- freehold land	-	-	91,278	91,387
- development costs	-	-	350	1,703
	-	-	91,628	93,090
Cost incurred during the financial year:				
- freehold land	-	91,278	109	-
- development costs	-	350	1,352	1,987
	-	91,628	1,461	1,987
At 31 December				
- freehold land	-	91,278	91,387	91,387
- development costs	-	350	1,702	3,690
	-	91,628	93,089	95,077
Costs recognised in profit or loss				
Cumulative costs recognised at 1 April/ 1 January	-	-	-	(2,905)
Costs recognised during the financial year	-	-	(2,905)	(28,851)
Cumulative costs recognised at 31 December	-	-	(2,905)	(31,756)
Property development costs at 31 December	-	91,628	90,184	63,321
Cumulative revenue recognised in profit or loss	-	-	3,636	38,893
Less: cumulative billings to purchasers	-	(3,323)	(18,592)	(56,236)
Progress billings raised but revenue not recognised	-	(3,323)	(14,956)	(17,343)
Net balance at 31 December	-	88,305	75,228	45,978

10.4.11 AMOUNT OWING BY A RELATED COMPANY

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.4 RNSB (CONT'D)****10.4.12 FIXED DEPOSITS WITH A LICENSED BANK**

The fixed deposits with a licensed bank at the end of the reporting period bore weighted average interest rate as follows:-

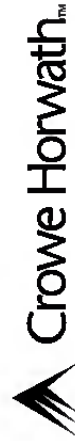
	FYE 2012	FPE 2012	FYE 2013	FYE 2014
Weighted average interest rate per annum (%)	-	-	-	3

The fixed deposits have maturity period as follows:-

	FYE 2012	FPE 2012	FYE 2013	FYE 2014
Maturity period (days)	-	-	-	30

The fixed deposits were held in trust by a third party and have been pledged to a licensed bank as security for banking facilities granted to the Company.

ACCOUNTANT'S REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.4 RNSB (CONT'D)

10.4.13 SHARE CAPITAL

	FYE 2012	FPE 2012	FYE 2013	FYE 2014	FYE 2012	FPE 2012	FYE 2013	FYE 2014	FYE 2012	FPE 2012	FYE 2013	FYE 2014
			Number of Shares'000		RM'000		RM'000		RM'000		RM'000	
Ordinary shares of RM1 each:-												
Authorised												
At 1 April/1 January	100	100	100	400	100	100	100	400	100	100	100	400
Creation during the financial year	-	-	300	-	-	-	300	-	-	-	300	-
At 31 December	100	100	400	400	100	100	400	400	100	100	400	400
Issued and Fully Paid-Up												
At 1 April/1 January	^	^	^	250	^	^	^	250	^	^	^	250
Issuance of new shares	-	-	250	-	-	-	250	-	-	-	250	-
At 31 December	^	^	250	250	^	^	250	250	^	^	250	250

Note:-

^ - RM2

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.4 RNSB (CONT'D)****10.4.14 TRADE PAYABLES**

	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
Trade payables	-	-	93	49
Retention sum	-	-	-	38
	-	-	93	87

The normal trade credit terms granted to the Company range from 30 to 60 days.

The retention sum is unsecured, interest-free and is expected to be collected in year 2016.

10.4.15 OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Other payables	27,442	87,558	-	-
Deposits received	-	1,284	277	287
Accruals	1	1	4	1,181
Advances from purchasers	-	-	727	709
	27,443	88,843	1,008	2,177

10.4.16 AMOUNT OWING TO ULTIMATE HOLDING COMPANY

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

10.4.17 AMOUNT OWING TO IMMEDIATE HOLDING COMPANY

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.4 RNSB (CONT'D)****10.4.18 CASH AND CASH EQUIVALENTS**

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Fixed deposits with a licensed bank	-	-	-	26
Cash and bank balances	20	372	3,360	1,382
	20	372	3,360	1,408
Less: Fixed deposits pledged to a licensed bank	-	-	-	(26)
	20	372	3,360	1,382

10.4.19 SIGNIFICANT RELATED PARTY DISCLOSURES**(a) Identities of related parties**

In addition to the information detailed elsewhere in Section 10, the Company has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Other than those disclosed elsewhere in Section 10, the Company also carried out the following significant transactions with the related parties during the financial year:-

	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Ultimate holding company				
Waiver of loan	-	-	-	6,666
Loan capital	-	-	78,904	-
Payment on behalf by	-	-	-	254
Payment on behalf for	-	-	4	700
Advances to	-	-	1,900	16,925
Advances from	-	-	300	450
Collection on behalf by	-	-	-	100
Immediate holding company				
Management fee paid/payable	-	-	2,549	7,205
Payment on behalf by	-	-	239	1,421
Payment on behalf for	-	-	13	-
Related company				
Payment on behalf by	-	-	7	-

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.4 RNSB (CONT'D)****10.4.20 CONTINGENT LIABILITY**

	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Indemnity in respect of banker's guarantee issued on behalf of the Company	-	-	-	26

10.4.21 FINANCIAL INSTRUMENTS

The Company's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

(A) FINANCIAL RISK MANAGEMENT POLICIES

The Company's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk**(i) Foreign Currency Risk**

The Company does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

(ii) Interest Rate Risk

The Company does not have any interest-bearing borrowings and hence is not exposed to interest rate risk.

(iii) Equity Price Risk

The Company does not have any quoted investments and hence is not exposed to equity price risk.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.4 RNSB (CONT'D)****10.4.21 FINANCIAL INSTRUMENTS (CONT'D)****(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk**

The Company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Company manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

(i) Credit risk concentration profile

The Company major concentration of credit risk related to any individual customer or counterparty at the end of the reporting period are as follows:-

	FYE 2012	FPE 2012	FYE 2013	FYE 2014
Number of customer	-	-	-	4
Percentage over total trade receivables (%)	-	-	-	70

(ii) Exposure to credit risk

As the Company does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting period.

The Company does not have exposure to international risk as the entire receivables are concentrated in Malaysia.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.4 RNSB (CONT'D)****10.4.21 FINANCIAL INSTRUMENTS (CONT'D)****(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Ageing analysis**

The ageing analysis of the Company's trade receivables at the end of the reporting period is as follows:-

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Value RM'000
FYE 2014				
Not past due	4,962	-	-	4,962
Past due:				
- 1 to 30 days	2,396	-	-	2,396
- 31 to 60 days	4,447	-	-	4,447
- 61 to 90 days	-	-	-	-
- over 91 days	2,274	-	-	2,274
	14,079	-	-	14,079

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The trade receivables that are past due but not impaired at the reporting date relates to property buyers who were in the process of securing loan financing. Although these receivables have exceeded the credit term granted to them, no impairment has been made on these amounts as the Company is closely monitoring the status of loan application by these buyers.

Trade receivables that are neither past due nor impaired

The Company use ageing analysis to monitor the credit quality of trade receivables. Any receivables having significant balances past due more than 91 days, which are deemed to have higher credit risk, are monitored individually.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.4 RNSB (CONT'D)****10.4.21 FINANCIAL INSTRUMENTS (CONT'D)****(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(c) Liquidity Risk**

The Company maintains sufficient cash balances to support its daily operations. The immediate holding company have undertaken to provide continued financial support to meet the Company's obligations as and when they fall due.

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000	Over 5 Years RM'000
		← (Restated) →				
FYE 2012						
Other payables, deposits received and accruals	-	27,443	27,443	27,443	-	-
FPE 2012						
Other payables, deposits received and accruals	-	88,843	88,843	88,843	-	-
FYE 2013						
Trade payables	-	93	93	93	-	-
Other payables, deposits received and accruals	-	1,008	1,008	1,008	-	-
Amount owing to ultimate holding company	-	77,300	77,300	77,300	-	-
Amount owing to immediate holding company	-	2,775	2,775	2,775	-	-
		81,176	81,176	81,176	-	-

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.4 RNSB (CONT'D)

10.4.21 FINANCIAL INSTRUMENTS (CONT'D)

(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000	Over 5 Years RM'000
		← (Restated) →				
FYE 2014						
Trade payables	-	87	87	87	-	-
Other payables, deposits received and accruals	-	2,177	2,177	2,177	-	-
Amount owing to ultimate holding company	-	48,590	48,590	48,590	-	-
Amount owing to immediate holding company	-	11,315	11,315	11,315	-	-
		62,169	62,169	62,169	-	-

(B) CAPITAL RISK MANAGEMENT

The Company manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholder's value. To achieve this objective, the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Company manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total net borrowings from financial institutions divided by total equity.

There was no change in the Company's approach to capital management during the financial year.

The debt-to-equity ratio of the Company as at the end of the reporting period is not presented as it has no interest-bearing borrowings.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.4 RNSB (CONT'D)****10.4.21 FINANCIAL INSTRUMENTS (CONT'D)****(C) CLASSIFICATION OF FINANCIAL INSTRUMENTS**

	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000 (Restated)	FYE 2014 RM'000 (Restated)
Financial Assets				
<u>Loans and receivables financial assets</u>				
Trade receivables		-	-	14,079
Other receivables and deposits	27,413	-	105	105
Amount owing by a related company	-	-	7	-
Fixed deposits with a licensed bank	-	-	-	26
Cash and bank balances	20	372	3,360	1,382
	27,433	372	3,472	15,592
Financial Liabilities				
<u>Other financial liabilities</u>				
Trade payables	-	-	93	87
Other payables, deposits received and accruals	27,443	88,843	1,008	2,177
Amount owing to ultimate holding company	-	-	77,300	48,590
Amount owing to immediate holding company	-	-	2,775	11,315
	27,443	88,843	81,176	62,169

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.4 RNSB (CONT'D)****10.4.21 FINANCIAL INSTRUMENTS (CONT'D)****(D) FAIR VALUE INFORMATION**

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position.

The fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The fair values are included in level 2 of the fair value hierarchy.

10.4.22 SIGNIFICANT EVENTS DURING THE RELEVANT FINANCIAL PERIOD**FPE 2012**

On 18 July 2012, the Company entered into Sale and Purchase Agreements to purchase freehold vacant lands of H.S.(D) 264045 PT 26005 to H.S.(D) 264073 PT26013 and H.S.(D) 264222 PT 26162 to H.S.(D) 264239 PT 26179, Mukim of Bukit Raja, District of Petaling, State of Petaling for a total consideration of RM32,789,345 and RM57,058,840 respectively.

10.4.23 COMPARATIVE FIGURES

In the FPE 2012, the Company changed its financial year end from 31 March to 31 December to facilitate the efficiency in financial reporting and corporate administration. Accordingly, the financial statements of the Company FPE 2012 covered a 9-month period from 1 April 2012 to 31 December 2012.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.5 SDSDSB

10.5.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Section	FPE 2014 RM'000
Administrative expense		(315)
Loss for the financial period	10.5.5	(315)
Other comprehensive income		-
Total comprehensive expenses for the financial period		(315)
Loss for the financial period attributable to:- Owners of the Company		(315)
Total comprehensive expenses attributable to:- Owners of the Company		(315)
		FPE 2014
Weighted average number of ordinary shares		2
Gross LPS (RM)		(157,500)
Net LPS (RM)		(157,500)

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.5 SDSDB (CONT'D)

10.5.2 STATEMENTS OF FINANCIAL POSITION

	Section	FPE 2014 RM'000
CURRENT ASSETS		
Other receivables, deposits and prepayments	10.5.7	24,439
Cash and bank balances		1
TOTAL ASSETS		24,440
EQUITY AND LIABILITIES		
EQUITY		
Share capital	10.5.8	^
Accumulated losses		(315)
TOTAL EQUITY		(315)
CURRENT LIABILITIES		
Other payables and accruals		5
Amount owing to shareholders	10.5.9	24,750
TOTAL LIABILITIES		24,755
TOTAL EQUITY AND LIABILITIES		24,440
		FPE 2014
Weighted average number of ordinary shares		2
NL (RM'000)		(315)
NL per ordinary share (RM)		(157,500)
Current ratio		0.99
Gearing ratio (times)		N/A

Note:-

^ - RM2

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.5 SDSDSB (CONT'D)

10.5.3 STATEMENTS OF CASH FLOWS

	FPE 2014 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES	
Loss for the financial period	(315)
Changes in working capital:-	
Increase in other receivables	(24,439)
Increase in other payables	5
NET CASH FOR OPERATING ACTIVITIES	(24,749)
CASH FLOWS FROM FINANGIANG ACTIVITIES	
Advances from shareholders	24,750
Proceeds from issuance of shares	[^]
NET CASH FROM INVESTING ACTIVITIES	24,750
NET INCREASE IN CASH AND BANK BALANCES	1
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	-
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	1

Notes:-

[^] - RM2

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.5 SDSDB (CONT'D)****10.5.4 STATEMENTS OF CHANGES IN EQUITY**

	Share Capital RM'000	Accumulated Losses RM'000	Total RM'000
Balance at 6.6.2013 (date of incorporation)	^	-	^
Loss for the financial period/Total comprehensive expenses for the financial period	-	(315)	(315)
Balance at 30.6.2014	^	(315)	(315)

Note:-

^ - RM2

10.5.5 LOSS FOR THE FINANCIAL PERIOD

	FPE 2014 RM'000
Loss for the financial period is arrived after charging:-	
Audit fee	4
Staff costs:	
- salaries, bonus and other benefits	272
- defined contribution plan	33
	<u>309</u>

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.5 SDSDB (CONT'D)****10.5.6 INCOME TAX EXPENSE**

The Company is not subject to tax as it is in a tax loss position.

A reconciliation of income tax expense applicable to the loss for the financial period at the statutory tax rate to income tax expense at the effective tax rate of the Company is as follows:-

	FPE 2014 RM'000
Loss for the financial period	(315)
Tax at the statutory tax rate of 25%	(79)
Tax effects of:-	
Non-deductible expenses	1
Deferred tax asset not recognised during the financial period	78
Income tax expense for the financial period	-

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

No deferred tax asset is recognised in the statement of financial position on the following item:-

	FPE 2014 RM'000
Unutilised tax losses	313

10.5.7 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in other receivables, deposits and prepayments is deposit amounting to RM24,181,400 paid for the purchase of freehold land from Sime Darby Serenia Development Sdn. Bhd., a related party of the Company as disclosed in Section 10.5.13.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.5 SDSDSB (CONT'D)****10.5.8 SHARE CAPITAL**

	FPE 2014 Number of shares '000	FPE 2014 RM'000
Ordinary shares of RM1 each:-		
Authorised		
At 6.6.2013 (date of incorporation)/30.6.2014	400	400
Issued And Fully Paid-Up		
At 6.6.2013 (date of incorporation)/30.6.2014	#	**

Notes:-

- 2 ordinary shares

** - RM2

10.5.9 AMOUNT OWING TO SHAREHOLDERS

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

10.5.10 SIGNIFICANT RELATED PARTY DISCLOSURE**(a) Identities of related parties**

The Company has related party relationships with its shareholders and entities within the same group of companies

(b) Other than those disclosed elsewhere in Section 10, the Company also carried out the following significant transactions with the related parties during the financial period:-

	FPE 2014 RM'000
Shareholders	
Advances from	24,750
Related party	
Deposit paid for the purchase of land #	24,181

- Total deposits paid at 30 June 2014 is amounted to RM24,181,400 as disclosed in Section 10.5.7.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

**10. FINANCIAL INFORMATION (CONT'D)****10.5 SDSDB (CONT'D)****10.5.11 CAPITAL COMMITMENT**

	FPE 2014 RM'000
Approved and contracted for:-	
Purchase of freehold land, net of deposits paid	<u>217,633</u>

10.5.12 FINANCIAL INSTRUMENTS

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk

(A) FINANCIAL RISK MANAGEMENT POLICIES

The Company's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk**(i) Foreign Currency Risk**

The Company does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

(ii) Interest Rate Risk

The Company does not have any interest-bearing financial instruments and hence is not exposed to interest rate risk.

(iii) Equity Price Risk

The Company does not have any quoted investments and hence is not exposed to equity price risk.

(b) Credit Risk

The Company does not have any major concentration of credit risk related to any individual customer or counter party.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.5 SDSDB (CONT'D)****10.5.12 FINANCIAL INSTRUMENTS (CONT'D)****(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(c) Liquidity Risk**

The Company maintains sufficient cash balances to support its daily operations. The shareholders have undertaken to provide continued financial support to meet the Company's obligations as and when they fall due.

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	--1 - 5 Years RM'000	Over 5 Years RM'000
FPE 2014						
Other payables and accruals	-	5	5	5	-	-
Amount owing to shareholders	-	24,750	24,750	24,750	-	-
		<u>24,755</u>	<u>24,755</u>	<u>24,755</u>		

(B) CAPITAL RISK MANAGEMENT

The Company manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



10. FINANCIAL INFORMATION (CONT'D)

10.5 SDSDB (CONT'D)

10.5.12 FINANCIAL INSTRUMENTS (CONT'D)

(C) CLASSIFICATION OF FINANCIAL INSTRUMENTS

	FPE 2014 RM'000
Financial Assets	
<u>Loans and receivables financial assets</u>	
Deposits	24,181
Cash and bank balances	1
	<hr/> 24,182 <hr/>
Financial Liabilities	
<u>Other financial liabilities</u>	
Other payables and accruals	5
Amount owing to shareholders	24,750
	<hr/> 24,755 <hr/>

(D) FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values in the statement of financial position.

The fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amount due to the relatively short-term maturity of the financial instruments. The fair values are included in level 2 of the fair value hierarchy.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**10. FINANCIAL INFORMATION (CONT'D)****10.5 SDSDB (CONT'D)****10.5.13 SIGNIFICANT EVENTS DURING THE RELEVANT FINANCIAL PERIOD**

The significant events during the relevant financial period are as follows:-

- (a) On 6 August 2013, the Company 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. and Sime Darby Industrial Park Sdn. Bhd.) ("SDSD") for the purchase of five parcels of freehold development land, namely Plot 1A, Plot 1B, Plot 2A, Plot 2B and Plot 3 in the Mukim of Dengkil, District of Sepang, Negeri Selangor Darul Ehsan measuring approximately 300 acres for a total purchase consideration of RM235,224,000.

A deposit of RM23,522,400 representing 10% of the purchase consideration has been paid upon execution of the SPA. The purchase transaction is on-going and has not been completed as at the end of the reporting period; and

- (b) On 20 June 2014, the Company entered into a SPA with SDSD for the purchase of a portion of freehold land held under Geran 273723 Lot No. 31484 in the Mukim of Dengkil, District of Sepang, Negeri Selangor Darul Ehsan measuring approximately 6.58 acres for a total purchase consideration of RM6,590,000.

A deposit of RM659,000 representing 10% of the purchase consideration has been paid upon execution of the SPA. The purchase transaction is on-going and has not been completed as at the end of the reporting period.

10.5.14 SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 4 September 2014, the Company 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 upon execution of the SPA. The purchase transaction is on-going and has not been completed as at the end of the reporting period.

10.5.15 COMPARATIVE FIGURES

No comparative figures are available as this is the first set of financial statements prepared by the management since incorporation.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**11. RESTATEMENTS TO THE AUDITED FINANCIAL STATEMENTS****11.1 SGSB****11.1.1 STATEMENTS OF FINANCIAL POSITION**

	As previously reported RM'000	Restatement RM'000	As restated RM'000
<u>FYE 2014</u>			
Share capital	149	-	*
Share premium	14,797	-	-
Redeemable preference shares	-	14,946	14,946

Note:-

* - Less than RM500

The above restatements relate to redeemable preference shares which should be classified as financial liability, but was wrongly accounted for as equity instruments.

11.1.2 STATEMENTS OF CASH FLOWS

	As previously reported RM'000	As restated RM'000
<u>FPE 2013</u>		
Net cash from/(for) operating activities	2	(130)
Net cash for investing activities	(2)	(11,761)
Net cash from financing activities	*	11,891
<u>FYE 2014</u>		
Net cash for operating activities	(14,944)	(438)
Net cash for investing activities	-	(3,185)
Net cash from financing activities	14,946	3,625

Note:-

* - Less than RM500

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**11. RESTATEMENTS TO THE AUDITED FINANCIAL STATEMENTS (CONT'D)****11.2 CONCORD****11.2.1 STATEMENTS OF FINANCIAL POSITION**

	Concord As previously reported RM'000	Restatement RM'000	Concord And Its Associate As restated RM'000
Concord And Its Associate/Concord			
FYE 2014			
Investment in an associate	250	(250)	-
Retained profits	13,364	(250)	13,114

11.2.2 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Concord As previously reported RM'000	Restatement RM'000	Concord And Its Associate As restated RM'000
Concord And Its Associate/Concord			
FYE 2014			
Share of loss in an associate, net of tax	-	(250)	(250)
Profit before taxation	13,387	(250)	13,137
Profit after taxation	13,373	(250)	13,123

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**11. RESTATEMENTS TO THE AUDITED FINANCIAL STATEMENTS (CONT'D)****11.2 CONCORD (CONT'D)****11.2.3 STATEMENTS OF CASH FLOWS**

	Concord As previously reported RM'000	Concord And Its Associate As restated RM'000
Concord And Its Associate/Concord		
<u>FYE 2013</u>		
Net cash from/(for) operating activities	50	4
Net cash for investing activities	(50)	(10,000)
Net cash from financing activities	-	9,996
<u>FYE 2014</u>		
Net cash for operating activities	200	(56)
Net cash for investing activities	(200)	(4,856)
Net cash from financing activities	-	4,912

Note:-

* - Less than RM500

11.3 SMSB**11.3.1 STATEMENTS OF FINANCIAL POSITION**

	As previously reported RM'000	Restatement RM'000	As restated RM'000
<u>FYE 2013</u>			
Property, plant and equipment	462	1,393	1,843
Other receivables	41,506	104	41,610
Trade payable	-	350	350
Other payables	44,672	1,147	45,819

The above restatements relate to:-

- (a) Undertaken of renovation costs; and
- (b) Undertaken of property development costs.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**11. RESTATEMENTS TO THE AUDITED FINANCIAL STATEMENTS (CONT'D)****11.3 SMSB (CONT'D)****11.3.1 STATEMENTS OF FINANCIAL POSITION (CONT'D)**

	As previously reported RM'000	Restatement RM'000	As restated RM'000
<u>FYE 2014</u>			
Trade receivables	5,889	940	6,829
Trade payables	37,377	2,585	39,962
Other payables, deposits received and accruals	91,024	2,301	93,325
Property development costs	132,739	3,946	136,685

The above restatements relate to:-

- (a) Undertaken of progress billings;
- (b) Deposits received not being set off against accrued progress billings; and
- (c) Undertaken of property development costs.

11.3.2 STATEMENTS OF CASH FLOWS

	As previously reported RM'000	As restated RM'000
<u>FPE 2012</u>		
Net cash from/(for) operating activities	8	(1)
Net cash for investing activities	-	(910)
Net cash from financing activities	-	919

<u>FYE 2013</u>		
Net cash from/(for) operating activities	2,858	(36,297)
Net cash for investing activities	(461)	(880)
Net cash from financing activities	250	39,824

<u>FYE 2014</u>		
Net cash for operating activities	(64,077)	(98,280)
Net cash for investing activities	(1,714)	(221)
Net cash from financing activities	76,737	109,447

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**11. RESTATEMENTS TO THE AUDITED FINANCIAL STATEMENTS (CONT'D)****11.4 RNSB****11.4.1 STATEMENTS OF FINANCIAL POSITION**

	As previously reported RM'000	Restatement RM'000	As restated RM'000
<u>FYE 2013</u>			
Property development costs	88,528	1,656	90,184
Trade payables	12,976	2,073	15,049
Accumulated losses	2,309	417	2,726

The above restatements relate to overtaken of property development costs.

	As previously reported RM'000	Restatement RM'000	As restated RM'000
<u>FYE 2014</u>			
Property development costs	62,969	352	63,321
Trade payables	16,479	951	17,430
Accumulated losses	250	599	849

The above restatements relate to:-

- (a) overtaken of budgeted revenue, which resulted in the adjustments in revenue; and
- (b) undertaken of property development costs.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**11. RESTATEMENTS TO THE AUDITED FINANCIAL STATEMENTS (CONT'D)****11.4 RNSB (CONT'D)****11.4.2 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	As previously reported RM'000	Restatement RM'000	As restated RM'000
<u>FYE 2013</u>			
Revenue	5,710	(2,074)	3,636
Property development costs	(4,562)	1,657	(2,905)
Loss before taxation	(2,143)	(417)	(2,560)

The above restatements relate to overtaken of property development costs.

	As previously reported RM'000	Restatement RM'000	As restated RM'000
<u>FYE 2014</u>			
Revenue	34,085	1,172	35,257
Property development costs	(27,497)	(1,354)	(28,851)
Profit before taxation	2,059	(182)	1,877

The above restatements relate to:-

- (c) overtaken of budgeted revenue, which resulted in the adjustments in revenue; and
- (d) undertaken of property development costs.

11.4.3 STATEMENTS OF CASH FLOWS

	As previously reported RM'000	As restated RM'000
<u>FYE 2013</u>		
Net cash from/(for) operating activities	2,738	(77,330)
Net cash for investing activities	-	(7)
Net cash from financing activities	250	80,325
<u>FYE 2014</u>		
Net cash (for)/from operating activities	(1,952)	11,527
Net cash for investing activities	(26)	(1)
Net cash for financing activities	-	(13,504)

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**12. RECLASSIFICATION TO THE AUDITED FINANCIAL STATEMENTS****12.1 SGSB**

	FPE 2013 RM'000	FYE 2014 RM'000
Statements of financial position (Extract):-		
Other receivables and prepayments		
As reported in the audited financial statements	11,889	15,500
Reclassified to amount owing by a jointly controlled entity	(11,761)	(14,946)
As per Accountants' Report ("AR")	128	554
Amount owing by a jointly controlled entity		
As reported in the audited financial statements	-	-
Reclassified from other receivables and prepayments	11,761	14,946
As per AR	11,761	14,946
Other payables and accruals		
As reported in the audited financial statements	11,887	566
Reclassified to amount owing to ultimate holding company	(2)	-
Reclassified to amount owing to immediate holding company	(11,884)	-
Reclassified to amount owing to a related party	-	(565)
As per AR	1	1
Amount owing to ultimate holding company		
As reported in the audited financial statements	-	-
Reclassified from other payables and accruals	2	-
As per AR	2	-
Amount owing to immediate holding company		
As reported in the audited financial statements	-	-
Reclassified from other payables and accruals	11,884	-
As per AR	11,884	-
Amount owing to a related party		
As reported in the audited financial statements	-	-
Reclassified from other payables and accruals	-	565
As per AR	-	565

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**12. RECLASSIFICATION TO THE FINANCIAL INFORMATION (CONT'D)****12.2 SMSB**

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Statements of financial position (Extract):-			
Trade payables			
As reported in the audited financial statements (restated) (Section 11.3.1)	-	350	39,962
Reclassified to progress billings	-	-	(39,221)
As per AR	-	350	741
Other payables and accruals			
As reported in the audited financial statements (restated) (Section 11.3.1)	927	45,819	93,325
Reclassified to amount owing to ultimate holding company	(922)	(6,647)	-
Reclassified to amount owing to intermediate holding company	-	(2,904)	-
Reclassified to amount owing to immediate holding company	-	(16,000)	-
Reclassified to amount owing to related companies	-	(7)	(22,205)
Reclassified to amount owing to shareholders	-	(14,938)	(52,782)
As per AR	5	5,323	18,338
Amount owing to ultimate holding company			
As reported in the audited financial statements	-	-	-
Reclassified from other payables and accruals	922	6,647	-
As per AR	922	6,647	-
Amount owing to intermediate holding company			
As reported in the audited financial statements	-	-	-
Reclassified from other payables and accruals	-	2,904	-
As per AR	-	2,904	-

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**12. RECLASSIFICATION TO THE FINANCIAL INFORMATION (CONT'D)****12.2 SMSB (CONT'D)**

	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Statements of financial position (Extract) (Cont'd):-			
Amount owing to immediate holding company			
As reported in the audited financial statements	-	-	-
Reclassified from other payables and accruals	-	16,000	-
As per AR	-	16,000	-
Amount owing to related companies			
As reported in the audited financial statements	-	-	-
Reclassified from other payables and accruals	-	7	22,205
As per AR	-	7	22,205
Amount owing to shareholders			
As reported in the audited financial statements	-	-	-
Reclassified from other payables and accruals	-	14,938	52,782
As per AR	-	14,938	52,782
Progress billings			
As reported in the audited financial statements	-	-	-
Reclassified from trade payables	-	-	39,221
As per AR	-	-	39,221
Term loan (non-current)			
As reported in the audited financial statements	-	-	68,889
Reclassified to term loan (current)	-	-	(2,222)
As per AR	-	-	66,667
Term loan (current)			
As reported in the audited financial statements	-	-	6,848
Reclassified from term loan (non-current)	-	-	2,222
As per AR	-	-	9,070

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



12. RECLASSIFICATION TO THE FINANCIAL INFORMATION (CONT'D)

12.3 RNSB

	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Statements of financial position (Extract):-				
Trade receivables				
As reported in the audited financial statements	-	-	1,608	14,079
Reclassified to other payables and accruals	-	-	(1,608)	-
As per AR	-	-	-	14,079
Other receivables, deposits and prepayments				
As reported in the audited financial statements	27,413	*	112	105
Reclassified to amount owing by a related company	-	-	(7)	-
As per AR	27,413	*	105	105
Amount owing by a related company				
As reported in the audited financial statements	-	-	-	-
Reclassified from other receivables, deposits and prepayments	-	-	7	-
As per AR	-	-	7	-
Fixed deposits with a licensed bank				
As reported in the audited financial statements	-	-	-	-
Reclassified from cash and bank balances	-	-	-	26
As per AR	-	-	-	26

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**12. RECLASSIFICATION TO THE FINANCIAL INFORMATION (CONT'D)****12.3 RNSB (CONT'D)**

	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Statements of financial position (Extract) (Cont'd):-				
Cash and bank balances				
As reported in the audited financial statements	20	372	3,360	1,408
Reclassified to fixed deposits with a licensed bank	-	-	-	(26)
As per AR	20	372	3,360	1,382
Trade payables				
As reported in the audited financial statements (restated) (Section 11.4.1)	-	3,323	15,049	17,430
Reclassified to progress billings	-	(3,323)	(14,956)	(17,343)
As per AR	-	-	93	87
Other payables and accruals				
As reported in the audited financial statements	27,443	88,843	82,691	62,082
Reclassified to amount owing to ultimate holding company	-	-	(77,300)	(48,590)
Reclassified to amount owing to immediate holding company	-	-	(2,775)	(11,315)
Reclassified from trade receivables	-	-	(1,608)	-
As per AR	27,443	88,843	1,008	2,177
Amount owing to ultimate holding company				
As reported in the audited financial statements	-	-	-	-
Reclassified from other payables and accruals	-	-	77,300	48,590
As per AR	-	-	77,300	48,590

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



12. RECLASSIFICATION TO THE FINANCIAL INFORMATION (CONT'D)

12.3 RNSB (CONT'D)

	FYE 2012 RM'000	FPE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000
Statements of financial position (Extract) (Cont'd):-				
Amount owing to immediate holding company				
As reported in the audited financial statements	-	-	-	-
Reclassified from other payables and accruals	-	-	2,775	11,315
As per AR	-	-	2,775	11,315

Progress billings

As reported in the audited financial statements	-	-	-	-
Reclassified from other payables and accruals	-	3,323	14,956	17,343
As per AR	-	3,323	14,956	17,343

Note:-

* - Less than RM500

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**13. SUBSEQUENT EVENTS**

The significant subsequent events between the date of the last audited financial statements used in the preparation of this report and the date of this report which may affect materially the content of this report are as follows:-

13.1 SGSB

- (a) SGSB had on 9 March 2015 signed a Subscription Agreement with Datuk Ter and Datin Kwan ("existing shareholders of SGSB") and Sunsuria of which SGSB is desirous to allot and issue, and the Sunsuria has agreed to subscribe for 1,000,000 ordinary shares of RM1.00 each and 237,000,000 redeemable preference shares of RM0.01 each (RPS-B) in the Company, for a total cash subscription price of RM238 million.

The Company shall on the payment date redeem and cancel 10,000,000 SGSB RPS-A then in issue which are held by Datuk Ter (SGSB RPS-A Redemption), which represents part of the existing SGSB RPS-A outstanding. Datuk Ter irrevocably undertakes that immediately upon the Company notifying Datuk Ter of the SGSB RPS-A Redemption, Datuk Ter shall on the Payment Date subscribe for, and Sunsuria agree to allot and issue to Datuk Ter or his nominee(s), 102,040,816 Reinvestment Shares at an issue price of RM0.98 per Reinvestment Share, amounting to an aggregate subscription price of RM100 million.

Sunsuria and SGSB have agreed that upon Datuk Ter subscribing for the Reinvestment Shares:-

- (i) The Reinvestment Shares Subscription Price shall be wholly set-off against the redemption sum payable by the Company in respect of the SGSB RPS-A Redemption (amounting to RM100 million); and
- (iv) A corresponding sum of RM100 million shall be deemed to have been paid-up towards the subscription price payable in respect of the RPS-B.
- (b) SGSB had on 20 April 2015 entered into a Supplemental Agreement to vary the terms of the SGSB Subscription Agreement dated 9 March 2015 entered into between Sunsuria, SGSB, Datuk Ter and Datin Kwan May Yuen ("existing shareholders of SGSB") whereby SGSB shall on the SGSB Payment Date undertake a full and final capital redemption of all SGSB RPS-A held by Datuk Ter Leong Yap amounting to RM168,390,000 and thereafter there shall be no further issuance of SGSB RPS-A under the terms of the SGSB Subscription Agreement.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)**13. SUBSEQUENT EVENTS (CONT'D)****13.1 SGSB (CONT'D)**

- (c) SGSB had on 20 April 2015 entered into a Supplemental Agreement to vary the terms of the SGSB Subscription Agreement dated 9 March 2015 entered into between Sunsuria, SGSB, Datuk Ter and Datin Kwan May Yuen ("existing shareholders of SGSB") whereby SGSB shall on the SGSB Payment Date undertake a full and final capital redemption of all SGSB RPS-A held by Datuk Ter Leong Yap amounting to RM168,390,000 and thereafter there shall be no further issuance of SGSB RPS-A under the terms of the SGSB Subscription Agreement.

13.2 RNSB

RNSB had on 9 March 2015 signed a Subscription Agreement with Sunsuria Development Sdn. Bhd. ("existing shareholders of RNSB") and Sunsuria of which RNSB is desirous to allot and issue, and the Sunsuria has agreed to subscribe for 25,000,000 ordinary shares of RM1.00 each and 32,000,000 redeemable preference shares of RM0.01 each in the Company, for a total cash subscription price of RM57 million.

13.3 SDSDSB

- (a) SGSB had on 30 March 2015 allotted and issued 1,893,358 redeemable preference shares of RM0.01 each at a premium of RM0.99 each by contra of a loan owing to Datuk Ter.
- (b) SDSDSB had on 20 April 2015 signed a Share Purchase Agreement with SDP ("existing shareholders of SDSDSB") and Sunsuria for the sale of 1 ordinary share of RM1.00 each, representing 50% equity interest in SDSDSB, for a cash consideration of RM157 million.

SDP and SDSDSB acknowledged and accept that shareholder's advances amounting to RM16,390,700 (as at 31 March 2015) are due and payable by SDSDSB to SDP and/or persons connected with them (which shall for the avoidance of doubt exclude SGSB and its related company or affiliate) and SDP may have provided and may be required to provide further shareholder's advances (free of interest) to SDSDSB for the purposes of the ongoing business or operations of SDSDSB pending the completion of the SDSDSB SPA (collectively, the existing shareholder's advances as at 31 March 2015 and any additional advances granted by SDP pending completion of the Proposed SDSDSB Acquisition are referred to as the "Sime Darby Advances").


Sunsuria shall pay and settle for and on behalf of SDSDSB, all outstanding Sime Darby Advances on or before the expiry of twelve (12) months after the SDSDSB Completion Date. For the avoidance of doubt, no further interest or other charges shall accrue or be payable on the Sime Darby Advances and this clause shall survive the completion of the SDSDSB SPA.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



14. AUDITED FINANCIAL STATEMENTS

As of the date of this report, no audited financial statements have been prepared in respect of any period subsequent to 31 December 2014 for SGSB, Concord, SMSB and RNSB and 30 June 2014 for SDSDSB.


Crowe Horwath
Firm No: AF 1018
Chartered Accountants


Chin Kil Seong
Approval No: 3030/01/17 (J)
Chartered Accountant

11 JUN 2015
Kuala Lumpur

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix I

HONG ASSOCIATES

(Firm No : AF 1489)

Chartered Accountants

Room 1.01 50A & 52A
Jalan Pasar 41400 Klang
Selangor Darul Ehsan

Tel No.: 603 - 3344 8181

Fax No.: 603 - 3344 9191

E-mail : hongassociates@yahoo.com

Company No. 1043624-X

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SUNSURIA GATEWAY SDN. BHD.****Report on the Financial Statements**

We have audited the financial statements of Sunsuria Gateway Sdn. Bhd., which comprise the balance sheet as at 31 December 2013, and the income statement, statement of changes in equity and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 15.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Accounting Standards for Private Entities 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and cash flows for the period then ended in accordance with Accounting Standards for Private Entities and the requirements of the Companies Act 1965 in Malaysia.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix I

HONG ASSOCIATES

(Firm No: AF 1489)

Chartered Accountants

Company No. 1043624-X

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SUNSURIA GATEWAY SDN. BHD.**

(Cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Hong Associates
(Firm No. AF 1489)
Chartered Accountants



Lim Chae Hong
2286/04/15 (J)
Chartered Accountant

9 May 2014
Klang, Selangor Darul Ehsan

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix I

HONG ASSOCIATES

(Firm No : AF 1489)

Chartered Accountants

Room 1.01 50A & 52A
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Fax No.: 603 - 3344 9191
E-mail : hongassociates@yahoo.com

Company No. 1043624-X

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SUNSURIA GATEWAY SDN. BHD.****Report on the Financial Statements**

We have audited the financial statements of Sunsuria Gateway Sdn. Bhd., which comprise the balance sheet as at 31 December 2014, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 18.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Accounting Standards for Private Entities 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with Accounting Standards for Private Entities and the requirements of the Companies Act 1965 in Malaysia.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix I

HONG ASSOCIATES

(Firm No : AF 1489)

Chartered Accountants

Company No. 1043624-X

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SUNSURIA GATEWAY SDN. BHD.**

(Cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Hong Associates
(Firm No. AF 1489)
Chartered Accountants



Lim Chae Hong
2286/04/15 (J)
Chartered Accountant

30 January 2015
Klang, Selangor Darul Ehsan

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix II

HONG ASSOCIATES

(Firm No : AF 1489)

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Selangor Darul EhsanTel No.: 603 - 3344 8181
Fax No.: 603 - 3344 9191
E-mail : hongassociates@yahoo.com

Company No. 786773-T

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CONCORD PROPERTY MANAGEMENT SDN. BHD.****Report on the Financial Statements**

We have audited the financial statements of Concord Property Management Sdn. Bhd., which comprise the balance sheet as at 31 December 2012, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 13.

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 Accounting Standards for Private Entities and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Accounting Standards for Private Entities and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2012 and of its financial performance and cash flows for the year then ended.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix II

HONG ASSOCIATES

(Firm No : AF 1489)

Chartered Accountants

Company No. 786773-T

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CONCORD PROPERTY MANAGEMENT SDN. BHD.**

(Cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Hong Associates
(Firm No. AF 1489)
Chartered Accountants



Lim Chae Hong
2286/04/15 (J)
Chartered Accountant

17 April 2013
Klang, Selangor Darul Ehsan

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix II

HONG ASSOCIATES

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E-mail : hongassociates@yahoo.com

Company No. 786773-T

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CONCORD PROPERTY MANAGEMENT SDN. BHD.****Report on the Financial Statements**

We have audited the financial statements of Concord Property Management Sdn. Bhd., which comprise the balance sheet as at 31 December 2013, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 14.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Accounting Standards for Private Entities 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and cash flows for the year then ended in accordance with Accounting Standards for Private Entities and the requirements of the Companies Act 1965 in Malaysia.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix II

HONG ASSOCIATES

(Firm No : AF 1489)

Chartered Accountants

Company No. 786773-T

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CDNCORD PROPERTY MANAGEMENT SDN. BHD.**

(Cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Hong Associates
(Firm No. AF 1489)
Chartered Accountants



Lim Chae Hong
2286/04/15 (J)
Chartered Accountant

8 May 2014
Klang, Selangor Darul Ehsan

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix II

HONG ASSOCIATES

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E-mail : hongassociates@yahoo.com

Company No. 786773-T

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CONCORD PROPERTY MANAGEMENT SDN. BHD.****Report on the Financial Statements**

We have audited the financial statements of Concord Property Management Sdn. Bhd., which comprise the balance sheet as at 31 December 2014, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 16.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Accounting Standards for Private Entities 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with Accounting Standards for Private Entities and the requirements of the Companies Act, 1965 in Malaysia.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix II

HONG ASSOCIATES

(Firm No : AF 1489)

Chartered Accountants

Company No. 786773-T

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CONCORD PROPERTY MANAGEMENT SDN. BHD.**

(Cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Hong Associates
(Firm No. AF 1489)
Chartered Accountants



Lim Chae Hong
2286/04/15 (J)
Chartered Accountant

30 March 2015
Klang, Selangor Darul Ehsan

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix III

HONG ASSOCIATES

(Firm No : AF 1489)

Chartered Accountants

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Selangor Darul EhsanTel No.: 603 - 3344 8181
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E-mail : hongassociates@yahoo.com

Company No. 8668S9-P

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PLATINUM SOLARIS SDN. BHD.****Report on the Financial Statements**

We have audited the financial statements of Platinum Solaris Sdn. Bhd., which comprise the balance sheet as at 31 December 2012, and the income statement, statement of changes in equity and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 14.

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 Accounting Standards for Private Entities and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Accounting Standards for Private Entities and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2012 and of its financial performance and cash flows for the period then ended.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix III

HONG ASSOCIATES

(Firm No: AF 1489)

Chartered Accountants

Company No. 866859-P

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PLATINUM SOLARIS SDN. BHD.**

(Cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Hong Associates
(Firm No. AF 1489)
Chartered Accountants



Lim Chae Hong
2286/04/15 (J)
Chartered Accountant

18 April 2013
Klang, Selangor Darul Ehsan

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix III

HONG ASSOCIATES

(Firm No : AF 1489)

Chartered Accountants

Room 1.01 50A & 52A
 Jalan Pasar 41400 Klang
 Selangor Darul Ehsan

Tel No.: 603 - 3344 8181
 Fax No.: 603 - 3344 9191
 E-mail : hongassociates@yahoo.com

Company No. 8668S9-P

**INDEPENDENT AUDITORS' REPORT
 TO THE MEMBERS OF SUNSURIA MEDINI SDN. BHD.
 (Formerly Known as Platinum Solaris Sdn. Bhd.)**

Report on the Financial Statements

We have audited the financial statements of Sunsuria Medini Sdn. Bhd., which comprise the balance sheet as at 31 December 2013, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 19.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Accounting Standards for Private Entities 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and cash flows for the year then ended in accordance with Accounting Standards for Private Entities and the requirements of the Companies Act 1965 in Malaysia.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix III

HONG ASSOCIATES

(Firm No : AF 1489)

Chartered Accountants

Company No. 866859-P

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SUNSURIA MEDINI SDN. BHD.
(Formerly Known as Platinum Solaris Sdn. Bhd.)**

(Cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Hong Associates
(Firm No. AF 1489)
Chartered Accountants



Lim Chae Hong
2286/04/15 (J)
Chartered Accountant

9 May 2014
Klang, Selangor Darul Ehsan

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix III

HONG ASSOCIATES

(Firm No : AF 1489)

Chartered Accountants

Room 1.01 50A & 52A
Jalan Pasar 41400 Klang
Selangor Darul EhsanTel No.: 603 - 3344 8181
Fax No.: 603 - 3344 9191
E-mail : hongassociates@yahoo.com

Company No. 8668S9-P

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SUNSURIA MEDINI SDN. BHD.****Report on the Financial Statements**

We have audited the financial statements of Sunsuria Medini Sdn. Bhd., which comprise the balance sheet as at 31 December 2014, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 21.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Accounting Standards for Private Entities 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with Accounting Standards for Private Entities and the requirements of the Companies Act, 1965 in Malaysia.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix III

HONG ASSOCIATES

(Firm No : AF 1489)

Chartered Accountants

Company No. 866859-P

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SUNSURIA MEDINI SDN. BHD.**

(Cont'd)

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(a) in the financial statements which discloses the premise upon which the Company has prepared its financial statements by applying the going concern assumption.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Hong Associates
(Firm No. AF 1489)
Chartered Accountants



Lim Chae Hong
2286/04/15 (J)
Chartered Accountant

10 February 2015
Klang, Selangor Darul Ehsan

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix IV

Wong Chau Hwa & Co. (AF 1320)
Chartered Accountants (Malaysia)

33A, Jalan SS 15/4E, 47500 Subang Jaya, Selangor Darul Ehsan.
Tel : +603-5632 7823(H/L) Fax : +603-5636 8428
Email : wchwa@fm.net.my

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**
RENTAK NUSANTARA SDN. BHD. (838159-X)
(Incorporated in Malaysia)**Report on the Financial Statements**

We have audited the financial statements of **RENTAK NUSANTARA SDN. BHD.**, which comprise the balance sheet as at 31 March 2012, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 15.

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 Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and 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 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 judgment, 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 Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2012 and of its financial performance and cash flows for the year then ended.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix IV

Wong Chau Hwa & Co. (AF 1320)
Chartered Accountants (Malaysia)

33A, Jalan SS 15/4E, 47500 Subang Jaya, Selangor Darul Ehsan.
Tel : +603-5632 7823(H/L) Fax : +603-5636 8428
Email : wchwa@tm.net.my



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RENTAK NUSANTARA SDN. BHD. (838159-X)
(Incorporated in Malaysia)
(Continued)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG CHAU HWA & CO.
Chartered Accountants, Malaysia.
Firm No: AF - 1320

Subang Jaya
Date: **14 SEP 2012**

WONG CHAU HWA
Approved Company Auditor
Treasury Approval No. 2112/11/12(J)

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix IV

HONG ASSOCIATES

(Firm No : AF 1489)

Chartered Accountants

Room 1.01 50A & 52A
Jalan Pasar 41400 Klang
Selangor Darul EhsanTel No.: 603 - 3344 8181
Fax No.: 603 - 3344 9191
E-mail : hongassociates@yahoo.com

Company No. 838159-X

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF RENTAK NUSANTARA SDN. BHD.****Report on the Financial Statements**

We have audited the financial statements of Rentak Nusantara Sdn. Bhd., which comprise the balance sheet as at 31 December 2012, and the income statement, statement of changes in equity and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 16.

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 Accounting Standards for Private Entities and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Accounting Standards for Private Entities and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2012 and of its financial performance and cash flows for the period then ended.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix IV

HONG ASSOCIATES

(Firm No: AF 1489)

Chartered Accountants

Company No. 838159-X

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF RENTAK NUSANTARA SDN. BHD.**

(Cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Hong Associates
(Firm No. AF 1489)
Chartered Accountants



Lim Chae Hong
2286/04/15 (J)
Chartered Accountant

03 June 2013
Klang, Selangor Darul Ehsan

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix IV

HONG ASSOCIATES

(Firm No : AF 1489)

Chartered Accountants

Room 1.01 50A & 52A
Jalan Pasar 41400 Klang
Selangor Darul EhsanTel No.: 603 - 3344 8181
Fax No.: 603 - 3344 9191
E-mail : hongassociates@yahoo.com

Company No. 838159-X

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF RENTAK NUSANTARA SDN. BHD.****Report on the Financial Statements**

We have audited the financial statements of Rentak Nusantara Sdn. Bhd., which comprise the balance sheet as at 31 December 2013, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 18.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Accounting Standards for Private Entities 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and cash flows for the year then ended in accordance with Accounting Standards for Private Entities and the requirements of the Companies Act 1965 in Malaysia.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix IV

HONG ASSOCIATES

(Firm No: AF 1489)

Chartered Accountants

Company No. 838159-X

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF RENTAK NUSANTARA SDN. BHD.**

(Cont'd)

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(a) in the financial statements which discloses the premise upon which the Company has prepared its financial statements by applying the going concern assumption, notwithstanding that the Company incurred a net loss of RM 2,143,248 during the year ended 31 December 2013, and as of that date, the Company's current liabilities exceeded its current assets by RM 2,059,149, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Hong Associates
(Firm No. AF 1489)
Chartered Accountants



Lim Chae Hong
2286/04/15 (J)
Chartered Accountant

2 June 2014
Klang, Selangor Darul Ehsan

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix IV

HONG ASSOCIATES

(Firm No : AF 1489)

Chartered Accountants

Room 1.01 50A & 52A
Jalan Pasar 41400 Klang
Selangor Darul EhsanTel No.: 603 - 3344 8181
Fax No.: 603 - 3344 9191
E-mail : hongassociates@yahoo.com

Company No. 838159-X

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF RENTAK NUSANTARA SDN. BHD.****Report on the Financial Statements**

We have audited the financial statements of Rentak Nusantara Sdn. Bhd., which comprise the balance sheet as at 31 December 2014, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 19.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Accounting Standards for Private Entities 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with Accounting Standards for Private Entities and the requirements of the Companies Act 1965 in Malaysia.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix IV

HONG ASSOCIATES

(Firm No : AF 1489)

Chartered Accountants

Company No. 838159-X

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF RENTAK NUSANTARA SDN. BHD.**


(Cont'd)


Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


Hong Associates
(Firm No. AF 1489)
Chartered Accountants


Lim Chae Hong
2286/04/15 (J)
Chartered Accountant

9 February 2015
Klang, Selangor Darul Ehsan

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)

Appendix V

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SIME DARBY SUNSURIA DEVELOPMENT SDN. BHD.**

(Formerly known as Cypress Promotions Sdn. Bhd.)

(Incorporated in Malaysia)

Company No: 1048895 - A

Report on the financial statements

We have audited the financial statements of Sime Darby Sunsuria Development Sdn. Bhd., which comprise the statement of financial position as at 30 June 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 30.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company'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.

ACCOUNTANTS' REPORT BY CROWE HORWATH ON THE IDENTIFIED COMPANIES (Cont'd)



Appendix V

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SIME DARBY SUNSURIA DEVELOPMENT SDN. BHD. (CONT'D)**

(Formerly known as Cypress Promotions Sdn. Bhd.)
(Incorporated in Malaysia)
Company No: 1048895 - A

Opinion


In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 30 June 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


Crowe Horwath
Firm No: AF 1018
Chartered Accountants

11 SEP 2014
Kuala Lumpur


Chin Kit Seong
Approval No: 3030/01/15 (J)
Chartered Accountant

SUMMARY VALUATION LETTER BY EY

Ernst & Young AF 0039
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur Malaysia

Tel: +603 7495 8000
Fax: +603 2095 5332 (General line)
+603 2095 9076
+603 2095 9078
ey.com

Board of Directors
Sunsuria Berhad
Suite 8, Main Tower, Sunsuria Avenue,
Persiaran Mahogani,
Kota Damansara, PJU 5,
47B10 Petaling Jaya,
Selangor

3 April 2015

INDEPENDENT ENTERPRISE VALUATION OF SUNSURIA GATEWAY SDN BHD BASED ON ITS 50% SHARE OF THE INTEREST IN SIME DARBY SUNSURIA DEVELOPMENT SDN BHD IN RELATION TO SUNSURIA BERHAD'S PROPOSED SUBSCRIPTION FOR SECURITIES IN SUNSURIA GATEWAY SDN BHD ("PROPOSED SGSB SUBSCRIPTION")

Dear Sirs:

This letter is prepared for the purpose of inclusion in the Abridged Prospectus in relation to the rights issue with warrants to the entitled shareholders of Sunsuria Berhad ("Sunsuria").

This letter has been prepared as a summary of our valuation report on SGSB. Readers are advised to refer to our valuation report dated 3 April 2015 for an overview of the business operations of Sunsuria Gateway Sdn Bhd ("SGSB") and its 50% owned jointly controlled entity, namely Sime Darby Sunsuria Development Sdn Bhd ("SDSDSB") (collectively referred to as the "Targets") as well as SDSDSB's proposed property development project to be undertaken, namely Suria Serenia, and in particular, for the details of the assumptions used, methodology applied and the limitations of the valuation.

This letter is not intended as, and does not constitute, a recommendation by us on the Proposed SGSB Subscription by Sunsuria. It is also not intended to be relied on to address all business concerns and risks pertaining to SGSB and SDSDSB. This letter should be read in conjunction with other reports or advice commissioned by Sunsuria for the Proposed SGSB Subscription as deemed appropriate.

1. Purpose of the valuation

The Board of Directors ("BOD") of Sunsuria have appointed Ernst & Young ("EY") to provide an independent enterprise valuation of SGSB based on its 50% share of the interest in SDSDSB in connection with the Proposed SGSB Subscription. The date of the valuation is 31 December 2014 ("Valuation Date").

The basis of value is the fair market value and we have determined the fair market value in accordance with the following definition: -

"... the price at which an entity would change hands between a willing buyer and willing seller, neither being under compulsion to buy or sell and both having reasonable knowledge of all relevant facts, acting in an arm's length transaction, in an open and unrestricted market, as of the applicable valuation date."

The actual price to be transacted may be different from that computed in this valuation and is dependent on the negotiations between the parties concerned, and our valuation is not intended to be binding on any party.

SUMMARY VALUATION LETTER BY EY (Cont'd)**2. Scope and limitations**

In arriving at our opinion, we have held discussions with the management of SGSB ("Management") and we have relied on the information provided to us by the Management, particularly the cash flow projections and the assumptions thereto of the Suria Serenia project, which is the proposed development project to be undertaken by SGSB's 50% owned jointly controlled entity, i.e. SDSDSB, for the period commencing from 1 January 2015 to 31 December 2027 which was approved and adopted by the BOD of SGSB and Sunsuria on 2 April 2015. In addition, the documents, information and explanations provided to us by the Management included, inter-alia, the audited financial statements of SGSB for the financial year ended 31 December 2014 and unaudited management accounts of SDSDSB for the financial period from 1 July 2014 to 31 December 2014.

We have assumed that all information provided to us is true, accurate, not misleading and complete in all respects. In this connection, it must be noted that the accuracy and reliability of the information provided to us are the sole responsibility of the Targets. In addition, we have also conducted such other enquiries and analyses on the financial, economic and market criteria deemed appropriate in arriving at our opinion.

Whilst we have considered all information provided to us, we have not carried out the work which constitutes an audit or a review of the financial information in respect of SGSB and SDSDSB nor confirmation as to the correctness or completeness of information and financial projections provided.

In rendering our opinion, we have considered and relied on the Suria Serenia project cash flow projections, together with the bases and assumptions thereto as approved by the BOD of SGSB, for which the Directors of SGSB are solely responsible.

Further thereto, the Directors of SGSB have represented to us the following: -

- The Suria Serenia project cash flow projections reflect the best judgement of the Management and Directors of SGSB based on the present circumstances, expected future market conditions as well as the strategic course of business actions or measures to be taken by SGSB;
- The bases and assumptions made are complete and have been consistently applied during the forecast and projection periods and that any material key factor(s) that may be relevant to the subject forecast and projections have not been wilfully omitted; and
- The cash flow projections are prepared and presented on a basis consistent with the accounting policies normally adopted by SGSB in its financial statements.

SUMMARY VALUATION LETTER BY EY (Cont'd)**2.1 Restrictions**

This summary valuation letter has been prepared for the BOD of Sunsuria for inclusion in the Abridged Prospectus in relation to the rights issue with warrants to the entitled shareholders of Sunsuria. It is not to be included in any document to be circulated to third parties without our prior written approval and the use thereof is subject to our approval on the form and context of its release.

Accordingly, we are not responsible or liable for any losses to any third party as a result of the use of or reliance on this summary valuation letter, in whole or in part, contrary to the provisions set out herein and in our valuation report.

2.2 Valuation Date

The Valuation Date is 31 December 2014. Therefore, this letter does not provide any guidance for the valuation of SGSB at any other date.

3. Subject being valued

The subject being valued is SGSB with its 50% share of the interest in SDSDSB as at 31 December 2014. SDSDSB is a 50:50 joint venture between SGSB and Sime Darby Property (Sungai Kapar) Sdn Bhd. SDSDSB's proposed property development project is on 346.58 acres of freehold land known as Suria Serenia, which is located adjacent to Salak Tinggi express link station, and surrounds the upcoming Xiamen University Malaysia Campus.

Based on the initial plan, the Suria Serenia project will be a transit-oriented and integrated development expected to consist of landed and stratified residential units, retails and commercial buildings and an internationally rated hotel.

Please find below the brief details of the proposed Suria Serenia project:

Overview of the Suria Serenia project

Land cost	RM 287.8 million (unpaid portion: RM259.0 million)
Location	Located adjacent to Salak Tinggi express link station (which takes about 9 minutes from Kuala Lumpur International Airport ("KLIA") and 28 minutes to KL Sentral), at the south of Putrajaya, and approximately 16 km from the KLIA.
Gross land area to be developed	267.32 acres
Estimated gross development value	RM6.39 billion
Status of project	Currently at the planning stage. Application for planning approval is targeted to be submitted by the first half of 2015

Nonetheless, we understand from the Management that the requisite development order ("DO") of the Suria Serenia project has not as yet been obtained as of the date of this letter.

This valuation was performed based on the Suria Serenia project cash flow projections prepared by Management to take into account the future development and earnings potential of the Suria Serenia project.

In this connection, it must be noted that the aforesaid cash flow projections that was used for the purpose of this valuation is solely based on Suria Serenia project and do not incorporate any other project.

SUMMARY VALUATION LETTER BY EY (Cont'd)**4. Bases of valuation**

For the purpose of the enterprise valuation of SGSB, we have applied the Discounted Cash Flow ("DCF") method of Income Approach as the principal basis in arriving at the enterprise value of SGSB after taking into consideration the business activity of the only investment of SGSB, namely SDSDSB. The business activity of SDSDSB 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 13 years.

The DCF was applied to the Suria Serenia project cash flow projections together with the underlying bases and assumptions from 1 January 2015 to 31 December 2027 prepared by the Management.

In estimating the discount rates to be applied, we have considered the risk tree return on investment in long term Malaysian Government Securities, Malaysia's market return as well as systematic risk, capital structure and after-tax cost of debt of similar publicly-traded local companies engaged in property development with projects in Klang Valley based on various internal and external resources.

In addition, we have also taken into account the relative size premium and company specific risk premium arising from the inherent uncertainties and risks associated with the prospective financial performance of the Suria Serenia project.

Taking all the aforesaid factors into account, we have applied the risk adjusted discount rates of 17% to 18% to the expected future cash flows of the Suria Serenia project to arrive at the value of SDSDSB. Thereafter, to take up SGSB's 50% share of the value in SDSDSB to arrive at the enterprise value of SGSB as at the Valuation Date.

5. Key valuation assumptions

In arriving at the independent enterprise valuation, amongst other factors, we have placed reliance upon the following key considerations, which have a significant bearing on the outcome of this valuation:-

- (i) There will be no material changes in the group structure and principal activities of SGSB and SDSDSB, i.e. the only asset or investment owned by SGSB is 50% jointly controlled entity - SDSDSB. SDSDSB is a single purpose entity to undertake one (1) specific proposed property development project - Suria Serenia project;
- (ii) The audited financial statements for the financial year ended 31 December 2014 ("FY2014") of SGSB and the unaudited management accounts for the financial period from 1 July 2014 to 31 December ("FPDec") 2014 of SDSDSB represent the best available indication of the fair values of the assets and liabilities of the Targets as at 31 December 2014;
- (iii) The cash flow projections and its underlying bases and assumptions prepared by the Management and approved and adopted by the BOD of SGSB as well as Sunsuria represent a fair reflection of the Suria Serenia project's future performance;
- (iv) It is assumed that SDSDSB will be able to secure all the necessary permits, licences, certificates and approvals and the requisite DO for the Suria Serenia project on a timely basis from various government authorities to facilitate the commencement dates of the Suria Serenia project as planned and reflected in the cash flow projections accordingly;

SUMMARY VALUATION LETTER BY EY (Cont'd)**5. Key valuation assumptions (cont'd)**

- (v) SDSDSB will be able to achieve the projected sales or take up rate at the projected selling price in order to generate the gross development profits as planned;
- (vi) SDSDSB will engage property agents to enhance the sales and marketing activities that would also include bulk purchasing in order to achieve the projected sales of the Suria Serenia project within the expected timeline i.e. all the completed units will be fully sold within two (2) to four (4) years from the project launch date except for wellness and medical centre and business hotel which will be sold in year 2020 and year 2022 respectively;
- (vii) All the projects will be launched and completed in accordance with Management's stipulated project timeline and consequently, the Targets will not be subject to any late penalty or liquidated and ascertained damages ("LAD");
- (viii) It is assumed that the projected gross development cost are sufficient and adequately estimated for the proposed Suria Serenia project and that the project would be completed within the projected timelines and without further costs' escalations;
- (ix) There will be no significant changes in the credit terms for the progress billing to the customers and construction work payable to the contractors as projected;
- (x) Adequate funding and bridging financing will be available to finance the Targets' development activities as required;
- (xi) It is assumed that Management has taken into consideration all direct and indirect tax expenses and the impact has been fairly reflected in the cash flow projections;
- (xii) The Targets will be able to not only retain the current key personnel but would be in a position to attract the requisite future talents to ensure the continuity and development of the business;
- (xiii) Management represented that there are no material litigations and contingent liabilities as at the Valuation Date that would negatively impact the Targets going forward;
- (xiv) No adverse developments in the economic and market conditions that would impact the Suria Serenia project's revenue and cost assumptions; and
- (xv) There will be no force majeure and significant changes in the present legislation, government regulations, inflation rates, taxation rates, prevailing conditions, economic and political climate which will directly or indirectly affect the business activities of Targets or the market in which the Targets operate in.

Our opinion of value is fundamentally predicated on the aforesaid key considerations and key assumptions and their respective achievement as projected, in particular, the achievement of the project timeline, selling prices, sales rate, development costs and the consequent projected profit contribution. In this connection, we must emphasise that any significant under-achievement or delay would have a consequential impact on this valuation opinion.

SUMMARY VALUATION LETTER BY EY (Cont'd)**6. Valuation summary**

Using DCF method and discounting to 31 December 2014 the expected future cash flows of Suria Serenia project at discount rates of 17% to 18%, the enterprise value of SGSB based on its 50% share of the interest in SDSDSB as at 31 December 2014 ranges as follows:

<i>Currency: RM million</i>	<i>Risk-adjusted discount rates</i>	<i>17%</i>	<i>18%</i>
Total present value of the Suria Serenia project cash flows - SDSDSB		500	463
SGSB's 50% share of the value of SDSDSB as at 31 December 2014		250	231

7. Opinion of value

On the basis of the foregoing, we are of the opinion that the enterprise value of SGSB with its 50% share of the interest in SDSDSB as at 31 December 2014 ranges from RM230 million to RM250 million.

Yours faithfully

DIRECTORS' REPORT

Sunsuria Berhad (8235-K)
(Formerly known as Malaysia Aica Berhad)
Suite 8, Main Tower, Sunsuria Avenue
Persiaran Mahogani, Kota Damansara
PJU5, 47810 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone: 03 6145 7777
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House
Pusat Dagangan
Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Date: **15 JUN 2015**

To: **Our Entitled Shareholders**

On behalf of the Board of Directors of Sunsuria Berhad ("**Sunsuria**" or the "**Company**") ("**Board**"), I wish to report that, after making due enquiries, during the period between 31 March 2014 (being the date to which the last audited financial statements of Sunsuria and its subsidiary companies ("**Group**") have been made up) to the date of this letter (being a date not earlier than 14 days before the date of issuance of this Abridged Prospectus):

- (i) the business of the Group has, in the opinion of the Board, been satisfactorily maintained;
- (ii) in the opinion of the Board, no circumstances have arisen since the last audited consolidated financial statements of the Group which have adversely affected the trading or the value of the assets of the Group;
- (iii) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) save as disclosed in this Abridged Prospectus, there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by the Group;
- (v) since the last audited consolidated financial statements of the Group, there has been no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in respect of any borrowings of the Group;
- (vi) save as disclosed in the unaudited consolidated financial statements of the Group for the twelve (12)-month financial period ended 31 March 2015, there has been no material change in the published reserves or any unusual factor affecting the profits of the Group Since the last audited consolidated financial statements of the Group; and
- (vii) as disclosed above and up to the date of this letter, no other reports are required in relation to items (i) to (vi) above.

Yours faithfully,
For and on behalf of the Board of Directors of
SUNSURIA BERHAD

CHONG JEE MIN
Director

ADDITIONAL INFORMATION

1. SHARE CAPITAL

- (i) Save for the Rights Shares, Warrants and new Sunsuria Shares to be issued pursuant to the exercise of the Warrants, no securities will be allotted or issued on the basis of this AP later than twelve (12) months after the date of the issuance of this AP.
- (ii) As at the date of this AP, save for our Entitled Shareholders who will be provisionally allotted the Rights Shares and Warrants under the Rights Issue With Warrants, no person has been or is entitled to be granted an option to subscribe for any securities of our Company and no capital of our Group is under any option or agreed conditionally or unconditionally to be put under any option.

2. DIRECTORS' REMUNERATION

The provisions in our Company's Articles of Association in relation to the remuneration of our Directors are as follows:

Article 90

Subject to any other provisions of these presents, the remuneration of any Managing Director shall be determined by the Directors and may be of any description.

Article 94

The Directors shall be paid by way of fees for their services, such fixed sum (if any) as shall from time to time be determined by the Company in general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine. PROVIDED ALWAYS that:

- (a) fee payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;
- (b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover;
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

ADDITIONAL INFORMATION (Cont'd)**3. MATERIAL CONTRACTS**

Save as disclosed below and **Appendix III** of this AP, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within two (2) years immediately preceding the date of this AP.

- (i) 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.
- (ii) 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.
- (iii) On 23 October 2013, on behalf of the Board, RHB Investment Bank announced that Sunsuria had entered into the sale and purchase agreement dated 23 October 2013 entered into between Sunsuria (as purchaser) and Cangkat Nusantara Sdn Bhd (as vendor) ("**CNSB**") for the acquisition by Sunsuria of a parcel of development land held under Geran 104806, Lot 76106, Mukim Damansara, Daerah Petaling, Negeri Selangor from CNSB for an aggregate sale and purchase consideration of RM31,000,000.00. As at the LPD, the sale and purchase transaction has been completed in accordance with the terms of the said sale and purchase agreement.
- (iv) On 23 October 2013, on behalf of the Board, RHB Investment Bank announced that Sunsuria had entered into the project purchase agreement dated 23 October 2013 entered into between Sunsuria (as purchaser) and CNSB (as vendor) for the acquisition by Sunsuria of the development rights and interest held by CNSB to a commercial development project known as "Trivo, Suria Jelutong" being carried out on a parcel of development land previously held under Geran 104810, Lot 76110, Mukim Damansara, Daerah Petaling, State of Selangor, which comprises of the shop offices together with infrastructures constructed or to be constructed thereon for an aggregate sale and purchase consideration of RM25,000,000. As at the LPD, the sale and purchase transaction has been completed in accordance with the terms of the said project purchase agreement.

ADDITIONAL INFORMATION (Cont'd)

- (v) 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.
- (vi) 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.
- (vii) Lease purchase agreement dated 3 September 2014 entered into between Maica Wood Industries Sdn Bhd (as vendor) and SMS Liner Industry Sdn Bhd (as purchaser) for the sale and purchase of lease of 60 years commencing from 7 April 1983 and expiring on 6 April 2043 over a piece of leasehold industrial land held under H.S.(M) 7866, Plot No. 44, Bandar Kulim (formerly held under H.S.(M) 3/1983, Plot No. 44, Mukim Sungai Seluang), Tempat Kawasan Perusahaan Kulim, Negeri Kedah with a simple structure constructed thereon, for a sale and purchase consideration of RM2,380,000.00. As at the LPD, the transaction has been completed in accordance with the terms of the said lease purchase agreement.
- (viii) 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.
- (ix) Sale and purchase agreement dated 12 September 2014 entered into between Consolidated Leasing (M) Sdn Bhd ("CLSB") (as purchaser) and Align Integrated Sdn Bhd (as vendor) for the acquisition by CLSB of a piece of leasehold land held under PN89089/M3/1/52, Lot 53747, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor together with shop office erected thereon distinguished as Parcel No. 13A-1, Shop (Building Type), Ground Floor, Sunsuria Avenue, for a sale and purchase consideration of RM900,000.00. As at the LPD, the sale and purchase transaction is pending completion in accordance with the terms of the said sale and purchase agreement.
- (x) Sale and purchase agreement dated 12 September 2014 entered into between CLSB (as purchaser) and Align Integrated Sdn Bhd (as vendor) for the acquisition by CLSB of a piece of leasehold land held under PN89089/M1/3/14, Lot 53747, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor together with tower erected thereon distinguished as Parcel No. TW 2-10, Tower (Building Type), Second floor, Sunsuria Avenue, for a sale and purchase consideration of RM765,000.00. As at the LPD, the sale and purchase transaction is pending completion in accordance with the terms of the said sale and purchase agreement.

ADDITIONAL INFORMATION (Cont'd)

- (xi) 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.
- (xii) 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.
- (xiii) 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.
- (xiv) The following agreements have been entered into by Sunsuria on 9 March 2015 and have been completed on 12 June 2015 in accordance with their respective terms:
 - (a) the SGSB Subscription Agreement;
 - (b) a conditional share purchase agreement with Datuk Ter and THK for the SMSB Acquisition 1;
 - (c) a conditional share purchase agreement with TCSB for the SMSB Acquisition 2; and
 - (d) a conditional subscription agreement with RNSB and SDSB (being the existing shareholder of RNSB) for the RNSB Subscription.
- (xv) On 20 April 2015, on behalf of the Board, the Joint Advisers announced that Sunsuria had entered into a conditional share purchase agreement with Sime Darby Property for the SDSB Acquisition. As at the LPD, the transaction is pending completion in accordance with the terms of the said share purchase agreement.
- (xvi) The Underwriting Agreement.

4. MATERIAL LITIGATION, CLAIM OR ARBITRATION

As at the LPD, neither we nor our subsidiaries are engaged in any material litigation, claims or arbitrations, either as plaintiff or defendant, and our Board does not have any knowledge of any proceedings pending or threatened against us and/or our subsidiaries or of any fact likely to give rise to any proceeding, which may materially or adversely affect our financial position or business.

ADDITIONAL INFORMATION (Cont'd)**5. GENERAL**

- (i) There are no existing or proposed service contracts entered or to be entered into by our Company with any Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this AP.
- (ii) Save as disclosed in this AP and to the best of their knowledge, our Board is not aware of the following:
 - (a) material information including special trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group;
 - (b) known trends, demands, commitments, events or uncertainties that will result in or are likely to materially increase or decrease our Group's liquidity;
 - (c) material commitments for capital expenditure;
 - (d) unusual, infrequent events or transactions or significant economic changes that materially affect the amount of reported income from our operations; and
 - (e) known trends or uncertainties that have had, or that our Group reasonably expects to have, a material favourable or unfavourable impact on our Group's revenue or operating income.

6. WRITTEN CONSENTS

Our Joint Advisers, Joint Underwriters, Principal Bankers, Share Registrar, and Solicitors for the Rights Issue With Warrants have given and have not subsequently withdrawn their written consents for the inclusion of their names and all references thereto in the form and context in which they appear in this AP.

Our Company Secretaries have given and have not subsequently withdrawn their written consents for the inclusion of their names and all references thereto in the form and context in which they appear in this AP.

Hong Associates and Wong Chau Hwa & Co. have given and have not subsequently withdrawn their written consents for the inclusion of their names and all references thereto in the form and context in which they appear in this AP.

Our auditors and reporting accountants for the Rights Issue With Warrants have given and have not subsequently withdrawn their written consent for the inclusion of their name, the Accountants' Report on the Identified Companies, the Auditors' Report relating to the audited consolidated financial statements of our Group for the FYE 31 March 2014 and the Reporting Accountants' Letter on the Proforma Consolidated Statements of Financial Position of our Group as at 31 March 2014, respectively and all references thereto, in the form and context in which they appear in this AP.

EY, being named as the independent valuer for the purpose of the valuation of SGSB in relation to the SGSB Subscription has given and has not subsequently withdrawn its written consents to the inclusion of its name and the summary valuation letter in relation to the valuation of SGSB in the form and context in which it appears in this AP.

ADDITIONAL INFORMATION (Cont'd)

WTW, being the independent valuer for the Suria Serenia Land, SMSB Properties and Suria Hills 2A and 2B has given and has not subsequently withdrawn its written consent to the inclusion of its name, the valuation reports and valuation certificates in relation to the Suria Serenia Land, SMSB Properties and Suria Hills 2A and 2B and all references thereto in the form and context in which they appear in this AP.

Bloomberg Finance L.P. has given and has not subsequently withdrawn its written consent for the inclusion of its name and citation of the market data made available to its subscribers in the form and context in which it appears in the AP.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are made available for inspection at the Registered Office of our Company at Level 8 Symphony House, Pusat Dagangan Dana 1 Jalan PJU 1A/46, 47301, Petaling Jaya, Selangor Darul Ehsan during normal business hours from Monday to Friday (except public holidays) for a period of twelve (12) months from the date of this AP:

- (i) our Memorandum and Articles of Association;
- (ii) the Deed Poll;
- (iii) our Proforma Consolidated Statement of Financial Position as at 31 March 2014 together with the notes and reporting accountants' letter thereon as set out in **Appendix VI** of this AP;
- (iv) Accountants' Report by Crowe Horwath on the Identified Companies as set out in **Appendix IX** of this AP;
- (v) our audited consolidated financial statements for the past three (3) FYEs 31 March 2012, 2013 and 2014;
- (vi) our latest unaudited consolidated financial statements for the twelve (12)-months FPE 31 March 2015 as set out in **Appendix VIII** of this AP;
- (vii) our Directors' Report, as set out in **Appendix XI** of this AP;
- (vii) the consent letters as referred to in **Section 6 of Appendix XII**;
- (viii) the letters of undertaking by the Undertaking Shareholders as referred to in **Section 2.5** of this AP;
- (ix) the material contracts as set out in **Section 3 of Appendix XII**;
- (x) the valuation reports and the valuation certificates prepared by WTW dated 12 February 2015 and the update valuation letter prepared by WTW dated 22 April 2015 in relation to the Transactions;
- (xi) the summary valuation letter in relation to the valuation of SGSB as provided by EY dated 3 April 2015; and
- (xii) the 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 as set out in **Appendix I** of this AP.

ADDITIONAL INFORMATION (Cont'd)

8. RESPONSIBILITY STATEMENT

Our Board has seen and approved the Documents. They collectively and individually accept full responsibility for the accuracy of the information given herein 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.

NOTICE OF PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND WARRANTS

Terms defined in the Abridged Prospectus dated 25 June 2015 ("Abridged Prospectus") shall have the same meanings when used in this Notice of Provisional Allotment ("NPA") unless otherwise stated. The Provisional Rights Shares and Warrants (as defined herein) as contained in this NPA are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 ("SICDA") and amendments or any re-enactment made thereto from time to time, and therefore, the SICDA (including all amendments thereof) and the Rules of Bursa Malaysia Depository Sdn Bhd (165570-W) ("Bursa Depository") shall apply in respect of dealings in the Provisional Rights Shares and Warrants (as defined herein).



(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 ("RIGHTS ISSUE WITH WARRANTS")

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 licenced 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)

To: Our Entitled Shareholders

Dear Sir/Madam,

Our Board of Directors ("**Board**") has provisionally allotted to you, in accordance with the resolution passed at the Extraordinary General Meeting of our Company convened on 12 May 2014, and the approval of Bursa Malaysia Securities Berhad (635998-W) ("**Bursa Securities**") dated 11 April 2014, the number of Rights Shares and Warrants as indicated below ("**Provisional Rights Shares and Warrants**").

We wish to advise you that the following number of Rights Shares and Warrants provisionally allotted to you have been confirmed by Bursa Depository and upon acceptance, the Rights Shares and Warrants will be credited into your Central Depository System ("**CDS**") account(s), subject to the terms and conditions stated in the Abridged Prospectus and the Rights Subscription Form ("**RSF**") issued by our Company.

The Provisional Rights Shares and Warrants is made subject to the terms and conditions stated in the Abridged Prospectus. Bursa Securities has already prescribed the Provisional Rights Shares and Warrants as securities to be deposited with Bursa Depository. Accordingly, all dealings in the Provisional Rights Shares and Warrants will be by book entries through CDS accounts and will be governed by the SICDA (including all amendments thereof) and the Rules of Bursa Depository.

ALL RIGHTS SHARES AND WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES AND THE WARRANTS INTO THE CDS ACCOUNTS OF ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATES AND WARRANT CERTIFICATES WILL BE ISSUED.

It is the intention of our Board to allot the Excess Rights Shares, if any, in a fair and equitable manner 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 renouncee(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 Excess Rights Shares applied for.

Nevertheless, our Board reserves the right to allot any 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 as set out in (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.

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF THE ENTITLED SHAREHOLDER

<p>NAME, ADDRESS AND CDS ACCOUNT NUMBER OF THE ENTITLED SHAREHOLDER</p>

NUMBER OF SUNSURIA SHARES HELD AS AT 5.00 P.M. ON 25 JUNE 2015	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	NUMBER OF WARRANTS ATTACHED TO THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.80 PER RIGHTS SHARE (RM)

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.

By order of the Board

See Siew Cheng (MAICSA 7011225)

Leong Shiak Wan (MAICSA 7012855)

Company Secretaries

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. No.: 603-2264 3883

Fax No.: 603-2282 1886

THIS NOTICE OF PROVISIONAL ALLOTMENT IS DATED 25 JUNE 2015

RIGHTS SUBSCRIPTION FORM

TERMS DEFINED IN THE ABRIDGED PROSPECTUS DATED 25 JUNE 2015 ("ABRIDGED PROSPECTUS") SHALL HAVE THE SAME MEANINGS WHEN USED IN THIS RIGHTS SUBSCRIPTION FORM ("RSF") AND THE NOTES AND INSTRUCTIONS FOR COMPLETING THIS RSF UNLESS OTHERWISE STATED. THIS RSF IS ISSUED FOR THE PURPOSE OF ACCEPTING THE RIGHTS SHARES AND APPLYING FOR EXCESS RIGHTS SHARES PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS (AS DEFINED HEREIN) OF SUNSURI BERHAD ("SUNSURIA" OR "COMPANY"). THE LAST DATE AND TIME FOR ACCEPTANCE, APPLICATION FOR EXCESS RIGHTS SHARES AND PAYMENT IS AT 5.00 P.M. ON FRIDAY, 10 JULY 2015 OR SUCH LATER DATE AND TIME AS MAY BE DETERMINED AND ANNOUNCED BY THE BOARD OF DIRECTORS OF SUNSURI BERHAD ("BOARD"). THIS RSF IS ONLY APPLICABLE TO PERSONS WHO HAVE PROVISIONALLY ALLOTTED RIGHTS SHARES AND WARRANTS STANDING TO THE CREDIT OF HIS/HER CENTRAL DEPOSITORY SYSTEM ("CDS") ACCOUNT.



(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 475,084,416 NEW ORDINARY SHARES OF RM0.50 EACH IN SUNSURI 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 SUNSURI 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 ("RIGHTS ISSUE WITH WARRANTS")

NAME AND ADDRESS OF APPLICANT (in block letters as per the record of Bursa Malaysia Depository Sdn Bhd ("Bursa Depository"))

NRIC NO. / PASSPORT NO. (STATE/ COUNTRY) / COMPANY NO.:

CDS A/C NO.

NUMBER OF SUNSURI SHARES HELD AS AT 5.00 P.M. ON 25 JUNE 2015	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	NUMBER OF WARRANTS ATTACHED TO THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.80 PER RIGHTS SHARE (RM)

Note: If you have subsequently purchased additional provisional Rights Shares and Warrants ("Provisional Allotments of Rights") from the open market, you should indicate your acceptance of the total Provisional Allotments of Rights that you have standing to the credit in your CDS account under Part I(A) below.

To: The Board

PART I – ACCEPTANCE OF RIGHTS SHARES AND APPLICATION FOR EXCESS RIGHTS SHARES

In accordance with the terms of this RSF and the Abridged Prospectus, I/we* hereby irrevocably:

- (a) *accept the number of Rights Shares as stated below which were provisionally allotted/renounced/transferred to me/us*;
- (b) *apply for the number of Excess Rights Shares as stated below in addition to the above;

in accordance with and subject to the Memorandum and Articles of Association of the Company.

I/We* enclose herewith Banker's Draft(s)/Cashier's Order(s)/Money Order(s)/Postal Order(s) for payment as stated below, in favour of the respective account stated below and crossed "A/C PAYEE ONLY", being the full amount payable for the Rights Shares and Warrants accepted/applied for, and hereby request for the said Rights Shares and Warrants to be credited into my/our CDS account as stated above:-

NUMBER OF RIGHTS SHARES ACCEPTED/ EXCESS RIGHTS SHARES APPLIED	AMOUNT PAYABLE AT RM0.80 PER RIGHTS SHARE (RM)	BANKER'S DRAFT/ CASHIER'S ORDER/MONEY ORDER/POSTAL ORDER NO.	PAYABLE TO
(A) ACCEPTANCE			SUNSURI - RIGHTS ISSUE ACCOUNT
(B) EXCESS			SUNSURI - EXCESS RIGHTS ISSUE ACCOUNT

PART II - DECLARATION

I/We* hereby confirm and declare that:

- (i) All information provided by me/us* is true and correct;
- (ii) All information is identical with the information in the records of Bursa Depository and further agree and confirm that in the event the said information differs from Bursa Depository's record as mentioned earlier, the exercise of my/our* rights may be rejected; and
 - I am 18 years of age or over.
 - I am/We are* resident(s) of Malaysia.
 - I am/We are* resident(s) of (country) and having citizenship.
 - I am/We are* nominee(s) of a person who is a Bumiputera/Non-Bumiputera/Non-Citizen* resident in (country) and having citizenship.
- I/We* consent to Sunsuria and the Share Registrar of Sunsuria collecting the information and personal data (collectively "Data") required herein, to process and disclose such Data to any person for the purposes of implementing the Rights Issue With Warrants and storing such Data in any servers located in Malaysia or outside Malaysia in accordance with the relevant laws and regulations.

I/We* have read and understood and hereby accept all the terms and conditions set out in this RSF, Notice of Provisional Allotment and the Abridged Prospectus and further confirm compliance with all the requirements for acceptance as set out therein.

AFFIX
MALAYSIAN
REVENUE STAMP
OF RM10.00
HERE

Date

Signature/Authorised Signatory(ies)
(Corporate bodies must affix their Common Seal)

Contact telephone number during office hours

LAST DATE AND TIME FOR:-

Acceptance and payment : Friday, 10 July 2015 at 5.00 p.m.^
Excess application and payment : 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.

* Please delete whichever is not applicable.

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT.

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 advisers immediately. All enquiries concerning the Rights Issue With Warrants should be addressed to our Share Registrar, Tricor Investor Services Sdn Bhd (118401-V), at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur. **INVESTORS SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS TO WHICH THIS RSF RELATES BEFORE COMPLETING THIS RSF. IN ACCORDANCE WITH THE CAPITAL MARKETS AND SERVICES ACT 2007, THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS.**

This RSF, together with the Abridged Prospectus and the Notice of Provisional Allotment of Rights Share and Warrants (collectively referred to as 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 to be made or offered for purchase or subscription, in any countries or jurisdictions other than Malaysia or to persons who are or may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia. No action has been or will be taken to ensure that the Rights Issue With Warrants and the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. It shall be the sole responsibility of the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who are or may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia to consult their legal or other professional advisers as to whether the acceptance or renunciation of all or any part of the Rights Shares and Warrants to be issued under the Rights Issue With Warrants would result in the contravention of any laws of such countries or jurisdictions. Such shareholders should note the additional terms and restrictions as set out in Section 10 of the Abridged Prospectus. Neither Sunsuria, the Joint Advisers nor any other advisers to the Rights Issue With Warrants shall accept any responsibility or liability in the event that any acceptance or sale/transfer of the provisional allotment of the Rights Shares and Warrants made by the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are residents.

Our shareholders have approved the Rights Issue With Warrants at the Extraordinary General Meeting held on 12 May 2014. Approval from Bursa Malaysia Securities Berhad ("Bursa Securities") had been obtained on 11 April 2014 which include amongst others, the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, Warrants and the new Sunsuria shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue With Warrants. The official listing of and quotation for the said securities will commence after receipt of confirmation from Bursa Depository that all the CDS accounts of the successful Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

A copy of the Abridged Prospectus has been registered with the Securities Commission Malaysia ("SC"). A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

The registration of the Abridged Prospectus 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 the Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. Admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, Warrants and the new Sunsuria shares to be issued arising from exercise of the Warrants on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue With Warrants.

Our Board of Directors ("Board") have seen and approved all the Documents. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make the statements in the Documents false or misleading.

Unless otherwise stated, the unit of currency used in this RSF is Ringgit Malaysia ("RM") and sen. Terms defined in the Abridged Prospectus shall have the same meanings when used in this RSF unless otherwise stated.

INSTRUCTIONS:**(i) LAST DATE AND TIME FOR ACCEPTANCE, APPLICATION FOR EXCESS RIGHTS SHARES AND PAYMENT**

This RSF is valid for acceptance until 5.00 p.m. on Friday, 10 July 2015 or such later date and time as may be determined and announced by our Board. Where the closing date for acceptance is extended from the original closing date, an announcement of such extension will be made not less than two (2) Market Days before the stipulated date and time.

(ii) FULL OR PART ACCEPTANCE OF THE RIGHTS SHARES AND WARRANTS

If you and/or your renounee(s) wish to accept all or part of the Rights Shares and Warrants, please complete Part I(A) and Part II of this RSF in accordance with the notes and instructions contained in this RSF, and despatch the completed and signed RSF together with the relevant remittance in RM for the full amount payable in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and must be made payable to "SUNSURIA - RIGHTS ISSUE ACCOUNT" and crossed "A/C PAYEE ONLY" and endorsed on the reverse side(s) with your name in block letters together with your address and CDS account number, to be received by our Share Registrar, Tricor Investor Services Sdn Bhd (118401-V), at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not later than 5.00 p.m. on Friday, 10 July 2015 (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). The remittance must be made in the exact amount payable for the Rights Shares and Warrants accepted (ROUNDED UP TO THE NEAREST SEN). Cheques or any other mode(s) of payment are not acceptable.

If the acceptance and payment for the Rights Shares are not received by our Share Registrar by 5.00 p.m. on Friday, 10 July 2015 (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), the provisional entitlement made to you or the remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Our Board will then reserve the right to allot such Rights Shares and Warrants to the applicants who have applied for the Excess Rights Shares in the manner as set out in Note (iii) below.

No acknowledgement will be issued for receipt of this RSF or application monies in respect of the acceptance of the Rights Shares. Notices of allotment will be despatched to the successful applicants by ordinary post at the address shown in the Record of Depositors of Bursa Depository at their own risk within eight (8) Market Days from the last date for acceptance and payment for the Rights Shares, or such other period as may be prescribed by Bursa Securities. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar or our Company, in respect of unsuccessful or partially success applications.

In respect of unsuccessful or partially successful Rights Shares and Warrants applications, 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 Rights Shares and Warrants by ordinary post to the address shown in the Record of Depositors of Bursa Depository at your own risk.

(iii) EXCESS RIGHTS SHARES APPLICATION

If you and/or your renounee(s) wish to apply for additional Rights Shares in excess of those provisionally allotted to you, please complete Part I(B) of this RSF (in addition to both Part I(A) and Part II) and forward it together with a **separate remittance** for the full amount payable in respect of the Excess Rights Shares applied for, to our Share Registrar, Tricor Investor Services Sdn Bhd (118401-V), at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur. Payment for the Excess Rights Shares applied for should be made in the same manner as described in Note (ii) above, with remittance in RM made in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and must be made payable to "SUNSURIA - EXCESS RIGHTS ISSUE ACCOUNT" and crossed "A/C PAYEE ONLY" and endorsed on the reverse side(s) with your name in block letters together with your address and CDS account number, to be received by our Share Registrar not later than 5.00 p.m. on Friday, 10 July 2015 (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). Cheques or any other mode(s) of payment are not acceptable.

No acknowledgement will be issued for receipt of this RSF or application monies in respect of the Excess Rights Shares application. Notices of allotment will be despatched to the successful applicants by ordinary post at the address shown in the Record of Depositors of Bursa Depository at their own risk within eight (8) Market Days from the last date for application and payment for the Excess Rights Shares, or such other period as may be prescribed by Bursa Securities. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar or our Company.

In respect of unsuccessful or partially successful Excess Rights Shares applications, 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 by ordinary post to the address shown in the Record of Depositors of Bursa Depository at your own risk.

It is the intention of our Board to allot the Excess Rights Shares, if any, in a fair and equitable manner in the following priority:-

- firstly, to minimise the incidence of odd lots;
- 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;
- thirdly, 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 the quantum of Excess Rights Shares applied for; and
- finally, for allocation to 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 Excess Rights Shares applied for.

Nevertheless, our Board reserves the right to allot any 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 as set out in (a) to (d) 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.

(iv) SALE/TRANSFER OF THE PROVISIONAL RIGHTS SHARES AND WARRANTS

The Provisional Rights Shares and Warrants are renounceable. If you wish to sell or transfer all or part of your entitlement to the Provisional Rights Shares and Warrants to one (1) or more persons, you may do so through your stockbroker without first having to request for a split of the Provisional Rights Shares and Warrants standing to the credit of your CDS account(s). To sell or transfer all or part of your entitlement to the Provisional Rights Shares and Warrants, you may sell such entitlement in the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling or transferring all or part of your entitlement to the Provisional Rights Shares With Warrants, you need not deliver this RSF or any document to your stockbroker. You are however advised to ensure that there is sufficient Provisional Rights Shares and Warrants standing to the credit of your CDS account(s) before selling or transferring.

Renounee(s)/transferee(s) of the Provisional Rights Shares and Warrants may obtain a copy of the Abridged Prospectus and this RSF from their stockbrokers, our Share Registrar, our Registered Office or Bursa Securities' website (<http://www.bursamalaysia.com>).

If you have sold or transferred only part of your entitlement to the Provisional Rights Shares and Warrants, you may still accept the balance of your entitlement to the Provisional Rights Shares and Warrants by completing both Part I(A) and Part II of this RSF and deliver the completed and signed RSF together with the relevant remittance to our Share Registrar in the manner as set out in Note (ii) above.

(v) GENERAL INSTRUCTIONS

- All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seals.
- The Rights Shares and Warrants subscribed by you and/or your renounee(s)/transferee(s) (if applicable) will be credited into your and/or your renounee(s)/transferee(s)' respective CDS accounts as stated on this RSF or the exact accounts appearing in Bursa Depository's Record of Depositors.
- Any interest or other benefit accruing on or arising from or in connection with any application monies shall be for the benefit of our Company and our Company shall not be under any obligation to account for such interest or other benefit to you.
- The contract arising from the acceptance of the Provisional Rights Shares and Warrants by you shall be governed by and construed in accordance with the laws of Malaysia and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract arising therefrom.
- Our Company reserves the right to accept or reject any acceptance and/or application if the instructions hereinabove stated are not strictly adhered to or which are illegible.
- You and/or your renounee(s)/transferee(s) (if applicable) should note that all RSF and remittances lodged with our Share Registrar shall be irrevocable and cannot be subsequently withdrawn.
- Malaysian Revenue Stamp (NOT POSTAGE STAMP) of RM10.00 must be affixed on this RSF.