
**ACCOUNTANTS' REPORT BY REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS ON THE IDENTIFIED COMPANIES
(Cont'd)

**10. FINANCIAL INFORMATION****10.1 SGSB****10.1.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Section	SGSB And Its JCE/SGSB	
	FPE 2013 RM'000	FYE 2014 RM'000
Other income	5	*
Administrative expense	(3)	(12)
Profit/(Loss) for the financial period/year	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 2013	FYE 2014
<i>Weighted average number of ordinary shares</i>	2	2
<i>Gross EPS/(LPS) (RM)</i>	1,000	(6,000)
<i>Net EPS/(LPS) (RM)</i>	1,000	(6,000)

Note:-

* - Less than RM500

**ACCOUNTANTS' REPORT BY REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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
<u>At 31 December</u>		
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 REPORTING ACCOUNTANTS 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

	← FPE 2013 Number of Shares'000	FYE 2014 (Restated)	SGSB	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 REPORTING ACCOUNTANTS 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 Number of Shares'000	FYE 2014 (Restated)	FPE 2013 RM'000	FYE 2014 (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 REPORTING ACCOUNTANTS 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	FYE
	2013	2014
	RM'000	RM'000
		(Restated)
Nominal value of RM0.01 each	-	149
Share premium	-	14,797
	-	<u>14,946</u>

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 REPORTING ACCOUNTANTS 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	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:- <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 REPORTING ACCOUNTANTS 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 2013 RM'000	FYE 2014 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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
← (Restated) →						
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 REPORTING ACCOUNTANTS 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
	<hr/>	<hr/>
	11,761	15,502
	<hr/>	
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
	<hr/>	<hr/>
	11,887	15,512
	<hr/>	

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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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

	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
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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS ON THE IDENTIFIED COMPANIES
(Cont'd)

**10. FINANCIAL INFORMATION (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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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
<i>Weighted average number of ordinary shares NL (RM'000)</i>		100 (9)	71,304 (48)	534,247 (6,485)
<i>NL per weighted average number of ordinary share (RM)</i>		(90)	(0.67)	(12.14)
<i>Current ratio</i>		0.99	0.96	1.41
<i>Gearing ratio (times)</i>		N/A	N/A	(23.17)

Notes:-

- * - Less than RM500
- @ - RM100

**ACCOUNTANTS' REPORT BY REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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	8	2,655	13,601

10.3.23

ACCOUNTANTS' REPORT BY REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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	RM'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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS ON THE IDENTIFIED COMPANIES
(Cont'd)**

10. FINANCIAL INFORMATION (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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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
<hr/>			
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
<hr/>			
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
<hr/>			

ACCOUNTANTS' REPORT BY REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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
	-	-	74,812
Floating rate instruments			
Term loan	-	-	75,737

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	-	-	568

(iii) Equity Price Risk

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

ACCOUNTANTS' REPORT BY REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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) →				
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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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)	(156)	(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 REPORTING ACCOUNTANTS 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	93,656	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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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.

ACCOUNTANTS' REPORT BY REPORTING ACCOUNTANTS 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			
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	-
At 31 December	100	100	400	400	100	100	100	400	100	100	400	400
Issued and Fully Paid-Up												
At 1 April/1 January	^	^	^	250	^	^	^	^	^	^	^	250
Issuance of new shares	-	-	250	-	-	-	-	-	-	-	250	-
At 31 December	^	^	250	250	^	^	^	^	^	^	250	250

Note:-

^ - RM2

ACCOUNTANTS' REPORT BY REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 PERIODFPE 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 REPORTING ACCOUNTANTS 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		<u>(315)</u>
Loss for the financial period attributable to:- Owners of the Company		<u>(315)</u>
Total comprehensive expenses attributable to:- Owners of the Company		<u>(315)</u>
		FPE 2014
<i>Weighted average number of ordinary shares</i>		2
<i>Gross LPS (RM)</i>		(157,500)
<i>Net LPS (RM)</i>		(157,500)

**ACCOUNTANTS' REPORT BY REPORTING ACCOUNTANTS 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
		<hr/>
TOTAL ASSETS		24,440
		<hr/>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	10.5.8	^
Accumulated losses		(315)
		<hr/>
TOTAL EQUITY		(315)
		<hr/>
CURRENT LIABILITIES		
Other payables and accruals		5
Amount owing to shareholders	10.5.9	24,750
		<hr/>
TOTAL LIABILITIES		24,755
		<hr/>
TOTAL EQUITY AND LIABILITIES		24,440
		<hr/>
		FPE 2014
<i>Weighted average number of ordinary shares</i>		2
<i>NL (RM'000)</i>		(315)
<i>NL per ordinary share (RM)</i>		(157,500)
<i>Current ratio</i>		0.99
<i>Gearing ratio (times)</i>		N/A

Note:-

^ - RM2

**ACCOUNTANTS' REPORT BY REPORTING ACCOUNTANTS 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	<u>(24,749)</u>
CASH FLOWS FROM FINANCIANG ACTIVITIES	
Advances from shareholders	24,750
Proceeds from issuance of shares	^
NET CASH FROM INVESTING ACTIVITIES	<u>24,750</u>
NET INCREASE IN CASH AND BANK BALANCES	1
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	<u>-</u>
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	<u>1</u>

Notes:-

^ - RM2

**ACCOUNTANTS' REPORT BY REPORTING ACCOUNTANTS ON THE IDENTIFIED COMPANIES
(Cont'd)**

**10. FINANCIAL INFORMATION (CONT'D)****10.5 SDSDSB (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
	<hr/>

**ACCOUNTANTS' REPORT BY REPORTING ACCOUNTANTS ON THE IDENTIFIED COMPANIES
(Cont'd)**

**10. FINANCIAL INFORMATION (CONT'D)****10.5 SDSDSB (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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS ON THE IDENTIFIED COMPANIES
(Cont'd)**

**10. FINANCIAL INFORMATION (CONT'D)****10.5 SDSDSB (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 REPORTING ACCOUNTANTS ON THE IDENTIFIED COMPANIES
(Cont'd)

**10. FINANCIAL INFORMATION (CONT'D)****10.5 SDSDSB (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 REPORTING ACCOUNTANTS ON THE IDENTIFIED COMPANIES
(Cont'd)

**10. FINANCIAL INFORMATION (CONT'D)****10.5 SDSDSB (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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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
<hr/>		
<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
<hr/>		

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
<hr/>			

The above restatements relate to:-

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

**ACCOUNTANTS' REPORT BY REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

22 MAY 2015

Kuala Lumpur

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

**ACCOUNTANTS' REPORT BY REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS ON THE IDENTIFIED COMPANIES
(Cont'd)**

Appendix I

HONG ASSOCIATES

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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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS ON THE IDENTIFIED COMPANIES
(Cont'd)**

Appendix II

HONG ASSOCIATES

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Chartered Accountants

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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 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS ON THE IDENTIFIED COMPANIES
(Cont'd)**

Appendix II

HONG ASSOCIATES

(Firm No : AF 1489)

Chartered Accountants

Company No. 786773-T

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**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 REPORTING ACCOUNTANTS 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

8 May 2014
Klang, Selangor Darul Ehsan

**ACCOUNTANTS' REPORT BY REPORTING ACCOUNTANTS ON THE IDENTIFIED COMPANIES
(Cont'd)**

Appendix II

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. 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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. 866859-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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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. 866859-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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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. 866859-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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 REPORTING ACCOUNTANTS 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 Ehsan

Tel 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 REPORTING ACCOUNTANTS 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

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON**



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

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12 Jalan Yap Kwan Seng
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22 May 2015

The Board of Directors
Sunsuria Berhad
Suite 8, Main Tower, Sunsuria Avenue
Persiaran Mahogani
Kota Damansara, PJU 5
47810 Petaling Jaya, Selangor

Dear Sirs,

**SUNSURIA BERHAD (“SUNSURIA” OR “THE COMPANY”)
REPORTING ACCOUNTANTS’ LETTER ON THE COMPILATION OF PRO FORMA
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION INCLUDED IN THE CIRCULAR
TO SHAREHOLDERS**

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position of Sunsuria as at 31 March 2014, together with the accompanying notes thereto. The pro forma consolidated statements of financial position, as set out in Appendix A of this letter (which we have stamped for the purpose of identification), have been compiled by the Board of Directors for the inclusion in the Circular to Shareholders of Sunsuria in relation to the following:-

(a) Proposed Sime Darby Sunsuria Development (“SDSDSB”) Transactions

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

(i) Proposed Sunsuria Gateway Sdn. Bhd. (“SGSB”) Transactions; and

The Proposed SGSB Subscription is a component of the SGSB Transactions and involves the subscription by Sunsuria for 1,000,000 new ordinary shares of RM1.00 each in SGSB (“**SGSB Shares**”), representing approximately 100% equity interest in SGSB at a cash subscription price of RM1,000,000 and proposed subscription for 237,000,000 new redeemable preference shares-Class B of RM0.01 each in SGSB (“**SGSB RPS-B**”) at a subscription price of RM237,000,000 (**Collectively, the “Proposed SGSB Subscription”**);

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



(a) Proposed SDSDSB Transactions (Cont'd)

(i) Proposed SGSB Transactions; and (Cont'd)

On 20 April 2015, Sunsuria entered into the Supplemental SGSB Subscription Agreement with SGSB, Datuk Ter Leong Yap ("**Datuk Ter**") and Datin Kwan May Yuen (as existing shareholders of SGSB) to fix the maximum redemption sum payable for the full and final capital redemption of all redeemable preference shares-class A of RM0.01 each issued by SGSB ("**SGSB RPS-A**") and held by Datuk Ter at a maximum of RM168,390,000 and thereafter there shall be no further issuance of SGSB RPS-A under the terms of the SGSB Subscription Agreement ("**Proposed Full and Final Capital Return**").

Arising from the Proposed Full and Final Capital Return of SGSB RPS-A, there will be an amount of RM69,610,000 in SGSB intended to be utilised for inter-alia working capital purposes of SGSB, including, the payment of the remaining unpaid Suria Serenia Land purchase consideration by SDSDSB.

In addition to the Proposed SGSB Subscription, Datuk Ter has also committed to subscribe for RM100,000,000 in value of ordinary share of RM0.50 each in Sunsuria ("**Sunsuria Share**") at an issue price of RM0.98 per Sunsuria Share, amounting to 102,040,816 Sunsuria Shares ("**Proposed Reinvestment**"). SGSB, Datuk Ter and Sunsuria have agreed to set-off RM100,000,000 of the redemption sum payable under the Proposed Full and Final Capital Return of SGSB RPS-A against the subscription price payable under the Proposed Reinvestment.

(ii) Proposed SDSDSB Acquisition

The Proposed SDSDSB Acquisition entails Sime Darby Property (Sungai Kapar) Sdn. Bhd. ("**Sime Darby Property**") agreeing to sell and Sunsuria agreeing to purchase the 1 ordinary share of RM1.00 in SDSDSB, representing the 50% of the issued and paid-up share capital of SDSDSB for a total cash consideration of RM173,390,700, comprising RM157,000,000 for the Proposed SDSDSB Acquisition as well as RM16,390,700 for the settlement of the existing shareholder's advances owing by SDSDSB to Sime Darby Property, which as at 31 March 2015 amounts to RM16,390,700 and any additional shareholder's advances granted by Sime Darby Property to SDSDSB for the purposes of the on-going business or operations of SDSDSB pending completion of the Proposed SDSDSB Acquisition ("**Sime Darby Advances**") on or before the expiry of 12 months after 30 June 2015 or such other date as may be agreed upon between Sunsuria and Sime Darby Property ("**SDSDSB Completion Date**").

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

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



(b) Proposed Sunsuria Medini Sdn. Bhd. ("SMSB") Acquisitions

The Proposed SMSB Acquisitions entails proposed acquisition of a 21% effective equity interest in SMSB by:-

- (i) Proposed acquisition of 2 ordinary shares of RM1.00 each in Concord Property Management Sdn. Bhd. ("**Concord**") ("**Concord Sale Shares**") representing the entire equity interest in Concord (which currently holds 250,000 ordinary shares of RM1.00 each in SMSB, representing 20% equity interest in SMSB) for a total cash consideration of RM53,121,296.30 ("**Proposed SMSB Acquisition 1**");
- (ii) Proposed acquisition of 12,500 ordinary shares of RM1.00 each in SMSB ("**SMSB Sale Shares**") representing 1% equity interest in SMSB for a total cash consideration of RM1,848,399.97 ("**Proposed SMSB Acquisition 2**")

(The Proposed SMSB Acquisition 1 and the Proposed SMSB Acquisition 2 are collectively referred to as the "**Proposed SMSB Acquisitions**")

(c) Proposed Rentak Nusantara Sdn. Bhd. ("RNSB") Subscription

The Proposed RNSB Subscription entails the subscription by Sunsuria for:-

- (i) 25,000,000 new ordinary shares of RM1.00 each, representing 99.01% of the enlarged issued and paid-up share capital of RNSB at the cash subscription price of RM25,000,000; and
- (ii) 32,000,000 new redeemable preference Shares of RM0.01 each in RNSB ("**RNSB RPS**") at the cash subscription price of RM32,000,000.

(The proposals set out in (a), (b) and (c) above are collectively referred to as the "**Proposals**")

- (d) Renounceable rights issue of up to 475,084,416 Sunsuria Shares ("**Rights Share**") on the basis of three (3) Rights Share for every one (1) existing Sunsuria Share held on an entitlement date to be determined and announced later ("**Entitlement Date**"), together with up to 158,361,472 free detachable Warrants ("**Warrants**") on the basis of one (1) free Warrant for every three (3) Rights Shares subscribed ("**Rights Issue With Warrants**");

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



- (e) Private placement of up to 63,344,588 Sunsuria Shares ("**Placement Shares**") representing approximately 8.6% of the enlarged issued and paid-up share capital of Sunsuria after the Proposed Reinvestment and Rights Issue With Warrants at an issue price to be determined later ("**Private Placement**"); and
- (f) Increase in authorised share capital of Sunsuria from RM100,000,000 comprising 200,000,000 Sunsuria Shares to RM750,000,000 comprising 1,500,000,000 Sunsuria Shares ("**Increase In Authorised Share Capital**"), and in consequence thereof, the Company's Memorandum of Association be amended accordingly ("**Amendments**").

The pro forma consolidated statements of financial position have been compiled by the Board of Directors to illustrate the impact of the Proposals, as set out in Note 1 of the pro forma consolidated statements of financial position, on Sunsuria's financial position as at 31 March 2014.

As part of this process, information about Sunsuria's financial position has been extracted by the Board of Directors from Sunsuria's audited consolidated financial statements for the financial year ended 31 March 2014, dated 16 May 2014.

Directors' responsibilities for the pro forma consolidated statements of financial position

The Board of Directors of Sunsuria is solely responsible for compiling the pro forma consolidated statements of financial position on the basis set out in Note 1 of the pro forma consolidated statements of financial position.

Our responsibilities

Our responsibility is to express an opinion, as required by Bursa Securities Malaysia Berhad, about whether the pro forma consolidated statements of financial position have been compiled, in all material respects, by the Board of Directors on the basis set out in Note 1 of the pro forma consolidated statements of financial position.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro forma Financial Information included in the Circular to Shareholders, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma consolidated statements of financial position on the basis set out in Note 1 of the pro forma consolidated statements of financial position.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

*Our responsibilities (Cont'd)*

The purpose of the pro forma consolidated statements of financial position included in the Circular to Shareholders is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, on the basis set out in Note 1 of the pro forma consolidated statements of financial position involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statements of financial position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of Sunsuria, the event or transaction in respect of which the pro forma consolidated statements of financial position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

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

Opinion

In our opinion,

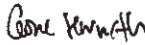
- (a) the pro forma consolidated statements of financial position of Sunsuria, which have been prepared by the Directors of the Company, have been prepared on the basis of assumptions as set out in the accompanying notes using financial statements prepared in accordance with Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the financial statements and the accounting policies adopted by Sunsuria; and
- (b) each material adjustment made to the information used in the preparation of the pro forma consolidated statements of financial position is appropriate for the purpose of preparing the pro forma consolidated statements of financial position.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

*Other Matters*

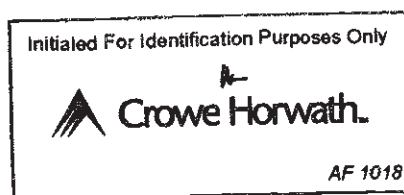
We understand that this letter is issued solely for the purpose of inclusion in the Circular to Shareholders in connection with the Proposals, Rights Issue With Warrants, Private Placement and Amendments. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully


Crowe Horwath
Firm No : AF 1018
Chartered Accountants


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

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

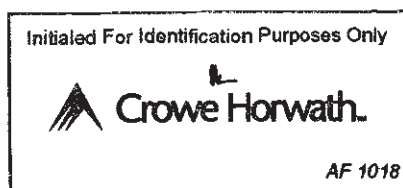


APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014
MINIMUM SCENARIO**

		Audited as at 31.3.2014 RM'000	Pro Forma I After the Proposals RM'000	Pro Forma II After Pro Forma I and after the Rights Issue With Warrants RM'000	Pro Forma III After Pro Forma II, the Private Placement and utilisation of proceeds RM'000	Pro Forma IV After Pro Forma III and assuming full exercise of the Warrants RM'000
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment		3,593	3,593	3,593	3,593	3,593
Investment property		6,704	6,704	6,704	6,704	6,704
Investment in an associate	2	666	55,635	55,635	55,635	55,635
Investment in club membership, at cost		25	25	25	25	25
Goodwill	3	-	7,099	7,099	7,099	7,099
		10,988	73,056	73,056	73,056	73,056
CURRENT ASSETS						
Inventories		4,285	4,285	4,285	4,285	4,285
Receivables	4	7,863	51,640	51,640	51,640	51,640
Prepayments		108	108	108	108	108
Amount owing by an associate	5	-	15,417	15,417	15,417	15,417
Property development costs	6	48,807	565,807	565,807	565,807	565,807
Current tax assets		86	86	86	86	86
Cash and cash equivalents	7	33,499	6,368	322,068	125,684	364,709
		94,648	643,711	959,411	763,027	1,002,052
TOTAL ASSETS		105,636	716,767	1,032,467	836,083	1,075,108
EQUITY AND LIABILITIES						
EQUITY						
Share capital	8	79,180	130,201	329,389	361,061	427,458
Share premium	9	13,296	62,275	118,278	134,114	367,251
Capital reserve		815	815	815	815	815
Capital redemption reserve	10	-	100	100	168	168
Warrant reserve	11	-	-	60,509	60,509	-
(Accumulated losses)/Retained profits	12	(5,037)	43,701	43,701	43,633	43,633
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		88,254	237,092	552,792	600,300	839,325
NON-CONTROLLING INTERESTS	13	30	209	209	209	209
TOTAL EQUITY		88,284	237,301	553,001	600,509	839,534

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

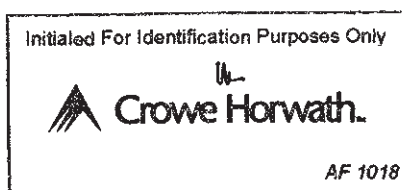


APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014
MINIMUM SCENARIO (CONT'D)**

		Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV
			After Pro Forma I and after the Rights Issue With Warrants	After Pro Forma II, the Private Placement and utilisation of proceeds	After Pro Forma III and assuming full exercise of the Warrants
Note	Audited as at 31.3.2014 RM'000	After the Proposals RM'000	RM'000	RM'000	RM'000
NON-CURRENT LIABILITIES					
Retirement benefits	1,104	1,104	1,104	1,104	1,104
Bank borrowings	14 -	-	-	22,068	22,068
Payables	15 -	4,097	4,097	4,097	4,097
Deferred tax liabilities	16 6	110,406	110,406	110,406	110,406
	1,110	115,607	115,607	137,675	137,675
CURRENT LIABILITIES					
Progress billings	17 9,691	27,034	27,034	27,034	27,034
Payables	15 5,779	163,203	163,203	9,609	9,609
Amount owing to related parties	18 -	83,197	83,197	60,470	60,470
Amount owing to a director	19 -	21,249	21,249	-	-
Redeemable preference shares	20 -	68,390	68,390	-	-
Current tax liabilities	21 772	786	786	786	786
	16,242	363,859	363,859	97,899	97,899
TOTAL LIABILITIES	17,352	479,466	479,466	235,574	235,574
TOTAL EQUITY AND LIABILITIES	105,636	716,767	1,032,467	836,083	1,075,108
Number of ordinary shares of RM0.50 each ('000)	8 158,361	260,402	658,777	722,122	854,914
Net assets (RM'000) ("NA")	88,254	237,092	552,792	600,300	839,325
Net tangible assets (RM'000) ("NTA")	88,254	229,993	545,693	593,201	832,226
NA per ordinary share (RM)	0.56	0.91	0.84	0.83	0.98
NTA per ordinary share (RM)	0.56	0.88	0.83	0.82	0.97
Bank borrowings (RM'000)	Not applicable	Not applicable	Not applicable	22,068	22,068
Gearing ratio (times)	Not applicable	Not applicable	Not applicable	0.04	0.03

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

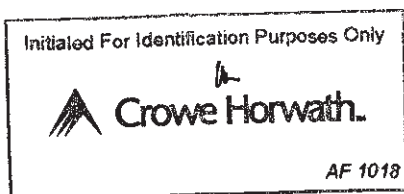


APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS
AT 31 MARCH 2014
MAXIMUM SCENARIO**

	Note	Audited as at 31.3.2014 RM'000	Pro Forma I After the Proposals RM'000	Pro Forma II After Pro Forma I and after the Rights Issue With Warrants RM'000	Pro Forma III After Pro Forma II, the Private Placement and utilisation of proceeds RM'000	Pro Forma IV After Pro Forma III and assuming full exercise of the Warrants RM'000
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment		3,593	3,593	3,593	3,593	3,593
Investment property		6,704	6,704	6,704	6,704	6,704
Investment in an associate	2	666	55,635	55,635	55,635	55,635
Investment in club membership, at cost		25	25	25	25	25
Goodwill	3	-	7,099	7,099	7,099	7,099
		10,988	73,056	73,056	73,056	73,056
CURRENT ASSETS						
Inventories		4,285	4,285	4,285	4,285	4,285
Receivables	4	7,863	51,640	51,640	51,640	51,640
Prepayments		108	108	108	108	108
Amount owing by an associate	5	-	15,417	15,417	15,417	15,417
Property development costs	6	48,807	565,807	565,807	565,807	565,807
Current tax assets		86	86	86	86	86
Cash and cash equivalents	7	33,499	6,368	381,435	162,983	448,034
		94,648	643,711	1,018,778	800,326	1,085,377
TOTAL ASSETS		105,636	716,767	1,091,834	873,382	1,158,433
EQUITY AND LIABILITIES						
EQUITY						
Share capital	8	79,180	130,201	367,743	399,415	478,596
Share premium	9	13,296	62,275	127,912	143,748	421,506
Capital reserve		815	815	815	815	815
Capital redemption reserve	10	-	100	100	168	168
Warrant reserve	11	-	-	71,888	71,888	-
(Accumulated losses)/Retained profits	12	(5,037)	43,701	43,701	43,633	43,633
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		88,254	237,092	612,159	659,667	944,718
NON-CONTROLLING INTERESTS	13	30	209	209	209	209
TOTAL EQUITY		88,284	237,301	612,368	659,876	944,927

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

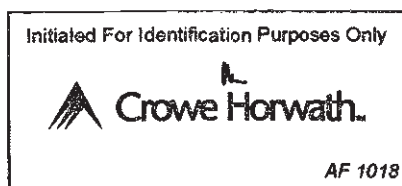


APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014
MAXIMUM SCENARIO (CONT'D)**

		Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV
			After	After	After
		After	Pro Forma I	Pro Forma II,	Pro Forma III
		the Proposals	and after the	the Private	and assuming
		RM'000	Rights Issue	Placement and	full exercise of
			With Warrants	utilisation of	the Warrants
Note	Audited	RM'000	RM'000	proceeds	RM'000
	as at			RM'000	
	31.3.2014				
	RM'000				
NON-CURRENT LIABILITIES					
Retirement benefits		1,104	1,104	1,104	1,104
Bank borrowings	14	-	-	-	-
Payables	15	-	4,097	4,097	4,097
Deferred tax liabilities	16	6	110,406	110,406	110,406
		<u>1,110</u>	<u>115,607</u>	<u>115,607</u>	<u>115,607</u>
CURRENT LIABILITIES					
Progress billings	17	9,691	27,034	27,034	27,034
Payables	15	5,779	163,203	163,203	9,609
Amount owing to related parties	18	-	83,197	83,197	60,470
Amount owing to a director	19	-	21,249	21,249	-
Redeemable preference shares	20	-	68,390	68,390	-
Current tax liabilities	21	772	786	786	786
		<u>16,242</u>	<u>363,859</u>	<u>363,859</u>	<u>97,899</u>
TOTAL LIABILITIES		<u>17,352</u>	<u>479,466</u>	<u>479,466</u>	<u>213,506</u>
TOTAL EQUITY AND LIABILITIES		<u>105,636</u>	<u>716,767</u>	<u>1,091,834</u>	<u>1,158,433</u>
Number of ordinary shares of RM0.50 each ('000)	8	158,361	260,402	735,486	798,831
Net assets (RM'000) ("NA")		88,254	237,092	612,159	659,667
Net tangible assets (RM'000) ("NTA")		88,254	229,993	605,060	652,568
NA per ordinary share (RM)		0.56	0.91	0.83	0.83
NTA per ordinary share (RM)		0.56	0.88	0.82	0.82
Bank borrowings (RM'000)		Not applicable	Not applicable	Not applicable	Not applicable
Gearing ratio (times)		Not applicable	Not applicable	Not applicable	Not applicable

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014**

1. Basis Of Preparation

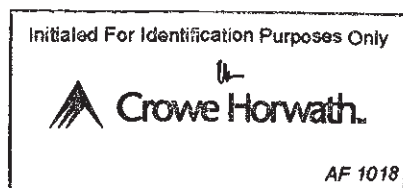
The pro forma consolidated statements of financial position of Sunsuria have been prepared based on the audited consolidated statements of financial position of Sunsuria as at 31 March 2014 had the Proposals, Rights Issue With Warrants, Private Placement, and the full exercise of the Warrants issued pursuant to the Rights Issue With Warrants as described in Note 1(a) and 1(b) below, been effected as at 31 March 2014.

The audited consolidated statements of financial position of Sunsuria as at 31 March 2014 have been prepared in accordance with Financial Reporting Standards ("FRSs").

In illustrating the effects of the Proposals on the pro forma consolidated statements of financial position of Sunsuria as at 31 March 2014, the audited financial statements of the related proposed subsidiaries for the financial year ended 31 December 2014 used in the preparation of the pro forma consolidated statements of financial position have been prepared in accordance with Private Entity Reporting Standards ("PERS"). We have reviewed the audited financial statements of the related proposed subsidiaries, for the conversion to FRSs and for the use in the preparation of the pro forma consolidated statements of financial position of Sunsuria. Certain adjustments were identified and have been adjusted in the related proposed subsidiaries' financial statements.

The pro forma consolidated statements of financial position have been prepared solely for illustrative purposes, to show the effects in relation to the Proposals, the Rights Issue With Warrants and the Private Placement to raise gross proceeds of RM318,700,00 for Minimum Scenario (Minimum level of subscription for the Proposed Rights Issue with Warrants of 398,375,000 Rights Shares together with 132,791,667 Warrants on the assumptions that the Private Placement is implemented) and RM380,067,000 for Maximum Scenario (Assuming all entitled shareholders subscribe in full for their respective entitlements under the Rights Issue with Warrants on the assumptions that the Private Placement is implemented).

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

1. Basis Of Preparation (Cont'd)

The details of minimum and maximum scenarios are set out below:-

(a) Minimum Scenario

The minimum scenario assumes the following:-

- (i) Full subscription and issuance of 398,375,000 Rights Shares together with 132,791,667 Warrants at an indicative issue price of RM0.80 per Rights Share to raise indicative gross proceeds of RM318,700,000 on the basis of three (3) Rights Share for every one (1) existing Sunsuria Share held, together with one (1) Warrant for every three (3) Rights Share subscribed. It also incorporates the effects of estimated expenses of RM3,000,000 in relation to the Proposed Rights Issue With Warrants; and
- (ii) Private placement of 63,344,588 Shares, representing approximately 9.62% of the enlarged issued and paid-up share capital of the Company after the Proposed Reinvestment and Rights Issue With Warrants, being the maximum number of Placement Shares approved by shareholders of Sunsuria at its EGM on 12 May 2014.

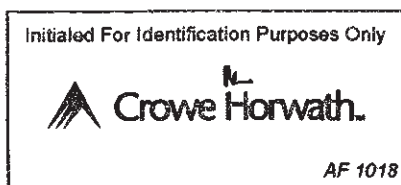
The Placement Shares are issued at an indicative issue price of RM0.75 per Placement Share. The indicative gross proceeds to be raised by the Private Placement amounted to RM47,508,000.

(b) Maximum Scenario

The maximum scenario assumes the following:-

- (i) Full subscription and issuance of 475,084,416 Rights Shares together with 158,361,472 Warrants at an indicative issue price of RM0.80 per Rights Share to raise indicative gross proceeds of RM380,067,000 on the basis of three (3) Rights Share for every one (1) existing Sunsuria Share held, together with one (1) Warrant for every three (3) Rights Share subscribed. It also incorporates the effects of estimated expenses of RM5,000,000 in relation to the Proposed Rights Issue With Warrants; and

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
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APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

1. Basis Of Preparation (Cont'd)

(b) Maximum Scenario (Cont'd)

- (ii) Private placement of 63,344,588 Shares, representing approximately 8.61% of the enlarged issued and paid-up share capital of the Company after the Proposed Reinvestment and Rights Issue With Warrants, being the maximum number of Placement Shares approved by shareholders of Sunsuria at its EGM on 12 May 2014.

The Placement Shares are issued at an indicative issue price of RM0.75 per Placement Share. The indicative gross proceeds to be raised by the Private Placement amounted to RM47,508,000.

The Proposed SGSB Transactions, Proposed SDSDSB Acquisition, Proposed SMSB Acquisition 1 and Proposed RNSB Subscription have been accounted for using the acquisition method in accordance with FRS 3 *Business Combinations*, whilst Proposed SMSB Acquisition 2 has been accounted for using the equity method in accordance with FRS 128 *Investments in Associates and Joint Ventures*.

1.1 Pro Forma I

The details of the Proposals are as follows:-

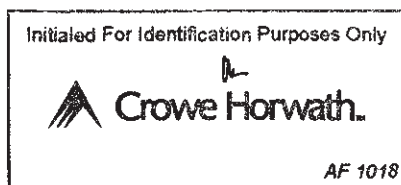
(a) Proposed SGSB Transactions

The Proposed SGSB Transactions comprise the Proposed SGSB Subscription and the Proposed Reinvestment. The Proposed SGSB Subscription involves the subscription by Sunsuria of the following:-

	Consideration
	RM'000
1,000,000 new SGSB Shares	1,000
237,000,000 new SGSB RPS-B	237,000
Total	238,000

The Proposed SGSB Subscription would increase the issued and paid-up ordinary share capital of SGSB from RM2 comprising two (2) SGSB Shares, to RM1,000,002 comprising 1,000,002 SGSB Shares, in which Sunsuria will hold approximately 100% equity interest in SGSB.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

1. Basis Of Preparation (Cont'd)

1.1 Pro Forma I (Cont'd)

(a) Proposed SGSB Transactions (Cont'd)

In addition to the Proposed SGSB Subscription, Datuk Ter has also committed to subscribe for RM100,000,000 in value ("**Reinvestment Amount**") of Sunsuria Shares at an issue price of RM0.98 per Sunsuria Share ("**Reinvestment Shares Issue Price**"), amounting to 102,040,816 Sunsuria Shares ("**Reinvestment Shares**"). Datuk Ter and Sunsuria have agreed to set off the redemption sum payable under the Proposed Full and Final Capital Return of SGSB RPS-A against the subscription price payable under the Proposed Reinvestment.

An amount of RM100,000,000 will be used to redeem 10,000,000 of SGSB RPS-A, which represents part of the outstanding SGSB RPS-A held by Datuk Ter.

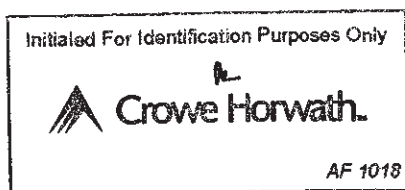
The Reinvestment Shares shall not be entitled to the Rights Issue With Warrants as the Reinvestment Shares will only be issued after the entitlement date for the Rights Issue With Warrants.

(b) Proposed Acquisitions

The Proposed Acquisitions entails:-

- (i) Proposed acquisition of 2 ordinary shares of RM1.00 each in Concord representing the entire equity interest in Concord (which currently holds 250,000 ordinary shares of RM1.00 each in SMSB, representing 20% equity interest in SMSB) for a total cash consideration of RM53,121,296.30.
- (ii) Proposed acquisition of 12,500 ordinary shares of RM1.00 each in SMSB representing 1% equity interest in SMSB for a total cash consideration of RM1,848,399.97.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

1. Basis Of Preparation (Cont'd)

1.1 Pro Forma I (Cont'd)

(b) Proposed Acquisitions (Cont'd)

In addition, pursuant to the terms of the SMSB Share Purchase Agreement 2, the Company will also be paying THK Capital Sdn. Bhd. ("TCSB"), in return for the novation by TCSB to Sunsuria of an amount owing by SMSB to TCSB, of RM730,303.73, together with interest accrued up to the completion date of the Proposed SMSB Acquisition 2.

Upon completion of the Proposed Acquisitions, Concord will become a wholly-owned subsidiary of Sunsuria and the effective shareholding of Sunsuria in SMSB (via its direct holding of equity interest in SMSB under the Proposed SMSB Acquisition 2 and its indirect holding of equity interest in SMSB via Concord under the Proposed SMSB Acquisition 1) will amount to 262,500 SMSB Shares or 21% effective equity interest in SMSB.

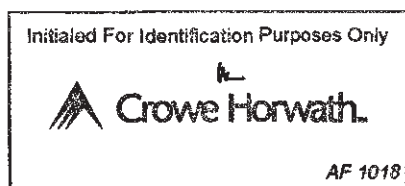
(c) Proposed RNSB Subscription

The Proposed RNSB Subscription entails the subscription by Sunsuria for:-

- (i) 25,000,000 new RNSB Shares, representing 99.01% of the enlarged issued and paid-up share capital of RNSB at the cash subscription price of RM25,000,000; and
- (ii) 32,000,000 new RNSB RPS at the cash subscription price of RM32,000,000.

The Proposed RNSB Subscription would result in Sunsuria holding 99.01% equity interest in RNSB.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

1. Basis Of Preparation (Cont'd)

1.1 Pro Forma I (Cont'd)

(d) Proposed SDSDSB Acquisition and Proposed Variations

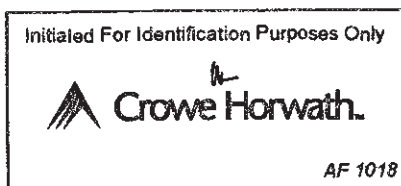
Sunsuria had on 20 April 2015 entered into:-

- (i) a Conditional Share Purchase Agreement with Sime Darby Property ("SDSDSB SPA") for the Proposed SDSDSB Acquisition for a total cash consideration of RM173,390,700, comprising RM157,000,000 ("SDSDSB Consideration") for the Proposed SDSDSB Acquisition as well as the settlement of the Sime Darby Advances, which amount to RM16,390,700 as at 31 March 2015 are due and payable by SDSDSB to Sime Darby Property and/or persons connected with them.

Sunsuria shall pay and settle for and on behalf of SDSDSB, all outstanding Sime Darby Advances on or before the expiry of 12 months after 30 June 2015 or such other date as may be agreed upon between Sunsuria and Sime Darby Property upon which completion of the Proposed SDSDSB Acquisition is to take place. For the avoidance of doubt, no further interest or other charges shall accrue or be payable on the Sime Darby Advances and this shall survive the completion of the SDSDSB SPA.

Sunsuria is expected to repay the Sime Darby Advances in 12 equal monthly instalments, commencing from 1 July 2015. The tenth (10) to twelfth (12) instalments, amounting to RM4,097,000 was classified as non-current liability as the said amounts are expected to be settled more than 12 months from the reporting period.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

1. Basis Of Preparation (Cont'd)

1.1 Pro Forma I (Cont'd)

(d) Proposed SDSDSB Acquisition and Proposed Variations (Cont'd)

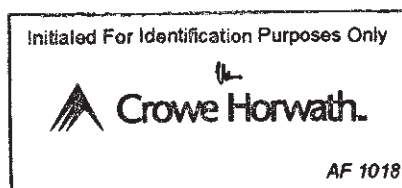
- (ii) Proposed variations to the terms of the SGSB Subscription Agreement dated 9 March 2015 ("SGSB Subscription Agreement") entered into between Sunsuria, SGSB, Datuk Ter and Datin Kwan May Yuen (as existing shareholders of SGSB) ("**Supplemental SGSB Subscription Agreement**") to fix the maximum redemption sum payable for full and final capital redemption of all SGSB RPS-A issued by SGSB and held by Datuk Ter amounting to a maximum RM168,390,000 ("**Proposed Full and Final Capital Return of SGSB RPS-A**") and thereafter there shall be no further issuance of SGSB RPS-A under the terms of the SGSB Subscription Agreement (collectively referred to as the "**Proposed Variations**").

The balance redemption for SGSB RPS-A (after Proposed Reinvestment) amounting to RM68,390,000 shall be paid in cash to Datuk Ter being the remaining sum payable by Sunsuria to Datuk Ter pursuant to the Proposed Full and Final Capital Return of SGSB RPS-A.

Arising from the Proposed Variations, there will be an amount of RM69,610,000 in SGSB in which Sunsuria will hold 99.99% effective equity interest, which is intended to be utilised for *inter-alia*, working capital purposes, including the payment of the remaining unpaid Suria Serenia Land purchase consideration by SDSDSB.

Accordingly, the Proposed SGSB Transactions will hereinafter include the Proposed Variations.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

1. Basis Of Preparation (Cont'd)

1.1 Pro Forma I (Cont'd)

Subsequent events

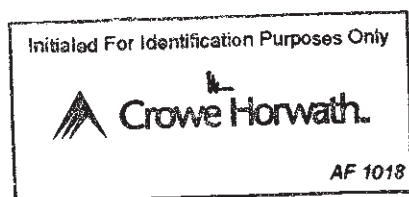
Below are the details of the subsequent events between the date of the last audited financial statements used in the preparation of this pro forma and the date of this report:-

- (a) SGSB had on 30 March 2015 allotted and issued 1,893,358 SGSB RPS-A of RM0.01 each at premium of RM0.99 each by contra of a loan owing to Datuk Ter.
- (b) SDSDSB had on 4 September 2014 entered into a Sale and Purchase Agreement ("SPA") with Sime Darby Serenia Development Sdn. Bhd. (formerly known as Sime Darby Ampar Tenang Development Sdn. Bhd.) for the purchase of three plots of freehold development land, namely Plot 3, Plot 9 and Plot 10 in the Mukim of Dengkil, District of Sepang, Negeri Selangor Darul Ehsan measuring approximately 40 acres for a total purchase consideration of RM46,000,000.

A deposit of RM4,600,000 representing 10% of the purchase consideration has been paid on behalf in the same proportion by SGSB and Sime Darby Property upon execution of the SPA. The purchase transaction is on-going and has not been completed as at the date of this letter.

- (c) SDSDSB received additional shareholder's advances of RM1,786,287 and RM1,645,502 from Sime Darby Property and SGSB, respectively which results in the increase of the amount owing by SDSDSB to Sime Darby Property and SGSB as at 31 March 2015 to RM16,390,700 each.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

1. Basis Of Preparation (Cont'd)

1.1 Pro Forma I (Cont'd)

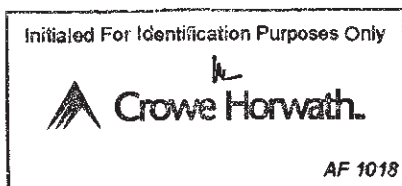
The total consideration for the Proposals amounting to approximately RM506,969,000 will be funded as follows:-

	Minimum scenario RM'000	Maximum scenario RM'000
Proceeds from the Rights Issue With Warrants and Private Placements	358,208	380,276
Reinvestment amount	100,000	100,000
Borrowings (i)	22,068	-
Internally generated funds (ii)	26,693	26,693
	506,969	506,969

- (i) The borrowing represents the drawdown of external bank borrowings which was classified as non-current liability in the pro forma consolidated statements of financial position.
- (ii) Represents 20% deposits for the Proposed Acquisitions and 10% deposit for the Proposed SDSDSB Acquisition which have been paid by Sunsuria to the vendors or their nominees upon the execution of the SMSB Share Purchase Agreement dated 9 March 2015 and SDSDSB SPA dated 20 April 2015, respectively.

The estimated expenses of RM5,000,000 in relation to the Proposals are expensed off to profit or loss.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

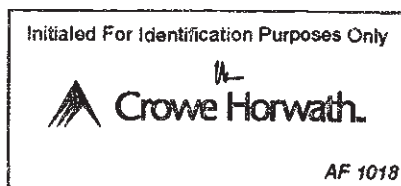
1. Basis Of Preparation (Cont'd)

1.1 Pro Forma I (Cont'd)

For the purpose of pro forma consolidated statements of financial position, the following are the identifiable assets acquired and liabilities assumed of SGSB, Concord and RNSB at the date of acquisition.

	SGSB & SDSDSB RM'000	Concord RM'000	RNSB RM'000	Total RM'000
Non-current asset				
Investment in an associate	-	53,121	-	53,121
Current assets				
Property development costs	460,000 #1	-	57,000	517,000
Receivables	29,593	-	14,184	43,777
Amount owing by an associate	-	14,687	-	14,687
Fixed deposits with licensed banks	-	-	26	26
Cash and bank balances	4,884 #2,3	-	26,382 #3	31,266
Current liabilities				
Payables	(7)	(1,559)	(2,264)	(3,830)
Amount owing to Sime Darby Property	(12,294) #4	-	-	(12,294)
Amount owing to related parties	(565)	-	(59,905)	(60,470)
Progress billings	-	-	(17,343)	(17,343)
Provision for taxation	-	(14)	-	(14)
Deferred taxation	(110,400)	-	-	(110,400)
Redeemable preference shares (SGSB RPS-A)	(168,390) #2	-	-	(168,390)
Non-current liability				
Amount owing to Sime Darby Property	(4,097) #4	-	-	(4,097)
Fair value of assets acquired and liabilities assumed	198,724	66,235	18,080	283,039
Non-controlling interests	*	-	(179)	(179)
	198,724	66,235	17,901	282,860
Less: Consideration transferred	(158,000) #3	(53,121)	(25,000) #3	(236,121)
Gain on bargain purchase/(Goodwill)	40,724	13,114	(7,099)	46,739

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

1. Basis Of Preparation (Cont'd)

1.1 Pro Forma I (Cont'd)

Notes:

- #1 On the assumption that the purchase transactions for the acquisition of the land will be completed as at or before the completion date of the Proposed SGSB Transactions and Proposed SDSDSB Acquisitions, the fair value on the property development costs is allocated on the land portion.
- #2 After taken into consideration of the subsequent events as highlighted in Note 1.1.
- #3 The cash and bank balances include the Proposed Subscriptions by Sunsuria amounting to RM1,000,000 in SGSB and RM25,000,000 in RNSB. There is no cash outflows by Sunsuria Group in relation to the Proposed Subscriptions, as the cash outflows by Sunsuria represent cash inflows in SGSB and RNSB.

	SGSB & SDSDSB RM'000	Concord RM'000	RNSB RM'000	Total RM'000
Fixed deposits with licensed banks	-	-	26	26
Cash and bank balances	4,884	-	26,382	31,266
	4,884	-	26,408	31,292
Less: Proposed Subscriptions	(1,000)	-	(25,000)	(26,000)
Net cash inflows from acquisitions (Note 10)	3,884	-	1,408	5,292

- #4 For the purpose of consolidation, the amount owing to SGSB of RM16,391,000 in SDSDSB's books has been eliminated against the amount owing by SDSDSB in SGSB's book.

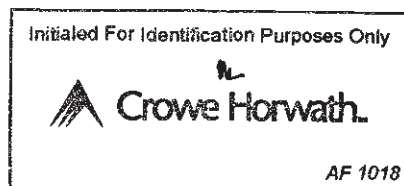
At the completion date of the Proposed SDSDSB Acquisition, Sime Darby Property is no longer a shareholder of SDSDSB. Therefore, the amount owing is being classified as other payables in Sunsuria's Pro Forma Consolidated Statements of Financial Position.

As set out in Note 1.1(d)(i), the Company expected to repay the Sime Darby Advances in 12 equal monthly instalments, commencing from 1 July 2015. Below are the repayment details:-

	Repayment period	RM'000
<u>Current liability</u>		
No. 1 to 9 instalments	July 2015 - March 2016	12,294
<u>Non-current liability</u>		
No. 10 to 12 instalments	April 2016 to June 2016	4,097
		<u>16,391</u>

* Less than RM500

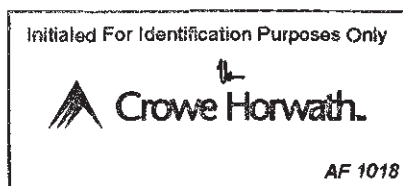
**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

**APPENDIX A****SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)****1. Basis Of Preparation (Cont'd)****1.1 Pro Forma I (Cont'd)**

The pro forma consolidated statements of financial position are prepared on the basis as described above solely for purpose stated above. The final determination of the purchase price allocation will be based on the established fair value of the assets acquired, including the fair value of the identifiable intangible assets, liabilities assumed as of the acquisition date, in accordance with FRS 3 - Business Combinations. The excess of the purchase price over the fair value net assets acquired is allocated to goodwill, or vice versa be reflected as discount on acquisition.

Accordingly, the final determination of the purchase price fair value and resulting goodwill or discount on acquisition may differ from what is reflected in the pro forma consolidated statements of financial position.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

1. Basis Of Preparation (Cont'd)

1.2 Pro Forma II

(a) Minimum scenario

The subscription of 398,375,000 Rights Shares under Minimum Scenario would give rise to an increase in the issued and paid-up share capital of Sunsuria of RM199,188,000. Share premium will increase by RM56,003,000 to RM118,278,000 after netting off estimated expenses of RM2,425,000.

The full issuance of 132,791,667 Warrants under minimum scenario will generate a total of RM60,509,000 warrants reserve with the relative fair value method of the Warrants of RM0.46 per Warrant, after netting off estimated expenses of RM575,000.

The subscription of 398,375,000 Rights Shares and full issuance of 132,791,667 Warrants, based on illustrative issue price of RM0.80 per Rights Share will generate total gross cash proceeds of RM363,208,000 after netting off estimated expenses of RM3,000,000.

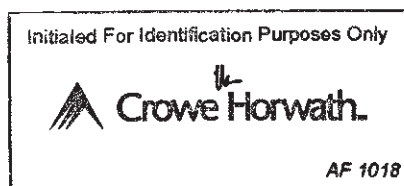
(b) Maximum scenario

The full subscription of 475,084,416 Rights Shares under Maximum Scenario would give rise to an increase in the issued and paid-up share capital of Sunsuria of approximately RM237,542,000. Share premium will increase by RM65,637,000 to RM127,912,000 after netting off estimated expenses of approximately RM4,042,000.

The full issuance of 158,361,472 Warrants under maximum scenario will generate a total of RM71,888,000 warrants reserve with the relative fair value method of the Warrants of RM0.46 per Warrant, after netting off estimated expenses of RM958,000.

The full subscription of 475,084,416 Rights Shares and full issuance of 158,361,472 Warrants, based on illustrative issue price of RM0.80 per Rights Share will generate total gross cash proceeds of RM422,575,000 after netting off estimated expenses of RM5,000,000.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

1. Basis Of Preparation (Cont'd)

1.2 Pro Forma II (Cont'd)

(b) Maximum scenario (Cont'd)

The Rights Shares and Warrants are recognised at their relative fair values. In arriving at the relative fair values, the fair values of the Rights Shares and Warrants were proportionately adjusted to their illustrative issue price of RM0.80 per Rights Share.

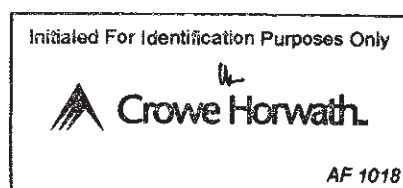
The fair value of the warrants of RM0.46 per Warrant is determined using "Black-Scholes Option" pricing model based on the following key assumptions:

Expiry date	*
Expected volatility of Sunsuria's Share price [^]	65.301%

* Five years from the date of issuance of the Warrants

[^] Source : Black Scholes Option Calculator

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

1. Basis Of Preparation (Cont'd)

1.3 Pro Forma III

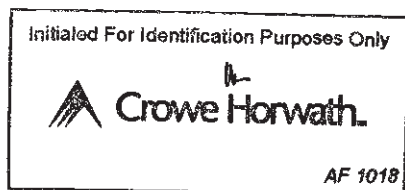
The Private Placement gave rise to an increase of RM31,672,000 in the issued and paid-up share capital of Sunsuria under the Minimum Scenario and Maximum scenario. The share premium will increase by RM15,836,000 and the Private Placement will generate total gross proceeds of RM47,508,000.

The Private Placement is to be undertaken after the implementation of the Rights Issue With Warrants.

The total proceeds raised from the Rights Issue With Warrants and the Private Placement (excluding the exercise of Warrants) under the Minimum Scenario and Maximum Scenario amounts to RM363,208,000 and RM422,575,000 after netting off estimated expenses of RM3,000,000 and RM5,000,000 respectively. The expected utilisation of those proceeds are as follows:-

Proposed utilisation of proceeds	Minimum Scenario RM'000	Maximum Scenario RM'000	Expected timeframe for utilisation (from the date of listing of Rights Shares and Placement Shares, whichever applicable)
Proposed subscription and acquisition	358,208	417,575	Within 12 months
Working capital	5,000	5,000	Within 12 months
Estimated expenses	3,000	5,000	Within 6 months
Total gross proceeds	366,208	427,575	

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
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APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

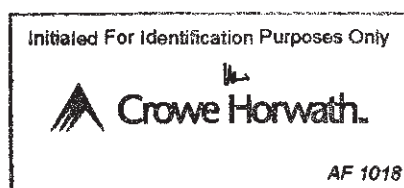
1. Basis Of Preparation (Cont'd)

1.4 Pro Forma IV

The full exercise of 132,791,667 Warrants under minimum scenario will generate total cash proceeds of RM239,025,000 based on the indicative exercise price of RM1.80 per Warrant. The exercise price of RM1.80 per Warrant is based on the assumptions set out in the Circular to Shareholders dated 18 April 2014. Pursuant to the full exercise of the 132,791,667 Warrants, 132,791,667 new Sunsuria Shares will be issued and this will increase the issued and paid-up share capital and share premium account of Sunsuria by RM66,397,000 and RM172,628,000, respectively. The amount of RM60,509,000 of the warrants reserve will be transferred to share premium upon full exercise of the Warrants.

The full exercise of 158,361,472 Warrants under maximum scenario will generate total cash proceeds of RM285,051,000 based on the indicative exercise price of RM1.80 per Warrant. The exercise price of RM1.80 per Warrant is based on the assumptions set out in the Circular to Shareholders dated 18 April 2014. Pursuant to the full exercise of the 158,361,472 Warrants, 158,361,472 new Sunsuria Shares will be issued and this will increase the issued and paid-up share capital and share premium account of Sunsuria by RM79,181,000 and RM205,870,000, respectively. The amount of RM71,888,000 of the warrants reserve will be transferred to share premium upon full exercise of the Warrants.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
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APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

2. Investment In An Associate

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014	666	666
Effects of Proposed SMSB Acquisitions 1 (Note 1.1(b))	53,121	53,121
Effects of Proposed SMSB Acquisitions 2 (Note 1.1(b))	1,848	1,848
As per Pro Forma I, II, III and IV	<u>55,635</u>	<u>55,635</u>

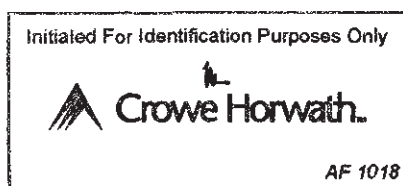
3. Goodwill

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014	-	-
Effects of Proposed RNSB Subscription (Note 1.1)	7,099	7,099
As per Pro Forma I, II, III and IV	<u>7,099</u>	<u>7,099</u>

4. Receivables

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014	7,863	7,863
Effects of Proposals	43,777	43,777
As per Pro Forma I, II, III and IV	<u>51,640</u>	<u>51,640</u>

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

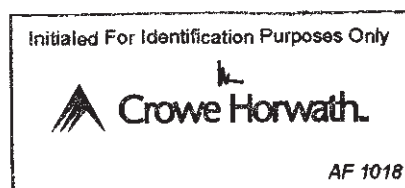
5. Amount Owing By An Associate

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014	-	-
Effects of Proposals	14,687	14,687
Novation of debts (Note 1.1(b))	730	730
As per Pro Forma I, II, III and IV	<u>15,417</u>	<u>15,417</u>

6. Property Development Costs

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014	48,807	48,807
Effects of Proposals	517,000	517,000
As per Pro Forma I, II, III and IV	<u>565,807</u>	<u>565,807</u>

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



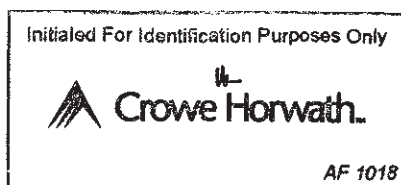
APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

7. Cash and Cash Equivalents

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014	33,499	33,499
Effects of Proposed Acquisitions:		
- Effects of Proposals and subsequent events (Note 1.1)	5,292	5,292
- Payment of deposits for the Proposed Acquisition (Note 7.1)	(26,693)	(26,693)
- Estimated expenses related to the Proposals (Note 1.1)	(5,000)	(5,000)
- Novation of debts (Note 1.1(b))	(730)	(730)
As per Pro Forma I	6,368	6,368
Proceeds from the Rights Issue With Warrants	318,700	380,067
Estimated expenses related to the Rights Issue With Warrants (Note 1.3)	(3,000)	(5,000)
As per Pro Forma II	322,068	381,435
Proceeds from the Private Placement	47,508	47,508
Cash received from borrowings (Note 14)	22,068	-
Utilisation of proceeds:		
- Repayment of remaining purchase consideration to vendors (Note 7.1)	(185,276)	(185,276)
- Repayment of shareholder's advances to Sime Darby Property (Note 1.1 and 15)	(12,294)	(12,294)
- Repayment of remaining balance for SGSB RPS-A redemption (Note 1.1(d)(ii)(ad))	(68,390)	(68,390)
As per Pro Forma III	125,684	162,983
Proceeds from the full exercise of the Warrants	239,025	285,051
As per Pro Forma IV	364,709	448,034

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

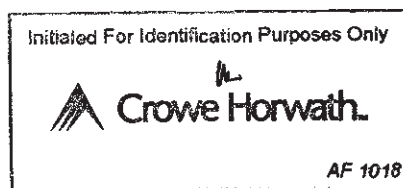
**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

7. Cash and Cash Equivalents (Cont'd)

7.1 Below are the purchase consideration details for the Proposed Acquisitions and Proposed SDSDSB Acquisition:-

	Related parties			Other payable	Director	
	Ter Hong Khim @ Tai Foong Chin	TCSB	Sub-Total	Sime Darby Property	Datuk Ter Leong Yap	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Purchase consideration (Note 1.1)</u>						
- Proposed SMSB Acquisition 1	26,560	-	26,560	-	26,561	53,121
- Proposed SMSB Acquisition 2	-	1,848	1,848	-	-	1,848
- Proposed SDSDSB Acquisition	-	-	-	157,000	-	157,000
	26,560	1,848	28,408	157,000	26,561	211,969
<u>Represented by:-</u>						
Deposits (Note 7)	5,311	370	5,681	15,700	5,312	26,693
Remaining purchase consideration (Note 7, 15, 18 and 19)	21,249	1,478	22,727	141,300	21,249	185,276
	26,560	1,848	28,408	157,000	26,561	211,969

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



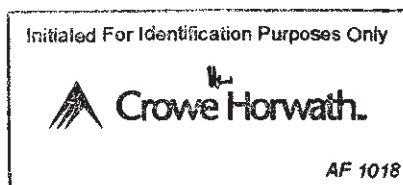
APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

8. Share Capital

	Minimum scenario		Maximum scenario	
	No. of ordinary shares ('000)	RM'000	No. of ordinary shares ('000)	RM'000
Audited as at 31.3.2014	158,361	79,180	158,361	79,180
Effects of Proposed Reinvestment (Note 19)	102,041	51,021	102,041	51,021
As per Pro Forma I	260,402	130,201	260,402	130,201
Arising from the Rights Issue With Warrants	398,375	199,188	475,084	237,542
As per Pro Forma II	658,777	329,389	735,486	367,743
Arising from the Private Placement	63,345	31,672	63,345	31,672
As per Pro Forma III	722,122	361,061	798,831	399,415
Arising from the full exercise of Warrants	132,792	66,397	158,361	79,181
As per Pro Forma IV	854,914	427,458	957,192	478,596

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

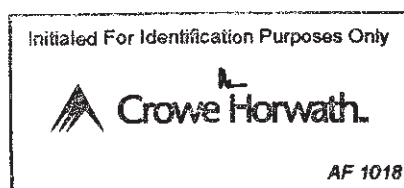
**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

9. Share Premium

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014	13,296	13,296
Effects of Proposed Reinvestment (Note 19)	48,979	48,979
As per Pro Forma I	62,275	62,275
Arising from the Rights Issue With Warrants	119,512	142,525
Less: Adjustment to fair value of Warrants (Note 11)	(61,084)	(72,846)
	58,428	69,679
Estimated expenses related to the Rights Issue With Warrants *	(2,425)	(4,042)
As per Pro Forma II	118,278	127,912
Arising from the Private Placement	15,836	15,836
As per Pro Forma III	134,114	143,748
Arising from the full exercise of Warrants	172,628	205,870
Transfer from warrant reserve upon full exercise of Warrants (Note 11)	60,509	71,888
As per Pro Forma IV	367,251	421,506

* - Represents 80.83% of the total estimated expenses of RM3,000,000 and RM5,000,000 under minimum and maximum scenarios, respectively in relation to the Rights Issue With Warrants. The basis of 80.83% is derived based on the fair value of RM0.64667 for each Rights Share subscribed over the illustrative issue price of RM0.80 per Rights Share, which is based on the recommended practice stated in Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 9.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



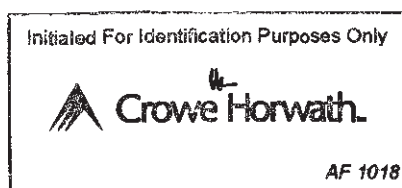
APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

10. Capital Redemption Reserve

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014	-	-
Effects of redemption of 10,000,000 SGSB RPS-A (Note 12)	100	100
As per Pro Forma I and II	100	100
Effects of redemption of remaining 6,839,000 SGSB RPS-A (Note 12)	68	68
As per Pro Forma III and IV	168	168

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
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APPENDIX A

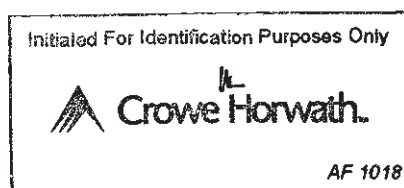
**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

11. Warrant Reserve

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014/As per Pro Forma I	-	-
Arising from the Rights Issue With Warrants (Note 9)	61,084	72,846
Estimated expenses related to the Rights Issue With Warrants *	(575)	(958)
As per Pro Forma II and III	60,509	71,888
Transfer to share premium upon full exercise of Warrants (Note 9)	(60,509)	(71,888)
As per Pro Forma IV	-	-

* - Represents 19.17% of the total estimated expenses of RM3,000,000 and RM5,000,000 under minimum and maximum scenarios, respectively in relation to the Rights Issue With Warrants. The basis of 19.17% is derived based on the proportionate fair value of Warrants of RM0.15333 for each Rights Share subscribed over the illustrative issue price of RM0.80 per Rights Share, which is based on the recommended practice stated in Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 9.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
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APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

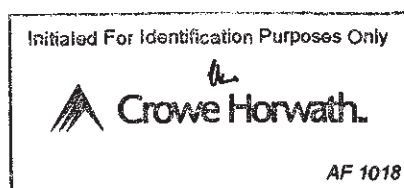
12. (Accumulated Losses)/Retained Profits

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014	(5,037)	(5,037)
Estimated expenses related to the Proposals (Note 1.1)	(5,000)	(5,000)
Gain on bargain purchase (Note 1.1)		
- Arising from Proposed SGSB Subscription	40,724	40,724
- Arising from Proposed Acquisitions	13,114	13,114
Transfer to capital redemption accounts upon redemption of 10,000,000 SGSB RPS-A (Note 10)	(100)	(100)
As per Pro Forma I and II	43,701	43,701
Transfer to capital redemption accounts upon redemption of remaining 6,839,000 SGSB RPS-A (Note 10)	(68)	(68)
As per Pro Forma III and IV	43,633	43,633

13. Non-controlling Interests

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014	30	30
Effects of Proposed RNSB Subscriptions	179	179
As per Pro Forma I, II, III and IV	209	209

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
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APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

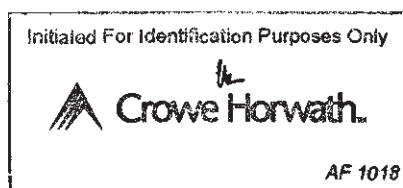
14. Borrowings

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014/As per Pro Forma I and II	-	-
Borrowings to finance the Proposals (Note 7)	40,368	-
As per Pro Forma III and IV	40,368	-

15. Payables

	Minimum scenario RM'000	Maximum scenario RM'000
<u>Non-current</u>		
Audited as at 31.3.2014	-	-
Effects of Proposals (Note 1.1(d)(i))	4,097	4,097
As per Pro Forma I, II, III and IV	4,097	4,097
<u>Current</u>		
Audited as at 31.3.2014	5,779	5,779
Effects of Proposals	16,124	16,124
Remaining purchase consideration for Proposed SDSDSB Acquisition (Note 7.1)	141,300	141,300
As per Pro Forma I and II	163,203	163,203
Repayment of remaining purchase consideration (Note 7.1)	(141,300)	(141,300)
Repayment of shareholder's advances to Sime Darby Property (Note 1.1(d)(i) and 7)	(12,294)	(12,294)
As per Pro Forma III and IV	9,609	9,609

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
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APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

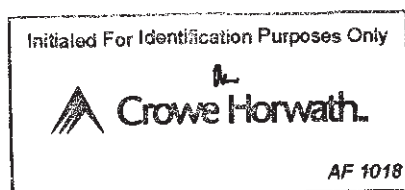
16. **Deferred tax liabilities**

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014	6	6
Effects of Proposals	110,400	110,400
As per Pro Forma I, II, III and IV	<u>110,406</u>	<u>110,406</u>

17. **Progress billings**

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014	9,691	9,691
Effects of Proposals	17,343	17,343
As per Pro Forma I, II, III and IV	<u>27,034</u>	<u>27,034</u>

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
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APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

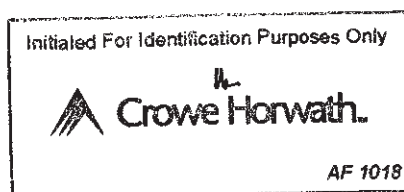
18. Amount Owing To Related Parties

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014	-	-
Effects of Proposals	60,470	60,470
Remaining purchase consideration (Note 7.1)	22,727	22,727
As per Pro Forma I and II	83,197	83,197
Repayment of remaining purchase consideration (Note 7)	(22,727)	(22,727)
As per Pro Forma III and IV	60,470	60,470

19. Amount Owing To A Director

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014	-	-
Amount payable upon redemption of 16,839,000 SGSB RPS-A (Note 1.1(a))	168,390	168,390
Effects of Proposed Reinvestment (Note 1.1(a), 8, 9 and 20)	(100,000)	(100,000)
Remaining purchase consideration arising from Proposed SMSB Acquisition 1 (Note 7.1)	21,249	21,249
As per Pro Forma I and II	89,639	89,639
Repayment of remaining purchase consideration (Note 7)	(21,249)	(21,249)
Repayment of amount payable for redemption of remaining 6,839,000 SGSB RPS-A (Note 7 and 20)	(68,390)	(68,390)
As per Pro Forma III and IV	-	-

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



APPENDIX A

**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

20. Redeemable Preference Shares

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014	-	-
Effects of Proposed SGSB Transactions	16,839	16,839
Contingent liabilities assumed in a business combination at the acquisition date	151,551	151,551
Amount payable upon full redemption of SGSB RPS-A (Note 1.1)	168,390	168,390
Effects of redemption of 10,000,000 SGSB RPS-A (Note 19)	(100,000)	(100,000)
As per Pro Forma I and II	68,390	68,390
Effects of redemption of remaining 6,839,000 SGSB RPS-A (Note 19)	(68,390)	(68,390)
As per Pro Forma III and IV	-	-

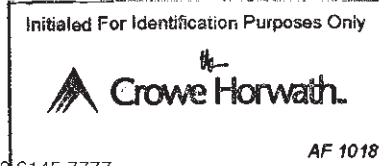
21. Provision For Taxation

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.3.2014	772	772
Effects of Proposals	14	14
As per Pro Forma I, II, III and IV	786	786

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014,
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

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(Formerly known as Malaysia Aica Berhad)
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Selangor Darul Ehsan, Malaysia

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**SUNSURIA BERHAD ("SUNSURIA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)**

APPROVAL BY THE BOARD OF DIRECTORS

Approved by the Board of Directors in accordance with a resolution dated 24 APR 2015



.....
DATUK TER LEONG YAP
DIRECTOR
SUNSURIA BERHAD



.....
KOONG WAI SENG
DIRECTOR
SUNSURIA BERHAD

SUMMARY VALUATION LETTER FROM EY



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Chartered Accountants
Level 23A Menara Milenium
Jalan Damanela, Pusat Bandar Damansara
50490 Kuala Lumpur Malaysia

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Board of Directors
Sunsuria Berhad
Suite 8, Main Tower, Sunsuria Avenue,
Persiaran Mahogani,
Kota Damansara, PJU 5,
47810 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

Dear Sirs:

This letter is prepared for the purpose of inclusion in the Circular to Shareholders of Sunsuria Berhad ("Sunsuria") in relation to its proposed subscription for securities in Sunsuria Gateway Sdn Bhd ("Proposed SGSB Subscription").

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 FROM 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 FROM EY (Cont'd)



2.1 Restrictions

This summary valuation letter has been prepared for the BOD of Sunsuria for inclusion in the Circular to Shareholders of Sunsuria in respect of the Proposed SGSB Subscription. 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 FROM 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 free 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 FROM 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 FROM 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

VALUATION CERTIFICATES FROM WTW IN RELATION TO SURIA SERENIA LAND


WTW
INTERNATIONAL

C H Williams Talhar & Wong

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

 Juruukur Berkanun
Chartered Surveyors

 Perunding Harta Antarabangsa
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Report and Valuation

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

22 April 2015

PRIVATE & CONFIDENTIAL

Board of Directors

Sunsuria Berhad

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

Dear Sirs

VALUATION OF

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

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

Consultants

Abdul Halim Othman
P'ng Soo Theng
Goh Tian Sui
Taw You Kian

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

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

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

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

Yours faithfully

for and on behalf of

C H Williams Talhar & Wong Sdn Bhd

Sr HENG KIANG HAI

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

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

C H Williams Talhar & Wong

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

Juruukur Berkanun
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Report and Valuation

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

Date : 12 February 2015

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

Dear Sirs

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

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

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

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

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

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

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

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

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

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

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TERMS OF REFERENCE

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

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

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

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

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

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

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

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

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

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

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PROPERTY IDENTIFICATION

The property : Nine (9) parcels of development land known as Plot 1A, 1B, 2A, 2B, 3 (Residential), 3(commercial), 9, 10 and Sales Gallery Land which forms part of parent lot Nos. 6919 & 4960, Lot 4640, 7718, 20996, 31484 and Lot 4639 & 4705, Mukim of Dengkil, District of Sepang, Selangor

Location : Located within the upcoming Suria Serenia Township, next to Kota Warisan, 43900 Sepang, Selangor

Land Area to be Valued :

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

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

Tenure of the Subject Property : Assumed term in perpetuity (Freehold)

Registered Owner : SIME DARBY AMPAR TENANG SDN. BHD.

Beneficial Owner of the subject property : SIME DARBY SUNSURIA DEVELOPMENT SDN. BHD. (FORMERLY KNOWN AS CYPRESS PROMOTIONS SDN. BHD.) as per the Sale & Purchase Agreements dated 6 August 2013, 20 June 2014 and 4 September 2014.

Category of Land Use : Assumed Building

GENERAL DESCRIPTION

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

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

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

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

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

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

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

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

METHOD OF VALUATION

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

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

VALUE CONSIDERATION**Comparison Method**

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

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

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

C H Williams Talhar & Wong



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

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

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VALUE CONSIDERATIONComparison Method

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

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

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

Date of Sale and Purchase Agreement	Plot No.	Designated Land Area	Purchase Price	Analysis (Average RM psf)
6 August 2013	Plot 1A, 1B, 2A,2B & 3 (Commercial)	300 Acres	RM235,224,000/-	RM 18.00 psf
20 June 2014	3 (residential), 9 & 10	40 Acres	RM46,000,000/-	RM 26.40 psf
4 September 2014	Sales Gallery Land	6.58 Acres	RM6,590,000/-	RM23.00 psf
Total		346.58 Acres / Approximately 140.26 Hectares	RM287,814,000/-	RM19.06 psf

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

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

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

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

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

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

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

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

The value adopted is at RM35 per square foot.

VALUATION

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

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

A handwritten signature in black ink, appearing to read 'Heng Kiang Hai'.

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

VALUATION CERTIFICATES FROM WTW IN RELATION TO SUNSURIA MEDINI


WTW
INTERNATIONAL

C H Williams Talhar & Wong

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

 Jurujukur Berkanun
Chartered Surveyors

 Perunding Harta Antarabangsa
International Property Consultants

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Website: www.wtw.com.my

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

 12th February 2015

**Board of Directors
SUNSURIA BERHAD**

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

Dear Sir

VALUATION CERTIFICATE

THE 99-YEAR LEASE INTEREST IN 16 PARCELS OF LAND IDENTIFIED AS LOT NOS. PTD 199644 (PLOT C7), PTD 200286 (PLOT C8), PTD 200285 (PLOT C9), PTD 200284 (PLOT C10), PTD 200287 (PLOT C11), PTD 200288 (PLOT C12), PTD 199647 (PLOT C15), PTD 200279 (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), MUKIM OF PULAI, DISTRICT OF JOHOR BAHRU, JOHOR FOR SUBMISSION TO BURSA MALAYSIA SECURITIES BERHAD

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

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

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

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

Mohd Talhar A Rahman
FRICS, FRISM, MSISV, MPEPS
Foo Gee Jen
B Surv., MRICS, FRISM, MPEPS
Danny S K Yeo
Dip. In Val., MRICS, FRISM, MPEPS
Dato' Md Baharuddin Mustafa
B Surv., MRICS, FRISM, MIMM, MPEPS
Tony Lee Eng Kow
B Sc., MRICS, FRISM, MPEPS
Aziah Mohd Yusoff
MBA, BLE, FRICS, FRISM, MPEPS
Heng Kiang Hai
MBA, B Surv., MRICS, FRISM, MPEPS
Tan Ka Leong
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B Sc., MRISM, MPEPS
Muhd Kamal Mohamed
MBA, B Sc., MRICS, MRISM, MPEPS

Consultants

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



VALUATION CERTIFICATES FROM WTW IN RELATION TO SUNSURIA MEDINI (Cont'd)**C H Williams Taihar & Wong**

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



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

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TERMS OF REFERENCE

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

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

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

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

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

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

VALUATION CERTIFICATES FROM WTW IN RELATION TO SUNSURIA MEDINI (Cont'd)**C H Williams Talhar & Wong**

C H Williams Talhar & Wong Sdn Bhd (10149-U)



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

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PROPERTY IDENTIFICATION

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

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

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

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

Tenure : Term in perpetuity (Freehold)

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

Registered Owner : Iskandar Investment Berhad

VALUATION CERTIFICATES FROM WTW IN RELATION TO SUNSURIA MEDINI (Cont'd)**C H Williams Talhar & Wong**

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



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PROPERTY IDENTIFICATION (Cont'd)

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

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

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

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

Note :-

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

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

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

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

VALUATION CERTIFICATES FROM WTW IN RELATION TO SUNSURIA MEDINI (Cont'd)**C H Williams Talhar & Wong**

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



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GENERAL DESCRIPTION

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

Surrounding Development

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

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

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

Subject Property

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

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

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

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

Planning Provision

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

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

VALUATION CERTIFICATES FROM WTW IN RELATION TO SUNSURIA MEDINI (Cont'd)**C H Williams Talhar & Wong**

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



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GENERAL DESCRIPTION (Cont'd)Sales Status

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

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

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

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

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

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

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

METHOD OF VALUATION

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

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

VALUE CONSIDERATION

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

VALUATION CERTIFICATES FROM WTW IN RELATION TO SUNSURIA MEDINI (Cont'd)**C H Williams Talhar & Wong**

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



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

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

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

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

Gross Development Value (GDV)

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

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

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

** Being Taman Tan Sri Yacob, Taman Perling and SiLC Nusajaya.

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

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

VALUATION CERTIFICATES FROM WTW IN RELATION TO SUNSURIA MEDINI (Cont'd)**C H Williams Talhar & Wong**

C H Williams Talhar & Wong Sdn Bhd (10149-U)



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

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

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

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

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

VALUATION CERTIFICATES FROM WTW IN RELATION TO SUNSURIA MEDINI (Cont'd)**C H Williams Talhar & Wong**

C H Williams Talhar & Wong Sdn Bhd (19149-U)



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

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

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

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

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

Phase 1	Market Value
Plot C15	RM47,000,000/-

Phase 2	Market Value
Plots C23 and C24	RM74,000,000/-

Comparison Method of Valuation

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

Vacant Commercial and Serviced Apartment Plots

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

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

VALUATION CERTIFICATES FROM WTW IN RELATION TO SUNSURIA MEDINI (Cont'd)**C H Williams Talhar & Wong**

C H Williams Talhar & Wong Sdn Bhd (19149-U)



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

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

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

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

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

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

VALUATION CERTIFICATES FROM WTW IN RELATION TO SUNSURIA MEDINI (Cont'd)**C H Williams Talhar & Wong**

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



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

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

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

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

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

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

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

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

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

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

VALUATION CERTIFICATES FROM WTW IN RELATION TO SUNSURIA MEDINI (Cont'd)**C H Williams Talhar & Wong**

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



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

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

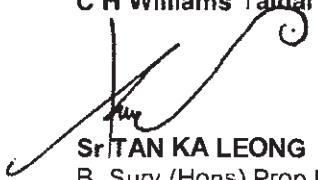
After reconciliation, the market value of the subject properties is as follows :-

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

VALUATION

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

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


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

VALUATION CERTIFICATES FROM WTW IN RELATION TO SURIA HILLS 2A AND 2B


WTW
INTERNATIONAL

C H Williams Talhar & Wong

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

 Juruukur Berkanun
Chartered Surveyors

 Perunding Harta Antarabangsa
International Property Consultants

 30-01, 30th Floor
Menara Multi Purpose
@ CapSquare
8 Jalan Munshi Abdullah
P O Box 12157
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T : 03-2616 8888
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Website: www.wtw.com.my

Report and Valuation

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

Date : 12 February 2015

Board of Directors

Sunsuria Berhad

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

Mohd Talhar A Rahman
FRICS, FRISM, MSIS, MPEPS
Foo Gee Jen
B Surv, MRCS, FRISM, MPEPS
Danny S K Yeo
Dip. Val, MRCS, FRISM, MPEPS
Dato' Md Baharuddin Mustafa
B Surv, MRCS, FRISM, MMIA, MPEPS
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Tan Ka Leong
B Surv, FRISM, MPEPS
Peh Seng Yee
MBA, B Surv, MRCS, FRISM, MPEPS
Ainuddin Jalani Bin Ismail
B.Sc., MRCS, MRISM
Lim Chai Yin
B.Sc., MRISM, MPEPS
Muhd Kamal Mohamed
MBA, B.Sc., MRCS, MRISM, MPEPS

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

Dear Sir

CERTIFICATE OF VALUATION
SIXTY EIGHT (68) PARCELS OF BUNGALOW PLOT SITUATED ON
PART OF PARENT LOT NOS. 85737 TO 85739 (INCLUSIVE),
LOT NOS. PT 26008 TO PT 26013 (INCLUSIVE),
LOT NOS. PT 26177 TO PT 26179 (INCLUSIVE),
LOTS NOS. PT 36957 TO PT 37005 (INCLUSIVE)
MUKIM OF BUKIT RAJA
DISTRICT OF PETALING, SELANGOR
FOR SUBMISSION TO BURSA MALAYSIA SECURITIES BERHAD

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

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

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

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

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

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

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

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TERM OF REFERENCE

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

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

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

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

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

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

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

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

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PROPERTY IDENTIFICATION

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

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

Parent Title Nos./ Title Nos., Parent Lot Nos./ Lot Nos./ Registered Owner/ Beneficial Owner

Phase	Property	Parent Title Nos./ Title Nos.	Parent Lot Nos./ Lot Nos.	Registered Owner	Beneficial Owner as per Sale and Purchase Agreement dated 18 July 2012
2A	3 parent lots which will be subdivided into 10 bungalow plots	Geran 314152	Lot 85737	WONG YUEN TECK	RENTAK NUSANTARA SDN BHD
		Geran 314153	Lot 85738	SIMON KWAN HOONG WAI	
		Geran 314154	Lot 85739	TER LEONG YAP	
	9 bungalow plots	HSD 264068	PT 26008	TER LEONG YAP	
		HSD 264069	PT 26009	MOHD AZRIN BIN AYUB AHMAD @ ABD SAMAD	
		HSD 264070	PT 26010	MOHD AZRIN BIN AYUB AHMAD @ ABD SAMAD	
		HSD 264071	PT 26011	MOHD AZRIN BIN AYUB AHMAD @ ABD SAMAD	
		HSD 264072	PT 26012	NAZLINA BINTI MOHAMAD YUSUP	
		HSD 264073	PT 26013	NAZLINA BINTI MOHAMAD YUSUP	
		HSD 264237	PT 26177	ADAM MALIK BIN ABDUL SULEIMAN	
HSD 264238	PT 26178	SIRAJUNNISA BINTI ABDUL KADIR			
HSD 264239	PT 26179	ABDUL HADI BIN AHMAD			
2B	49 bungalow plots	HSD 298593 to HSD 298641	Lot PT 36957 to PT 37005 (inclusive)	RENTAK NUSANTARA SDN BHD	Not Applicable

All within Mukim of Bukit Raja District of Petaling, Selangor

Tenure : Term in perpetuity (Freehold)

Land Area to be Valued

Phase	Property	Land Area	
		sq. metres	sq. feet
2A	9 bungalow plots	6,705	72,172
	10 bungalow plots	12,428	133,775*
2B	49 bungalow plots	25,216	271,422
Total		44,349	477,369

*Note: Based on the land area stated in the Layout Plan approved by Majlis Bandaraya Shah Alam dated 29 January 2013

Category of Land Use : Building

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

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

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

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GENERAL DESCRIPTION

The subject property is an ongoing development which comprises sixty eight (68) parcels of bungalow plots known as Suria Hills and situated Off Persiaran Setia Perdana, Bandar Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor.

It is located about 35 kilometres by road to the south-west of Kuala Lumpur City Centre (KLCC).

Surrounding Development

The subject property is located within Setia Alam, an integrated self-contained township which comprises mainly double storey terraced houses, double storey semi-detached houses, detached houses, shopoffices, apartments, office buildings, hypermarket, shopping mall, convention centre, ongoing developments and other public amenities.

Located to the immediate north is a newly completed development, Seria 88 whilst to the immediate north-east and west are ongoing developments known as Suria Rafflesia and Suria Ixora, respectively.

Prominent landmarks such as Setia City Mall, Setia City Convention Centre and Setia City Park are located a short distance to the south-west whilst Setia Eco Park is situated to the east and south-east. The proposed SEGI International School and 1National Institute of Health are located a short distance to the south-west.

Subject Property

The subject property, an ongoing development known as Suria Hills, comprises sixty eight (68) parcels of bungalow plot which has been divided into two (2) phases ie. Phase 2A and Phase 2B.

Suria Hills is generally located at a high ground within the township of Setia Alam. The site is generally sloping upward from its northern boundary to its southern boundary.

During our site inspection, we noted that the land was cleared and most of the infrastructure works such as drainage, roads and landscape have been completed. We also noted that part of the boundaries was demarcated with chain link fencing whilst the rest was not demarcated with any form of fencing.

a) Phase 2A

Phase 2A comprises a total of nineteen (19) parcels of bungalow plot. The nine (9) bungalow plots known as Lot PT 26008 to PT 26013 (inclusive) and PT 26177 to PT 26179 (inclusive) are located to the south-east of Suria Hills. The remaining ten (10) parcels of bungalow plot which form part of the three (3) parent lots known as Lot 85737 to 85739 (inclusive) are located to the south of Suria Hills.

b) Phase 2B

Phase 2B of Suria Hills consists of forty nine (49) parcels of bungalow plots known as Lot PT 36957 to PT 37005 (inclusive) which were originally subdivided from fifteen (15) parent lots i.e. Lot PT 26162 to PT 26176 (inclusive).

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

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

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

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

The subject property is designated for residential use as per the Express Condition in the document of title.

Based on a Planning Approval issued by Jabatan Perancangan, Majlis Bandaraya Shah Alam, the revised layout plan for surrender and re-alienation the three (3) parent lots i.e. Lot PT 26005, PT 26006 and PT 26007 (currently known as Lot 85737, Lot 85738 and Lot 85739) to ten (10) bungalow plots has been approved on 29 January 2013.

Sales Status

Brief details of the sales status as at 31 January 2015 are as follows:-

Phase	No. of Plot		Total No. of Plot	Sale Status
	Sold	Unsold		
2A	19*	0	19	100.00%
2B	16	33**	49	32.65%
Grand Total	35	33	68	51.47%

Note*: inclusive of one unit which has been booked

** : inclusive of four units which have been reserved

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

Phase	Land Area	SPA Price	Range of SPA Price (RM per square foot)
2A	7,029 sf – 15,718 sf	RM1,369,680/- to RM4,483,800/-	RM195 per square foot to RM300 per square foot
2B	3,735 sf – 8,568 sf	RM688,000/**- to RM2,529,035/-	RM295 per square foot to RM344 per square foot

Note**: We have been informed by the client that Lot PT 37000 was sold at a lower price i.e. RM688,000/- is because the purchaser is a friendly party.

As informed by the client, as at the date of valuation, twelve (12) plots of Phase 2A have been completed whilst the remaining seven (7) plots are 95% completed. Under Phase 2B, six (6) plots are at 85% completion whilst the remaining forty-three (43) plots are at 65% completion.

Phase 2A and Phase 2B were launched in November 2012 and May 2014, respectively. The expected completion date for Phase 2A and 2B is by 2nd quarter 2015 and 3rd quarter 2015, respectively.

METHOD OF VALUATION

For this valuation exercise, we have adopted Residual Method as the sole method of valuation as the subject property is an ongoing residential development where its earthwork and infrastructure works have started and some of the units have been sold.

In the Residual Method, consideration is given to the gross development value of the project and deducting there from the estimated costs of development including preliminaries, development and statutory charges, construction costs and professional fees, financing charges and developer's profit and resultant amount deferred over a period of time for the completion of the project.

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

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

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

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VALUE CONSIDERATION**Gross Development Value (GDV)**

The total Gross Development Value (GDV) is RM126,493,838.42 and is derived based on the following justification:-

Sale Status	Phase	Components	Rate Adopted	Justification
Sold units	2A	19 [*] parcels of bungalow plot	Actual selling price	Based on actual selling price as stated in the sales status provided to us by the client which the selling price is considered reasonable.
	2B	16 parcels of bungalow plot		
Unsold units	2B	33 ^{**} parcels of bungalow plot	RM290 per square foot	Based on our analysis of the bungalow plots within Setia Eco Park, Bandar Setia Alam transacted in year 2013 and 2014, the adjusted values for bungalow plots with land area of 770 square metres and 868 square metres range from RM285 to RM313 per square foot. We have adopted the selling price for the unsold units at RM290 per square foot throughout.

Note^{*}: inclusive of one unit which has been booked

Note^{**}: inclusive of four units which have been reserved

The amount collected as at 31 January 2015 is RM50,086,068.71 whilst the balance GDV is RM76,407,769.71.

Gross Development Cost (GDC)

The total Gross Development Cost (GDC) including developer's profit is RM34,673,408.41 and is derived based on the parameters as follows:-

Items	Amount / Rate Adopted	Justification
Statutory Contribution	1% of the total GDV	Based on the actual cost stated in the cost breakdown provided by the client whilst the IWK contribution is estimated based on 1% of the total Gross Development Value which is in line with market norm.
Landscaping	RM72,968 per acre	Based on the actual landscaping cost on the playground equipment and street lighting pole as stated in the cost breakdown provided by the client which is in line with industry standard.
Infrastructure Works	Not Applicable	The cost of infrastructure works are to be borne by Equatorial Palms Sdn Bhd. Hence, no cost has been incurred.
Finance Cost	RM17,208.00	Based on the actual finance cost as stated in the cost breakdown provided by the client.
Professional Fees	RM3,100,319.00	Based on the actual professional fees as stated in the cost breakdown which is provided by the client.
Developer's Profit	15% of GDV	Our surveys and enquiries with developers revealed that the rate of return of about 15% to 20% of Gross Development Value (GDV) is required for a developer to commit to a project development. Hence, 15% is considered reasonable for this development.

The total amount paid for GDC including other items such as survey and qualified titles, administration and management fees as well as sales and marketing fees is RM17,183,888.19 leaving a balance of RM17,489,520.22.

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

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

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

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VALUE CONSIDERATION (CONT'D)**Gross Development Value (GDC) (Cont'd)**

Other material parameters are shown as follows:-


Items	Rate Adopted	Justification
Development Period	0.5 year	The estimated development period of 0.5 year adopted in our valuation is considered reasonable and realistic taking into account the current progress of the project.
Discount Rate	8.5% per annum	The discount rate is based on our enquiries with financial institutions, i.e. Base Lending Rate (BLR) 6.85% per annum plus security margin of 1.00% to 2.50% per annum.

The market value of the subject property is derived at RM56,563,329.57, say RM57,000,000.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property as at 31 January 2015 **BASED ON THE BASIS / ADDITIONAL ASSUMPTIONS AND PROVISIO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** free from all encumbrances is **RM57,000,000/- (Ringgit Malaysia: Fifty Seven Million Only)**.

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


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

SALIENT TERMS OF THE SGSB RPS-B

Issuer :	SGSB
Issue Price :	RM1.00
Issue Size :	Up to RM250 million nominal value
Par Value :	RM0.01
Tenure :	Perpetuity commencing from and inclusive of the issuance date, unless otherwise redeemed.
Dividend :	Each SGSB RPS-B 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 SGSB, out of the profits of SGSB each year available for dividend and resolved to be distributed in respect of any period for which SGSB's financial statements are made up, a non-cumulative preferential dividend at such rate to be determined by SGSB on the capital paid-up or credit as paid up thereon (with rights, in case of deficiency, to resort to subsequent profits).
Capital Redemption :	<p>The SGSB RPS-B may be redeemed upon meeting any applicable debt service ratio imposed by the financiers of the Company at the discretion of the board of directors of SGSB in accordance with the following provisions:</p> <ul style="list-style-type: none"> (i) SGSB may at any time give prior notice in writing ("redemption notice") to the holders of the SGSB RPS-B of its intention to redeem all or any part of the SGSB RPS-B which are fully paid up on the date specified in the redemption notice, as a form of return of capital; (ii) if SGSB decides to redeem a part only of the SGSB RPS-B, those to be redeemed shall be a rateable proportion (as nearly as practicable without involving fractions of shares) of each holding of such SGSB RPS-B on the redemption date; (iii) on the redemption date, SGSB shall redeem the SGSB RPS-B specified in the redemption notice at the Redemption Price and pay the dividend which has accrued on them (whether declared or earned or not) down to the redemption date against delivery to SGSB of the certificates for the SGSB RPS-B to be redeemed and shall issue free of charge fresh certificates for any unredeemed SGSB RPS-B; (iv) the SGSB RPS-B to be redeemed shall cease to rank for dividend on the redemption date unless on the certificates for the preference shares being tendered, SGSB fails to effect such redemption; (v) no SGSB RPS-B shall be redeemed otherwise than out of distributable profits or the proceeds of a fresh issue of shares made for the purpose of the redemption but the premium payable on redemption shall be paid either out of distributable profits or, to the extent permitted by law, out of the share premium account of SGSB; and (vi) SGSB shall comply with all the provisions of the Act relating to the redemption of the SGSB RPS-B and the creation or increase of a capital redemption reserve.
Redemption Price :	The SGSB RPS-B shall be redeemed at a redemption price equivalent to up to RM10.00 per SGSB RPS-B.

SALIENT TERMS OF THE SGSB RPS-B (Cont'd)

Liquidation Preference / Repayment of Capital : In the event of the winding-up of SGSB, the redemption value of the SGSB RPS-B not previously redeemed and all arrears of preferential dividend declared and accrued up to the date of commencement of the winding-up, shall be paid in priority to any payment to the holders of ordinary shares but there shall be no further or other participation in the profits or assets of SGSB.

Voting Rights : The SGSB RPS-B shall not confer on the holders thereof the right to vote in either in person or by proxy at any general meeting of SGSB unless:

- (i) at the date of the notice convening the meeting any dividend on the SGSB RPS-B has been declared but remains unpaid for more than six (6) months; or
- (ii) the business of such meetings is or includes the consideration of a resolution relating to the following:
 - (a) the reduction of capital of SGSB;
 - (b) the winding-up of SGSB;
 - (c) any abrogation or variation or otherwise directly affecting the special rights and privileges attaching to the SGSB RPS-B;
 - (d) the creation of any new class of redeemable preference shares ranking in priority to or *pari passu* with those SGSB RPS-B in issue unless the holders holding at least 75% in nominal value of those SGSB RPS-B consent thereto in writing; or
 - (e) proposal for the disposal of the whole of SGSB's property, business and undertaking except for in the ordinary course of business.

Where the holders of SGSB RPS-B are entitled to vote at any general meeting, every SGSB RPS-B shall on a poll, carry one (1) vote for every RM1.00 paid up on each such share and every ordinary share shall, notwithstanding any other provision of the articles of association of SGSB, carry one (1) vote for every RM1.00 paid up on each such share.

However, the holders of the SGSB RPS-B shall be entitled to receive notices, reports and accounts (including balance sheets and profit and loss accounts) and attending meetings to which holders of ordinary shares in the capital of SGSB are entitled.

Ranking : The SGSB RPS-B will rank *pari passu* among themselves and in all respects and in priority to the ordinary shares of SGSB and any other preference shares issued from time to time subsequent to the issuance of the SGSB RPS-B but after all secured and unsecured obligations of SGSB.

Status : Unlisted.

SALIENT TERMS OF THE RNSB-RPS

Issuer :	RNSB
Issue Price :	RM1.00
Par Value	RM0.01
Tenure :	Perpetuity commencing from and inclusive of the issuance date, unless otherwise redeemed.
Dividend :	Each RNSB RPS 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 RNSB, out of the profits of RNSB each year available for dividend and resolved to be distributed in respect of any period for which RNSB's financial statements are made up, a non-cumulative preferential dividend at such rate to be determined by RNSB on the capital paid-up or credit as paid up thereon (with rights, in case of deficiency, to resort to subsequent profits).
Capital Redemption :	<p>The RNSB RPS may be redeemed upon meeting any applicable debt service ratio imposed by the financiers of RNSB at the discretion of the board of directors of RNSB in accordance with the following provisions:</p> <ul style="list-style-type: none"> (i) RNSB may at any time give prior notice in writing ("redemption notice") to the holders of the RNSB RPS of its intention to redeem all or any part of the RNSB RPS which are fully paid up on the date specified in the redemption notice, as a form of return of capital; (ii) if RNSB decides to redeem a part only of the RNSB RPS, those to be redeemed shall be a rateable proportion (as nearly as practicable without involving fractions of shares) of each holding of such RNSB RPS on the redemption date; (iii) on the redemption date, RNSB shall redeem the RNSB RPS specified in the redemption notice at the Redemption Price and pay the dividend which has accrued on them (whether declared or earned or not) down to the redemption date against delivery to RNSB of the certificates for the RNSB RPS to be redeemed and shall issue free of charge fresh certificates for any unredeemed RNSB RPS; (iv) the RNSB RPS to be redeemed shall cease to rank for dividend on the redemption date unless on the certificates for the preference shares being tendered, RNSB fails to effect such redemption; (v) no RNSB RPS shall be redeemed otherwise than out of distributable profits or the proceeds of a fresh issue of shares made for the purpose of the redemption but the premium payable on redemption shall be paid either out of distributable profits or, to the extent permitted by law, out of the share premium account of RNSB; and (vi) RNSB shall comply with all the provisions of the Act relating to the redemption of the RNSB RPS and the creation or increase of a capital redemption reserve.
Liquidation Preference / Repayment of Capital :	In the event of the winding-up of RNSB, the redemption value of the RNSB RPS not previously redeemed and all arrears of preferential dividend declared and accrued up to the date of commencement of the winding-up, shall be paid in priority to any payment to the holders of ordinary shares but there shall be no further or other participation in the profits or assets of RNSB.

SALIENT TERMS OF THE RNSB RPS (Cont'd)

Redemption Price : The RNSB RPS shall be redeemed at a redemption price equivalent to up to RM10.00 per RNSB RPS.

Voting Rights : The RNSB RPS shall not confer on the holders thereof the right to vote in either in person or by proxy at any general meeting of RNSB unless:

- (i) at the date of the notice convening the meeting any dividend on the RNSB RPS has been declared but remains unpaid for more than six (6) months; or
- (ii) the business of such meetings is or includes the consideration of a resolution relating to the following:
 - (a) the reduction of capital of RNSB;
 - (b) the winding-up of RNSB;
 - (c) any abrogation or variation or otherwise directly affecting the special rights and privileges attaching to the RNSB RPS;
 - (d) the creation of any new class of redeemable preference shares ranking in priority to or *pari passu* with those RNSB RPS in issue unless the holders holding at least 75% in nominal value of those RNSB RPS consent thereto in writing; or
 - (e) proposal for the disposal of the whole of RNSB's property, business and undertaking except for in the ordinary course of business.

Where the holders of RNSB RPS are entitled to vote at any general meeting, every RNSB RPS shall on a poll, carry one (1) vote for every RM1.00 paid up on each such share and every ordinary share shall, notwithstanding any other provision of the articles of association of RNSB, carry one (1) vote for every RM1.00 paid up on each such share.

However, the holders of the RNSB RPS shall be entitled to receive notices, reports and accounts (including balance sheets and profit and loss accounts) and attending meetings to which holders of ordinary shares in the capital of RNSB are entitled.

Ranking : The RNSB RPS will rank *pari passu* among themselves in all respect and in priority to the ordinary shares of RNSB and any other preference shares issued from time to time subsequent to the issuance of the RNSB RPS but after all secured and unsecured obligations of RNSB.

Status : Unlisted.

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they individually and collectively, accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statement or other facts, the omission of which would make any statement in the Circular false or misleading.

All information relating to the Identified Companies and the Vendors has been extracted from information provided by the Vendors, the directors/management of the Vendors and the Identified Companies. Therefore, the sole responsibility of our Board is restricted to ensure that such information is accurately reproduced in this Circular.

2. CONSENTS**2.1 Joint Adviser - RHB Investment Bank**

The written consent of RHB Investment Bank for the inclusion of its name and all references thereto in this Circular, in the form and context in which they appear, have been given and have not subsequently been withdrawn before the issuance of this Circular.

2.2 Joint Adviser – AmInvestment Bank

The written consent of AmInvestment Bank for the inclusion of its name and all references thereto in this Circular, in the form and context in which they appear, have been given and have not subsequently been withdrawn before the issuance of this Circular.

2.3 Joint Adviser – Astramina

The written consent of Astramina for the inclusion of its name and all references thereto in this Circular, in the form and context in which they appear, have been given and have not subsequently been withdrawn before the issuance of this Circular.

2.4 Independent Adviser

The written consent of KAF Investment Bank Berhad for the inclusion of its name, letter and all references thereto in this Circular, in the form and context in which they appear, have been given and have not subsequently been withdrawn before the issuance of this Circular.

2.5 Reporting Accountants

The written consent of Messrs. Crowe Horwath for the inclusion of its name, letters and all references thereto in this Circular, in the form and context in which they appear have been given and have not subsequently been withdrawn before the issuance of this Circular.

2.6 WTW

The written consent of WTW to the inclusion of its name, certificates and all references thereto in this Circular, in the form and context in which they appear, have been given and have not subsequently been withdrawn before the issuance of this Circular.

FURTHER INFORMATION (Cont'd)

2.7 EY

The written consent of **EY** to the inclusion of its name, letter and all references thereto in this Circular, in the form and context in which they appear, have been given and have not subsequently been withdrawn before the issuance of this Circular.

2.8 Hong Associates

The written consent of **Hong Associates** to the inclusion of its name and all references thereto in this Circular, in the form and context in which they appear, have been given and have not subsequently been withdrawn before the issuance of this Circular.

2.9 Wong Chau Hwa & Co

The written consent of **Wong Chau Hwa & Co** to the inclusion of its name and all references thereto in this Circular, in the form and context in which they appear, have been given and have not subsequently been withdrawn before the issuance of this Circular.

3. DECLARATIONS OF CONFLICT OF INTEREST**3.1 Joint Adviser - RHB Investment Bank**

Save as disclosed below, **RHB Investment Bank** confirms that as at the **LPD**, there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the **Joint Adviser** to the Company for the Proposals.

RHB Investment Bank and its related companies ("**RHB Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses. The **RHB Group** has engaged and may in the future, engage in transactions with and perform services for **Sunsuria Group** in addition to the roles set out in this Circular. In addition, in the ordinary course of business, any member of the **RHB Group** may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with **Sunsuria Group**, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities of **Sunsuria Group**. This is a result of the businesses of the **RHB Group** generally acting independently of each other and accordingly there may be situations where some members of the **RHB Group** and/or its customers now have or in the future, may have interest or take actions that may conflicts with the interest of **Sunsuria Group**.

As at the **LPD**, **RHB Group** has extended a RM110.0 million bridging loan facility to **Datuk Ter** to enable certain **Undertaking Shareholders** to subscribe for the **Rights Issue With Warrants ("Loan")**. **RHB Group** is also offering its services to underwrite up to 38,354,708 **Rights Shares** together with up to 12,784,903 **Warrants** of the open portion of the **Rights Issue With Warrants** (for which no undertaking to subscribe has been obtained) ("**Underwriting Arrangement**"), subject to the execution of the underwriting agreement. The gross proceeds from the **Rights Issue With Warrants** is intended to be utilised to part finance the Proposals.

RHB Investment Bank is of the opinion that the relationships disclosed above will not give rise to a situation of conflict of interest in its advisory capacity to **Sunsuria** based on the following reasons:

- (i) the **Rights Issue with Warrants** is a fund raising exercise in which all the shareholders of **Sunsuria** are entitled to subscribe for on equal terms as the **Undertaking Shareholders**;

FURTHER INFORMATION (Cont'd)

- (ii) there are no common directors on the board of directors of RHB Investment Bank and the board of directors of Sunsuria;
- (iii) none of the substantial shareholders of Sunsuria is a substantial shareholder of RHB Investment Bank;
- (iv) the corporate finance division of RHB Investment Bank is required under its investment banking license to comply with strict policies and guidelines issued by the SC, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines call for, amongst others, firewall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations;
- (v) the Loan and Underwriting Arrangement would be conducted on an arm's length basis and is not expected to be material to the audited total assets of RHB Capital Berhad of RM219,354.44 million as at FYE 31 December 2014;
- (vi) RHB Investment Bank is a licensed investment bank and its appointment as a Joint Adviser to Sunsuria for the Proposals, is in the ordinary course of its business;
- (vii) The Loan and the Underwriting Arrangement to be provided by RHB Investment Bank are in the ordinary course of its business; and
- (viii) RHB Bank Berhad has a system of internal controls to prevent the overriding of its established credit approval policies and mechanism. Credit proposals (such as the Loan) that are prepared by Corporate Banking department and the Underwriting Arrangement are escalated to independent reviewing parties and committees within RHB Group for approval.

3.2 Joint Adviser – AmInvestment Bank

AmInvestment Bank and/or its related and associated companies ("**AmBank Group**") form a diversified financial group and are engaged in a wide range of transactions relating to among others, investment banking, commercial banking, private banking, brokerage, securities trading, asset and funds management and credit transaction services businesses. The AmBank Group's securities business is primarily in the areas of securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trade.

In the ordinary course of their businesses, any member of the AmBank Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its other clients, in debt or equity securities or senior loans of any company. Accordingly, there may be situations where parts of the AmBank Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of Sunsuria Group.

FURTHER INFORMATION (Cont'd)

As at the LPD, AmBank Group has extended an RM30.0 million revolving credit facility to Sunsuria and RM110.0 million bridging loan facility as well as RM55.0 million revolving credit facilities to enable certain Undertaking Shareholders to subscribe for the Rights Issue With Warrants. As at LPD, AmInvestment Bank is also offering its services to underwrite up to 38,354,708 Rights Shares together with up to 12,784,903 Warrants, which is still subject to the execution of the underwriting agreement. Notwithstanding the above, AmInvestment Bank is of the opinion that its role as the Joint Adviser to the Company for the Proposals does not give rise to a conflict of interest situation in view that the AmBank Group forms a diversified financial group and is engaged in a wide range of transactions relating to amongst others, investment banking, commercial banking, private banking, brokerage, securities trading, asset and funds management and credit transaction services businesses. AmBank Group's securities business is primarily in the areas of securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trade.

3.3 Joint Adviser – Astramina

Astramina confirms that as at the LPD, there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Joint Adviser to the Company for the Proposals.

3.4 Independent Adviser

KAF Investment Bank Berhad confirms that as at the LPD, there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Independent Adviser for the Proposals.

3.5 Reporting Accountants

Messrs. Crowe Horwath confirms that as at the LPD, there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Reporting Accountants to the Company for the Proposals.

3.6 WTW

WTW confirms that as at the LPD, there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Independent Valuer to the Company for the Proposals.

3.7 EY

EY confirms that as at the LPD, there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the independent valuer of SGSB to the Company for the Proposals.

FURTHER INFORMATION (Cont'd)

4. MATERIAL CONTRACTS

As at the LPD, save for the Subscription Agreements, the SMSB SPAs, the SDSDSB SPA and as disclosed below, Sunsuria Group has not entered into any material contracts, not being the contracts entered into in the ordinary course of business, within the past two (2) years immediately preceding the date of this Circular:

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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.

FURTHER INFORMATION (Cont'd)

5. MATERIAL LITIGATION

The Board has confirmed that, as at the LPD, Sunsuria Group has not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which may have a material effect on the financial position of Sunsuria Group and the Board does not have knowledge of any proceedings, pending or threatened, against Sunsuria Group or any facts which are likely to give rise to any proceedings which may materially and adversely affect the financial position or business of Sunsuria Group.

6. MATERIAL COMMITMENTS AND/OR CONTINGENT LIABILITY

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

7. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Registered Office of Sunsuria at Level 8 Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia, during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) Memorandum and articles of association of Sunsuria and Identified Companies;
- (ii) Audited financial statements of Sunsuria for the past two (2) FYE 31 March 2013 and FYE 31 March 2014 and the latest unaudited financial statements of Sunsuria for the nine (9) months financial period ended 31 December 2014;
- (iii) Audited financial statements of SGSB for the past two (2) FYE 31 December 2013 and FYE 31 December 2014;
- (iv) Audited financial statements of SDSDSB for the FPE 30 June 2014;
- (v) Audited financial statements of SMSB for the past two (2) FYE 31 December 2013 and FYE 31 December 2014;
- (vi) Audited financial statements of Concord for the past two (2) FYE 31 December 2013 and FYE 31 December 2014;
- (vii) Audited financial statements of RNSB for the past two (2) FYE 31 December 2013 and FYE 31 December 2014;
- (viii) The valuation reports and the valuation certificates prepared by WTW dated 12 February 2015 in relation to the Proposals and the updated valuation letter prepared by WTW dated 22 April 2015 in relation to the Proposed SDSDSB Acquisition;
- (ix) The letters of consent as referred to in **Section 2** of this Appendix;
- (x) The declaration of conflict of interest as referred to in **Section 3** of this Appendix;
- (xi) Material contracts as referred to in **Section 4** of this Appendix;
- (xii) The Subscription Agreements, dated 9 March 2015;
- (xiii) The SMSB SPAs, dated 9 March 2015;
- (xiv) The SDSDSB SPA, dated 20 April 2015;

FURTHER INFORMATION (Cont'd)

- (xv) The Supplemental SGSB Subscription Agreement, dated 20 April 2015;
- (xvi) The summary valuation letter for SGSB as provided by EY dated 3 April 2015;
- (xvii) The directors' report for Identified Companies as referred to in Appendix IV;
- (xviii) The proforma consolidated statements of financial position as at 31 March 2014, together with the reporting accountant's letter thereon as referred to in Appendix VI; and
- (xix) The accountant's report by Crowe Horwath on the Identified Companies as referred to in Appendix V.



SUNSURIA

Building Today Creating Tomorrow

SUNSURIA BERHAD

(Company No: 8235-K)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Sunsuria Berhad (“Sunsuria” or the “Company”) will be held at Banquet Hall, Unique Seafood Damansara, Sunsuria Avenue, Persiaran Mahogani, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor on Thursday, 11 June 2015 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without any modifications as shall be determined upon at such meeting:

ORDINARY RESOLUTION 1

PROPOSED SUBSCRIPTION FOR SECURITIES IN SUNSURIA GATEWAY SDN BHD (“SGSB”) BY WAY OF:-

- (A) **PROPOSED 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”); AND**
- (B) **PROPOSED SUBSCRIPTION BY DATUK TER LEONG YAP FOR 102,040,816 NEW ORDINARY SHARES OF RM0.50 EACH IN SUNSURIA (“SUNSURIA SHARE(S)”) AT AN ISSUE PRICE OF RM0.98 PER SUNSURIA SHARE (“PROPOSED REINVESTMENT”)**

“**THAT** subject to the approvals of all relevant authorities or parties being obtained, where required, approval be and is hereby given to Sunsuria to subscribe for 1,000,000 SGSB Shares at an aggregate subscription price of RM1,000,000 and 237,000,000 SGSB RPS-B at an aggregate subscription price of RM237,000,000, subject to and upon such terms and conditions as set out in the subscription agreement dated 9 March 2015 (as supplemented and varied by the supplemental agreement dated 20 April 2015) entered into by Sunsuria with SGSB, Datuk Ter Leong Yap and Datin Kwan May Yuen (being the existing shareholders of SGSB) (“**SGSB Subscription Agreement**”) in relation to the Proposed SGSB Subscription and the Proposed Reinvestment;

THAT in connection with the SGSB Subscription Agreement, approval be and is hereby given to the Company to allot and issue 102,040,816 Sunsuria Shares at an issue price of RM0.98 each (“**Reinvestment Shares**”) to Datuk Ter Leong Yap or his nominee, amounting to an aggregate subscription price of RM100,000,000 (“**Reinvestment Shares Subscription Price**”) subject to the terms of the Proposed Reinvestment;

THAT the board of directors of Sunsuria (“**Board**”) be and is hereby empowered and authorised to set off the Reinvestment Shares Subscription Price against the redemption sum payable by SGSB in respect of the existing redeemable preference shares – class A of par value of RM0.01 per share in the capital of SGSB held by Datuk Ter Leong Yap and a corresponding sum of RM100,000,000 shall be deemed to have been paid-up towards the subscription price payable by Sunsuria in respect of the subscription of SGSB RPS-B;

THAT the Board be and are hereby authorised and empowered to complete and implement the Proposed SGSB Subscription and the Proposed Reinvestment, to deal with all matters incidental, ancillary to and/or relating thereto, to take all such steps and to enter into all deeds, agreements, arrangements, undertakings, transfers and indemnities as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed SGSB Subscription and the Proposed Reinvestment under the terms and conditions of the SGSB Subscription Agreement with full powers to negotiate, approve, agree and assent to any conditions, revaluations, modifications, variations and/or amendments as may be required by any relevant authorities and/or as the Board deem fit, appropriate and in the best interest of Sunsuria;

AND THAT this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Reinvestment Shares to be issued pursuant to or in connection with the Proposed Reinvestment have been fully allotted and issued in accordance with the terms of the Proposed Reinvestment.”

ORDINARY RESOLUTION 2

PROPOSED ACQUISITION OF ONE (1) ORDINARY SHARE OF RM1.00 IN SIME DARBY SUNSURIYA DEVELOPMENT SDN BHD (“SDSDSB”) (“SDSDSB SHARE”), REPRESENTING 50% EQUITY INTEREST IN SDSDSB FROM SIME DARBY PROPERTY (SUNGAI KAPAR) SDN BHD (“SIME DARBY PROPERTY”), A WHOLLY OWNED SUBSIDIARY OF SIME DARBY PROPERTY BERHAD WHICH IN TURN, IS A WHOLLY OWNED SUBSIDIARY OF SIME DARBY BERHAD (“PROPOSED SDSDSB ACQUISITION”)

“**THAT** subject to the approvals of all relevant authorities and parties being obtained, where required, approval be and is hereby given to Sunsuria to acquire one (1) SDSDSB Share for a cash consideration of RM157,000,000 as well as settlement of the inter-company advances owing by SDSDSB to Sime Darby Property (which as at 31 March 2015, amounts to RM16,390,700), subject to and upon such terms and conditions as set out in the share purchase agreement dated 20 April 2015 entered into by Sunsuria with Sime Darby Property (“**SDSDSB SPA**”) in relation to the Proposed SDSDSB Acquisition.

AND THAT the Board be and are hereby authorised and empowered to complete and implement the Proposed SDSDSB Acquisition, to deal with all matters incidental, ancillary to and/or relating thereto, to take all such steps and to enter into all deeds, agreements, arrangements, undertakings, transfers and indemnities as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed SDSDSB Acquisition under the terms and conditions of the SDSDSB SPA with full powers to negotiate, approve, agree and assent to any conditions, revaluations, modifications, variations and/or amendments as may be required by any relevant authorities and/or as the Board deem fit, appropriate and in the best interest of Sunsuria.”

ORDINARY RESOLUTION 3

PROPOSED ACQUISITION OF A 21% EFFECTIVE EQUITY INTEREST IN SUNSURIA MEDINI SDN BHD ("SMSB") BY WAY OF:

- (A) PROPOSED ACQUISITION OF TWO (2) ORDINARY SHARES OF RM1.00 EACH IN CONCORD PROPERTY MANAGEMENT SDN BHD ("CONCORD") ("CONCORD SALE SHARES") REPRESENTING THE ENTIRE EQUITY INTEREST IN CONCORD (WHICH CURRENTLY HOLDS 250,000 ORDINARY SHARES OF RM1.00 EACH IN SMSB, REPRESENTING 20% EQUITY INTEREST IN SMSB) FOR A CASH CONSIDERATION OF RM53,121,296.30 ("PROPOSED SMSB ACQUISITION 1"); AND**
- (B) 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")

"**THAT** subject to approvals of all relevant authorities or parties being obtained, where required, approval be and is hereby given to Sunsuria to acquire two (2) Concord Sale Shares for a cash consideration of RM53,121,296.30 and 12,500 SMSB Sale Shares for a cash consideration of RM1,848,399.97, subject to and upon such terms and conditions as set out in the respective sales and purchase agreements dated 9 March 2015 entered into by Sunsuria (as purchaser) with Datuk Ter Leong Yap, Ter Hong Khim @ Tai Foong Chin and THK Capital Sdn Bhd (as vendors) (collectively, the "**SMSB SPAs**") in relation to the Proposed SMSB Acquisitions.

AND THAT the Board be and are hereby authorised and empowered to complete and implement the Proposed SMSB Acquisitions, to deal with all matters incidental, ancillary to and/or relating thereto, to take all such steps and to enter into all deeds, agreements, arrangements, undertakings, transfers and indemnities as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed SMSB Acquisitions under the terms and conditions of the SMSB SPAs with full powers to negotiate, approve, agree and assent to any conditions, revaluations, modifications, variations and/or amendments as may be required by any relevant authorities and/or as the Board deem fit, appropriate and in the best interest of Sunsuria."

ORDINARY RESOLUTION 4

PROPOSED SUBSCRIPTION FOR 25,000,000 NEW ORDINARY SHARES OF RM1.00 EACH, REPRESENTING 99.01% EQUITY INTEREST IN RENTAK NUSANTARA SDN BHD ("RNSB") ("RNSB SHARES") AT A CASH SUBSCRIPTION PRICE OF RM25,000,000 AND PROPOSED SUBSCRIPTION FOR 32,000,000 NEW REDEEMABLE PREFERENCE SHARES OF RM0.01 EACH IN RNSB ("RNSB RPS") AT A CASH SUBSCRIPTION PRICE OF RM32,000,000 (COLLECTIVELY, THE "PROPOSED RNSB SUBSCRIPTION")

"**THAT** subject to the approvals of all relevant authorities and parties being obtained, where required, approval be and is hereby given to Sunsuria to subscribe for 25,000,000 RNSB Shares at a subscription price of RM25,000,000 and 32,000,000 RNSB RPS at a subscription price of RM32,000,000, subject to and upon such terms and conditions as set out in the subscription agreement dated 9 March 2015 entered into by Sunsuria with RNSB and Sunsuria Development Sdn Bhd (being the existing shareholder of RNSB) ("**RNSB Subscription Agreement**") in relation to the Proposed RNSB Subscription.

AND THAT the Board be and are hereby authorised and empowered to complete and implement the Proposed RNSB Subscription, to deal with all matters incidental, ancillary to and/or relating thereto, to take all such steps and to enter into all deeds, agreements, arrangements, undertakings, transfers and indemnities as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed RNSB Subscription under the terms and conditions of the RNSB Subscription Agreement with full powers to negotiate, approve, agree and assent to any conditions, revaluations, modifications, variations and/or amendments as may be required by any relevant authorities and/or as the Board deem fit, appropriate and in the best interest of Sunsuria."

By order of the Board
SUNSURIA BERHAD

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

Petaling Jaya
27 May 2015

Notes:

- (i) *A member entitled to attend and vote at the extraordinary general meeting is entitled to appoint one or more proxies (but not more than two) to attend and vote instead of him. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his shareholding to be represented by each proxy, failing which the appointment shall be invalid.*
- (ii) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it shall be entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- Where an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
- (iii) *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.*
- (iv) *The instrument appointing a proxy shall be deposited with the Company's Share Registrar, Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof.*
- (v) *Depositors whose names appear in the Record of Depositors as at 5 June 2015 (not less than three (3) Market Days before the general meeting) shall be entitled to attend and vote at the general meeting or appoint a proxy to attend and vote on his behalf.*

SUNSURIA BERHAD
(Company No. 8235-K)
(Incorporated in Malaysia)

PROXY FORM

I/We, _____ NRIC No. / Company No. _____ of _____ being a member / members of SUNSURIA BERHAD (8235-K) hereby appoint _____ NRIC No.: _____ of _____ representing _____ percentage (%) of *my/our shareholdings in the Company *and/or failing *him/her _____ NRIC No.: _____ of _____ representing _____ percentage (%) of *my / our shareholdings in the Company OR failing him/her/them, the Chairman of the Meeting as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Extraordinary General Meeting of the Company to be held at Banquet Hall, Unique Seafood Damansara, Sunsuria Avenue, Persiaran Mahogani, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor on Thursday, 11 June 2015 at 10.00 a.m. and, at any adjournment thereof on the following resolutions in the manner indicated below:-

RESOLUTION		FOR	AGAINST
ORDINARY RESOLUTION 1	PROPOSED SGSB SUBSCRIPTION AND PROPOSED REINVESTMENT		
ORDINARY RESOLUTION 2	PROPOSED SDSDSB ACQUISITION		
ORDINARY RESOLUTION 3	PROPOSED SMSB ACQUISITIONS		
ORDINARY RESOLUTION 4	PROPOSED RNSB SUBSCRIPTION		

Dated this _____ day of _____ 2015

Signature/Common Seal of Shareholder

No. of Ordinary Shares Held: _____
CDS Account No.: _____

* Delete whichever is not applicable.

Notes:-

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

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

Where an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
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- (iv) The instrument appointing a proxy shall be deposited with the Company's Share Registrar, Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the above meeting or any adjournment thereof.
- (v) Depositors whose names appear in the Record of Depositors as at 5 June 2015 (not less than three (3) Market Days before the general meeting) shall be entitled to attend and vote at the general meeting or appoint a proxy to attend and vote on his behalf.

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AFFIX
STAMP

The Share Registrar
SUNSURIA BERHAD
(Company No. 8235-K)
c/o Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

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