2. Significant accounting policies (continued)

(d) Investment property

(i) Investment property carried at cost

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property are stated at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for equipment as stated in accounting policy Note 2(b).

Cost includes expenditure that is directly attributable to the acquisition of the investment properties.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

Freehold land is not depreciated.

(ii) Determination of fair value

The Directors estimate the fair values of the Company's investment properties without the involvement of independent valuers.

The 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 (see note 2(o)).

(e) Inventories

Inventories are stated at lower of cost and net realisable value.

(i) Developed properties held for sale

Developed properties held for sale are stated at the lower of cost and net realisable value. The cost of inventories is calculated using the specific identification method and consists of costs associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable to developing the properties to completion. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2. Significant accounting policies (continued)

(e) Inventories (continued)

(ii) Property development costs

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

Cost incurred on development projects where the development activities are expected to be completed within the Company normal operating cycle of 2 to 3 years are classified as current assets. Common costs allocated to future development projects within the same geographical location as existing development projects are classified as non-current assets.

Property development costs is recognised as an asset and is stated at the lower of cost and net realisable value.

(iii) Land held for property development

Land held for property development consists of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current assets and is stated at the lower of cost and net realisable value.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

(f) Contract costs

(i) Incremental cost of obtaining a contract

The Company recognises incremental costs of obtaining contracts when the Company expects to recover these costs.

(ii) Cost to fulfil a contract

The Company recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Company, will be used in satisfying performance obligations in the future and it is expected to be recovered.

2. Significant accounting policies (continued)

(f) Contract costs (continued)

(ii) Cost to fulfil a contract (continued)

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the profit and loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Company in the management of their short term commitments.

(h) Impairment

(i) Financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for cash and bank balance and other receivables for which credit risk has not increased significantly since initial recognition, which are measured 12 months expected credit loss. Loss allowances for contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company are exposed to credit risk.

2. Significant accounting policies (continued)

(h) Impairment (continued)

(i) Financial assets (continued)

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery amounts due.

(ii) Other assets

The carrying amounts of other assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

2. Significant accounting policies (continued)

(h) Impairment (continued)

(ii) Other assets (continued)

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(i) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Ordinary shares

Ordinary shares are classified as equity.

(j) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed off as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

2. Significant accounting policies (continued)

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(l) Revenue and other income

(i) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Company transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Company performs;

(b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(m) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

2. Significant accounting policies (continued)

(m) Borrowing costs (continued)

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

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

(n) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for temporary differences that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. Significant accounting policies (continued)

(o) Fair value measurement

Fair value of an asset or a liability except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

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

The Company recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. Plant and equipment

	Office equipment RM	Computer and software RM	Furniture and fittings RM	Motor vehicle RM	Total RM
Cost					
At 1 January 2018	3,494	6,445	-	-	9,939
Addition	5,160	16,152	50,060	423,488	494,860
At 31 December 2018/ 1 January 2019	8,654	22,597	50,060	423,488	504,799
Addition	-	10,690	-	-	10,690
At 31 December 2019	8,654	33,287	50,060	423,488	515,489
Depreciation					
At 1 January 2018	3,494	632	-	-	4,126
Depreciation for the year	602	3,333	4,172	35,291	43,398
At 31 December 2018/ 1 January 2019	4,096	3,965	4,172	35,291	47,524
Depreciation for the year	1,032	5,744	5,006	84,697	96,479
At 31 December 2019	5,128	9,709	9,178	119,988	144,003
Carrying amounts					
At 1 January 2018	-	5,813	-	-	5,813
At 31 December 2018/ 1 January 2019	4,558	18,632	45,888	388,197	457,275
At 31 December 2019	3,526	23,578	40,882	303,500	371,486

4. Right-of-use assets

	Land lease RM	Buildings RM	Total
At 1 January 2019	789,090	587,577	1,376,667
Addition	-	3,331,545	3,331,545
Depreciation	(430,413)	(208,131)	(638,544)
At 31 December 2019	358,677	3,710,991	4,069,668

The Company leases land and buildings that run between 1 year and 6 years, with an option to renew the lease after the date.

4.1 Extension options

Some leases contain extension options exercisable by the Company up to two years before the end of the non-cancellable contract period. Where applicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

4.2 Significant judgement and assumptions in relation to leases

The Company assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Company consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Company also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Company first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

5. Investment property

	2019 RM	2018 RM
Investment property at cost	8,216,000	-

Included in investment property is a freehold land with indefinite useful life.

5.1 Fair value information

Fair value of investment property is categorised as follows:

	2019 Level 3 RM	2018 Level 3 RM
Freehold land	8,216,000	-

Policy on transfer between levels

The fair value on of an asset to be transferred between levels is determined as of the date the event or change in circumstances that caused that transfer.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The Company estimates the fair value of its investment property based on the comparison of the Company's investment property with similar properties that were listed for sale within the same locality or other comparable localities.	Price per square foot. (2019: RM1,360. 2018: Nil)	The estimated fair value would increase/ (decrease) if market prices of property were higher/(lower).

5. Investment property (continued)

5.1 Fair value information (continued)

Policy on transfer between levels (continued)

Level 3 fair value (continued)

Assessment of the fair values of the Company's investment property is undertaken annually. The changes in Level 3 fair values are analysed by the management based on the assessment undertaken.

Highest and best use

The Company's investment property represents a freehold land with indefinite useful life. The highest and best use of this land should be for future development as it is located in the vicinity of city centre.

6. Inventories

	Note	31.12.2019 RM	31.12.2018 RM
At 1 January			
Leasehold land		252,285,673	231,767,648
Leasehold lands			
-cost incurred during the year	6.1	26,732,852	20,518,025
Development costs			
-cost incurred during the year		5,409,788	-
-classified from contract costs	8	14,540,009	-
		19,949,797	20,518,025
At 31 December			
Leasehold land		279,018,525	252,285,673
Development cost		19,949,797	-
	6.2	298,968,322	252,285,673

6.1 Included in the addition of inventories is borrowing costs of RM15,127,549 (2018: RM13,855,025) capitalised at 5.48% (2018: 5.44%) per annum.

6.2 Inventories of the Company with carrying amount of RM222,300,000 (2018: RM222,300,000) is charged as securities for bank borrowings granted to the Company (see Note 11).

7. Other receivables

	2019 RM	.2018 RM
Non-trade		
Other receivables	1,198,270	24,424
Sundry deposits	462,553	992,470
	1,660,823	1,016,894

8. Contact costs

	2019 RM	2018 RM
Costs to fulfill a contract		
At beginning of the year	14,540,009	12,767,250
Add: Cost incurred during the year	-	8,435,759
Less: Reclassified to inventories	(14,540,009)	(6,663,000)
At the end of the year	-	14,540,009

9. Cash and cash equivalents

	2019 RM	2018 RM
Cash and bank balances	5,876,089	245,851
Deposits with licensed banks	1,107	1,076
	5,877,196	246,927

10. Share capital

	Amount 2019 RM	Number of shares 2019	Amount 2018 RM	Number of shares 2018
Issued and fully paid shares with no par value classified as equity instrument:				
Ordinary shares				
At 1 January	2,500,000	2,500,000	2,500,000	2,500,000
Issuance of shares	16,076,875	1,812,500	-	-
At 31 December	18,576,875	4,312,500	2,500,000	2,500,000

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the company's residual assets.

11. Loans and borrowings

	Note	2019 RM	2018 RM
Non-current			
Secured term loan	11.2	172,192,609	155,610,000
Hire purchase liability		161,558	215,643
		172,354,167	155,825,643
Current			
Secured term loan	11.2	4,448,000	-
Hire purchase liability		54,085	51,766
		4,502,085	51,766
		176,856,252	155,877,409

11.1 Security

The term loan is secured by the following:

(i) facilities agreement;
(ii) legal charge over inventories as disclosed in Note 6;
(iii) debenture incorporating a fixed and floating charge over all present and future assets of the Company's development project.

11.2 Finance lease liability

Reconciliation of movement of loans and borrowings to cash flows arising from financing activities:

	Hire purchase liability RM	Term loan RM
2019		
Balance at beginning of the year	267,409	155,610,000
Drawdown	-	21,030,609
Repayment	(51,766)	-
Balance at end of the year	215,643	176,640,609
2018		
Balance at beginning of the year	-	155,610,000
Drawdown	280,000	-
Repayment	(12,591)	-
Balance at end of the year	267,409	155,610,000

12. Trade and other payables

	Note	2019 RM	2018 RM
Trade			
Trade payables	12.1	284,299	728,557
Non-trade			
Amount due to corporate shareholders	12.2	129,351,570	-
Amount due to ultimate holding company	12.3	-	86,156,961
Amount due to related parties	12.4	40,444	7,354,529
Other payables	12.5	385,197	22,750,177
Accruals		860,805	10,500
		130,638,016	116,272,067
		130,922,315	117,000,624

12.1 Included in trade payables during the financial year is retention sum of RM102,500 (2018: RM205,000).

12.2 The amount due to corporate shareholders is unsecured and repayable on demand except for RM110,213,258 (2018: Nil) bears interest at 5.5% (2018: Nil) per annum.

12.3 In the previous year, the amount due to ultimate holding company was unsecured and repayable on demand except for RM77,327,200 bears interest at 5.5% per annum.

12.4 The amount due to related parties is unsecured and repayable on demand. In financial year 2018, included in the balance is RM6,993,000 bears interest at 5.5% per annum.

12.5 In the previous year, there were amounts of RM20,713,300 bears interest at 5.5% per annum included in the other payables.

12.6 Reconciliation of movement of amount due to corporate shareholder, amount due to ultimate holding company and amount due to related parties respectively to cash flows arising from financing activities are as follows:

	Amount due to corporate shareholder RM	Amount due to ultimate holding company RM	Amount due to related parties RM
Balance at 1 January 2019	-	86,156,861	7,354,529
Advances	34,339,581	-	2,441,572
Repayment	(16,712,972)	-	(9,755,657)
Reclassification from other payables	25,568,100	-	-
Reclassification from ultimate holding company to corporate shareholders	86,156,861	(86,156,861)	-
Balance at 31 December 2019	129,351,570	-	40,444

12. Trade and other payables (continued)

12.6 Reconciliation of movement of amount due to corporate shareholder, amount due to ultimate holding company and amount due to related parties respectively to cash flows arising from financing activities are as follows (continued):

	Amount due to corporate shareholder RM	Amount due to ultimate holding company RM	Amount due to related parties RM
Balance at 1 January 2018	69,117,590	17,070,198	6,851,776
Advances	18,349,271	5,977,770	7,354,529
Repayment	(1,310,000)	(1,080,000)	(6,851,776)
Reclassification from corporate shareholder	-	86,156,861	-
Reclassification to ultimate holding company/ other payables	(86,156,861)	(21,967,968)	-
Balance at 31 December 2018	-	86,156,861	7,354,529

13. Revenue

	2019 RM	2018 RM
Revenue from contracts with customers	82,723	-

13.1 Disaggregation of revenue

	2019 RM	2018 RM
Markets		
Malaysia	82,723	-
Timing and recognition		
Overtime	82,723	-

13.2 Nature of goods and services

The following information reflects the typical transaction of the Company:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms
Management services	Revenue is recognised overtime throughout the performance of the services.	Payable in 30 days from issuance of an invoice.

13. Revenue (continued)

13.2 Nature of goods and services (continued)

There were no variable element in consideration, obligation for returns, refunds or warranty given to customers in the revenue transactions for the year.

13.3 Significant judgements and assumptions arising from revenue recognition

There are no significant judgements and assumptions applied that significantly affect the determination of the amount and timing of revenue recognition from contracts with customers.

14. Finance costs

	2019 RM	2018 RM
Interest expense on lease liabilities	89,505	-
Interest expense of financial liabilities that are not at fair value through profit or loss	15,501,904	13,858,052
	15,591,409	13,858,052
Recognised in profit or loss	463,860	3,027
Interest expense of financial liabilities that are not at fair value through profit or loss capitalised into qualifying assets:-		
- Inventories	15,127,549	13,855,025
	15,591,409	13,858,052

15. Loss before tax

	Note	2019 RM	2018 RM
Loss before tax is arrived at after charging:			
Auditors' remuneration		15,000	5,000
Material expenses/(income)			
Depreciation of plant and equipment		96,479	43,398
Depreciation right-of-use assets		638,544	-
Interest income		(31)	(30)
Expenses arising from leases			
Expenses relating to short-term leases	a	150,000	-
Rental of buildings		-	758,200

Note a

The Company leases a building with contract terms of 6 months. The lease is short-term. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

16. Tax expense

	2019 RM	2018 RM
Current tax expense		
- Under provision	-	8,974

Reconciliation of tax expense

	2019 RM	2018 RM
Loss before tax	(4,149,355)	(407,325)
Income tax calculated using Malaysian tax rate of 24% (2018: 24%)	(995,845)	(97,758)
Non-deductible expenses	24,085	37,038
Effect of deferred tax assets not recognised	971,760	60,720
Under provision of current tax in prior year	-	8,974
	-	8,974

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	2019 RM	2018 RM
Tax losses carry forward	5,656,000	1,755,000
Unabsorbed capital allowances	113,000	83,000
Taxable temporary differences	80,000	(38,000)
	5,849,000	1,800,000

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

Under the Finance Bill 2018, the tax losses can be carried forward up to seven (7) consecutive years of assessments effective from 2019. The tax losses can be carried forward up to 2026.

17. Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

17. Related parties (continued)

Identity of related parties (continued)

Related parties also includes key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel includes all the Directors of the Company.

The Company has related party relationship with its ultimate holding company, corporate shareholders, related company, related parties and key management personnel.

Significant related party transactions (continued)

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Company are shown below. The balances related to the transactions are shown in Note 12.

	2019 RM	2018 RM
Holding company		
Advances received	-	18,349,271
Corporate shareholder		
Advances received	34,339,581	-
Repayment of advances	(16,712,972)	-
Related parties		
Advances received	2,441,572	7,354,529
Repayment of advances	9,755,657	6,851,776
Key management personnel		
Director's remuneration		
- salaries and other emoluments	337,047	181,725
- defined contribution plans	30,171	30,000

18. Capital management

The Company's objectives when managing capital is to maintain a strong capital base and safeguard the Company's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company's capital is represented by its total equity in the statement of financial position. The Directors monitor the adequacy of capital on an ongoing basis and rely on the continuous financial support from its corporate shareholders. The corporate shareholders has agreed to provide continuous financial support to the Company to enable it to fulfil its obligations as and when they fall due.
There is no external capital requirement imposed on the Company.

19. Financial instruments

19.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Carrying amount RM	AC RM
2019		
Financial assets		
Other receivables	1,660,823	1,660,823
Cash and cash equivalents	5,877,196	5,877,196
	7,538,019	7,538,019
Financial liability		
Loans and borrowings	176,856,252	176,856,252
Trade and other payables	130,922,315	130,922,315
	307,778,567	307,778,567
2018		
Financial assets		
Other receivables	1,016,894	1,016,894
Cash and cash equivalents	246,927	246,927
	1,263,821	1,263,821
Financial liability		
Loans and borrowings	(155,877,409)	(155,877,409)
Trade and other payables	(117,000,624)	(117,000,624)
	(272,878,033)	(272,878,033)

19.2 Net losses and gains arising from financial instruments

	2019 RM	2018 RM
Net (losses)/gains arising on:		
Financial assets at amortised cost	31	30
Financial liabilities at amortised cost	(463,860)	(3,027)
	(463,829)	(2,997)

19. Financial instruments (continued)

19.3 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

19.4 Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company's exposure to credit risk arises principally from its receivables and financial guarantee given to banks in respect of banking facilities granted to third parties. There are no significant changes as compared to prior periods.

Other receivable

Expected credit loss of other receivable is determined individually after considering the financial strength of the other receivables.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Based on the management's assessment, the probability of the default of the receivables is low and hence, no loss allowance has been made.

As at the end of the reporting period, the Company did not recognised any allowance for impairment losses.

Cash and bank balances

The cash and bank balances are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Company are of the view that the loss allowance is not material and hence, it is not provided for.

19. Financial instruments (continued)

19.4 Credit risk (continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides financial guarantees to banks in respect of banking facilities granted to third parties.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts in current financial year is RM10,000,000 (2018: RM10,000,000) representing the outstanding banking facilities of the Company as at end of the reporting period.

As at the end of the reporting period, there was no indication that the third parties would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

19.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arises principally from its various payables including lease liabilities.

The Company maintains a level of cash and bank balances deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. The corporate shareholders have also agreed to provide continuous financial support to the Company to enable it to fulfill its obligations as and when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

19. Financial instruments (continued)

19.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2019							
Term loan	176,640,609	5.35% - 5.60%	225,541,517	14,168,248	18,423,370	78,698,057	114,251,842
Hire purchase liability	215,643	4.39%	234,250	62,472	62,472	109,306	-
Trade and other payables	130,922,315	5.50%	130,922,315	130,922,315	-	-	-
Lease liabilities	4,159,517	5.45%	4,765,000	1,168,000	792,000	2,805,000	-
	311,938,084		361,463,082	146,321,035	19,277,842	81,612,363	114,251,842
2018							
Term loan	155,610,000	5.35% - 5.60%	189,388,313	8,714,160	29,145,028	108,386,586	43,142,539
Hire purchase liability	267,409	4.39%	296,722	62,472	62,472	171,778	-
Trade and other payables	117,000,624	5.50%	117,000,624	117,000,624	-	-	-
	272,878,033		306,685,659	125,777,256	29,207,500	108,558,364	43,142,539

19. Financial instruments (continued)

19.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's financial position or cash flows. The Company is not materially affected by foreign exchange rates risk and other price risks.

19.6.1 Interest rate risk

The Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates whereas the Company's floating rate borrowings are exposed to a risk of change in cash flows due to change in interest rates. The Company has entered into appropriate mix of fixed and floating rate borrowings for operations to finance working capital and future property development project.

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were secured term loan, amount due to corporate shareholders and related parties as disclosed in Note 11 and Note 12 respectively. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

Interest rate exposure arises mainly from the Company's loans and borrowings and lease liabilities. The Company closely monitors the interest rate trends and decisions in respect of floating rate debt structure, and tenor of borrowings are made based on the expected interest rate trends and after consultations with the bankers.

Exposure to interest rate risk

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

	2019 RM	2018 RM
Fixed rate instruments		
Deposits with licensed bank	1,107	1,076
Amount due to a corporate shareholder	(110,213,258)	-
Amount due to holding company	-	(77,327,200)
Amount due to related parties	-	(6,993,000)
Amount due to other payables	-	(20,713,300)
Hire purchase liability	(215,643)	(267,409)
Lease liabilities	(4,159,517)	-
	(114,587,311)	(105,299,833)
Floating rate instruments		
Secured term loan	(176,640,609)	(155,610,000)

19. Financial instruments (continued)

19.6 Market risk (continued)

19.6.1 Interest rate risk (continued)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

As changes in 100 basis point ("bp") in interest rates at the end of the reporting period would increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes all other variables, in particular foreign currency rates, remain constant.

	100bp increase RM	100bp decrease RM
2019		
Floating rate instrument	(1,342,469)	1,342,469
2018		
Floating rate instrument	(1,184,668)	1,184,668

19.6.2 Currency risk

The Company has no receivables and payables denominated in foreign currency. Therefore, the currency risk is not significant.

19.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate fair values due to the relatively short term nature of these financial instruments.

19. Financial instruments (continued)

19.7 Fair value information (continued)

The table below analyses other financial instruments at fair value:

2019	Fair value of financial instrument not carried at fair value Level 3 RM	Total fair value RM	Carrying amount RM
Financial liabilities			
Term loans – secured	176,640,609	176,640,609	176,640,609
Hire purchase liability	215,643	215,643	215,643
	176,856,252	176,856,252	176,856,252
2018			
Financial liabilities			
Term loans – secured	155,610,000	155,610,000	155,610,000
Hire purchase liability	267,409	267,409	267,409
	155,877,409	155,877,409	155,877,409

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and input used
Term loans	*Fair value of term loans is estimated to approximate its carrying amount as this is variable rate borrowings.*
Hire purchase liability	*Fair value of hire purchase liability is estimated based on discounted cash flows using prevailing market rate of similar hire purchase arrangement.*

20. Significant changes in accounting policies

During the year, the Company adopted MFRS 16.

Definition of a lease

On transition to MFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied MFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under MFRS 117 and IC Interpretation 4, Determining whether an Arrangement contains a Lease were not reassessed. Therefore, the definition of a lease under MFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

Where the Company is a lessee, the Company applied the requirements of MFRS 16 using the modified retrospective approach.

At 1 January 2019, for leases that were classified as operating lease under MFRS 117, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 January 2019. The weighted-average rate applied is 5.45%. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Company used the following practical expedients when applying MFRS 16 to leases previously classified as operating lease under MFRS 117:

- applied a single discount rate to a portfolio of leases with similar characteristic;
- applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term as at 1 January 2019;
- excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

20.1 Impacts on financial statements

Since the Company applied the requirements of MFRS 16 using the modified retrospective approach at initial application at 1 January 2019, there are no adjustments made to the prior period presented.

20. Significant changes in accounting policies (continued)

20.1 Impacts on financial statements (continued)

The following table explains the difference between operating lease commitments disclosed applying MFRS 117 at 31 December 2018, and lease liabilities recognised in the statement of financial position at 1 January 2019.

	RM
Operating lease commitments at 31 December 2018	1,648,200
Discounted using the incremental borrowing rate at 1 January 2019	1,159,773
Extension options reasonably certain to be exercised	366,216
Recognition exemption for short-term leases	(149,322)
Lease liabilities recognised at 1 January 2019	1,376,667

21. Corporate Shareholders

During the year ended 31 December 2019, there were restructuring of shareholding among the shareholders and the equity interest of corporate shareholders, Suez Capital Sdn. Bhd. has decreased its interest in the Company from 64.02% to 43.11% upon the completion of share restructuring. The Company is now a joint venture between Sunsuria (KL) Sdn. Bhd., Suez Capital Sdn. Bhd. and Dasar Temasek Sdn. Bhd., companies which are incorporated in Malaysia. Accordingly, the Directors regard Sunsuria (KL) Sdn. Bhd., Suez Capital Sdn. Bhd. and Dasar Temasek Sdn. Bhd. as its corporate shareholders, from the date of shares transferred and until the date of this report.

22. Subsequent event

The coronavirus (Covid-19) pandemic was announced by the World Health Organisation in March 2020 given the outbreak of the virus in countries across the world including Malaysia. The Covid-19 pandemic has resulted in disruptions to businesses and various macro-economic impacts.

The Company considers that the effect related to the outbreak to be a non-adjusting event as it was not a condition that existed as at 31 December 2019, the end of reporting period. Accordingly, the current conditions arising from this outbreak do not have an impact on the carrying amounts reported for the financial year ended 31 December 2019.

As at the date of the financial statements are authorized for issuance, the Covid-19 situation is still evolving and unpredictable. As a result, it is not practicable for the Company to estimate the financial effect of Covid-19, if any, at this juncture. The Company is actively monitoring and managing the Company's operations to minimise any impacts that may arise from Covid-19.

Bangsar Hill Park Development Sdn. Bhd.

(Registration No. 199901017855 (492755-M))
(Incorporated in Malaysia)

Statement by Directors pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 5 to 47 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2019 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

....
Abdul Hadi bin Ahmad
Director

....
Datuk Ter Leong Hing
Director

Petaling Jaya, Selangor

Date: 23 June 2020

Bangsar Hill Park Development Sdn. Bhd.

(Registration No. 199901017855 (492755-M))
(Incorporated in Malaysia)

Statutory declaration pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Datuk Ter Leong Hing**, the Director primarily responsible for the financial management of Bangsar Hill Park Development Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 5 to 47 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Datuk Ter Leong Hing, NRIC:620701-10-5305, at Petaling Jaya in the state of Selangor on 23 June 2020.

....
Datuk Ter Leong Hing

Before me:

PESURUHJAYA SUMPAH
B484
LAWRENCE LOW

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BANGSAR HILL PARK DEVELOPMENT SDN. BHD.

(Company No. 492755-M)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bangsar Hill Park Development Sdn. Bhd., which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 47.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) of the financial statements, which indicates that the Company incurred a net loss of RM4,149,355 during the financial year ended 31 December 2019 and, as of that date, the Company's current liabilities exceeded its current assets by RM128,481,273. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the ability of the Company to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 internal control of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT	**Lam Shuh Siang**
(LLP0010081-LCA & AF 0758)	Approval Number: 03045/02/2021 J
Chartered Accountants	Chartered Accountant

Petaling Jaya

Date: 23 June 2020

Registration No. 200701026935 (784956-H)

BUMILEX CONSTRUCTION SDN. BHD.

(Incorporated in Malaysia)

Reports and Financial Statements
31 December 2019

ETH Tong & Associates
Chartered Accountants [AF 002034]

Registration No. 200701026935 (784956-H)

BUMILEX CONSTRUCTION SDN. BHD.

(Incorporated in Malaysia)

Reports and Financial Statements
31 December 2019

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Registration No. 200701026935 (784956-H)

BUMILEX CONSTRUCTION SDN. BHD.

(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activity of its subsidiary is disclosed in *Note 4* to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	*Company* RM
Loss attributable to:		
- Owners of the Company	(737,228)	(4,938)
- Non-controlling interests	(680,587)	-
	(1,417,815)	(4,938)

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

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

OPTIONS

No option has been granted during the financial year to take up unissued shares of the Company.

DIRECTORS

The directors in office during the financial year and during the period from end of the financial year to the date of the report are:

Johari Bin Said
Aqmal Azam Bin Ahmad

The name of directors of the Company's subsidiary company who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:

Datuk Ter Leong Hing
Datuk Yang Kian Joo
Datuk Haji Yasran Bin Haji Hussain
Abdul Hadi Bin Ahmad

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interest of directors in office at the end of the financial year in shares or debentures in the Company during the financial year were as follows:-

	No. of Ordinary Shares			
	As at 01.01.2019	*Bought*	*Sold*	*As at 31.12.2019*
Johari Bin Said	99,990	-	-	99,990

By virtue of his shareholding in the company, Johari Bin Said is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

DIRECTORS' REMUNERATION

Details of the directors' remuneration are disclosed in *Note 17* to the financial statements.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit *(other than the directors' remuneration shown in Note 17 to the financial statements)* by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

SUBSIDIARY

The details of the Company's subsidiary are disclosed in *Note 4* to the financial statements.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there were no known bad debts and that no allowance for impairment losses on receivables is required; and

(b) to ensure that any current assets, which were unlikely to realise in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for impairment losses on receivables inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

(a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the Group and of the Company for the current financial year; and

(b) no charge has arisen on the assets of the Group and of the Company which secures the liabilities of any other person nor has any contingent liability arisen in the Group and the Company.

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

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

In the opinion of the directors:

(a) the results of the operations of the Group and of the Company during the financial year were not substantially affected by an items, transaction or event of a material and unusual nature; and

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

AUDITORS' REMUNERATION

Details of auditors' remuneration are disclosed in *Note 14* to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The significant events subsequent to the end of the financial year are disclosed in *Note 18* to the financial statements.

Registration No. 200701026935 (784956-H)

AUDITORS

The auditors, Messrs Tong & Associates, Chartered Accountants, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors.

Johari Bin Said
Director

Aqmal Azam Bin Ahmad
Director

Date: 17 JUN 2020

Registration No. 200701026935 (784956-H)

BUMILEX CONSTRUCTION SDN. BHD.

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the directors, the financial statements set out on pages 11 to 32 are drawn up in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and of their financial performance and cash flows for the financial year ended on that date.

Signed on 17 JUN 2020

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

Johari Bin Said

Aqmal Azam Bin Ahmad

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Johari Bin Said, I/C No 700405-10-5001, being the director primarily responsible for the financial management of Bumilex Construction Sdn. Bhd., do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements set out on pages 11 to 32 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared in Petaling Jaya in the State of Selangor Darul Ehsan on

Before me:

17 JUN 2020

Commissioner for Oaths

PESURUHJAYA SUMPAH
No. B 467
VASANTHI A/P RAMADASS
MALAYSIA

SECTION 14,
PETALING JAYA,
SELANGOR.

Johari Bin Said

ETH

Tong & Associates
Chartered Accountants [AF 002034]

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BUMILEX CONSTRUCTION SDN. BHD.
(Incorporated in Malaysia)
Registration No. 200701026935 (784956-H)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bumilex Construction Sdn. Bhd., which comprise the statements of financial position as at 31 December 2019 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 32.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) in the financial statements, which indicates that the Group and the Company incurred a net loss of RM1,417,815 and RM4,938 during the financial year ended 31 December 2019 and, as of that date, the Group's current liabilities exceeded its current assets by RM31,243,932 and RM2,481,232. As stated in Note 2(b), these events or conditions, along with other matters as set forth in Note 2(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

ETH ***Tong & Associates***
Chartered Accountants [AF 002034]

Registration No. 200701026935 (784956-H)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the directors' report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the directors' report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the directors' report and, in doing so, consider whether the directors' report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the directors' report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in *Note 4* to the financial statements.

ETH **Tong & Associates**
Chartered Accountants [AF 002034]

Registration No. 200701026935 (784956-H)

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Tong & Associates

TONG & ASSOCIATES
[AF 002034]
Chartered Accountants

TONG SOON THIAM
03191 / 08 / 2021 J
Chartered Accountant

Petaling Jaya,
Date: 17 June 2020

Registration No. 200701026935 (784956-H)

BUMILEX CONSTRUCTION SDN. BHD.

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2019

		Group		*Company*	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investment in a subsidiary	*4*	-	-	2,550,000	2,550,000
Property, plant and equipment	*5*	9,818	8,862	-	-
Goodwill on consolidation	*6*	213,402	240,077	-	-
Land held for development	*7*	29,470,310	-	-	-
		29,693,530	248,939	2,550,000	2,550,000
CURRENT ASSETS					
Other receivables and deposits	*8*	111,064	130,138	25,009	25,009
Property development costs	*9*	-	29,579,128	-	-
Cash and bank balances	*10*	104,680	107,991	74,991	74,991
		215,744	29,817,257	100,000	100,000
TOTAL ASSETS		29,909,274	30,066,196	2,650,000	2,650,000

The accompanying notes form an integral part of the financial statements.

Registration No. 200701026935 (784956-H)

BUMILEX CONSTRUCTION SDN. BHD.

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2019

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
EQUITY AND LIABILITY					
EQUITY					
Share capital	*11*	100,000	100,000	100,000	100,000
Accumulated losses		(2,000,594)	(1,263,366)	(31,232)	(26,294)
Equity attributable to owners of the company:		(1,900,594)	(1,163,366)	68,768	73,706
Non-controlling interests		350,192	1,030,779	-	-
TOTAL EQUITY		(1,550,402)	(132,587)	68,768	73,706
LIABILITY					
CURRENT LIABILITIES					
Trade payables	*12*	-	6,075	-	-
Other payables and accruals	*13*	31,459,676	30,192,708	2,581,232	2,576,294
TOTAL CURRENT LIABILITIES		31,459,676	30,198,783	2,581,232	2,576,294
TOTAL LIABILITY		31,459,676	30,198,783	2,581,232	2,576,294
TOTAL EQUITY AND LIABILITY		29,909,274	30,066,196	2,650,000	2,650,000

The accompanying notes form an integral part of the financial statements.

Registration No. 200701026935 (784956-H)

BUMILEX CONSTRUCTION SDN. BHD.

(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
for the financial year ended 31 December 2019

		Group		*Company*	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
OTHER INCOME		31	31	-	-
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(1,417,846)	(291,545)	(4,938)	(3,163)
LOSS BEFORE TAXATION	*14*	(1,417,815)	(291,514)	(4,938)	(3,163)
INCOME TAX EXPENSE	*15*	-	-	-	-
LOSS AFTER TAXATION/ TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL YEAR		(1,417,815)	(291,514)	(4,938)	(3,163)
LOSS AFTER TAXATION/ TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL YEAR ATTRIBUTABLE TO:-					
Owners of the Company		(737,228)	(163,293)	(4,938)	(3,163)
Non-controlling interests		(680,587)	(128,221)	-	-
		(1,417,815)	(291,514)	(4,938)	(3,163)

The accompanying notes form an integral part of the financial statements.

Registration No. 200701026935 (784956-H)

BUMILEX CONSTRUCTION SDN. BHD.

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 31 December 2019

	Share capital	Accumulated losses	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM
Group					
Balance at 1 January 2018	100,000	(1,100,073)	(1,000,073)	1,159,000	158,927
Loss after taxation/Total comprehensive expenses for the financial year	-	(163,293)	(163,293)	(128,221)	(291,514)
At 31 December 2018	100,000	(1,263,366)	(1,163,366)	1,030,779	(132,587)
Loss after taxation/Total comprehensive expenses for the financial year	-	(737,228)	(737,228)	(680,587)	(1,417,815)
Balance at 31 December 2019	100,000	(2,000,594)	(1,900,594)	350,192	(1,550,402)

	Share capital	Accumulated losses	Total
	RM	RM	RM
Company			
Balance at 1 January 2018	100,000	(23,131)	76,869
Loss after taxation/ Total comprehensive expenses for the financial year	-	(3,163)	(3,163)
At 31 December 2018	100,000	(26,294)	73,706
Loss after taxation/ Total comprehensive expenses for the financial year	-	(4,938)	(4,938)
Balance at 31 December 2019	100,000	(31,232)	68,768

The accompanying notes form an integral part of the financial statements.

Registration No. 200701026935 (784956-H)

BUMILEX CONSTRUCTION SDN. BHD.

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
for the financial year ended 31 December 2019

		Group		*Company*	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before taxation		(1,417,815)	(291,514)	(4,938)	(3,163)
Adjustments for:					
Amortisation of goodwill		26,675	26,675	-	-
Depreciation of property, plant and equipment		2,913	1,966	-	-
Property, plant and equipment written off		2	348	-	-
Interest income		(31)	(31)	-	-
Operating loss before working capital changes		(1,388,256)	(262,556)	(4,938)	(3,163)
Decrease/(Increase) in receivables		19,074	(2,250,520)	-	-
Increase/(Decrease) in payables		1,260,893	2,241,235	(1,901)	781
Decrease in land held for development		108,818	-	-	-
Net cash generated from/(used in) operations		529	(271,841)	(6,839)	(2,382)
Interest received		31	31	-	-
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		560	(271,810)	(6,839)	(2,382)
CASH FLOWS FROM INVESTING ACTIVITY					
Purchase of property, plant and equipment		(3,871)	(7,455)	-	-

The accompanying notes form an integral part of the financial statements.

Registration No. 200701026935 (784956-H)

BUMILEX CONSTRUCTION SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
for the financial year ended 31 December 2019

		Group		*Company*	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
CASH FLOWS FROM FINANCING ACTIVITY					
Advances from a subsidiary		-	-	6,839	2,382
NET CASH GENERATED FROM FINANCING ACTIVITIES		-	-	6,839	2,382
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,311)	(279,265)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		107,991	387,256	74,991	74,991
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		104,680	107,991	74,991	74,991
Cash and cash equivalent comprises of:					
Cash and bank balances		104,680	107,991	74,991	74,991

The accompanying notes form an integral part of the financial statements.

BUMILEX CONSTRUCTION SDN. BHD.

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The principal activity of the Company is investment holding. The principal activity of its subsidiary are disclosed in *Note 4* to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The address of the registered office of the Company is Room 1.02, 50A & 52A, Jalan Pasar, 41400 Klang, Selangor Darul Ehsan.

The address of the principal place of business of the Company is L3.01 & L3.02, KL Gateway Mall, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur, Wilayah Persekutuan.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") and the requirements of Companies Act 2016 in Malaysia.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in the financial statements.

As at 31 December 2019, the Group and the Company incurred a net loss of RM1,417,815 and RM4,938 during the financial year and, as of that date, the Group's and the Company's current liabilities exceeded its current assets by RM31,243,932 and RM2,481,232. The ability of the Group and the Company to continue as a going concern is dependent upon the financial support of the directors of the company. The financial statements do not include any adjustments that would be required should the going concern basis proved to be invalid.

(c) Functional and presentation currency

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

(d) Used of estimates and judgements

The preparation of the financial statements in conformity with MPERS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

There are no significant areas of estimation uncertainty and critical judgement in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the following:

(i) Depreciation of Property, Plant and Equipment

The cost of an item of property, plant and equipment is depreciated on the straight-line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

(ii) Measurement of Income Taxes

Significant judgement is required in determining the Group's and the Company's provision for current and deferred taxes because the ultimate tax liability for the Group and the Company as a whole is uncertain. When the final outcome of the taxes payable is determined with the tax authorities, the amounts might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the year when such determination is made. The Group and the Company will adjust for the differences over-or under- provision of current or deferred taxes in the current year in which those differences arise.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the years presented in these financial statements, unless otherwise stated.

(a) Basis of consolidation

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

Subsidiaries are entities controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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

(i) Business combinations

Acquisitions of businesses are accounted for using the purchase method. Under the purchase method, the cost of a business combination is measured at the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

If an associate becomes a subsidiary, the Group remeasures its previously held equity interests to fair value and any corresponding gain or loss is recognised in profit or loss. The remeasured carrying amount form parts of the cost of business combination.

Non-controlling interests in the acquire is measured at the non-controlling interest's proportionate share of the acquiree's recognised identifiable net assets at the date of acquisition.

(ii) Non-controlling interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests have a deficit balance.

(iii) Changes in ownership interest in subsidiaries without change of control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group. No gain or loss is recognised on the change.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss in profit or loss which is calculated as the difference between the proceeds from the disposal of the subsidiary and its carrying amount at the date of disposal.

If the Group retains any interest in the former subsidiary, that investment is accounted for as a financial asset from the date of entity ceases to be a subsidiary, provided that it does not become an associate. The carrying amount on that date is regarded as the cost on initial measurement of the financial asset.

(b) Goodwill

Goodwill represents the excess of the fair value of purchase consideration of subsidiaries acquired over the group's share of the fair values of their identifiable assets and liabilities at the date of acquisition.

Goodwill is amortised using the straight line method over its estimated useful life of 10 years.

The carrying amount of goodwill is written down for impairment if the recoverable amount is less than its carrying value.

(c) Investment in subsidiary

Investments in subsidiary is measured in the statement of financial position of the Company at cost less any impairment losses. The cost of the investments includes transaction costs.

(d) Financial instruments

(i) Initial recognition and measurement

A financial asset or financial liability is recognised in the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the instruments.

A financial instrument is recognised initially at the transaction price (including transaction costs except in the initial measurement of a financial asset or financial liability that is measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

(ii) Subsequent measurement

Debts instruments that meet the following conditions are measured at amortised cost using the effective interest method.

a) Returns to the holder are determinable, e.g. a fixed amount and/or variable rate of return benchmark against a quoted or observable interest rate;

b) There is no contractual provision that could result in the holder losing the principal amount or any interest attributable to the current or prior years; and

c) Prepayment option, if any, is not contingent on future events.

Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be paid or received unless the arrangement constitutes, in effect, a financing transaction.

Investment in non-puttable ordinary shares are measured at cost less impairment, unless the shares are publicly traded or their fair value can otherwise be measured reliably, in which case the investments are measured at fair value with changes in fair value recognised in profit or loss.

All other financial assets or financial liabilities not measured at amortised cost or cost less impairment are measured at fair value with changes recognised in profit or loss.

All financial assets (except for financial assets measured at fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment. An impairment loss is measured as follows:

- For an instrument measured at amortised cost, the impairment loss is difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

- For an instrument measured at cost less impairment, the impairment loss is the difference between asset's carrying amount and the best estimate of the amount that would be received for the assets if it were to be sold at the reporting date.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset derecognised and the consideration received, including any newly created rights and obligations, is recognised in profit or loss.

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

(e) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. Cost also may include transfers from equity of any gain or loss on qualifying hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" or "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

Office equipment, furniture and fittings	10% - 40%
Renovation	20%

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the company in the management of short-term commitments. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(g) Impairment

(i) Impairment of financial assets

All financial assets (except for financial assets measured at fair value through profit or loss) are assessed for impairment at each reporting period date when there is an objective evidence of impairment.

For a financial asset measured at amortised cost, the impairment loss is the difference between the financial asset's carrying amount and the present value of estimated cash flows discounted at the financial asset's original effective rate.

For a financial asset measured at cost less impairment, the impairment loss is the difference between the financial asset's carrying amount and the best estimate of the amount that would be received for the financial asset if it were to be sold at the reporting date.

All impairment losses are recognised in profit or loss immediately.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previous recognised impairment loss is reversed to the extent that the carrying amount of the financial assets does not exceed its amortised cost at the reversal date. The amount of impairment reversal is recognised in profit or loss.

(ii) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or cash-generating units.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

An impairment loss is recognised in profit or loss. An impairment loss recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(h) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity, net of any related tax benefit.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(i) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contributions plans

The Company make statutory contributions to approved provident funds and the contributions made are charged to profit or loss in the period to which they relate. When the contributions have been paid, the company has no further payment obligations.

(j) Property development activities

Land held for development is carried at cost less any accumulated impairment losses and is classified as a non-current asset where no development activities are carried out or where development activities are not expected to be completed within the normal operating cycle.

Property development costs comprise all costs that are directly attributable to development activities including costs associated with the acquisition of land, costs related directly to a specific property development activity and costs attributable to the development activities in general and can be allocated to the project.

Property development revenue comprises the selling price agreed in the sale and purchase agreement and any additional revenue due to variation in development work.

When the development and construction activities have commenced and the financial outcome of the development activities can be reliably estimated, property development revenue is recognised for the development units sold and determined by reference to the stage of completion of the development activity at the end of the reporting period. Stage of completion is determined based on the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

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

Any expected loss on a specific property development activity is recognised as an expense immediately (including any further costs expected to be incurred over the defects liability period).

Property development revenue and expenses recognised are immediately written back as soon as a rescission or revocation of sale occurs.

(k) Interest income

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

(l) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except for the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting year, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting year and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4. INVESTMENT IN A SUBSIDIARY

	Company 2019	Company 2018
	RM	RM
Unquoted shares, at cost	2,550,000	2,550,000

Details of the subsidiary, which is incorporated in Malaysia, are as follows:

Name of subsidiary	Effective equity interest 2019	Effective equity interest 2018	Principal activity
	%	%	
Montflex Sdn. Bhd. *	51	51	Property development

*Audited by other firm of chartered accountants.

5. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

Group	Office equipment, furniture and fittings	Renovation	Total
	RM	RM	RM
Cost			
At 1 January 2018	175,887	231,685	407,572
Addition	7,455	-	7,455
Written off	(108,891)	-	(108,891)
At 31 December 2018	74,451	231,685	306,136
Addition	3,871	-	3,871
Written off	(22,054)	(231,685)	(253,739)
At 31 December 2019	56,268	-	56,268
Accumulated depreciation			
At 1 January 2018	172,166	231,685	403,851
Charge for the year	1,966	-	1,966
Written off	(108,543)	-	(108,543)
At 31 December 2018	65,589	231,685	297,274
Charge for the year	2,913	-	2,913
Written off	(22,052)	(231,685)	(253,737)
At 31 December 2019	46,450	-	46,450
Net book value			
At 31 December 2019	9,818	-	9,818
At 31 December 2018	8,862	-	8,862

6. GOODWILL ON CONSOLIDATION

	Group 2019 RM	2018 RM
At 1 January	240,077	266,752
Less: Accumulated amortisation	(26,675)	(26,675)
At 31 December	213,402	240,077

7. LAND HELD FOR DEVELOPMENT

	Group 2019 RM	2018 RM
At 1 January		
Land	-	-
Development cost	-	-
Land		
- classified from property development cost	7,084,500	-
Development costs		
- cost incurred during the year	859,162	-
- classified from property development cost	21,526,648	-
	22,385,810	-
At 31 December		
Land	7,084,500	-
Development cost	22,385,810	-
	29,470,310	-

8. OTHER RECEIVABLES AND DEPOSITS

	Group 2019 RM	2018 RM	*Company* 2019 RM	2018 RM
Other receivables	27,354	43,728	24,999	24,999
Deposits	83,700	86,400	-	-
Amount due from a shareholder	10	10	10	10
	111,064	130,138	25,009	25,009

9. PROPERTY DEVELOPMENT COSTS

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Costs to fulfill a contract				
At 1 January	29,579,128	26,983,219	-	-
Add: Cost incurred during the financial year	-	2,595,909	-	-
Less: Charge to profit or loss	(967,980)	-	-	-
Less: Reclassified to inventories property development costs	(28,611,148)	-	-	-
At 31 December	-	29,579,128	-	-

The cost that are related directly to the contract are capitalised as contract costs during the current financial year. These costs are expected to be recoverable and are amortised to profit or loss when the related revenue is recognised.

Included in the property developments costs are the following charges made during the financial year:

	Group	
	2019	2018
	RM	RM
Directors' remuneration:		
- Salaries and other emoluments	-	358,408
- Defined contribution plans	-	35,809
- Social security contributions	-	9

10. CASH AND BANK BALANCES

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Cash on hand and at banks	103,552	106,894	74,991	74,991
Fixed deposits with licensed bank	1,128	1,097	-	-
Cash and cash equivalents	104,680	107,991	74,991	74,991

11. SHARE CAPITAL

Issued and Fully Paid-Up

Company

	2019	2018	2019	2018
	Number of shares		RM	RM
Ordinary shares	100,000	100,000	100,000	100,000

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

12. TRADE PAYABLES

The normal trade credit term granted to the Group ranges from 30 to 60 days (2018: 30 days to 60 days).

13. OTHER PAYABLES AND ACCRUALS

	Group		*Company*	
	2019	2018	2019	2018
	RM	RM	RM	RM
Other payables	31,449,956	30,183,408	2,556,039	2,557,940
Accruals	9,720	9,300	2,300	2,300
Amount due to a subsidiary	-	-	22,893	16,054
	31,459,676	30,192,708	2,581,232	2,576,294

14. LOSS BEFORE TAXATION

	Group		*Company*	
	2019	2018	2019	2018
	RM	RM	RM	RM
Loss before taxation is stated *after charging:*				
Auditors' remuneration	6,800	6,800	1,800	1,800
Amortisation of goodwill	26,675	26,675	-	-
Depreciation	2,913	1,966	-	-
Property, plant and equipment written off	2	348	-	-
Realised loss on foreign exchange	-	10,475	-	-
and *crediting:*				
Interest income	31	31	-	-

15. INCOME TAX EXPENSE

No income tax expense is provided for the financial year as the Group and the Company does not have chargeable income.

The temporary differences attributable to the deferred tax assets which are not recognised in the statements of financial position are as follows:-

	Group		*Company*	
	2019	2018	2019	2018
	RM	RM	RM	RM
Other temporary differences	(1,000)	(4,000)	-	-
Unabsorbed capital allowances	9,000	7,000	-	-
Unutilised tax losses	3,001,000	1,623,000	-	-
	3,009,000	1,626,000	-	-

16. FINANCIAL INSTRUMENTS

Group	**Carrying amount**	**Fair value through profit or loss**	**Amortised cost**	**Cost less impairment**
2019	**RM**	**RM**	**RM**	**RM**
Financial assets				
Other receivables	27,364	-	27,364	-
Cash and bank balances	104,680	-	104,680	-
	132,044	-	132,044	-
Financial liabilities				
Other payables and accruals	(31.459,676)	-	(31,459,676)	-
2018				
Financial assets				
Other receivables	43,738	-	43,738	-
Cash and bank balances	107,991	-	107,991	-
	151,729	-	151,729	-
Financial liabilities				
Trade payables	(6,075)	-	(6,075)	-
Other payables and accruals	(30,192,708)	-	(30,192,708)	-
	(30,198,783)	-	(30,198,783)	-

Company	**Carrying amount**	**Fair value through profit or loss**	**Amortised cost**	**Cost less impairment**
2019	**RM**	**RM**	**RM**	**RM**
Financial assets				
Other receivables	25,009	-	25,009	-
Cash and bank balances	74,991	-	74,991	-
	100,000	-	100,000	-
Financial liability				
Other payables and accruals	(2,581,232)	-	(2,581,232)	-
2018				
Financial assets				
Other receivables	25,009	-	25,009	-
Cash and bank balances	74,991	-	74,991	-
	100,000	-	100,000	-
Financial liability				
Other payables and accruals	(2,576,294)	-	(2,576,294)	-

17. RELATED PARTIES DISCLOSURE

Key management personnel

Directors

	Group 2019 RM	2018 RM
Directors' remuneration:		
- salaries	60,000	358,408
- defined contribution plan	-	75,809
- other emoluments	-	69

18. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Coronavirus outbreak

On 11 March 2020, the World Health Organisation declared the Coronavirus ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The Covid-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the Covid-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the company operates.

For the Company's financial statements for the financial year ended 31 December 2019, the Covid-19 outbreak and the related impacts are considered non-adjusting events in accordance with Section 32 of MPERS Events after the Reporting Period. Consequently, there is no impact on the recognition and measurement of assets and liabilities as at 31 December 2019.

The Company is unable to reasonably estimate the financial impact of Covid- 19 for the financial year ending 31 December 2020 to be disclosed in the financial statements as the situation is still evolving and the uncertainty of the outcome of the current events. It is however certain that the local and worldwide measures against the spread of the Covid-19 will have adverse effects on the Company's sales, operations and supply chains. The Company will continuously monitor the impact of Covid-19 on its operations and its financial performance. The Company will also be taking appropriate and timely measures to minimise the impact of the outbreak on the Company's operations.

19. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 17 June 2020 by the Board of Directors.

1. RESPONSIBILITY STATEMENT

Our Board has seen and approved this Circular and they collectively and individually 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 other facts, the omission of which would make any statement in this Circular misleading.

2. CONSENT AND CONFLICT OF INTERESTS

2.1 Maybank IB

Maybank IB, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

Maybank IB and its related and associated businesses ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and fund management and credit transaction services businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for our Group and/or any of our affiliates, in addition to the role set out in this Circular. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders, and/or our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the Maybank Group generally acting independently of each other, and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, the Maybank Group is required to comply with the applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

As at the LPD, the Maybank Group has extended credit facilities to our Group in its ordinary course of business. Notwithstanding this, Maybank IB confirms that the aforesaid lending relationship will not give rise to a conflict of interest situation in its capacity as Principal Adviser for the Proposals as:

(i) the extension of the credit facilities arose in the ordinary course of business of the Maybank Group;

(ii) the conduct of the Maybank Group in its banking business is strictly regulated by, among others, the Financial Services Act 2013, Islamic Financial Services Act 2013 and the Maybank Group's own internal controls and checks; and

(iii) the total outstanding amount owed by our Group to the Maybank Group is not material when compared to the audited NA of the Maybank Group as at 31 December 2019 of RM81.6 billion.

Maybank IB confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as Principal Adviser for the Proposals.

2.2 Newfields

Newfields, being the Financial Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

Newfields is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as Financial Adviser for the Proposals.

2.3 M&A Securities

M&A Securities, being the Independent Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the Independent Advice Letter and all references thereto in the form and context in which they appear in this Circular.

M&A Securities is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as Independent Adviser for the Proposals.

2.4 CBRE|WTW

CBRE|WTW, being the Independent Valuer for the valuation of the Bangsar Land and the Development Rights, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the Master Valuation Certificate and all references thereto in the form and context in which they appear in this Circular.

CBRE|WTW is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as Independent Valuer for the valuation of the Bangsar Land and the Development Rights.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Material commitments

Save for as disclosed below, as at 30 September 2020, our Board is not aware of any material commitments incurred or known to be incurred by our Group, which may have a material impact on the profits and/or NA of our Group:

	RM'000
Capital commitment	
- Approved and contracted for investment properties	121,765

3.2 Contingent liabilities

As at 30 September 2020, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the profits and/or NA of our Group.

4. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and our Board is not aware of any proceedings, pending or threatened against our Group or of any facts likely to give rise to any proceedings which may materially affect the business or financial position of our Group.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Suite 8, Main Tower, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of our forthcoming EGM:

(i) our constitution and the constitutions of BHP Development, Bumilex and Montflex;

(ii) audited consolidated financial statements of our Company for the past 2 FYEs 30 September 2018 and 30 September 2019, and the latest unaudited consolidated financial statements of our Company for the financial period ended 30 September 2020;

(iii) audited financial statements of BHP Development for the past 2 FYEs 31 December 2018 and 31 December 2019;

(iv) audited consolidated financial statements of Bumilex for the past 2 FYEs 31 December 2018 and 31 December 2019;

(v) the Agreements and JVA;

(vi) valuation reports dated 21 October 2020 issued by CBRE|WTW in respect of the Bangsar Land and the Development Rights;

(vii) letters of consent referred to in **Section 2 of Appendix V** of this Circular; and

(viii) relevant cause papers in respect of material litigation involving BHP Development referred in **Section 9 of Appendix I(A)** of this Circular.

SUNSURIA
Building Today Creating Tomorrow

SUNSURIA BERHAD
(Registration No. 196801000641 (8235-K))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Sunsuria Berhad ("**Sunsuria**" or "**Company**") will be conducted in a fully virtual manner through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Friday, 5 February 2021 at 10.00 a.m. or any adjournment thereof for the purpose of considering and if thought fit to pass the following resolutions, with or without any modifications:

ORDINARY RESOLUTION 1

PROPOSED SUBSCRIPTION BY SUNSURIA OF 4,488,520 NEW ORDINARY SHARES IN BANGSAR HILL PARK DEVELOPMENT SDN BHD ("BHP DEVELOPMENT") ("BHP DEVELOPMENT SHARES"), REPRESENTING 51.0% EQUITY INTEREST OF THE ENLARGED ISSUED SHARE CAPITAL OF BHP DEVELOPMENT, AT AN ISSUE PRICE OF RM1.88 PER BHP DEVELOPMENT SHARE FOR A SUBSCRIPTION CONSIDERATION OF RM8,438,417.60 TO BE SATISFIED IN CASH ("PROPOSED SUBSCRIPTION OF BHP DEVELOPMENT")

"THAT subject to the passing of Ordinary Resolution 2, Ordinary Resolution 3 and Ordinary Resolution 4, and the approvals and consents of the relevant authorities and/or parties being obtained (where required), approval be and is hereby given to the Company to:

(a) subscribe for 4,488,520 new BHP Development Shares, representing 51.0% equity interest of the enlarged issued share capital of BHP Development, at an issue price of RM1.88 per BHP Development Share for a subscription consideration of RM8,438,417.60 to be satisfied in cash; and

(b) regulate the relationship between Sunsuria KL Sdn Bhd, Suez Capital Sdn Bhd, Dasar Temasek Sdn Bhd (collectively, "**BHP Development Existing Shareholders**") and the Company as shareholders of BHP Development upon the completion of the Proposed Subscription of BHP Development,

subject to and upon the terms and conditions set out in the conditional share subscription and shareholder agreement dated 2 October 2020 entered into between the Company, BHP Development Existing Shareholders and BHP Development for the Proposed Subscription of BHP Development ("**SSSA**").

AND THAT the Board of Directors of the Company ("**Board**") be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all necessary documents as the Board may deem fit, necessary and expedient, and to take all such necessary steps to give effect and complete the Proposed Subscription of BHP Development with full powers to consent to and to adopt such conditions, variations, modifications, and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Subscription of BHP Development or as the Board may deem necessary or expedient, and to deal with all matters relating thereto and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect and complete the Proposed Subscription of BHP Development in the best interest of the Company."

ORDINARY RESOLUTION 2

PROPOSED PROVISION OF FINANCIAL ASSISTANCE BY SUNSURIA TO BHP DEVELOPMENT OF UP TO RM276.1 MILLION, OF WHICH AN AMOUNT OF UP TO RM102.1 MILLION IN CASH WILL BE USED FOR THE WORKING CAPITAL REQUIREMENT OF BHP DEVELOPMENT WHICH IS IN PROPORTION TO THE COMPANY'S PROPOSED 51.0% SHAREHOLDING IN BHP DEVELOPMENT AND AN AMOUNT OF UP TO RM174.0 MILLION IN THE FORM OF CORPORATE GUARANTEE, SUBJECT TO THE COMPLETION OF THE PROPOSED SUBSCRIPTION OF BHP DEVELOPMENT ("PROPOSED PROVISION OF FINANCIAL ASSISTANCE TO BHP DEVELOPMENT")

"THAT, subject to the passing of Ordinary Resolution 1, Ordinary Resolution 3 and Ordinary Resolution 4, and the approvals and consents of the relevant authorities and/or parties being obtained (where required), approval be and is hereby given to the Company to provide financial assistance to BHP Development, of up to RM276.1 million, of which an amount of up to RM102.1 million in cash shall be used for the working capital requirement of BHP Development which is in proportion to the Company's proposed 51.0% shareholding in BHP Development and an amount of up to RM174.0 million in the form of corporate guarantee for 51.0% of the financing facilities obtained by BHP Development, after the completion of the Proposed Subscription of BHP Development.

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all necessary documents as the Board may deem fit, necessary and expedient, and to take all such necessary steps to give effect to the Proposed Provision of Financial Assistance to BHP Development with full powers to consent to and to adopt such conditions, variations, modifications, and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Provision of Financial Assistance to BHP Development or as the Board may deem necessary or expedient, and to deal with all matters relating thereto and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to Proposed Provision of Financial Assistance to BHP Development in the best interest of the Company."

ORDINARY RESOLUTION 3

PROPOSED ACQUISITION BY SUNSURIA OF 100,000 EXISTING ORDINARY SHARES IN BUMILEX CONSTRUCTION SDN BHD ("BUMILEX"), REPRESENTING 100% EQUITY INTEREST IN BUMILEX, FOR A PURCHASE CONSIDERATION OF RM2.00 TO BE SATISFIED IN CASH ("PROPOSED ACQUISITION OF BUMILEX")

"THAT subject to the passing of Ordinary Resolution 1, Ordinary Resolution 2 and Ordinary Resolution 4, and the approvals and consents of the relevant authorities and/or parties being obtained (where required), approval be and is hereby given to the Company to acquire 100% equity interest in Bumilex for a purchase consideration of RM2.00 subject to and upon the terms and conditions set out in the conditional shares sale and purchase agreement dated 2 October 2020 entered into between the Company and Johari bin Said and Aizul Akma binti Awang for the Proposed Acquisition of Bumilex ("**SSPA**").

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all necessary documents as the Board may deem fit, necessary and expedient, and to take all such necessary steps to give effect and complete the Proposed Acquisition of Bumilex with full powers to consent to and to adopt such conditions, variations, modifications, and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Acquisition of Bumilex or as the Board may deem necessary or expedient, and to deal with all matters relating thereto and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect and complete the Proposed Acquisition of Bumilex in the best interest of the Company."

ORDINARY RESOLUTION 4

PROPOSED PROVISION OF FINANCIAL ASSISTANCE BY SUNSURIA TO MONTFLEX SDN BHD ("MONTFLEX") OF UP TO RM33.3 MILLION, OF WHICH AN AMOUNT OF UP TO RM20.6 MILLION IN CASH WILL BE USED FOR THE WORKING CAPITAL REQUIREMENT OF MONTFLEX WHICH IS IN PROPORTION TO BUMILEX'S 51.0% SHAREHOLDING IN MONTFLEX AND AN AMOUNT OF UP TO RM 12.7 MILLION IN THE FORM OF CORPORATE GUARANTEE, SUBJECT TO THE COMPLETION OF THE PROPOSED ACQUISITION OF BUMILEX ("PROPOSED PROVISION OF FINANCIAL ASSISTANCE TO MONTFLEX")

"THAT, subject to the passing of Ordinary Resolution 1, Ordinary Resolution 2 and Ordinary Resolution 3, and the approvals and consents of the relevant authorities and/or parties being obtained (where required), approval be and is hereby given to the Board to provide financial assistance to Montflex, a 51.0%-owned subsidiary of Bumilex, of up to RM33.3 million, of which an amount of up to RM20.6 million in cash shall be used for the working capital requirement of Montflex which is in proportion to Bumilex's 51.0% shareholding in Montflex and an amount of up to RM12.7 million in the form of corporate guarantee for 51.0% of the financing facilities obtained by Montflex, after the completion of the Proposed Acquisition of Bumilex.

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all necessary documents as the Board may deem fit, necessary and expedient, and to take all such necessary steps to give effect to the Proposed Provision of Financial Assistance to Montflex with full powers to consent to and to adopt such conditions, variations, modifications, and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Provision of Financial Assistance Montflex or as the Board may deem necessary or expedient, and to deal with all matters relating thereto and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to Proposed Provision of Financial Assistance to Montflex in the best interest of the Company."

BY ORDER OF THE BOARD

LEE SWEE KHENG (MIA 12754) (SSM P.C. No.: 201908003159)
NGIAN YOKE FUNG (MAICSA 7049093) (SSM P.C. No.: 201908002393)
Company Secretaries

Petaling Jaya
Malaysia
21 January 2021

Notes:

1. *The meeting will be conducted in a fully virtual manner through live streaming from the broadcast venue and online remote voting via the Remote Participation and Voting facilities ("**RPV Facilities**") provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") via its website at https://tiih.online. Please follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV Facilities.*

2. *Shareholders will not be allowed to attend the meeting in person at the broadcast venue on the day of the meeting. The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman to be present at the main venue of the meeting.*

3. *Member whose name appears on the Record of Depositors of the Company as at 26 January 2021 shall be eligible to attend and vote remotely at the meeting via the RPV Facilities or appoint proxy(ies) to attend and vote on his/her stead.*

4. *The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*

5. *A proxy may, but need not be a member of the Company.*

6. *A member may appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**"), it may appoint at least one (1) proxy but 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.*

7. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the 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 exempt authorised nominee appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

8. *An exempt authorised nominee refers to an authorised nominee defined under the SICDA, which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*

9. *Where a member or the authorised nominee appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy in the instrument appointing the proxies.*

10. *The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or notarially certified copy of that power of attorney or authority, shall be deposited with the Share Registrar of the Company, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time set for holding the meeting or any adjournment thereof.*

11. *If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.*

12. *A member who has appointed a proxy to attend and vote remotely at the meeting via the RPV Facilities must request his/her proxy to register himself/herself for the RPV Facilities at Tricor's website at https://tiih.online not less than 48 hours before the time set for holding the meeting or any adjournment thereof. Please follow the procedures provided in the Administrative Guide.*

13. *The appointment of proxy may be made in hard copy or by electronic means as follows and must be received by the Company not less than 48 hours before the time set for holding the meeting or any adjournment thereof.*

    In hard copy form
    The Form of Proxy must be deposited with the Share Registrar of the Company, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

    By electronic form
    The Form of Proxy can also be electronically lodged with the Share Registrar of the Company, Tricor, via its website at https://tiih.online. Kindly refer to the Procedure for Electronic Submission of Proxy Form stated in the Administrative Guide.

SUNSURIA
Building Today Creating Tomorrow

Sunsuria Berhad
(Registration No. 196801000641 (8235-K))
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR THE EXTRAORDINARY GENERAL MEETING

Date	:	Friday, 5 February 2021
Time	:	10.00 a.m.
Broadcast Venue	:	Tricor Business Centre, Manuka 2 & 3 Meeting Room Unit 29-01, Level 29, Tower A Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia

MODE OF MEETING

In view of the Coronavirus Disease 2019 (COVID-19) pandemic and as part of the safety measure, the EGM of Sunsuria Berhad ("**Sunsuria**" or "**Company**") will be conducted in a fully virtual manner through live streaming from the Broadcast Venue.

Pursuant to the Securities Commission Malaysia's Guidance Note on the Conduct of General Meetings for Listed Issuer issued on 18 April 2020 (including any amendment that may be made from time to time), there will be no physical venue for the EGM of the Company and the only venue involved is the Broadcast Venue where only essential individuals are permitted to be physically present to organise the fully virtual EGM of the Company. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders or proxies will not be allowed to attend the EGM of the Company in person at the Broadcast Venue on the day of the EGM of the Company. However, Shareholders or proxies are welcomed to participate in the EGM of the Company remotely by viewing a live webcast of the meeting, ask questions and submit votes in real time using the Remote Participation and Voting facilities ("**RPV Facilities**") provided by the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**"), via its website at https://tiih.online ("**TIIH Online**").

PROCEDURES FOR THE RPV FACILITIES

Shareholders, proxies, authorised representatives or attorneys who wish to participate in the EGM of the Company using the RPV Facilities are to follow the requirements and procedures summarised below:

Procedure		Action
Before the Day of the EGM of the Company		
(a)	Register as a user with TIIH Online	• Using your computer, please access TIIH Online. • Register as a user under the "**e-Services**". Refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one working day and you will be notified via email. • If you are already a user with TIIH Online, you are not required to register again. You will receive an email to notify you that the remote participation is available for registration at TIIH Online.
(b)	Submit your registration for the RPV Facilities	• Registration is open from **Thursday, 21 January 2021** up to the day of the EGM of the Company on **Friday, 5 February 2021**. Shareholders, proxies, authorised representatives or attorneys are required to pre-register their attendance for the EGM of the Company to ascertain their eligibility to participate in the EGM of the Company using the RPV Facilities. • Login with your user name and password and select the corporate event: "**(REGISTRATION) SUNSURIA BERHAD EGM**". • Read and agree to the "**Terms & Conditions**" and confirm the "**Declaration**". • Select "**Register for Remote Participation and Voting**". • Review your registration and proceed to register. • System will send an email to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the Record of Depositors of the Company as at **26 January 2021**, the system will send you an email to approve your registration for remote participation and the procedures to use the RPV Facilities are detailed therein. In the event your registration is not approved, you will also be notified via email. ***Note:*** *Please ensure to allow sufficient time required for the approval as a new user of TIIH Online as well as the registration for the RPV Facilities in order for you to login to TIIH Online and participate in the EGM of the Company remotely.*
On the day of the EGM of the Company		
(c)	Login to TIIH Online	• Login with your username and password for remote participation at the EGM of the Company at any time from 9.30 a.m. i.e. 30 minutes before the commencement of the EGM of the Company on **Friday, 5 February 2021** at 10.00 a.m.
(d)	Participate through live streaming	• Select the corporate event: "**(LIVE STREAM MEETING) SUNSURIA BERHAD EGM**" to engage in the proceedings of the EGM of the Company remotely. • If you have any question for the Chairman / Board of Directors of the Company ("**Board**"), you may use the query box to transmit your question. The Chairman / Board will endeavour to respond to the relevant questions submitted by you during the EGM of the Company. If there is time constraint, the responses will be emailed to you at the earliest possible, after the meeting.

Procedure		Action
(e)	Online remote voting	• Voting session commences from 10.00 a.m. on **Friday, 5 February 2021** until a time when the Chairman announces the end of the voting session of the EGM of the Company. • Select the corporate event: "**(REMOTE VOTING) SUNSURIA BERHAD EGM**" or if you are on the live stream meeting page, you can select "**GO TO REMOTE VOTING PAGE**" button below the query box**.** • Read and agree to the "**Terms & Conditions**" and confirm the "**Declaration**". • Select the Central Depository System ("**CDS**") account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
(f)	End of remote participation	• Upon the announcement by the Chairman on the closure of the EGM of the Company, the live streaming will end.

Notes to users of the RPV Facilities:

1. *Should your registration for the RPV Facilities be approved, we will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to TIIH Online on the day of the EGM of the Company will indicate your presence at the virtual meeting.*

2. *The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.*

3. *In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting on the day of the EGM of the Company, kindly call Tricor's helpline at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 or email to tiih.online@my.tricorglobal.com for assistance.*

APPOINTMENT OF PROXY(IES), AUTHORISED REPRESENTATIVE(S) OR ATTORNEY(S)

Shareholders who appoint proxy(ies), authorised representative(s) or attorney(s) to participate, speak and vote at the EGM of the Company via the RPV Facilities must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to Tricor not later than **Wednesday, 3 February 2021** at 10.00 a.m.

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner:

(i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) By electronic form

In the case of an appointment is made by electronic form, the proxy form can be electronically lodged with the Share Registrar of the Company, Tricor, via TIIH Online (applicable to individual shareholders only). Kindly refer to the Procedure for Electronic Submission of Proxy Form below.

Please ensure all the particulars as required in the proxy form are completed, signed and dated accordingly.

Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Wednesday, 3 February 2021** at 10.00 a.m. to participate in the EGM of the Company via the RPV Facilities. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment with the Share Registrar of the Company, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Wednesday, 3 February 2021** at 10.00 a.m. to participate in the EGM of the Company via the RPV Facilities. The certificate of appointment should be executed in the following manner:

(i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.

(ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:

   (a) at least two (2) authorised officers, of whom one shall be a director; or

   (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

PROCEDURE FOR ELECTRONIC SUBMISSION OF PROXY FORM (APPLICABLE TO INDIVIDUAL SHAREHOLDERS ONLY)

The procedures to submit your proxy form electronically via TIIH Online are summarised below:

Procedure		**Action**
(a)	Register as a user with TIIH Online	• Using your computer, please access TIIH Online. • Register as a user under the "**e-Services**". Refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
(b)	Proceed with submission of proxy form	• After the release of the notice of EGM of the Company, login with your username and password. • Select the corporate event: **SUNSURIA BERHAD EGM** "**Submission of Proxy Form**". • Read and agree to the "**Terms & Conditions**" and confirm the "**Declaration**". • Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. • Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. • Indicate your voting instructions – "**FOR**" or "**AGAINST**", otherwise your proxy(ies) will decide your vote. • Review and confirm your proxy(ies) appointment. • Print proxy form for your record.

POLL VOTING

The voting at the EGM of the Company will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as poll administrator to conduct the poll by way of electronic voting (e-voting).

Shareholders or proxy(ies) or authorised representative(s) or attorney(s) can proceed to vote on the resolutions at any time from the commencement of the EGM of the Company at 10.00 a.m. on **Friday, 5 February 2021** but before the end of the voting session which will be announced by the Chairman. Kindly refer to item (e) of the Procedures for the RPV Facilities above for guidance on how to vote remotely from TIIH Online.

Upon completion of the voting session for the EGM of the Company, the independent scrutineers will verify the poll results upon closing of the poll session by the Chairman followed by the Chairman's declaration on whether the resolutions are duly passed.

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD

Shareholders may submit questions for the Board in advance of the EGM of the Company via TIIH Online by selecting "**e-Services**" to login, pose questions and submit electronically not later than **Wednesday, 3 February 2021** at 10.00 a.m. The Board will endeavour to answer the relevant questions received at the EGM of the Company.

DOOR GIFT/FOOD VOUCHER

There will be no distribution of door gifts or food vouchers for participating the EGM of the Company.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited for the EGM of the Company.

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn Bhd

General Line	:	+603-2783 9299
Fax Number	:	+603-2783 9222
Email	:	is.enquiry@my.tricorglobal.com
Contact Person	:	Ms. Lim Lay Kiow Tel: +603-2783 9232 /Email: Lay.Kiow.Lim@my.tricorglobal.com Ms. Siti Zalina Osmin Tel: +603-2783 9247 /Email: Siti.Zalina@my.tricorglobal.com Mr. Lim Jia Jin Tel: +603-2783 9246 /Email: Jia.Jin.Lim@my.tricorglobal.com

SUNSURIA
Building Today Creating Tomorrow

SUNSURIA BERHAD
(Registration No. 196801000641 (8235-K))
(Incorporated in Malaysia)

FORM OF PROXY

(Please refer to the notes below before completing this form)

Number of shares held		
CDS Account No.		
Telephone No.		
Proportion of holdings to be represented by each proxy	*Proxy 1*	*Proxy 2*
	%	%

I / We..NRIC No/ Registration No. ....
(FULL NAME IN BLOCK LETTERS*)*

of ....
(FULL ADDRESS)

being a member of **Sunsuria Berhad** hereby appoints...

....NRIC No..
(FULL NAME IN BLOCK LETTERS)

of ....
(FULL ADDRESS)

or failing him/her, ...NRIC No..
(FULL NAME IN BLOCK LETTERS)

of ....
(FULL ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING as *my/our proxy to attend and vote for *me/us on my/our behalf at the Extraordinary General Meeting of the Company to be conducted in a fully virtual manner through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Friday, 5 February 2021 at 10.00 a.m. or any adjournment thereof.

	Ordinary Resolutions:	**For**	**Against**
1.	Proposed Subscription of Bangsar Hill Park Development Sdn Bhd (“**BHP Development**”)		
2.	Proposed Provision of Financial Assistance to BHP Development		
3.	Proposed Acquisition of Bumilex Construction Sdn Bhd		
4.	Proposed Provision of Financial Assistance to Montflex Sdn Bhd		

(Please indicate with an “X” or “√” in the appropriate boxes above on how you wish your vote to be casted. If you do not do so, the proxy shall vote or abstain from voting at his/their discretion)

Dated this ....day of...................................... 2021

....
Signature of Shareholder/ Common Seal of Member

Notes:

1. *The meeting will be conducted in a fully virtual manner through live streaming from the broadcast venue and online remote voting via the Remote Participation and Voting facilities (“**RPV Facilities**”) provided by Tricor Investor & Issuing House Services Sdn Bhd (“**Tricor**”) via its website at https://tiih.online. Please follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV Facilities.*
2. *Shareholders will not be allowed to attend the meeting in person at the broadcast venue on the day of the meeting. The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman to be present at the main venue of the meeting.*
3. *Member whose name appears on the Record of Depositors of the Company as at 26 January 2021 shall be eligible to attend and vote remotely at the meeting via the RPV Facilities or appoint proxy(ies) to attend and vote on his/her stead.*
4. *The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
5. *A proxy may, but need not be a member of the Company.*
6. *A member may appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (“**SICDA**”), it may appoint at least one (1) proxy but 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.*
7. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the 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 exempt authorised nominee appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
8. *An exempt authorised nominee refers to an authorised nominee defined under the SICDA, which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*

9. *Where a member or the authorised nominee appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy in the instrument appointing the proxies.*
10. *The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or notarially certified copy of that power of attorney or authority, shall be deposited with the Share Registrar of the Company, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time set for holding the meeting or any adjournment thereof.*
11. *If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.*
12. *A member who has appointed a proxy to attend and vote remotely at the meeting via the RPV Facilities must request his/her proxy to register himself/herself for the RPV Facilities at Tricor's website at https://tiih.online not less than 48 hours before the time set for holding the meeting or any adjournment thereof. Please follow the procedures provided in the Administrative Guide.*
13. *The appointment of proxy may be made in hard copy or by electronic means as follows and must be received by the Company not less than 48 hours before the time set for holding the meeting or any adjournment thereof.*

    In hard copy form
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    By electronic form
    The Form of Proxy can also be electronically lodged with the Share Registrar of the Company, Tricor, via its website at https://tiih.online. Kindly refer to the Procedure for Electronic Submission of Proxy Form stated in the Administrative Guide.

* *Strike out whichever is not valid.*

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AFFIX
STAMP

The Share Registrar
SUNSURIA BERHAD
(Registration No. 196801000641 (8235-K))
c/o Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite,
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi 59200
Kuala Lumpur, Malaysia

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Fold This Flap For Sealing