

SUNSURIA

BUILDING TODAY CREATING TOMORROW



BUILDING TODAY CREATING TOMORROW

ANNUAL REPORT 2023

ABOUT THIS REPORT



COVER RATIONALE

The cover design, featuring a child's silhouette, embodies Sunsuria's fundamental belief in investing for the future. The illustration of various buildings and structures not only highlights Sunsuria's legacy in property developments but also serves as a representation of the industry in which we operate. In conjunction with our core businesses, Sunsuria ensures an authentic experience, prioritising the well-being of residents and customers through a commitment to excellence and sustainability.

Collectively, these design elements work in harmony, emphasising our dedication to contributing positively to society and building communities. Aligned with our tagline, "Building Today, Creating Tomorrow," this encapsulates our commitment to a brighter future.

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Proxy Form

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CORPORATE PHILOSOPHY

Sunsuria has reached to where it is today with a strong contribution and collective effort from its dedicated leaders and employees to make this world a better place. Sunsuria aims to pave the way up and forward with founder and owner, Tan Sri Datuk Ter Leong Yap who possesses property development knowledge and experiences of more than 20 years. With the diverse capabilities of Executive Chairman, Tan Sri Datuk Ter and his senior management team, the property development business is the primary business and key growth driver of Sunsuria. Today with a strong synergy by Sunsurians laying down the groundwork, Sunsuria sustains its aim to rise and expand regionally.



VISION

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

MISSION

To engage and delight our customers by delivering a distinctly Sunsuria experience of service excellence and warmth, through a culture of integrity, quality and reliability.

CORE VALUES



INTEGRITY



RELIABILITY



RESPECTFUL



COMMITTED



PROGRESSIVE

GREAT SUNSURIANS

From good business conduct to good moral values and ethics, Sunsuria instils a 'we culture' sense of belonging and ownership among its people, prioritising their well-being and enhancing lifestyles. The concept also encourages openness to ideas, innovations, and inventions with the right culture and attitude of being Committed, Respectful, and Progressive, with the goal of increasing pride in being a Sunsurian and enhancing the market value of its people.

EXCELLENCE

Sunsuria is committed to delivering top-quality products and services, driven by our dedicated workforce. Our aim is to create lasting value for stakeholders by fostering a culture centred on excellence. This commitment is a guiding principle that influences all facets of our operations. By adhering to the highest standards in innovation, collaboration, and dedication, we consistently aim to surpass expectations. This dedication to excellence aims to enhance our organisational standing, playing a crucial role in fostering sustainable growth and strategically positioning Sunsuria for successful global expansions.

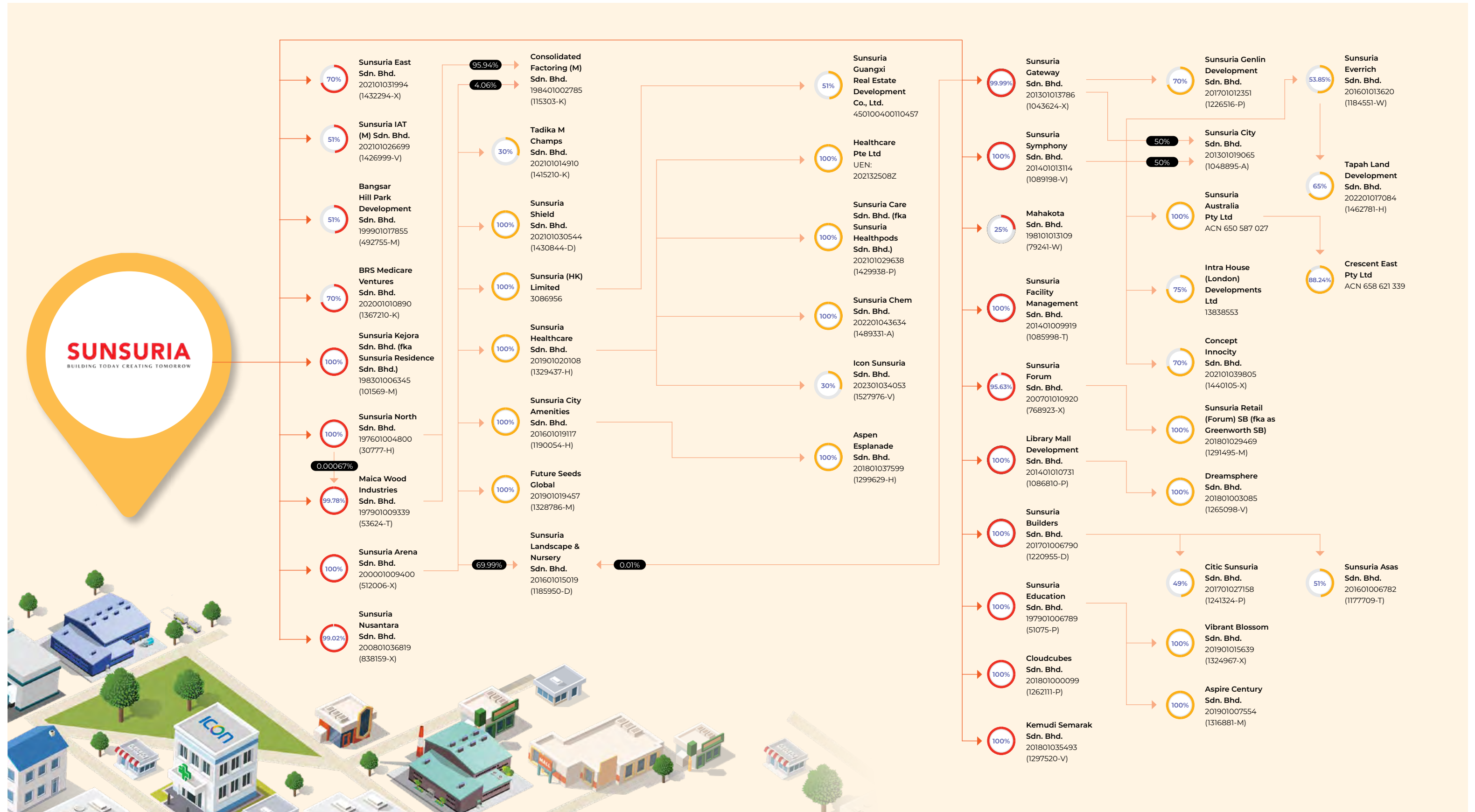
MAKING THE WORLD A BETTER PLACE

Sunsuria is committed to contributing to a better world through our various operations. Our focus extends beyond delivering products and services, aiming to foster positive change in every aspect of our operations. By adhering to fair trade practices and promoting a culture of kindness within our organisation, Sunsuria seeks to make a meaningful and responsible impact. Aligning our actions with principles of social responsibility, we strive to advocate for a better world in all our pursuits.

SUSTAINABLE ORGANISATION

As an organisation committed to enduring success, Sunsuria strives to meet the present needs of our customers while safeguarding the requirements of future generations. Operating with adaptability and resilience, we aspire to champion economic, environmental, and social sustainability. Our continuous efforts are focused on building a business model that aligns with lasting values, allowing us to be a future-focused company contributing to the enhancement of financial, environmental, and social well-being.

CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Datuk Ter Leong Yap

Executive Chairman

Tan Pei Geok

Senior Independent Non-Executive Director

Dato' Quek Ngee Meng

Independent Non-Executive Director

Datin Loa Bee Ha

Independent Non-Executive Director

Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Employee Share Option Scheme Committee
Tan Pei Geok (Chairperson) Datin Loa Bee Ha Dato' Quek Ngee Meng	Tan Pei Geok (Chairperson) Datin Loa Bee Ha Dato' Quek Ngee Meng	Dato' Quek Ngee Meng (Chairman) Tan Sri Datuk Ter Leong Yap Tan Pei Geok	Datin Loa Bee Ha (Chairperson) Tan Sri Datuk Ter Leong Yap Dato' Quek Ngee Meng

Company Secretaries

Eng Kim Haw
(MIA 10061)
SSM Practicing Cert. No.:
202208000364

Khoo Ming Siang
(MAICSA 7034037)
SSM Practicing Cert. No.:
202208000150

Auditors

Messrs Deloitte PLT
(LLP0010145-LCA)
Chartered Accountants (AF0080)
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr Ismail
60000 Kuala Lumpur

Stock Exchange Listing

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

Registered Office And Head Office

Suite 8, Main Tower, Sunsuria Avenue
Persiaran Mahogani,
Kota Damansara, PJU 5,
47810 Petaling Jaya, Selangor,
Malaysia
Tel : +(603) 6145 7777
Fax : +(603) 6145 7778
Email : cosec@sunsuria.com
Website : www.sunsuria.com

Principal Bankers

1. AmBank (M) Berhad
2. Bank of China (Malaysia) Berhad
3. Hong Leong Bank Berhad
4. Malayan Banking Berhad
5. OCBC Bank (Malaysia) Berhad
6. Public Bank Berhad
7. RHB Bank Berhad
8. United Overseas Bank (Malaysia) Berhad

Share Registrar

Tricor Investor & Issuing House Services
Sdn. Bhd.

Office:
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +(603) 2783 9299
Fax : +(603) 2783 9222
Email : is.enquiry@mytricorglobal.com

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

MESSAGE FROM EXECUTIVE CHAIRMAN



Dear Shareholders,

I am pleased to present the Annual Report and audited financial statements of Sunsuria Berhad (“Sunsuria” or “the Group”) for the financial year ended 30 September 2023 (“FY2023”).



FY2023 maintained the positive momentum of the previous year, marked by effective fiscal controls that helped manage inflation during a period of political stability. The property segment demonstrated resilience and progress, registering increased transactions in the third quarter despite facing various challenges.

Tan Sri Datuk Ter Leong Yap
Executive Chairman

Financial and Business Highlights

RM142.52 bil

Total value of properties transacted in Malaysia

8.7 %

Year-On-Year



The property segment's momentum continued apace in FY2023, with a notable pickup in overall property transaction volume and value in the 3rd quarter. Cumulatively, total property transactions reached 293,095 during this quarter, with total transaction value standing at RM142.52 billion¹, marking 8.7% growth year-on-year.

The robust momentum of FY2022 carried over into the financial year under review, with transaction values up by 1.1% year-on-year to RM85.37 billion in the first half of 2023, while volumes moved sideways to 184,140. This momentum saw a notable pickup in the third quarter, with a total of 293,095 cumulative transactions worth RM142.52 billion, representing an 8.7% increase in value year-on-year.

In terms of monetary policy, Bank Negara Malaysia concluded its year-long escalation of the overnight policy rate (“OPR”), which returned to its pre-COVID-19 level in 2019 of 3.00%. The central bank implemented its stance in five hikes of 25 basis points (0.25%) since May 2022, starting from a low of 1.75% as an economic stimulus during the pandemic.

The maintenance of the OPR at 3.00% is seen as prudent, given the sideways movement in the Ringgit in the third quarter as well as the easing of inflation to 1.5% in November² – its lowest since April 2021. The move eases the upward pressure on the Base Lending Rate (“BLR”) of banks and financial institutions, fostering a healthier borrowing environment for investors and property seekers.

¹ Housing transaction value jumps 22.6% to RM57bil in third quarter | The Star Property market transactions rise to RM85.4 bln in 1h 2023 – Ahmad Maslan (mof.gov.my)

² Malaysia's inflation rate continues to slow down, falling to 1.5% in November | The Star

MESSAGE FROM EXECUTIVE CHAIRMAN

MOVING WITH THE PROPERTY MARKET

Reflecting on the year, Sunsuria's focus on value engineering, cost streamlining and business diversification has proven beneficial for the Group, contributing to its financial and operational performance despite cautious consumer sentiment and challenges associated with increased borrowing costs in a high-interest scenario.

We remain committed to optimising the functionality and efficiency of our crafted spaces, while introducing new products strategically aligned with market needs and consumer preferences. Our commitment to innovation in property development persists, encompassing the unlocking of value of our current assets and expansion through strategic and timely landbank acquisitions.

Following the Group's steady performance in FY2022, we expanded our offerings throughout key projects. These ranged from our flagship integrated township of Sunsuria City in Sepang, to Sunsuria Kejora Business Park, our first industrial launch in Puncak Alam, as well as overseas ventures in Australia and the United Kingdom.

Our efforts have resonated with property seekers, drawing strong take-up while garnering international acclaim, driven by our focus on crafting vibrant, forward-looking communities that serve as catalysts for progress, growth and prosperity.

Following the pandemic years, we embarked on a business diversification exercise in FY2022 to further strengthen the resilience of the Group. This included expansion into the education and healthcare sectors, synergising with our core business of property development as significant drivers for property demand. Our initiative continued to bear fruit in FY2023, with Sunsuria entering landmark partnerships with major domestic and international players to establish and enhance our offerings in these spaces.

Amid cautious consumer sentiment and challenges stemming from past inflationary pressures, the Group's encouraging performance is attributed to proactive

measures taken by Management. These measures, focused on cost streamlining and cash flow management, were implemented in anticipation of various challenges in FY2023.

With moderate expansion projected for Malaysia's economy in the coming year, we are committed to navigating the challenges while steering Sunsuria on a steady growth trajectory. Our goal is to deliver ongoing value for our stakeholders and shareholders as our diversified business interests mature.

DIVERSIFICATION INTO HEALTHCARE AND EDUCATION

In pursuit of strategic growth, Sunsuria has extended its reach into healthcare and education sectors, fostering ongoing development through strategic collaborations with established domestic and international partners. This expansion aligns seamlessly with our core business of property development, capitalising on the symbiotic relationship between these sectors. As educational institutions increasingly influence home choices for families, and healthcare facilities gain prominence with aging populations, our diversification serves to enrich the vitality and sustainability of our townships. This initiative, reflective of Sunsuria's forward-looking approach, aims to craft communities where residents can live, learn and create enduring memories.

In FY2023, the progression of our RM112.6 million Concord College International School in Sunsuria City, Sepang, marked a significant milestone. Managed by our wholly owned subsidiary, Sunsuria Education Sdn. Bhd., in collaboration with the Concord International Ltd from the UK, the school caters to Malaysian and regional students aged 5 to 18 years, with a capacity of 1,250. Located opposite Xiamen University Malaysia in Sunsuria City, Concord College International School offers the UK National Curriculum from Year 1 to A-levels, benefiting from Concord International Ltd's standing as one of the UK's top-ranked independent international educational institutions.

Additionally, we are exploring the establishment of the Sunsuria Children Care Centre, aiming to deliver a reliable, safe, and health-focused children's care service. The childcare centre aims to create a stimulating environment for comprehensive development, encompassing the cognitive, physical, emotional, and social dimensions.



Concord College International School, Sunsuria City

Our efforts in the healthcare segment gained momentum through a pivotal joint venture in September 2023 with the Icon Group, Australia's largest dedicated cancer care provider. This collaboration led to the establishment of Icon Sunsuria Sdn. Bhd., executed through our subsidiary, Sunsuria Healthcare. Icon Sunsuria aims to elevate cancer care by bringing the advanced treatment, health technologies and research closer to home in Malaysia.

Subsequently, in October 2023, Icon Sunsuria partnered with Penang's leading tertiary care provider, Island Hospital, to inaugurate the Icon Cancer Centre. Celebrating its opening in Penang on 2 January 2024, the Icon Cancer Centre brings together Sunsuria Healthcare's extensive medical network and resources, in collaboration with Icon's expertise in oncology, and Island Hospital's stature as Malaysia's medical tourism hub.

In March 2023, we introduced Sunsuria Care as a collaborative platform for community-driven initiatives. The inaugural Sunsuria Care Hub at Sunsuria City Celebration Centre in Sepang pioneers the programme's vision, offering convenient healthcare access with fundamental medical services and support for Sunsuria City residents. Additional Care Hubs are in the pipeline for ongoing and existing projects across our property portfolio.

Reflecting on the progress in education and healthcare, the Group recorded healthy revenue and profit performance in FY2023. Sunsuria experienced an increase in market capitalisation, maintaining satisfactory cash flow figures despite the anticipated challenges in property sales as expected due to our selective curation of property launches.

RESILIENT FINANCIAL AND BUSINESS PERFORMANCE

In FY2023, the Group's revenue reached RM506.2 million, reflecting a 25.9% growth year-on-year. This growth resulted from increased property development and construction revenue, compensating for reduced income in healthcare and investment holdings. Despite a 41% decline in property sales to RM501.6 million compared to RM850.9 million in FY2022, attributed to staggered launches, our robust unbilled sales of RM926.8 million as of 30 September 2023, ensure strong earnings visibility through 2025.

Revenue (FY2023)

RM506.2 mil

RM402.2 mil (FY2022)



MESSAGE FROM EXECUTIVE CHAIRMAN

Profit before tax(FY2023)

RM46.1 mil

RM34.9 mil (FY2022)



Staggered project timelines ensured market readiness for launches in FY2023, witnessing healthy sales in ongoing projects like Sunsuria Forum 2 in Setia Alam and Bangsar Hill Park in Kuala Lumpur, along with new launches such as Seni Residences in Sunsuria City, Sepang and Phase 1 of Sunsuria Kejora Business Park in Puncak Alam.

Profit before tax (“PBT”) showcased growth, increasing by 32.1% to RM46.1 million from RM34.9 million in FY2022. This growth, driven by increased property development revenue, was further reinforced by a 5.9% reduction in group operating expenses to RM68.4 million. The Management’s focus on value creation and cost streamlining enhanced operational efficiencies throughout the Group.

Despite a 30.2% increase in borrowings to RM642.9 million, resulting in a moderate gearing ratio of 0.30 times (FY2022: 0.17 times), market capitalisation grew by 47.3% to RM501.7 million. Cash flow, despite a slightly weakened position, remained at RM310.2 million, attributed to our selective project launch line-up.

As we enter FY2024, we commit to continue streamlining operational costs with prudent management of financial fundamentals, amid uncertain market conditions. While acknowledging the potential challenges in cost optimisation, our goal is to maximise value for stakeholders while upholding the quality standards associated with the Sunsuria brand.

Future revenue growth will be supported by our ventures into London and Melbourne, contributing diversified income streams. The international product launch, One Grant Crescent in Melbourne, has already garnered accolades from industry recognition platforms, underscoring our strategy of collaborating with established local partners for a successful entry into the global market.

In FY2022, Sunsuria made several strategic landbank acquisitions, including a 60.8-acre parcel in Puncak Alam and a 44.7-acre plot in Banting, both in Selangor. FY2023

made the initiation of unlocking the value of these assets, starting with Sunsuria Kejora Business Park on the Puncak Alam plot. Further details are available in the Management Discussion and Analysis section of this Annual Report.



Monet Springtime, Sunsuria City

TOWARDS A BRIGHTER TOMORROW

Looking ahead to FY2024, we anticipate another challenging year with a mixed outlook for the property market. Positive factors, such as household and retail spending indicators, low inflation and unemployment rates, and proposed measures income growth, provide some buoyancy. We also appreciate the revisions to the Malaysia My Second Home programme. However, we acknowledge challenges, including proposed tax revisions and stamp duty adjustments. In response, Sunsuria will intensify its focus on value engineering and cost optimisation, safeguarding cash flow.

Adapting our strategies to the evolving business environment, we are confident that our unbilled sales of RM926.8 million as of 30 September 2023, along with a total gross development value (“GDV”) exceeding RM3.0 billion in our ongoing projects, will sustain the Group through FY2024 and beyond.

Upcoming launches in FY2024, including Talisa, Phase 2 of Bangsar Hill Park in Kuala Lumpur, comprising Blocks B and C, and Phase 2 of Sunsuria Kejora Business Park in Puncak Alam, demonstrate our commitment to strategic growth. We also anticipate the unveiling of our inaugural project in London, where we are redeveloping a two-storey commercial building into six residential units. Detailed information on these launches is available in the Management Discussion and Analysis section of this Annual Report.

Anticipating increased traction in our retail operations, driven by projected household and retail demand, as well as the growing demographics of Setia Alam in Klang Valley’s western development corridor, we foresee continued progress in Sunsuria Forum Phase 2 construction.

In unlocking the value of our current landbank assets, we welcome strategic joint ventures with partners who share our commitment to crafting liveable and sustainable townships and developments, with respect for the surrounding community and environment before us. We will continue integrating retail, education and healthcare components across our upcoming and existing projects, enriching the vibrancy of our offerings while enhancing convenience for our property owners.

In diversification, we look forward to the further maturation of our education and healthcare businesses. In particular, the first phase of Concord College International School, comprising facilities and amenities for academics, creative arts, science, library, dining hall, student residences, sports and recreation, will welcome its first intake of students in September 2024.

Throughout our efforts, we remain committed to strengthening the Group’s environmental, social and governance (“ESG”) efforts, steadily pursuing our sustainability journey to foster positive impacts within the communities we serve. Acknowledging the growing regulation across social, operational and financial dimensions in both the domestic and international context, our goal is to create a sustainable, inclusive and responsible business model that

prioritises the wellbeing of our stakeholders and community. Our Sustainability Statement in this Annual Report provides detailed insights into the achievements and milestones we have accomplished in our journey in FY2023, highlighting the tangible impact on our business resilience and corporate governance.

Looking ahead, we remain confident in the Group’s financial stability, marked by consistent revenue growth, improved PBT margins, moderate leverage and healthy liquidity. Supported by the expertise of our dedicated Sunsuria team and guided by the Board of Directors and Senior Management, we are well prepared to navigate the challenges that lie ahead. Despite the current market pressures, we are committed to our mission of deliver quality, value-driven properties at accessible price points, contributing meaningfully to the national housing agenda.

APPRECIATION AND ACKNOWLEDGEMENTS

On behalf of the Board of Directors and Senior Management, I extend my appreciation to our Sunsuria team. Their dedication, professionalism, and perseverance have been integral to our continued success.

I express my gratitude to our valued customers, bankers, government ministries, agencies and regulatory bodies, suppliers, media partners for their support throughout the years. To our esteemed shareholders, we appreciate your continuing support, and we are committed to safeguarding your interests in all our endeavours.

It is a privilege to share this ongoing journey with the Sunsuria team and our valued stakeholders, both internal and external, as we navigate this pivotal stage in Sunsuria’s growth. Your continued support propels us forward, as we remain dedicated to pursuing our vision of Building Today, Creating Tomorrow.

Tan Sri Datuk Ter Leong Yap
Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS



“
In 2023, the property market sustained positive momentum, reflecting the previous year's strong performance. Despite concerns about inflation and costs, the industry saw increased demand, as reflected in rising property values and the Malaysian House Price Index. Sunsuria adapted with strategic launches and a focus on value engineering, leveraging diverse income sources.”

Tan Wee Bee
 Group Chief Executive Officer

SUNSURIA'S BUSINESS AND OPERATIONS IN 2023

In 2023, the nation and economy maintained their upward trajectory, building on the momentum of the previous year marked by a notable increase in property transactions during the third quarter. This was accompanied by moderated material costs, controlled inflation and consistent household income, contributing to a broader economic recovery.

Malaysia's gross domestic product (“GDP”) growth moderated to 3.9%¹ in the first three quarters, down from 9.3%² over the same period in the preceding year. This reflects normalised economic expansion as pent-up demand from the pandemic years played out amid sliding exports. Bank Negara Malaysia (“BNM”) has projected full-year growth of about 4.0%, with a forecast ranging from 4.0% to 5.0% in 2024³.

A positive note was observed in the central bank's decision to maintain the overnight policy rate (“OPR”) at 3.00%, following a final 25-basis point hike in May 2023. This measure, taken by the Monetary Policy Committee in response to inflationary pressures, impacted the Base Lending Rate (“BLR”) of domestic financial institutions, influencing both developers

and property seekers as higher borrowing costs impacted cash flows and purchasing sentiment.

Despite Malaysia's inflation rate moderating to 1.5%⁴ in November 2023 due to BNM's proactive monetary policy, property demand during the year remained subdued. Even with incentives under the Home Ownership Programme and similar initiatives, consumers tightened their belts in anticipation of diminished spending capacity. Similar austerity was seen among property players, many of whom implemented extensive cost-cutting measures amid rising material costs and labour supply issues at the onset of 2023.

In terms of domestic property sales, high-rise units comprising serviced residences, apartments, and condominiums accounted for the most sold properties in Peninsular Malaysia during the first half of 2023⁵. The majority of this inventory came from unsold units, particularly in the RM500,000 to RM1 million price range⁶, easing the nation's chronic overhang in this product category as developers focused on clearing stock.

¹ Malaysia's GDP grew 3.3pc in 3Q 2023 (nst.com.my)

² BNM: Malaysia's 3Q GDP grows 14.2% y-o-y (theedgemalaysia.com)

³ Economic and Financial Developments in Malaysia in the Third Quarter of 2023 | BNM

⁴ Malaysia's inflation rate continues to slow down, falling to 1.5% in November | The Star

⁵ Property Industry Survey 1H 2023 & Market Outlook 2H 2023 & 1H 2024 (rehdainstitute.com)

⁶ Financial Stability Review First Half 2023 | BNM

Demand for landed homes declined marginally⁷, accounting for 29.1% of sales in Peninsular Malaysia in the first half, apart from double and triple-storey terrace homes. The lukewarm performance was attributed to increased costs in a high-interest scenario, leading home seekers to explore alternative product types and the rental market.

In 2023, housing loans continued to be driven by higher approvals for first-time homebuyers, reaching 72.0% in June 2023, up from 70.1% in December 2022. This aligns with existing incentives for this demographic, coupled with stable household income and healthy employment rates.

Housing loans approvals for first-time homebuyers

72.0% (June 2023)

70.1% (December 2022)



Against this intricate backdrop, with domestic monetary and regulatory policy vying with businesses against global economic headwinds, Sunsuria remained firm in its path. The Group adhered to the business and operational strategies that carried it through the preceding year while advancing into exciting new fields as diversification efforts continued to deliver favourable outcomes.

“
The Group adhered to the business and operational strategies that carried it through the preceding year while advancing into exciting new fields as diversification efforts continued to deliver favourable outcomes.”

First and foremost, our commitment to value engineering persisted, as we systematically reviewed and refined our projects and processes to maximise functionality and efficiency. Initiated in 2022 to address anticipated cost escalation in a challenging property landscape, the exercise

has consistently contributed to the Group's bottom-line growth and maintained healthy fundamentals in the current financial year.

Despite improvements in the operating environment in 2023, characterised by easing inflation rates and material prices, among other indicators, Sunsuria remained dedicated to managing costs and optimising value. This effort extended beyond the product development life cycle, touching various aspects of the organisation. We carefully considered the timing, composition, and pricing of our launches, leveraging market insights to align offerings with property seeker preferences and needs.



Sunsuria Care Hub

The launch of Seni Residences in Sunsuria City responded to the enduring demand for double and triple-storey terrace homes in Selangor. Crafted with British elegance and a minimalist aesthetic, the project benefits from the pull factors and masterplan of the surrounding township. With Seni Residences underway, the remaining development land in Sunsuria City is 190.3 acres, with a total gross development value (“GDV”) of RM6 billion.

Total gross development value (“GDV”)

RM6.0 billion

with Seni Residences underway



⁷ PropertyGuru Malaysia Property Market Report Q4 2023

MANAGEMENT DISCUSSION & ANALYSIS



In addition, Sunsuria Kejora Business Park (Phase 1) expanded the Group's footprint to Puncak Alam following the acquisition of a 60.8-acre parcel in 2022. This strategic move capitalises on the growing demographics and connectivity of Klang Valley's western development corridor.

Both Seni Residences and Sunsuria Kejora Business Park experienced robust sales shortly after launch. Coupled with encouraging take-up across ongoing projects such as Sunsuria Forum in Setia Alam and Bangsar Hill Park in Kuala Lumpur, along with revenue recognition from the sale of completed inventories, our financial performance in FY2023 reflects the Group's judicious approach to the market and strategic product positioning.

In addition to thoughtfully curating homes and properties aligned with the diverse lifestyles, outlooks and expectations of our property owners, we continued to sustain and strengthen the momentum of the Sunsuria brand.



Throughout, we remain true to Sunsuria's founding principles, dedicated to establishing a legacy of vibrant, forward-thinking urban environments that foster progress, growth and prosperity for the community.



Throughout, we remain true to Sunsuria's founding principles, dedicated to establishing a legacy of vibrant, forward-thinking urban environments that foster progress, growth and prosperity for the community. In our collective endeavour to contribute to a better world, we strive to stay at the forefront of the industry, remaining steadfast in our purpose while adapting to global challenges and the evolving business landscape.

EVOLVING WITH THE MARKET

With over 30 years of experience in developing innovative, sustainable projects, Sunsuria leveraged its expertise in planning and design to adapt to evolving priorities among property seeker in the post-pandemic paradigm. Our focus on understanding the needs of our customers and communities has allowed us to identify key considerations for contemporary property purchases.

These considerations include spacious volumes, open and versatile layouts, natural ventilation and lighting, greenery, and integrated storage – learnings from the pandemic. A heightened emphasis on sustainable design and environmentally friendly features has emerged, reflecting the growing eco-consciousness among younger buyers and businesses aligning with environmental, social and governance ("ESG") principles, as well as green financing requirements.

We integrated these findings into our recent launches. Seni Residences in Sunsuria City offers ample living and dining spaces, multifunctional layouts, expansive spatial design, and walk-in wardrobes, located near Giverny Park, Sunsuria City's 14-acre Central Park. Meanwhile, Sunsuria Kejora Business Park was strategically designed with sustainability as a distinguishing feature, incorporating green construction materials and integrating solar-powered lighting, rainwater harvesting, and isolators for electric vehicle ("EV") charging points.

Our customer-centric approach to planning and positioning emphasises our commitment to value engineering. By ensuring a balance between functionality and desirability across all aspects of our products and streamlining them according to established consumer needs, we aim to deliver purchaser satisfaction without unnecessary embellishments. This approach ensures a receptive market and swift take-up for our projects upon launch.

In response to the cautious sentiment among consumers, we extended support to prospective homeowners through various home ownership incentives, such as our Fortune Ang Pow campaign. This initiative complements national efforts like the Home Ownership Programme, providing stamp duty remissions for homes valued up to RM1,000,000 for first-time purchasers.

Stamp duty remissions for homes valued up to

RM1,000,000

for first-time purchasers.



The Group's strategies focus on maintaining a strong brand presence and driving consumer recognition and growth. We continuously refine internal processes, emphasising value creation. Following our value engineering exercise in FY2022, we diligently monitor value propositions throughout the property development lifecycle, from pre-acquisition to after-sales support.

During the construction phase, contractors were closely monitored for compliance with industry standards and work plans. The establishment of a dedicated third-party team in FY2022 addressing issues during the defect liability period, has proven beneficial, allowing Sunsuria to focus on core business competencies.

Construction is managed by our in-house arm, Sunsuria Asas Sdn. Bhd. (51% ownership), supporting internal projects to profitability through cost optimisation while maintaining quality standards.

Sunsuria's emphasis on value engineering and operational efficiency is reflected in its A+_{IS} rating with a stable outlook from Malaysia Rating Corporation Bhd ("MARC") for the Group's RM500 million Islamic medium-term notes programme ("Sukuk Wakalah"). Affirmed in September 2023, the agency commended Sunsuria's robust property development approach, healthy take-up rates, and low inventory levels.

CONNECTING WITH THE COMMUNITY

In FY2023, as we focused on delivering strong financial results and enhancing value for our shareholders, we remained true to Sunsuria's core ideals, working to contribute positively to the world. As a manifestation of this corporate philosophy, we implemented various initiatives to connect with the community within our townships, developments and surrounding neighbourhoods.

MANAGEMENT DISCUSSION & ANALYSIS

Our diverse initiatives encompassed online engagement programmes, open houses, educational sessions and fitness events such as the Sunsuria City Foodiethon on 8 January 2023, Parenting Talks with Dr Woo Pei Jun on 25 February, and our Memori Gembira Balik Kampung Raya Open House on 27 May, among others. Additionally, we organised various contests during festive seasons, such as the Chinese New Year 2023 Lucky Draw and the online #MelodiMerdekaSunsuria Giveaway, encouraging community participation with enticing prizes.

“ We actively forged and reinforced connections with our public stakeholders, staying attuned to prevailing market dynamics, enhancing vibrancy, and increasing footfall across our property portfolio while strengthening the Sunsuria brand. ”

Through these endeavours, we actively forged and reinforced connections with our public stakeholders, staying attuned to prevailing market dynamics, enhancing vibrancy, and increasing footfall across our property portfolio while strengthening the Sunsuria brand.

Our commitment to customer satisfaction and community engagement extended to Sunsuria Moments, our smart community app for home and property owners within our townships and developments. Launched in 2018, Sunsuria Moments provides a consistently refreshed and comprehensive community experience.

The app empowers users to efficiently manage their properties, provide feedback, review recommended vendors, submit e-Defect lists, pay bills, and access an SOS button for security. Sunsuria Moments reflects our commitment to innovation, serving as a digital companion and complete community resource throughout our customers' property ownership journeys.



Bangsar Hill Park

RESILIENCE THROUGH INNOVATION

In FY2023, Sunsuria adeptly adjusted its sales strategy to navigate prevailing challenges, responding to shifts in consumer sentiment. Our focus remained on aligning launches with existing property seeker demand and market timing, while concurrently clearing ready inventory from completed developments. The financial year witnessed healthy sales across new and ongoing projects, coupled with ongoing revenue recognition from unbilled sales, contributing to Sunsuria's overall revenue improvement.

Key focuses for our sales campaigns in FY2023 included Bangsar Hill Park, Kuala Lumpur; Seni Residences in Sunsuria City, Sepang; Phase 2 of Sunsuria Forum, Setia Alam and Sunsuria Kejora Business Park (Phase 1), Puncak Alam.

As of 30 September 2023, our unbilled sales amounted to RM926.8 million, derived from projects such as Seni Residences, Sunsuria City (RM40.2 million); Sunsuria Kejora Business Park (RM107.8 million); Sunsuria Forum 2 Offices (RM96.3 million), SOHO (RM19.0 million), and Serviced Apartments (RM64.3 million); and Bangsar Hill Park (Block A: RM125.1 million, Block C: RM5.2 million, Block D: RM225.0 million and Block E: RM243.9 million).

Unbilled Sales

RM926.8 million

As at 30 September 2023



Sunsuria's digitalisation efforts played a pivotal role in driving sales revenue, leveraging on the precision and reach of online platforms for effective lead generation and conversion. This success was attributed to accelerated adoption of digital engagement during the pandemic and the increased tech-savviness coupled with widespread broadband connectivity in Malaysia.

AWARDS & ACCOLADES

In FY2023, Sunsuria's commitment to value and innovation garnered numerous accolades from leading industry recognition platforms, both domestic and international:



- ▶ All-Stars Award – The StarProperty Awards 2023
- ▶ The Close-To-Home Award by the StarProperty Awards 2023 for Sunsuria Forum
- ▶ The Family-Friendly Award (Landed) – Within Greater KL by the StarProperty Awards 2023 for Seni Residences
- ▶ Best Architectural Design (Victoria), Best Apartment Development (Victoria) and Best Lifestyle Development (Victoria) by the 2023 PropertyGuru Asia Property Awards (Australia) for One Grant Crescent, in collaboration with Verdant Property Group and Axe Architects Pty Ltd

These accolades highlight Sunsuria's commitment to quality and innovation, both locally and internationally, along with our strategic partnerships with established global players. We are honoured to receive industry recognition, propelling us to uphold best practices and set higher benchmarks for the Group, contributing to the continual enhancement of the property segment.

MANAGEMENT DISCUSSION & ANALYSIS



The launch of the first Icon Cancer Centre at Island Hospital, Penang

EDUCATION AND HEALTHCARE IN ACCORD

In FY2022, Sunsuria diversified into education and healthcare, marking notable progress in these sectors during the financial year under review. Notably, the healthcare business marked several milestones with the opening of the Icon Cancer Centre in Penang on 2 January 2024, bringing together Sunsuria healthcare's extensive medical network and resources, in collaboration with Icon Group's expertise and experience in oncology, and Island Hospital's pedigree as one of Malaysia's largest private hospitals. The centre leverages Penang's reputation as an affordable medical tourism hub, representing 50% of medical tourism receipts in Malaysia in 2023⁸.

Additionally, the inauguration of the Sunsuria Care Hub at the Sunsuria City Celebration Centre marked a significant community-driven healthcare initiative. As a collaborative platform, the Care Hub is committed to providing essential medical services and support, focusing on Sunsuria City's residents and nearby communities.

The Care Hub, staffed by qualified nurses, offers a range of services designed for the convenience of Sunsuria City residents. These include concierge nursing, complimentary vital signs assessment, complimentary first

aid assistance, and short or long-term medical equipment loans. Additionally, the hub actively participates in evidence-based health awareness outreach.

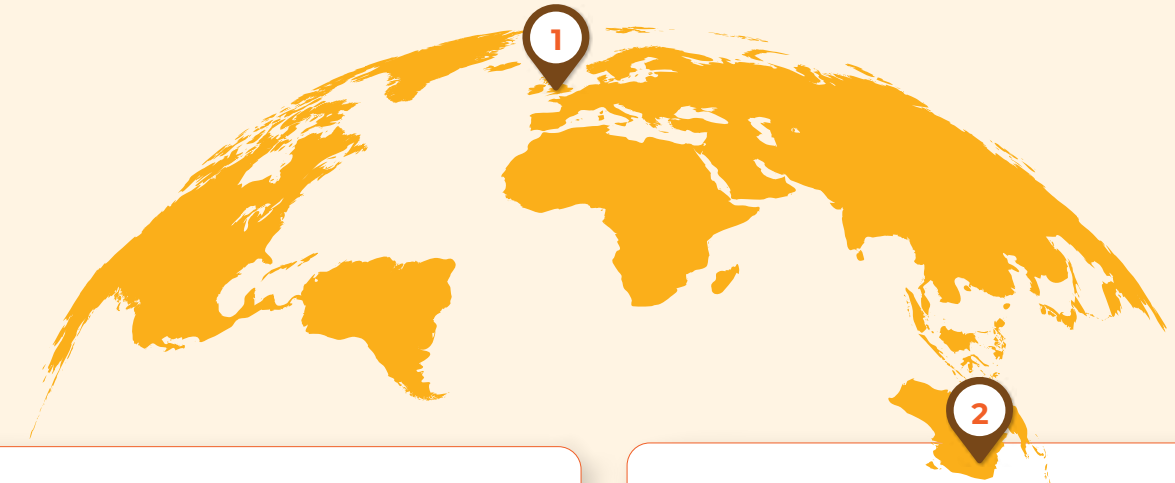
In the education sector, the first phase of Concord College International School in Sunsuria City, Sepang is expecting its first student intake by September of FY2024. Further construction phases will be contingent on student enrolment. Additionally, we are exploring the establishment of the Sunsuria Children Care Centre, aiming to deliver a reliable, safe, and health-focused children's care service.

“**These achievements highlight our commitment to diversification, strengthening our presence in education and healthcare, while strategically complementing our core property development business.**”

These achievements highlight our commitment to diversification, strengthening our presence in education and healthcare, while strategically complementing our core property development business.

⁸ Penang readies itself for booming medical tourism: Travel Weekly Asia (travelweekly-asia.com)

INTERNATIONAL PROPERTY PORTFOLIO HIGHLIGHTS



1 London, United Kingdom

In the United Kingdom, the Group embarked on its inaugural project through a 75%-owned Special Purpose Vehicle (“SPV”) named Intra House Development Pte Ltd, collaborating with a local partner to convert a two-storey commercial building into six residential units.

GDV **£3 million (RM17.2 million)**

2 One Grant Crescent

Sunsuria's debut project in Melbourne, Australia, One Grant Crescent features boutique five-storey apartments situated in the Ringwood suburb of Maroondah, just 23 kilometres from Melbourne's central business district.

Nestled on a 0.3-acre plot along the picturesque Mullum Mullum Creek, these residences utilise natural materials to create a welcoming ambiance, with the award-winning design by Axe Architects Pty Ltd earning acclaim at the 2023 PropertyGuru Asia Property Awards (Australia). Developed on a build-then-sell basis, completed units are scheduled for launch in 2024.

GDV **A\$23 million (RM69.9 million)**

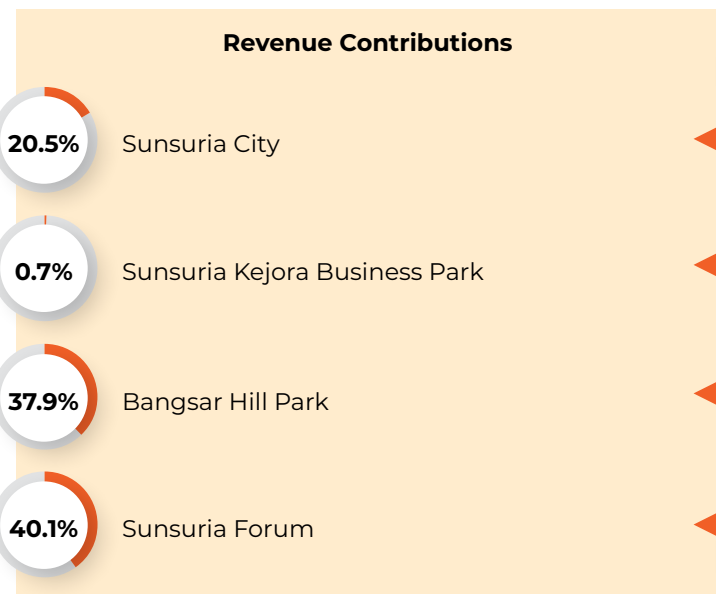
REFLECTING ON FY2023

In FY2023, the Group achieved healthy revenue growth year-on-year, increasing by 25.9% to RM506.2 million compared to RM402.2 million in the previous financial year. The uptick in revenue was driven by new launches such as Seni Residences in Sunsuria City, and Sunsuria Kejora Business Park, alongside ongoing projects like Sunsuria Forum 2 and Blocks A, C, D and E of Bangsar Hill Park.

Aligned with the revenue growth, profit before taxation (“PBT”) saw a 32.1% increase to RM46.1 million, up from RM34.9 million in FY2022. The rise was attributed to an enhanced project mix, group-wide value engineering initiatives, cost optimisation efforts, and the moderation of construction material costs. The reported PBT margin increased to 9.1% from 8.7% in FY2022, while profit after tax soared by 57.5% to RM30.4 million.

MANAGEMENT DISCUSSION & ANALYSIS

Sunsuria's Property Development division remains the primary contributor to overall revenue, even with reduced property sales in FY2023 amounting to RM501.6 million, in line with the curated approach to project launches. Sunsuria City projects contributed 20.5% of total revenue, followed by 0.7% from Sunsuria Kejora Business Park, 37.9% from Bangsar Hill Park, and 40.1% from Sunsuria Forum.



Property Development revenue contributions were followed by the Group's Construction and Investment Holding and Others divisions, which recorded RM1.1 million and RM0.9 million in revenue, respectively.

As of 30 September 2023, Sunsuria's unbilled sales stand at RM926.8 million, providing earnings visibility in the near term. The balance sheet remains strong, with total assets increasing by 5.2% to RM2.23 billion, from RM2.12 billion in FY2022.

However, borrowings increased by 30.2% to RM642.9 million in FY2023 (FY2022: RM493.7 million), resulting in a moderate leverage position of 0.30 times (FY2022: 0.17 times). As of September 2023, the outstanding amount of Sunsuria's RM500 million *Sukuk Wakalah* Programme stood at RM181.0 million, following issuances of RM115.0 million in FY2021 and RM66.0 million in the financial year under review.



LOOKING TO THE FUTURE

In the upcoming financial year, Sunsuria anticipates positive trends in the property sector as the nation navigates the endemic phase. With projected economic expansion, the Group envisions a robust performance for retail operations in Sunsuria Forum, driven by the ongoing recovery in consumer spending, along with the realisation of profit recognition towards project completion⁹.

Strong interest and uptake for Sunsuria Kejora Business Park are expected to persist, supported by broader economic growth and the expansion of development along the western growth corridor in Greater Klang Valley.



The Sunsuria brand continues to build recognition through ongoing branding initiatives, strategic partnerships, and new launches, namely Seni Residences in Sunsuria City and Sunsuria Kejora Business Park. These efforts align with our commitment to understand and meet the evolving needs and preferences of our customers.

In the upcoming year, the Group will continue to focus on optimising the value of its landbank, leveraging on remaining assets including a 36.5-acre land parcel in Puncak Alam for Sunsuria Kejora Business Park, a 44.7-acre plot in Banting, 190.3 acres in Sunsuria City and 4.3 acres in Bangsar Hill Park.

Internationally, Sunsuria secured a 0.3-acre land in Melbourne, Australia, and initiated a redevelopment project in London, UK, with a GDV of £3 million (RM17.2 million).

On the domestic front, the ongoing acquisition of an 80% equity interest in Mayer Land Sdn. Bhd. will see the Group expand its presence in Penang. When complete, this acquisition will position the Group to participate in a mixed development in Kepala Batas and two Rumah Selangorku projects in Sepang¹⁰.

Moving into FY2024, we anticipate the launch of several new projects¹¹, including Talisa, the second phase of Bangsar Hill Park. Additionally, Sunsuria City is set to welcome Monet Meadow, a condominium within the existing Monet Residences enclave, and The Chapter,

a mixed development with SOHO units and commercial spaces¹². We also look forward to unveiling our London project, transforming a two-storey commercial building into six residential units.

Sunsuria welcomes mutually beneficial joint ventures and collaborations that bring synergistic value as we develop our landbank assets. Looking ahead, we will remain vigilant, closely monitoring the dynamic property landscape amid the ever-changing business and operating context. Our commitment involves tailoring development approaches and sales strategies to align the evolving needs of home and property seekers.

“ Our commitment remains steadfast in delivering vibrant, sustainable townships and developments, seamlessly integrating a comprehensive mix of educational, healthcare and retail components to foster thriving communities. ”

Value engineering, efficient cost management and the commitment to delivering high-quality products at accessible price points will continue to be the Group's top priorities. This approach is complemented by our unique brand presence and strategic partnerships.

Looking ahead, we maintain confidence in Sunsuria's financial resilience while navigating expansion into new markets and sectors. Drawing strength from the support of our esteemed shareholders and the dedication of our Sunsuria team, we are committed to meet and exceed the current and future needs of our customers, both in Malaysia and beyond. Our commitment remains steadfast in delivering vibrant, sustainable townships and developments, seamlessly integrating a comprehensive mix of educational, healthcare and retail components to foster thriving communities.

¹⁰ Sunsuria buys 80% in Mayer Land to take part in two Rumah Selangorku projects and a mixed development in Penang | EdgeProp.my

¹¹ Sunsuria unveils new homes that pair British elegance with smart living (nst.com.my)

¹² Sunsuria Unveils British-Inspired Residential Development, Seni Residences | BusinessToday

⁹ Summary of Key Matters Discussed at the Fifty-Fourth Annual General Meeting (sunsuria.com)

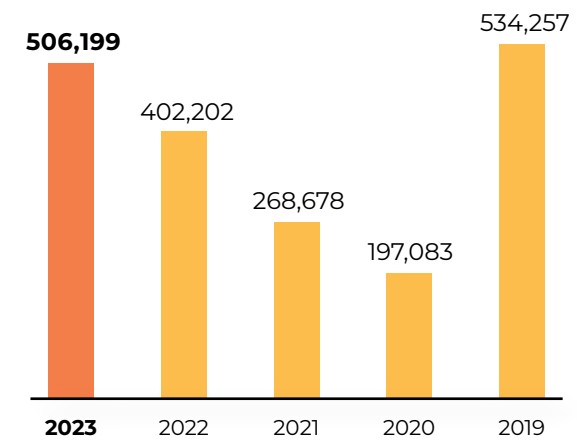
GROUP FINANCIAL HIGHLIGHTS

Year	2023	2022	2021	2020	2019
Revenue (RM'000)	506,199	402,202	268,678	197,083	534,257
Profit after taxation attributable to owners of the company (RM'000)	13,127	16,551	21,379	29,096	135,465
Total borrowings (RM'000)	642,885	493,734	530,037	251,276	183,398
Equity attributable to owners of the Company (RM'000)	1,061,394	1,048,306	1,030,186	1,028,666	999,570
Gearing ratio (times)	0.61	0.47	0.51	0.24	0.18
Basic earnings per share (sen)	1.47	1.85	2.39	3.25	16.08
Net asset per share attributable to owners of the Company (RM)	1.18	1.17	1.15	1.15	1.12
No. of shares ("000")	895,917	895,917	895,917	895,917	895,917

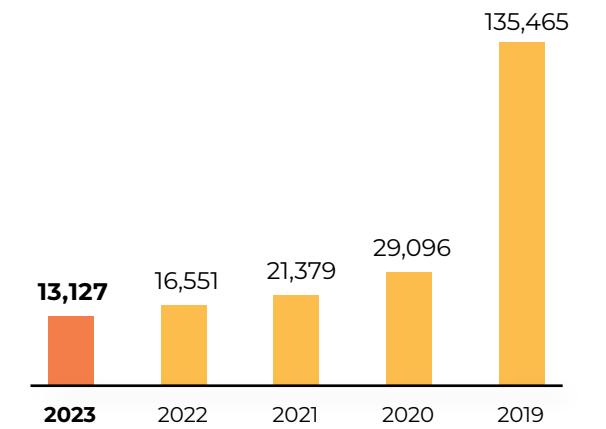
Segmental : Revenue

Year	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
Property development	504,246	399,748	263,465	193,798	532,439
Construction	1,052	551	2,886	949	245
Healthcare	-	791	852	-	-
Investment holdings and others	901	1,112	1,475	2,336	1,573
	506,199	402,202	268,678	197,083	534,257

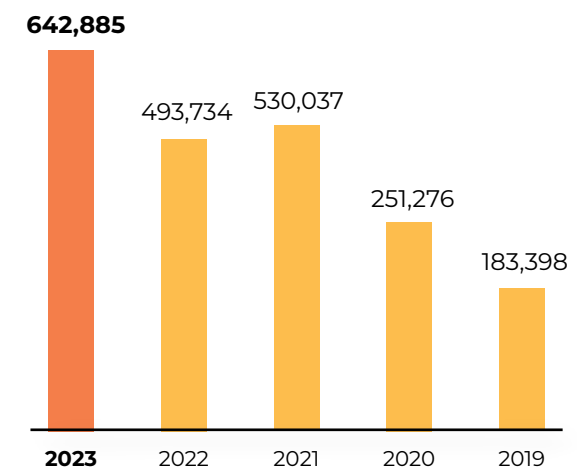
Revenue (RM'000)



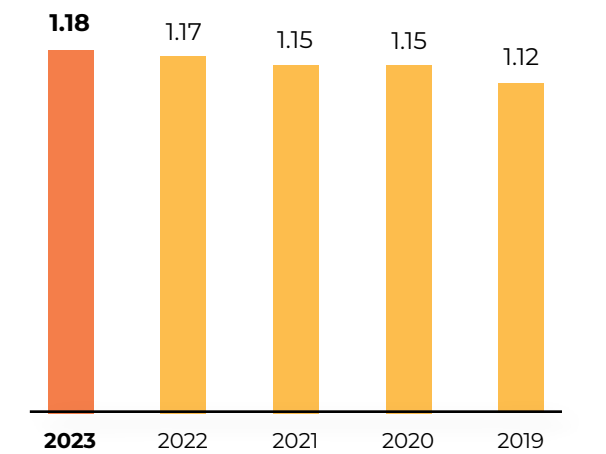
Profit after taxation attributable to owners of the Company (RM'000)



Total borrowings (RM'000)



Net asset per share attributable to owners of the Company (RM)



BOARD AT A GLANCE



**TAN SRI DATUK
TER LEONG YAP**
Executive
Chairman

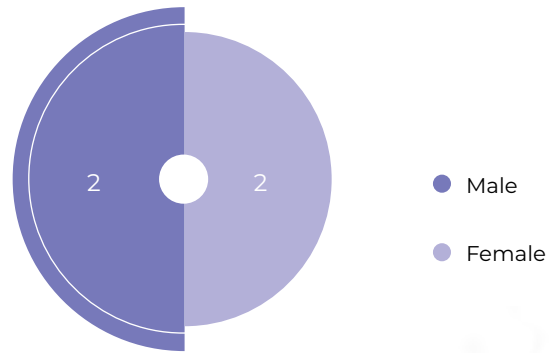
RMC ESOS



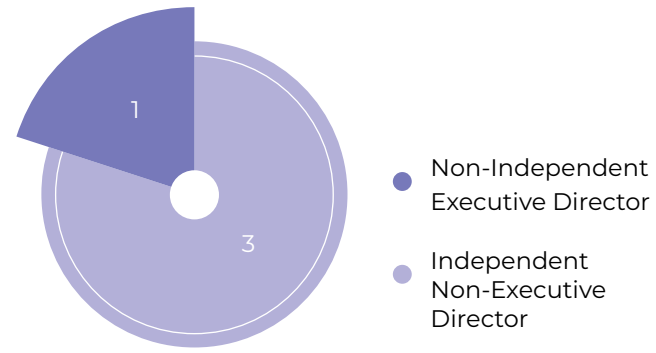
**DATIN
LOA BEE HA**
Independent
Non-Executive Director

AC NRC ESOS

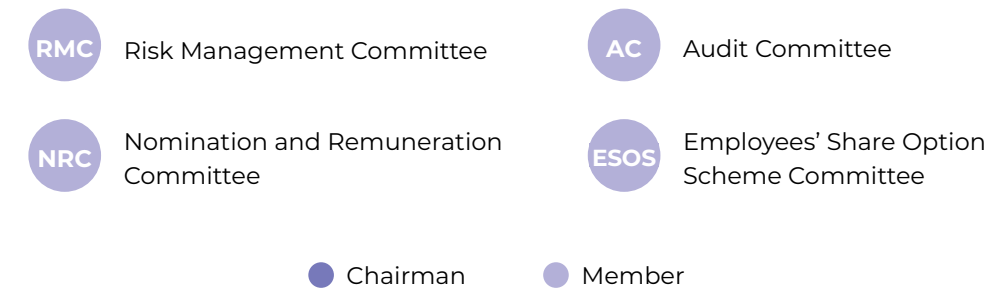
GENDER BREAKDOWN



COMPOSITION



BOARD SKILLS AND EXPERIENCE



TAN PEI GEOK
Senior Independent
Non-Executive Director

AC NRC RMC



**DATO'
QUEK NGEE MENG**
Independent
Non-Executive Director

AC NRC RMC ESOS

PROFILES OF BOARD OF DIRECTORS

TAN SRI DATUK TER LEONG YAP

Executive Chairman



Date of Appointment:
22 January 2014

Date of Last Re-election
17 March 2021

Length of Service (as at 19 January 2024)
9 years 11 months

**Board Committees**

- Member of Risk Management Committee
- Member of Employees' Share Option Scheme Committee

Present Directorship(s)

Listed entity: Nil
Other public company:
Independent Non-Executive Chairman of Malaysia Venture Capital Management Berhad

Academic/Professional Qualifications:

- Bachelors of Mechanical Engineering (Honors), University Malaya in 1989

Board meeting attended in the Financial Year

5/5

Experience:

Tan Sri Datuk Ter Leong Yap is the founder of Sunsuria Group. His venture into the industry began with heavy machinery and material handling equipment back in 1989.

His extensive experience and determination have nurtured Sunsuria into an award-winning, diversified public-listed company with interests spanning real estate investment, property development, construction, medical and healthcare, education, retail, landscaping, trading, heavy machinery, material handling equipment, and related sectors.

Tan Sri Ter actively engages in the business community, holding distinguished positions in various chambers of commerce both in Malaysia and internationally.

In recognition of his achievements in the business world, Tan Sri Ter received The Edge Malaysia Outstanding Property Entrepreneurs Award in 2017, the Sin Chew Business Excellent Award – Business Excellent Person of the Year in 2014, and the Outstanding Malaysian Hokkien Award twice, in 2008 and 2017 respectively, by the Federation of Hokkien Associations of Malaysia.

In 2021, Tan Sri Ter was appointed by the Yang di-Pertuan Agong, the King of Malaysia, as one of the 9 members of the Independent Special Committee on Malaysia Emergency 2021.

Additionally, Tan Sri Ter served in several civil councils, including: -

- Committee Member of the Special Independent Emergency Committee 2021 (appointed by Yang di-Pertuan Agong, King of Malaysia)
- Council member of The Shared Prosperity Action Council (MKTB) 2021 (appointed by the Prime Minister of Malaysia)
- Council member of the Trade and Industry Advisory Council (TIAC) 2019, Ministry of International Trade and Industry
- Council member of the Consultative Council on Safety and Public Order, Ministry of Home Affairs (MAKKKA) 2020

Positions and Affiliations:**Business And Commerce**

From 2023

- Honorary Advisor of the National Chamber of Commerce and Industry of Malaysia (NCCIM)
- Independent Non-Executive Chairman of Malaysia Venture Capital Management Berhad (MAVCAP)

From 2021

- Life Honorary President of The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM)
- Life Honorary President of the Chinese Chamber of Commerce and Industry of Kuala Lumpur & Selangor (KLSCCCI)

2016-2021

- President of the National Chamber of Commerce and Industry of Malaysia (NCCIM)

2015-2021

- President of The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM)
- Member of World Chinese Entrepreneurs Convention (WCEC) Advisory Committee

2012-2021

- President of Chinese Chamber of Commerce and Industry of Kuala Lumpur & Selangor (KLSCCCI)

From 2022

- Honorary President of China-Asia Economic Development Association (CAEDA), Malaysia

2021-Present

- Executive Vice Chairman of China Federation of Overseas Chinese Entrepreneurs
- Honorary President of Kuala Lumpur Eng Choon Hoey Kuan

2019-Present

- Executive Member for China Overseas Friendship Association (COFA)
- Adviser of the 5th Council of the Chengdu Overseas Exchanges Association, China
- Honorary Adviser of Belt and Road Summit, Hong Kong Trade Development Council
- Executive Life Adviser of Chinese Chamber of Commerce of Victoria, Australia (CCCV)
- Honorary President of Jilin Province Overseas Friendship Association
- Honorary President of the Associated Chinese Chambers of Commerce and Industry of Coastal Selangor

2018-Present

- Advisory Committee of the 10th Council of the All-China Federation of Returned Overseas Chinese (AFROC)
- Founder Member and Vice Chairman of the China-ASEAN Entrepreneurs Association
- Vice Chairman of the 6th Council of the Fujian Overseas Exchanges Association, China
- Advisor of the Malaysia Retail Chain Association (MRCA)

2017-Present

- Adviser of the 6th Council of the Yunnan Overseas Exchanges Association, China
- Executive Vice Chairman of the Guangdong-Hong Kong-Macao Greater Bay Area Entrepreneurs Union

2016-Present

- Oversea Adviser to the Foreign Enterprises Investment Association, Guangdong Province, China
- Sole Representative from Malaysia to the 4th Session of 12th National Committee of the Chinese People's Political Consultative Conference (CPPCC)

2015-Present

- Vice Chairman of Sichuan Provincial People's Government and Sichuan Overseas Exchanges Association, China

2010-2017

- Director of Bank of China (M) Bhd

From 2010

- Honorary President of Klang Chinese Chamber of Commerce and Industry (KCCCI)
- Honorary President of The Associated Chinese Chambers of Commerce and Industry of Coastal Selangor

2004-2009

- President of the Associated Chinese Chambers of Commerce and Industry of Coastal Selangor

2002-2009

- President of Klang Chinese Chamber of Commerce and Industry (KCCCI)

Educational Institutions

2015-Present

Vice-Chairman of Pin Hwa High School

2012-Present

Director of Xiamen University Malaysia

2009-Present

Vice-Chairman of Hin Hua High School

2009-Present

Director of Kuen Cheng High School

Awards and Recognitions:**Federal Awards Malaysia (Conferment by the King)**

2017

Panglima Setia Mahkota (PSM) which carries the title "Tan Sri"

2011

Panglima Jasa Negara (PJN) which carries the title "Datuk"

2001

Ahli Mangku Negara (AMN)

Other Awards

2023-2025

- MyCEB Kesatria Malaysia

2017

- The Edge Malaysia Outstanding Property Entrepreneur Award

2016

- National Unity Ambassador – Department of National Unity and Integration (JPNIN)

2014

- Business Excellence Person of the Year – Sin Chew Business Excellence Awards


2008 and 2017

- Outstanding Malaysian Hokkien Award – Federation of Hokkien Associations of Malaysia

PROFILES OF BOARD OF DIRECTORS

TAN PEI GEOK

Senior Independent Non-Executive Director



Date of Appointment:
1 October 2015

Date of Last Re-election
16 March 2022

Length of Service (as at 19 January 2024)
8 years 4 months

Board Committees

- Chairperson of Audit Committee
- Chairperson of Nomination and Remuneration Committee
- Member of Risk Management Committee

Academic/Professional Qualifications:

- Bachelor Degree of Economics, Monash University in 1983
- Member of the Certified Practising Accountants (CPA Australia)
- Member of the Malaysian Institute of Accountants (MIA).

Present Directorship(s)
Listed entity: Nil
Other public company: Nil

Board meeting attended in the Financial Year
5/5

Other Information: 62 F


Experience:

Ms. Tan began her career as an audit assistant at Binder Hamlyn before embarking on a tenure of over 20 years at Public Bank Berhad, where she held various roles in credit-related departments. She served as the Deputy Director of Corporate Banking at Public Bank Berhad before transitioning to Health Scan Malaysia Sdn. Bhd., a leading

medical and diagnostic centre, where she assumed the position of Chief Executive Officer in 2004. In 2016, following the integration of HealthScan into Cardiac Vascular Sentral (Kuala Lumpur) Sdn. Bhd., an integrated cardiac vascular hospital, her role was re-designated as the Director of HealthScan.

DATIN LOA BEE HA

Independent Non-Executive Director



Date of Appointment:
21 August 2014

Date of Last Re-election
16 March 2022

Length of Service (as at 19 January 2024)
9 years 5 months*

Board Committees

- Member of Audit Committee
- Member of Nomination and Remuneration Committee
- Chairperson of Employees' Share Option Scheme Committee

Academic/Professional Qualifications:

- Bachelor Degree of Accounting (Honours), University of Malaya - 1989
- Member of the Malaysian Institute of Accountants (MIA)
- Member of the Malaysian Institute of Certified Public Accountants (MICPA)

Present Directorship(s)
Listed entity: Nil
Other public company: Nil

Board meeting attended in the Financial Year
5/5

Other Information: 60 F

Experience:

Datin Loa started her career with PriceWaterhouse in 1989 and subsequently joined Team Accountants Sdn. Bhd., an investment holding company, in 1994 as the Finance Manager for a 12-year tenure.

Previously, she held positions on the Board of Directors of Taylor's College Sdn. Bhd., Garden International School Sdn. Bhd. and Taylor's International School (KL) Sdn. Bhd.

Note: * Datin Loa was re-designated from Independent Non-Executive Director to Non-Independent Non-Executive Director on 24 November 2017, and subsequently re-designated back, from Non-Independent Non-Executive Director to Independent Non-Executive Director on 14 June 2019.

DATO' QUEK NGENG MENG

Independent Non-Executive Director



Date of Appointment:
24 November 2017

Date of Last Re-election
15 March 2023

Length of Service (as at 19 January 2024)
6 years 3 months

Board Committees

- Member of Audit Committee
- Member of Nomination and Remuneration Committee
- Chairman of Risk Management Committee
- Member of Employees' Share Option Scheme Committee

Academic/Professional Qualifications:

- Bachelor's Degrees in Economics and Law, University of Adelaide, Australia in 1990 and 1992 respectively
- Master Degree of Laws, National University of Singapore in 1997

Present Directorship(s)
Listed entity: Nil
Other public company: Nil

Board meeting attended in the Financial Year
5/5

Other Information: 55 M

Experience:

After starting his private practice with a legal firm in Johor Bahru for 2 years, Dato' Quek served as in-house legal counsel of the SMI Group, a plywood company with operational headquarters in Singapore, from 1997 to 2000. Subsequently, in 2000, he established his own practice as Halim Hong & Quek.

With over 20 years of legal practice, Dato' Quek has acquired extensive experience in various fields, notably cross-border investment, real estate, corporate, and commercial law. He is consistently sought after by multinational companies, major developers, and financial institutions for legal guidance and representation.

He is regarded as a trusted advisor to major corporations for strategic investment plans, including cross-border transactions, as well as for reviewing commercial contracts and agreements. Business councils regularly seek his counsel and representation. His vast experience in strategic

advice led to his roles in various organisations; he previously served as the director of Malaysia-China Business Council and as the Chairman of the Silk Road Business Council Malaysia Committee. Additionally, Dato' Quek was the co-chairman of Malaysia-China Commercial Law Cooperation Committee.

Within the legal fraternity, Dato' Quek serves as an arbitrator at the Asian International Arbitration Centre (AIAC) and is a panel member of the Disciplinary Committee of the Advocate & Solicitor's Disciplinary Board. He frequently speaks at international and local conferences on law-related subjects, particularly concerning the Belt & Road issues. Dato' Quek is empaneled as an arbitrator at the China International Economic and Trade Arbitration Commission (CIETAC), and the Shanghai International Arbitration Centre (SHIAC). Moreover, he holds positions as a director and Vice Chairman of the Asian Institute for Alternative Dispute Resolution (AiADR).

Other Information

- Tan Sri Datuk Ter Leong Yap is a major shareholder of the Company.
- Except as disclosed above, none of the other Directors has any family relationship with any Directors and/or major shareholders of the Company.

Conflict of Interest

None of the other Directors has any conflict of interest with the Company, save as disclosed in this Annual Report.

Conviction for Offences

- None of the Directors have been convicted of any offences (other than traffic offences) within the past five (5) years.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 September 2023.

PROFILES OF SENIOR MANAGEMENT

**TAN SRI DATUK
TER LEONG YAP**

Executive Chairman



60

M

Date of Appointment:
22 January 2014

Executive Chairman Tan Sri Datuk Ter Leong Yap's Profile is available on pages 26 to 27.

TAN WEE BEE

Group Chief Executive Officer



53

M

Date of Appointment:
1 August 2023

With more than 26 years of extensive experience in the global property development and construction sectors, Mr. Tan has held distinguished leadership positions within renowned organisations. He pursued his education at the State University of New York, Buffalo, earning a Master of Business Administration (MBA). Additionally, he holds a Bachelor's and a Master's degree in Civil Engineering from the National University of Singapore (NUS).

In his role as the Group CEO of Sunsuria, Mr. Tan focuses on enhancing operational excellence and ensuring meticulous execution, providing robust support for the company's future expansions. His distinctive amalgamation of technical proficiency and business acumen is poised to play a pivotal role in guiding Sunsuria towards achieving greater milestones.

**DATUK SIMON
KWAN HOONG WAI**

Executive Director, Group Operations



51

M

Date of Appointment:
01 September 2019

With an extensive 30-year career encompassing Sales, Project Marketing, Corporate Branding, Office Management, and Customer Experience and Leasing, he holds a Master of Business Administration (MBA) from the University of Southern Queensland, Australia.

Starting as a Technical and Sales Executive in the engineering sector, Datuk Simon ventured into property development in 1993.

His extensive 30-year experience includes spearheading sales as Director of Sales. In his capacity as the Executive Director, Group Operations, Datuk Simon is the driving force behind Sunsuria's operational excellence, ensuring the company's continued exceptional performance.

From leading the charge in product innovation and development to the planning and conceptualisation of new projects, Datuk Simon Kwan has also kickstarted the initiative in cultivating an innovation mindset by accelerating digitalisation across the organisation. His dynamic operational approach which encompasses both the front office and back office is essential in future-proofing a technology-savvy workplace that fully benefits employers and employees alike.

ENG KIM HAW

Chief Financial Officer



57

M

Date of Appointment:
13 May 2022

He is a Chartered Accountant of the Malaysian Institute of Accountants (MIA) and a fellow member of the Association of Chartered Certified Accountants (ACCA), United Kingdom.

With over 25 years of experience in the financial industry, Mr. Eng specialises in corporate finance, financial management, restructuring, strategising and devising business improvement plans. Notably, he has held the esteemed position of Chief Financial Officer in several prominent companies. His expertise lies in designing comprehensive financial reporting frameworks, establishing internal control systems, and conducting thorough project feasibility studies for both local and international property development projects.

Mr. Eng's professional tenure spans across diverse industries, including property development, construction, hospitality, manufacturing, and fast-moving consumer goods. His primary objective revolves around formulating effective strategies to maximise financial returns for Sunsuria Berhad.

PROFILES OF SENIOR MANAGEMENT

WONG CHIEW MENG

Chief Project Officer



47

M

Date of Appointment:
1 December 2020

He graduated with a Bachelor of Civil Engineering degree from University of Malaya and obtained a Master of Business Administration degree from University of East London (United Kingdom). With over 20 years of invaluable experience in the construction and property development industry, Mr Wong has honed his expertise in various aspects of the field.

Within Sunsuria Group, Mr. Wong holds various leadership roles, including the Head of Project Department and the Quality Management System Committee. His extensive portfolio involves overseeing planning, operations, supply chain management and project execution across the Group's development projects.

Particularly, Mr. Wong spearheads the management of Sunsuria City, the Group's 525-acre flagship township featuring diverse residential and commercial projects, alongside other integrated developments. His role involves overseeing the entire project lifecycle, from conducting feasibility studies to meticulous planning and overseeing implementation.

CHUAH CHEW HAIDirector/Chief Executive Officer,
Sunsuria Asas Sdn. Bhd.

60

M

Date of Appointment:
20 July 2018

Mr. Chuah is a Director and Chief Executive Officer of Sunsuria Asas Sdn. Bhd., an indirect 51% owned subsidiary of the Company.

With over 30 years of industry expertise, Mr. Chuah founded the Metrio group of companies in October 2002, principally involved in property development. His extensive experience and knowledge in the construction and development sector are the driving force behind Sunsuria Asas in undertaking various projects within Sunsuria City and Sunsuria Forum 2.

**AUDREY
OOI KIM CHENG**Chief Executive Officer,
Sunsuria Healthcare Sdn. Bhd.

43

F

Date of Appointment:
01 October 2021

Ms. Ooi, with a bachelor's Degree (Hons) in Dietetics, has accumulated over 18 years of professional experience. She is recognised for her consistent success in revitalising healthcare start-ups and driving growth in fast-moving-consumer-goods (FMCG) companies, ethical sales, and medical consumer brands.

She has effectively turned around several healthcare start-ups, driving their growth through joint ventures, mergers, and business diversification strategies. Known as a strategic thinker and adept start-up driver, Ms. Ooi leverages cross-functional expertise and extensive industry connections to rapidly expand businesses and position them competitively within their respective industries.

Before assuming her current role as Healthcare CEO at Sunsuria, Ms. Ooi contributed significantly to the industry. She played a pivotal role as Co-founder and Director of prominent firms. Additionally, she spearheaded consumer brands and marketing endeavours for highly acclaimed FMCG brands, guiding company development, leading business planning, and setting strategic directions.

TAN LING LINGHead of Education,
Sunsuria Education Sdn. Bhd.

56

F

Date of Appointment:
01 September 2021

Ms. Tan holds a Master of Arts (MA) in Educational Management from the National Institute of Education, Nanyang Technological University, Singapore, and a Bachelor of Arts (BA) in Statistics from the State University of New York at Buffalo (SUNY), USA.

Joining Sunsuria Group as the Head of Education, Ms. Tan leads the education division, driving business expansions in Malaysia and across Asia through Sunsuria Education Sdn. Bhd. Her responsibilities include managing the collaboration with Concord College International, UK, for the establishment of a new international school in Sunsuria City, Sepang.

As a dynamic and results-oriented leader, Ms. Tan brings over 28 years of extensive experience in private K12 and higher education. She consistently drives profitable growth across diverse markets and multicultural settings, utilising innovative programmes, partnerships, and impactful marketing strategies. Ms. Tan brings to Sunsuria an expansive network spanning Malaysia, Indonesia, China, the United Kingdom, and the United States.

Her strategic leadership has been instrumental in achieving success in global partnerships, marketing initiatives, student development, change management, and implementing administrative and operational efficiencies.

Other Information

- Datuk Simon Kwan Hoong Wai is the brother-in-law of Tan Sri Datuk Ter Leong Yap, a Director and major shareholder of the Company.
- Except as disclosed above, none of the Senior Management team members have any family relationship with any Directors or major shareholders of the Company.

Conflict of Interest

None of the Senior Management team members have any conflict of interest with the Company, save as disclosed in this Annual Report.

Conviction for Offences

- None of the Senior Management team members have been convicted of any offences (other than traffic offences) within the past five (5) years.

- None of the Senior Management team members have had any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 September 2023.

AWARDS AND ACCOLADES



PROPERTY GURU

ASIA PROPERTY AWARDS AUSTRALIA

One Grant Crescent



STARPROPERTY AWARDS 2023
Real Estate Developer

STARPROPERTY ALL-STAR AWARD



PROPERTY GURU

ASIA PROPERTY AWARDS AUSTRALIA



STARPROPERTY AWARDS 2023
Real Estate Developer

THE CLOSE-TO-HOME AWARD



PROPERTY GURU

ASIA PROPERTY AWARDS AUSTRALIA

One Grant Crescent



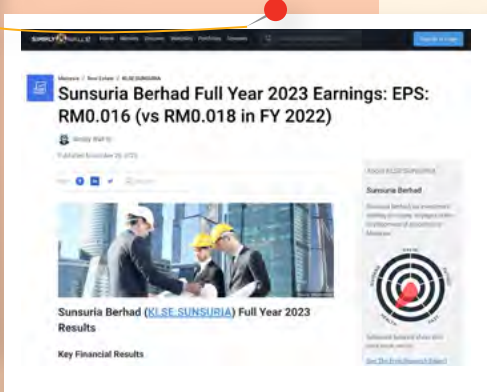
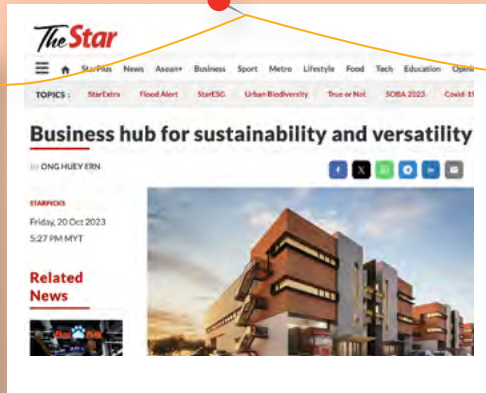
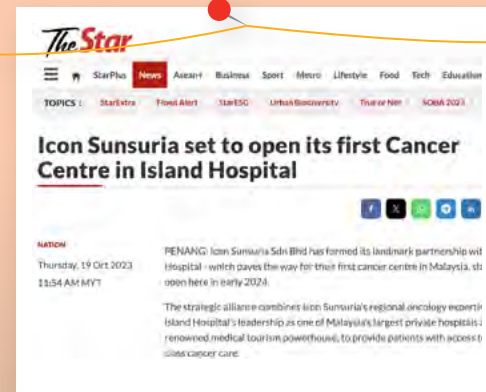
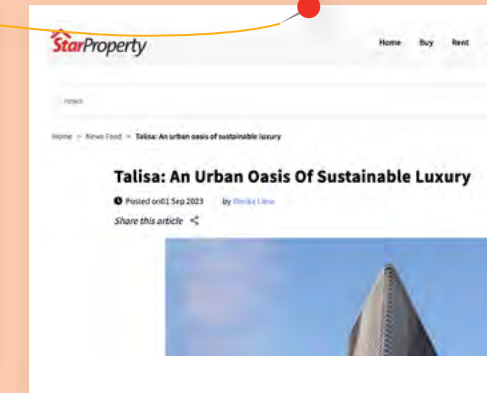
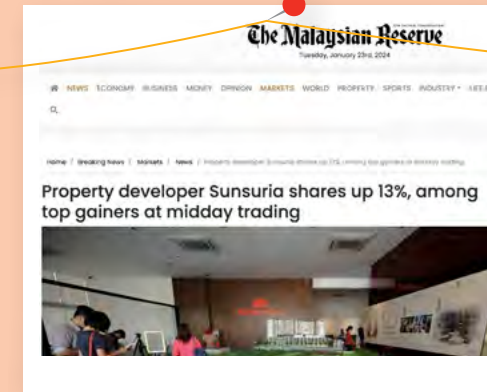
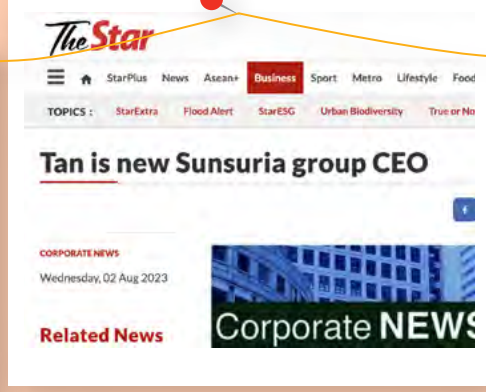
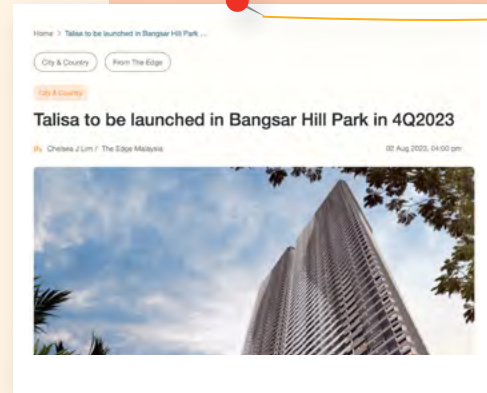
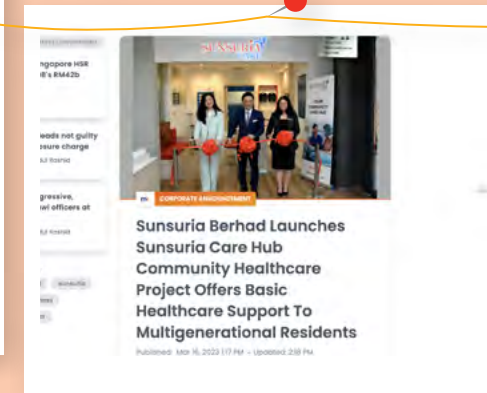
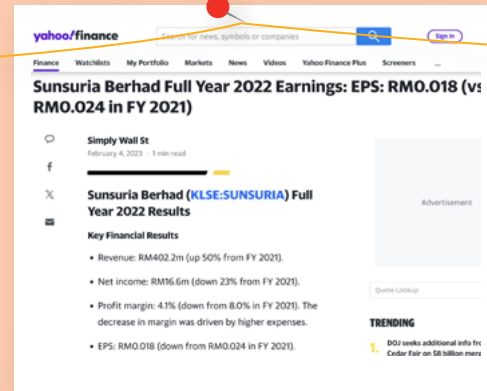
STARPROPERTY AWARDS 2023
Real Estate Developer

THE FAMILY-FRIENDLY AWARD

(LANDED) - Within Greater KL



SUNSURIA IN THE NEWS



SUSTAINABILITY STATEMENT

ABOUT THIS REPORT



Sunsuria Berhad, also referred to as “Sunsuria” or “the Group,” is pleased to present its sixth annual sustainability report, denoted as “SS2023”. This report provides a comprehensive evaluation of Sunsuria’s environmental, social, and governance (“ESG”) impacts for the financial year ending on September 30, 2023 (“FY2023”).

Monet Lily, Monet Residences @ Sunsuria City

Sunsuria’s SS2023 adheres to the Sustainability Reporting Guidelines (3rd Edition) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”), in line with the Main Market Listing Requirements. Our approach encompasses the incorporation of various frameworks, either fully or partially, including:








Sunsuria’s SS2023 integrates GRI principles, emphasising stakeholder involvement, sustainability context consideration, identification of material topics, and ensuring completeness, accuracy, balance, clarity, comparability, reliability, and timeliness in the selection of subjects and information included in the report.

SUSTAINABILITY STATEMENT

REPORTING SCOPE AND BOUNDARY

Unless stated otherwise, SS2023 encompasses the timeframe from October 1, 2022, to September 30, 2023. Whenever feasible, historical data has been included to facilitate a meaningful comparison of the Group's ESG performance for the reporting year and its changes over time.

The statement's scope extends to Sunsuria's various business divisions, namely Property Development, Construction, Healthcare, Education and Landscape & Nursery, which encompass the following:

Business Division	Subsidiary	Scopes
 Property Development	Sunsuria City Sdn. Bhd.	Tangerine Suites and Seni Residences
	Sunsuria Kejora Sdn. Bhd. (formerly known as Sunsuria Residence Sdn. Bhd.)	Sunsuria Kejora Business Park
	Sunsuria Forum Sdn. Bhd.	Forum 2 - Office Tower, SOHO and Service Apartment
	Bangsar Hill Park Development Sdn. Bhd.	BHP Block A, B, C, D and E
 Construction	Sunsuria Asas Sdn. Bhd.	BHP Block D & E, Tangerine Suites, Forum 2 - Office Tower, SOHO and Service Apartment
 Healthcare	Sunsuria Care Sdn. Bhd.	Service provider for BHP and Sunsuria City
 Education	Sunsuria Education Sdn. Bhd.	Concord College International School
 Landscape & Nursery	Sunsuria Landscape & Nursery Sdn. Bhd.	BHP, Sunsuria City and Sunsuria Avenue

EXCLUSIONS, LIMITATIONS AND DISCLAIMERS

While Sunsuria acknowledges the potential for significant ESG impacts within its value chain, the effects of certain outsourced activities are currently excluded from this report.

Sunsuria is dedicated to integrating its sustainability practices across the entire Sunsuria Group and cascading is ESG commitments to business partners, suppliers and contractors. The Group is implementing a more comprehensive ESG data collection process to address

any remaining gaps in sustainability reporting within its operations.

Readers should be aware that forward-looking statements within this report, relating to future plans, goals and expectations, are made with reasonable assumptions based on current business trajectories. Actual results may vary as Sunsuria adjusts its business strategies and operational decisions in response to emerging risks, opportunities and changing circumstances.

DATA QUALITY AND ASSURANCE

All the data presented in this report has been sourced internally and verified by the relevant data owners.







The SS2023 underwent a review process by the Sustainability Working Committee, the Sustainability Steering Committee, and the Board of Directors. All parties have confirmed that the information within SS2023 accurately reflects the Group's sustainability impacts for

the year under review. The Board officially approved the SS2023 on 19 January 2024.

Currently, Sunsuria has not enlisted a third-party for the assurance of its ESG data. However, financial data included in this report, cross-referenced with the Financial Statements in Sunsuria's Annual Report 2023, has undergone auditing by Messrs Deloitte PLT.

MEMBERSHIP IN ASSOCIATIONS

Sunsuria holds membership in various reputable professional bodies and industry associations. These affiliations demonstrate our commitment to staying informed and connected within the industry:

 Real Estate and Housing Developers' Association ("REHDA")	 The International Real Estate Federation ("FIABCI") Malaysian Chapter
 Malaysian Employer Federation ("MEF")	 Construction Industry Development Board ("CIDB")
 Malaysia Retail Chain Associations ("MRCA")	 Federation of Malaysian Manufacturers ("FMM")

REPORT AVAILABILITY AND FEEDBACK

The SS2023 is available for download on Sunsuria's corporate website at www.sunsuria.com as part of the Group's FY2023 Annual Report.

Sunsuria values stakeholders' feedback on this report and its contents to continuously improve our sustainability reporting and ESG practices. Comments or queries can be directed to:



Corporate Finance Office
+603-6145 7777

A MESSAGE FROM OUR EXECUTIVE CHAIRMAN

Tan Sri Datuk Ter Leong Yap
Executive Chairman



Dear Valued Stakeholders,

I am pleased to share the insights from our recently concluded financial year, highlighting Sunsuria's commitment to environmental, social and governance (ESG) values.



In FY2023, our sustainability approach became even more integral to our operations, navigating challenges and contributing to a resilient performance despite uncertainties in the global landscape.

The year highlighted the urgency of addressing climate change, and we believe our actions today will shape the future. Sunsuria's sustainability framework, enabled in our business model, enabled us to remain resilient amid geopolitical instability, supply chain disruptions, and commodity price fluctuations in FY2023.

Our commitment to ESG practices has demonstrated resilience in the face of challenges, ensuring Sunsuria's competitive positioning in a dynamic world while safeguarding the well-being of our stakeholders. The growth in revenue by 25.9% to RM506.2 million in FY2023 attests to the success of our vision, highlighting the emphasis on quality and sustainability in our projects. This includes strategic investments in healthcare and education components, aligning with our goal to enhance the social well-being of our community.

Sunsuria's leadership recognises the transformative potential of sustainability strategies. We actively manage operational challenges, set precise Key Performance Indicators (KPIs), enhance disclosures, and initiate targeted initiatives. The establishment of KPIs in areas such as Climate Change and Emissions, Energy Efficiency, Water Efficiency, Customer Satisfaction, Local Procurement, Brand Recognition and Reputation, Talent Retention and Development, Labour and Human Rights, Occupational Safety and Health and Regulatory Compliance demonstrates our holistic approach to sustainability.



Monet Garden, Sunsuria City

Our Scope 3 disclosure for Greenhouse Gases ("GHG") encompass business travel as well as commuting by our employees. This demonstrates our commitment to a holistic and responsible approach to addressing climate change, as we embrace the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations ahead of regulatory compliance. We maintained our dedication to minimising waste generation by increasing our usage of recycled rebar, with a 118.8% surge in FY2023, reaching 343.3 tonnes, compared to FY2022 (156.9 tonnes). We have also kept an excellent track record of maintaining zero incidences of corruption and non-compliance cases in our governance, upholding 100% of procurement from local businesses as well as maintaining our customer satisfaction rating above 80%, scoring at 84.5% in FY2023, among other notable achievements reported here.

FY2023
Achievement

Bangsar Hill Park (Block B & C)
GreenRE Silver Certification (Provisional)
Residential Building and Landed Home (RES v3.2) Category

The Chapter and Monet Meadow
GreenRE Bronze Certification (Provisional)
Industrial Facilities Category

Sunsuria Kejora Business Park
GreenRE Bronze Certification (Provisional)

In FY2023, Sunsuria's Bangsar Hill Park (Block B & C) received the GreenRE Silver Certification (Provisional) in the Residential Building and Landed Home (RES v3.2) Category, while The Chapter and Monet Meadow secured the GreenRE Bronze Certification (Provisional). In the Industrial Facilities Category, Sunsuria Kejora Business Park also achieved the GreenRE Bronze Certification (Provisional). These certifications were granted in recognition of our incorporation of sustainable measures, including energy-efficient lighting, air-conditioning, passenger and service lifts, sustainable product utilisation, installation of compost bins and EV chargers, and the implementation of rainwater harvesting and siphonic rainwater discharge systems, among others. This highlights our commitment to advancing sustainability initiatives that benefit our community.

Understanding and managing our full environmental footprint, and proactive engagement with climate-related financial disclosures have been crucial components of our commitment to improving operations. This reflects our ongoing prioritisation of people and the environment in our day-to-day operations.

We remain committed to delivering quality and satisfaction through our products and services. Anticipating strengthened resource consumption and supply chain management processes in the near future, we aim to enhance our operational efficiency and shield against further social and environmental risks. This dedication, coupled with the continuous support of our shareholders, will enable Sunsuria to leverage our ESG advancements to create a brighter future for all.

Tan Sri Datuk Ter Leong Yap
Executive Chairman



118.8%
surge in recycled rebar in FY2023

343.3 tonnes
of rebar diverted from disposal



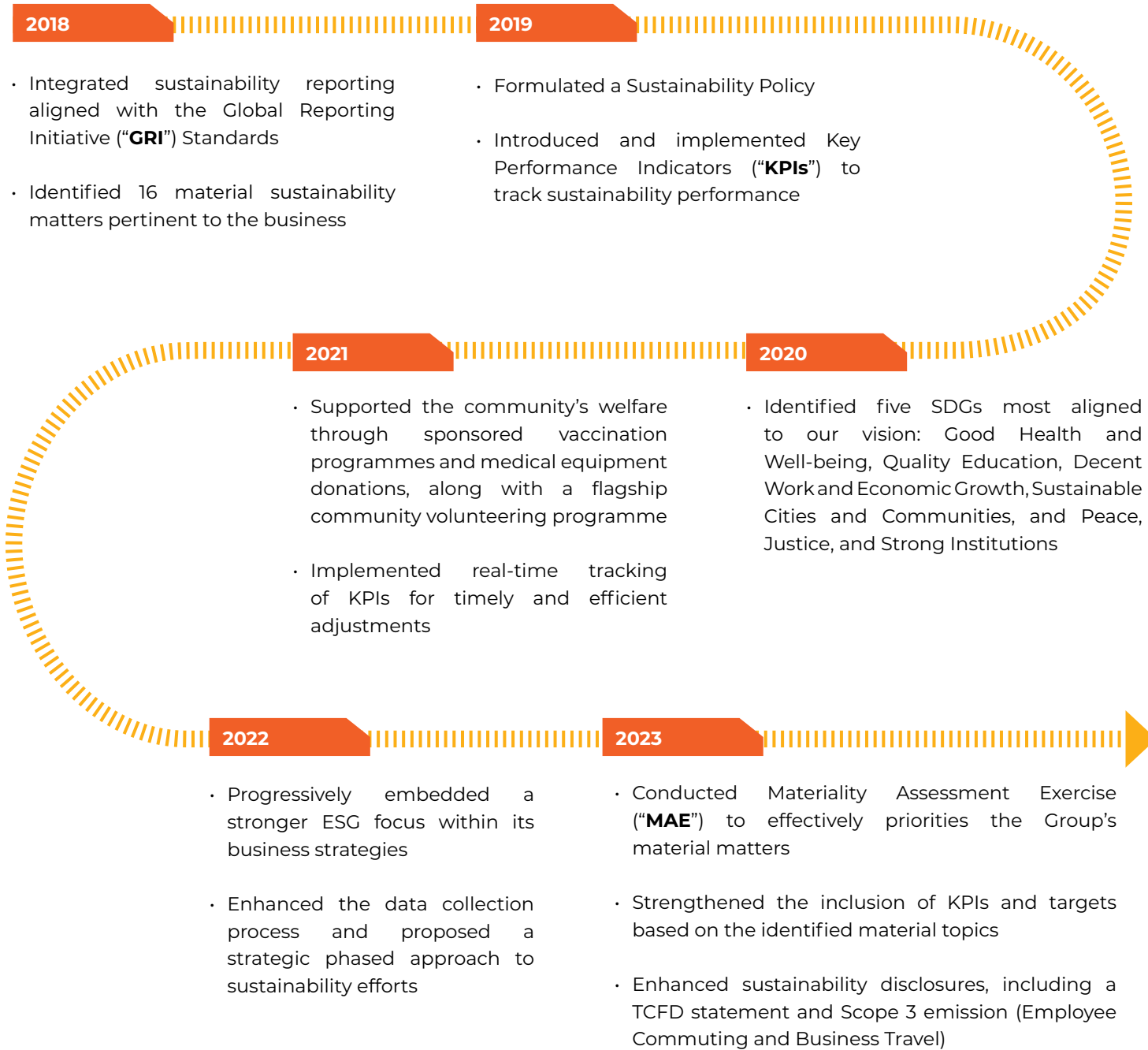
84.5%
customer satisfaction rating in FY2023



100%
of procurement from local businesses



SUSTAINABILITY STATEMENT

SUNSURIA'S SUSTAINABILITY JOURNEY



FY2023 ESG HIGHLIGHTS & ACHIEVEMENTS

● Economic ● Environmental ● Social ● Governance

 84.5% Customer Satisfaction Score	 RM160.1 mil Total Economic Value Distributed to Stakeholders	 100% Procurement Spend on Local Vendors
 100% Of project sites completed HIRAC assessments	 Enhanced GHG Disclosures Including Scope 3 (Employee Commuting and Business Travel)	 343.3 tonnes of Rebar Diverted from Disposal (Increased 118.8% from FY2022)
 238 Total Workforce	 84.9% Employee Satisfaction Rate	 Zero Fatalities in FY2023 with 3,554,265 manhours worked
 4,967 Total Training Hours (Increased 71.6% from FY2022)	 50% Women Representation in Sunsuria's Board	 Zero Incidence of Customer Data Breaches
 Zero Incidence of Corruption	 Establishment of KPIs & Targets for ESG pillars	 Zero Incidence of Regulatory Non-Compliance

SUSTAINABILITY STATEMENT

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (“SDGS”)

We have consistently aligned ourselves to the United Nations’ Sustainable Development Agenda 2030 along our sustainability reporting process. The following provides an overview of the actions our Group has taken to contribute to the achievement of the SDGs during the year being evaluated:



Good Health and Well-being

- Organised employee engagement initiatives to encourage a healthy lifestyle.



Quality Education

- Invested a total of 4,967 hours in training development programme.
- Initiated a Construction Trade Training to enhance the skills of construction workers.



Gender Equality and Women’s Empowerment

- Improved gender balance across all employee levels and within Board of Directors.
- Significantly increased number of training hours for female employees.
- Maintained a 1:1 equal ratio of basic salary and remuneration of women to men.
- Achieved a 100% retention rate post parental leave for all female staff.



Decent Work and Economic Growth

- Directed all procurement expenditures to local suppliers.
- Launched a 2-year digital transformation plan.



Sustainable Cities and Communities

- Expanded green building initiatives across the Sunsuria City township and selected projects.
- Considered accessibility for public transportation and individuals with disabilities.



Responsible Consumption and Production

- Enforced a policy for energy usage reduction.
- Recycled a total of 343.3 tonnes of rebar and steel scrap waste from construction projects.



Climate Action

- Installed solar panels on the Celebration Centre Sales Gallery for sustainable electricity generation.
- Monitored operational data (for fuel and electricity consumption) to calculate GHG emissions within Scope 1 and Scope 2 emissions.
- Included Scope 3 emissions for employee commuting and business travel.



Peace, Justice and Strong institutions

- Conducted a corporate risk assessment to address corruption.
- Updated the Procurement Policy and Procedure.

FY2023 SCORECARD

ECONOMIC

Key Performance Indicators

FY2023 Progress

Customer Satisfaction

To achieve 80% customer satisfaction rating based on vacant possession (“VP”) at:

- Upon VP
- Post VP (by FY2026)

Achieved 84.5% of customer satisfaction ratings at upon VP

Note: There are no post VP results to be referenced as there were no new VP projects in FY2023 for surveys to be conducted.

Local Procurement

To ensure 80% of suppliers listed on approved list encompass local businesses.

Achieved **100%** of local suppliers.

Brand Recognition and Reputation

To secure two prestigious property industry awards per annum.

In FY2023, Sunsuria secured total **six (6) awards**

Note: Please refer to Brand Recognition and Reputation section for more details.

ENVIRONMENTAL

Key Performance Indicators

FY2023 Progress

Climate Change and Emissions

To achieve 5% intensity reduction per annum for both Scope 1 and Scope 2 carbon intensity as measured over revenue (tCO₂e/RM) and operational area (tCO₂e/m²).

Established carbon intensity baseline in FY2023:

By Operational Area
0.012 tCO₂e/m²

By Revenue
6.4 tCO₂e/RM’ mil.

FY2023 as a baseline year.

Energy Efficiency

To achieve 5% intensity reduction by FY2025 for permanent premises, including Group’s HQ, sales galleries and investment properties.

The energy intensity recorded in FY2023 as follows:

By Operational Area
93.4 kWh/m²

Note: The value is slightly higher than FY2022 (77.8 kWh/m²) due to expanded scope, which now includes more permanent premises.

By Revenue
1,227.9 kWh/RM’ mil.

FY2022 as a baseline year: 77.8 kWh/m² (based on the Group’s HQ).

SUSTAINABILITY STATEMENT

ENVIRONMENTAL



Key Performance Indicators

FY2023 Progress

Water Efficiency

To establish water intensity baseline for HQ, sales galleries and investment properties.

Established water intensity baseline in FY2023:

By Operational Area
0.0005 Megalitres/m²

By Revenue
0.0097 Megalitres/RM' mil.

SOCIAL



Key Performance Indicators

FY2023 Progress

Talent Retention and Development

Ensuring training hours of minimum eight (8) hours per employee per annum, for both male and female.

Achieved more than 8 hours in average training hours by Gender:
Male – 20 Female – 22

Labour and Human Rights

Continued zero incidents of non-compliance with regard to labour and human rights infringements.

Zero incidents reported.

Occupational Safety and Health

To ensure zero fatalities and zero lost workdays.

Zero fatalities reported with no lost workdays.

GOVERNANCE



Key Performance Indicators

FY2023 Progress

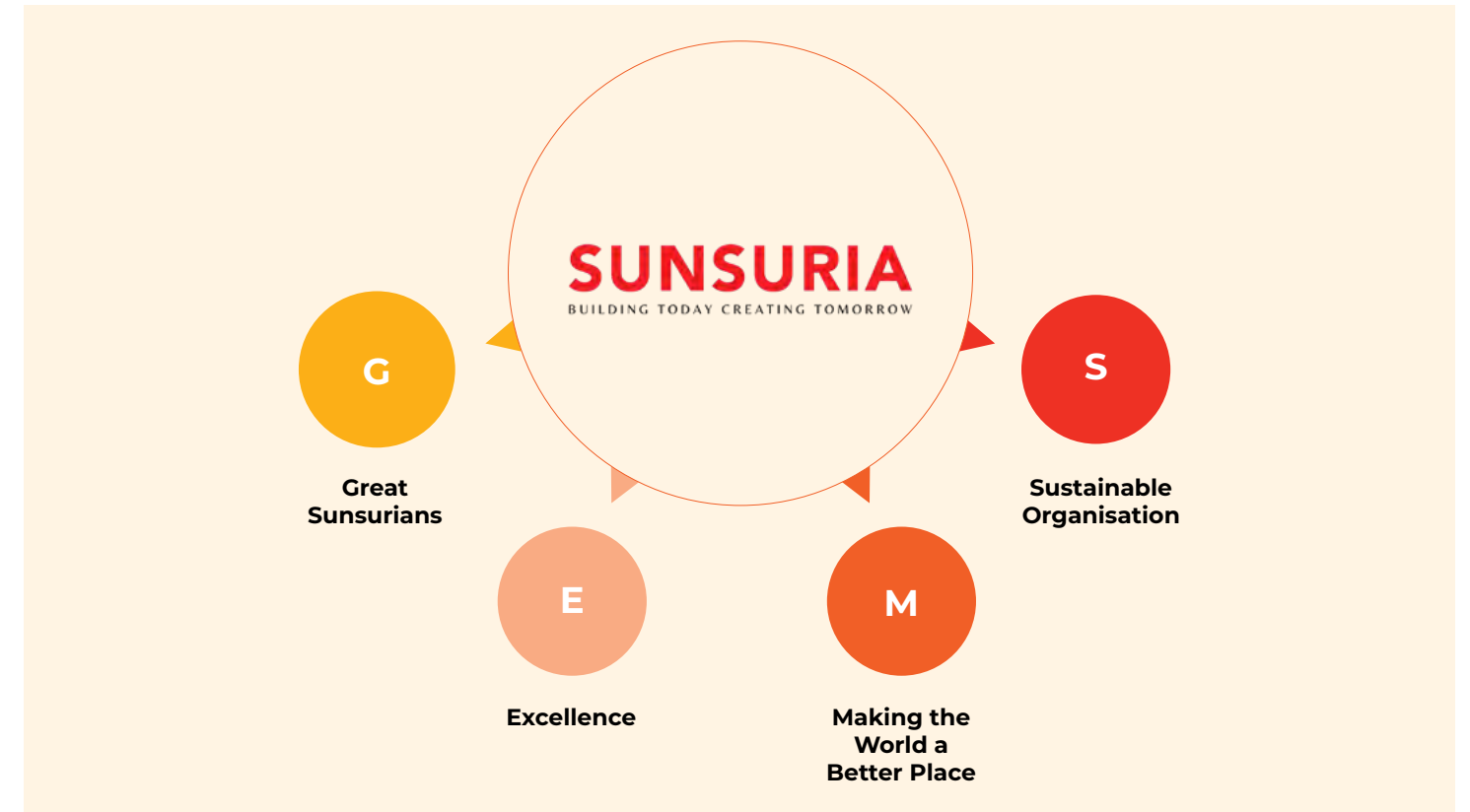
Regulatory Compliance

Continued zero non-compliance track record for social, environmental, and performance.

Zero cases reported.

SUSTAINABILITY AT SUNSURIA

Sunsuria's commitment to sustainability management is rooted in the Group's corporate philosophy of G.E.M.S.: **Great Sunsurians, Excellence, Making the World a Better Place, and Sustainable Organisation.**



These principles work together to propel Sunsuria's business growth responsibly and sustainably. The company prioritises the needs and interests of its diverse stakeholders, aiming to create lasting value for all key parties. This strategic and conscientious approach highlights Sunsuria's dedication to responsible corporate citizenship.

Group Sustainability Policy

In line with the G.E.M.S philosophy, the Group has established the Sustainability Policy as the foundation of its sustainability framework. The policy reflects the dedication of both the Board and Management to prioritise sustainability as a fundamental aspect of the Group's approach to value creation. It ensures the alignment of operations across business divisions with the commitments outlined within the policy. For more information, please refer to the policy at: www.sunsuria.com.

SUSTAINABILITY STATEMENT

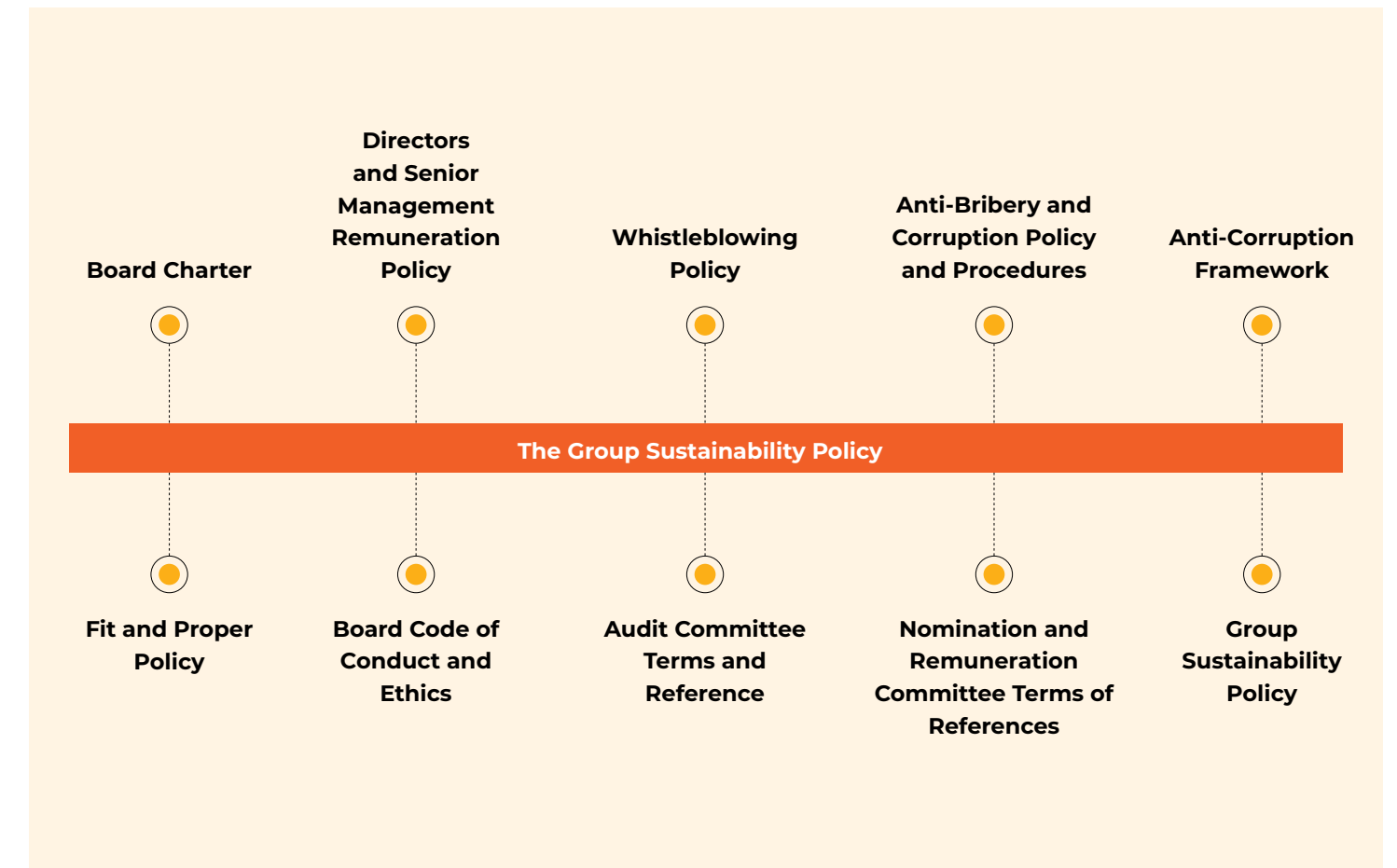
SUSTAINABILITY GOVERNANCE

The Sunsuria Board of Directors oversees all sustainability matters within the Group through the Sustainability Steering Committee (“SSC”), with support from the Sustainability Working Committee (“SWC”). Both committees operate under clearly defined Terms of Reference, ensuring accountability. Annual meetings are conducted to review the Group’s sustainability objectives and key performance indicators, with representation from various business segments to facilitate effective implementation.

The management of ESG matters within the Group follows a top-down approach. Progress on ESG initiatives is routinely reported to the Board through the sustainability governance structure for discussion and guidance. Sunsuria’s sustainability governance structure comprises the following compositions, roles, and responsibilities:

Board of Directors (“BOD”)	
<p>Role Retains overall responsibility for the Group’s sustainability governance</p> <p>Responsibilities</p> <ul style="list-style-type: none"> Leads the Group’s Sustainability Agenda. Supervises and oversees the Group’s Sustainability Initiatives. Provides the final assessment and authorisation for sustainability affairs within the Group. 	<p>Composition Executive & Non-executive Directors</p>
Sustainability Steering Committee (“SSC”)	
<p>Role Responsible for establishing Group’s sustainability strategy</p> <p>Responsibilities</p> <ul style="list-style-type: none"> Formulates the Group’s sustainability strategies and goals in alignment with the Board’s directives. Supervises the Sustainability Working Committee (“SWC”) to monitor the Group’s progress in sustainability programmes. Ensures sustainability disclosures comply with Bursa Malaysia’s Listing Requirements. 	<p>Composition Group Executive Chairman, Group CEO, Executive Director of Group Operations, Chief Financial Officer, Chief Project Officer (Chair), CEO of Healthcare, Head of Education, Chief Executive Officer of Construction</p>
Sustainability Working Committee (“SWC”)	
<p>Role Responsible for implementing and monitoring sustainability initiatives at the operational level</p> <p>Responsibilities</p> <ul style="list-style-type: none"> Assists the Sustainability Steering Committee (“SSC”) in compiling content for the Group’s sustainability report. Supports the SSC in fulfilling responsibilities related to executing the Group’s sustainable strategies, policies, and initiatives. 	<p>Composition Key department representatives</p>

The sustainability governance framework is reinforced by a strong collection of governance frameworks and policies that oversee sustainability across economic, environment, social, and governance domains.



These policies, available on our website at www.sunsuria.com, are regularly reviewed to ensure their continued effectiveness. The Group Sustainability Policy now focuses on four pillars: Economic, Environmental, Social and Governance, guiding the company’s decisions and actions, and addressing key issues identified in Sunsuria’s latest materiality assessment.

Informed by industry best practices, these revisions aim to ensure a sustainable and responsible business approach, meeting current standards and anticipating future considerations in environmental, social, and governance aspects.

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT

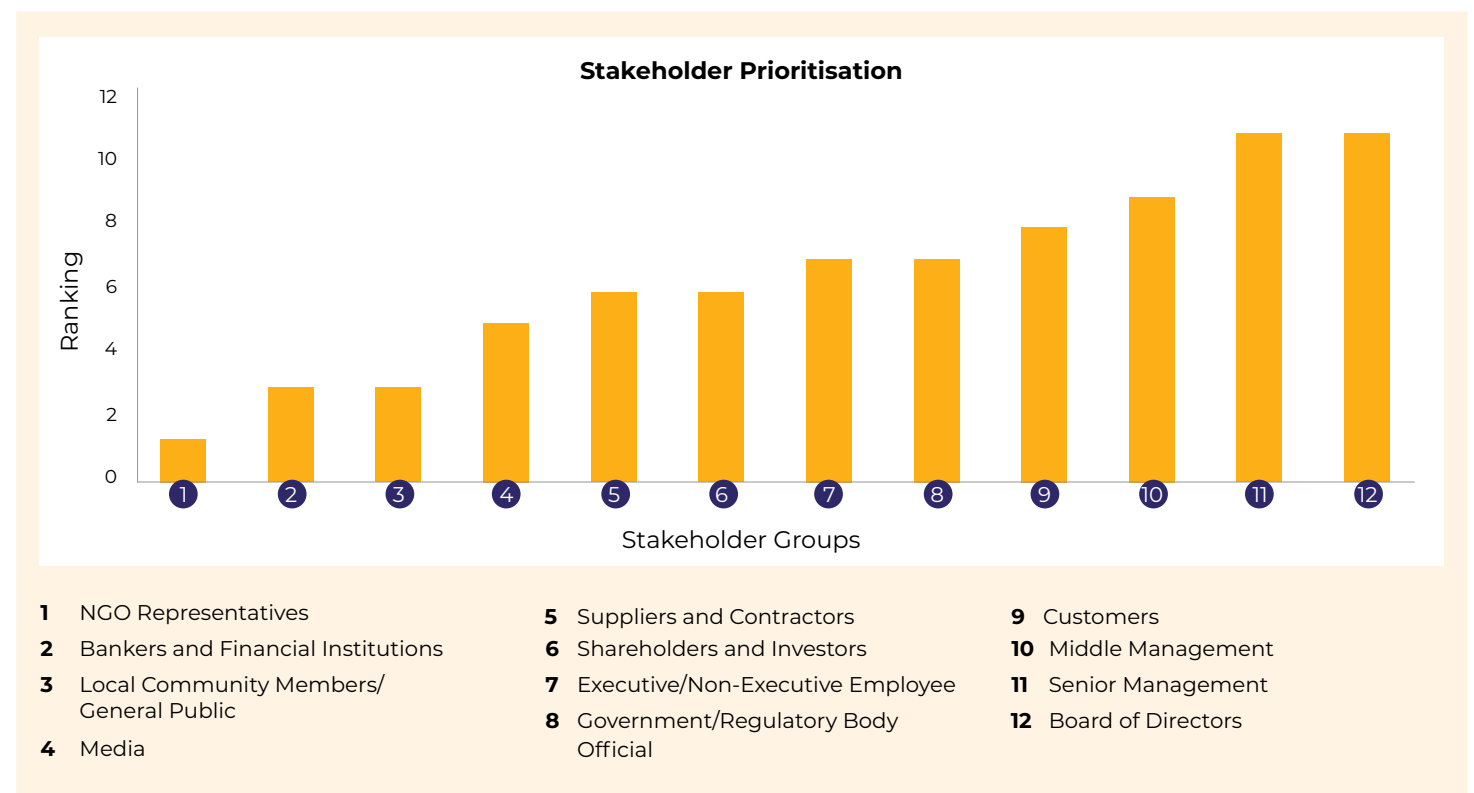
Stakeholders play a central role in Sunsuria's sustainability initiatives, and we value the measures taken to address their priorities concerning requirements in our ESG direction. These stakeholders include individuals, groups or organisations that have an impact on or are impacted by Sunsuria's business activities.

Their importance is particularly evident during the materiality analysis phase, shaping Sunsuria's business strategies and operational approaches.

Stakeholder Prioritisation

The valuable input received from stakeholders in FY2022 not only reaffirmed Sunsuria's commitment to sustainability but also remains relevant for FY2023. This continuous feedback plays a crucial role in guiding our efforts for sustainable growth.





To ensure precision and validity in our stakeholder engagement process, weightages were assigned to responses from diverse stakeholder groups during FY2023's Materiality Assessment Exercise ("MAE"). This approach enables Sunsuria to prioritise every valuable perspective and enhance the significance of responses from the stakeholder groups.



Note: Stakeholder groups are ranked on a scale from 1 to 12, with 1 indicating the least significant and 12 indicating the highest, based on their capacity to influence the organisation.

Focus Area	Sunsuria's Response	Material Matters	
Customers - We highly value our customers and strive to provide them with quality products and services.	<ul style="list-style-type: none"> Efficient complaint resolution Customer-company relations Safety and security Personal Data Protection Act ("PDPA") compliance 	<ul style="list-style-type: none"> Sunsuria conducts sessions with customers to address their feedback or concerns when necessary. Customers complete a Customer Satisfaction Survey form upon signing the sales and purchase agreement ("SPA"). We organise community and networking events annually. Online inquiries received on Sunsuria's corporate website/Facebook page are directed to our Sales staff, who respond within 24 hours. Customers are required to provide consent for the Personal Data Protection Act ("PDPA") when signing the SPA. 	<ul style="list-style-type: none"> Customer Satisfaction Product & Service Quality Market Presence Community Engagement Green Building Initiatives
Employees - Our employees are pivotal contributors to our success, and their well-being enables Sunsuria to cultivate a motivated workforce.	<ul style="list-style-type: none"> Performance management, learning and development Ethics and integrity Transparency and communication Safety and hygienic working conditions 	<ul style="list-style-type: none"> Performance Management involves goal-setting and aligning these goals throughout the organisation to enhance overall business performance. We conduct training and team-building programmes to enhance staff competencies, capabilities, and relationships. Employee Engagement Surveys cultivate a highly engaged workforce, enhancing employee satisfaction and motivation. The Sunsuria Live Portal facilitates effective communication across the organisation. An onboarding programme for new employees assimilates them into Sunsuria's culture, promote trust, and ensures alignment with the business. Town Hall Meetings are conducted to make critical announcements to all employees. Health and wellness programmes are leveraged to enhance the well-being of our employees. The Viva Engage platform was established to discuss ideas, foster a sense of community, boost employee engagement and morale, increase productivity and promote relationship building within the workforce, aligning with our ESG goals 	<ul style="list-style-type: none"> Occupational Health & Safety Capacity Building Diversity & Inclusiveness Business Digitalisation
Regulatory Bodies - We partner with regulators to uphold industry standards for building quality, corporate governance, as well as health and safety standards.	<ul style="list-style-type: none"> Regulatory compliance Labour practices Environmental management and compliance Occupational health and safety 	<ul style="list-style-type: none"> Local authorities conduct regular inspections to ensure Sunsuria's compliance with local regulatory requirements. We provide regular disclosures through Annual Reports and communication with regulators. We support the Home Ownership Campaign. 	<ul style="list-style-type: none"> Governance & Ethics Climate Change & Energy Efficiency Green Building Initiatives Effluent & Waste Management Water Conservation
Shareholders & Investors - We prioritise building trust among our investors and shareholders.	<ul style="list-style-type: none"> Financial performance Business strategy Sustainable and stable income distribution Degree of control and influence 	<ul style="list-style-type: none"> We issue media releases, in addition to Bursa Announcements, to keep all stakeholders informed about our financial performance and corporate development. Notification cards are sent to shareholders, informing them of the availability of the Annual Report instead of distributing printed copies. All media releases and Bursa Announcements are uploaded to the Company's website. 	<ul style="list-style-type: none"> Governance & Ethics Risk Management Financial Performance





SUSTAINABILITY STATEMENT

Focus Area	Sunsuria's Response	Material Matters
 Fund Providers - We work closely with fund providers to sustain a consistent capital flow over the long term.	<ul style="list-style-type: none"> Company performance and cash flow Project launched Project sales 	<ul style="list-style-type: none"> Financial Performance Market Presence Governance & Ethics Risk Management
 Service Providers - We collaborate with supply chain partners to ensure their operations align with our standards and expectations.	<ul style="list-style-type: none"> Transparent procurement practices Payment schedules Pricing of services Sustainable building methods Health, Safety, and Environment (HSE) compliance Project completion and timely delivery Product quality Agents' performance and compliance management Non-disclosure agreement Service quality management 	<ul style="list-style-type: none"> Market Presence Business Digitalisation Supply Chain Management Financial Performance
 Local Communities - We aim to create sustainable living spaces that enhance well-being and foster community development.	<ul style="list-style-type: none"> The communities residing around Sunsuria township benefit from our facilities. Quarterly financial results and annual financial reports are publicly available on Bursa Malaysia and the corporate website. All sustainability-related data is annually compiled in a sustainability statement within the annual report. Community surveys are conducted to understand customer preferences for future development. 	<ul style="list-style-type: none"> Community Engagement Effluent & Waste Management Water Conservation
 Media - Engaging mainstream media helps raise awareness of our green agenda and sustainability drive.	<ul style="list-style-type: none"> We share our quarterly results with the media when they are announced on Bursa Malaysia. We conduct regular interviews with various news media and property portals. 	<ul style="list-style-type: none"> Financial Performance Community Engagement
 Non-Governmental Organisations ("NGOs") - Supporting relevant NGOs goes hand-in-hand with achieving our own sustainability goals while enriching other stakeholders in the process.	<ul style="list-style-type: none"> We maintain continuous engagement to gain insight into their requirements and concerns. Donations and non-financial support are provided to various non-governmental organisations. Employee volunteerism is promoted, encouraging their participation in NGO activities. 	<ul style="list-style-type: none"> Community Engagement Climate Change & Energy Efficiency Effluent & Waste Management Water Conservation



MATERIALITY ASSESSEMENT

The identification of material matters is fundamental to Sunsuria's sustainability management. The Group establishes its list of material topics by evaluating their importance and impact on the business model and stakeholders, considering the four pillars of Sustainability: Economic, Environmental, Social and Governance.

 ECONOMIC	 ENVIRONMENT	 SOCIAL	 GOVERNANCE
<ul style="list-style-type: none"> Customer satisfaction and experience Product quality and responsibility Brand recognition and reputation (market presence) Local procurement (supply chain management) Digitalisation and technology (business digitalisation) 	<ul style="list-style-type: none"> Energy consumption Climate change and emissions Water consumption Waste management Green building initiatives Biodiversity (new) 	<ul style="list-style-type: none"> Talent retention and development (new) Diversity and equal opportunity workplace Labour and human rights (new) Occupational health and safety ("OHS") Community engagement and development 	<ul style="list-style-type: none"> Regulatory compliance (new) Anti-corruption and corporate governance (new) Data privacy and security (new) Suppliers' social compliance (new) Suppliers' environmental compliance (new)

SUSTAINABILITY STATEMENT

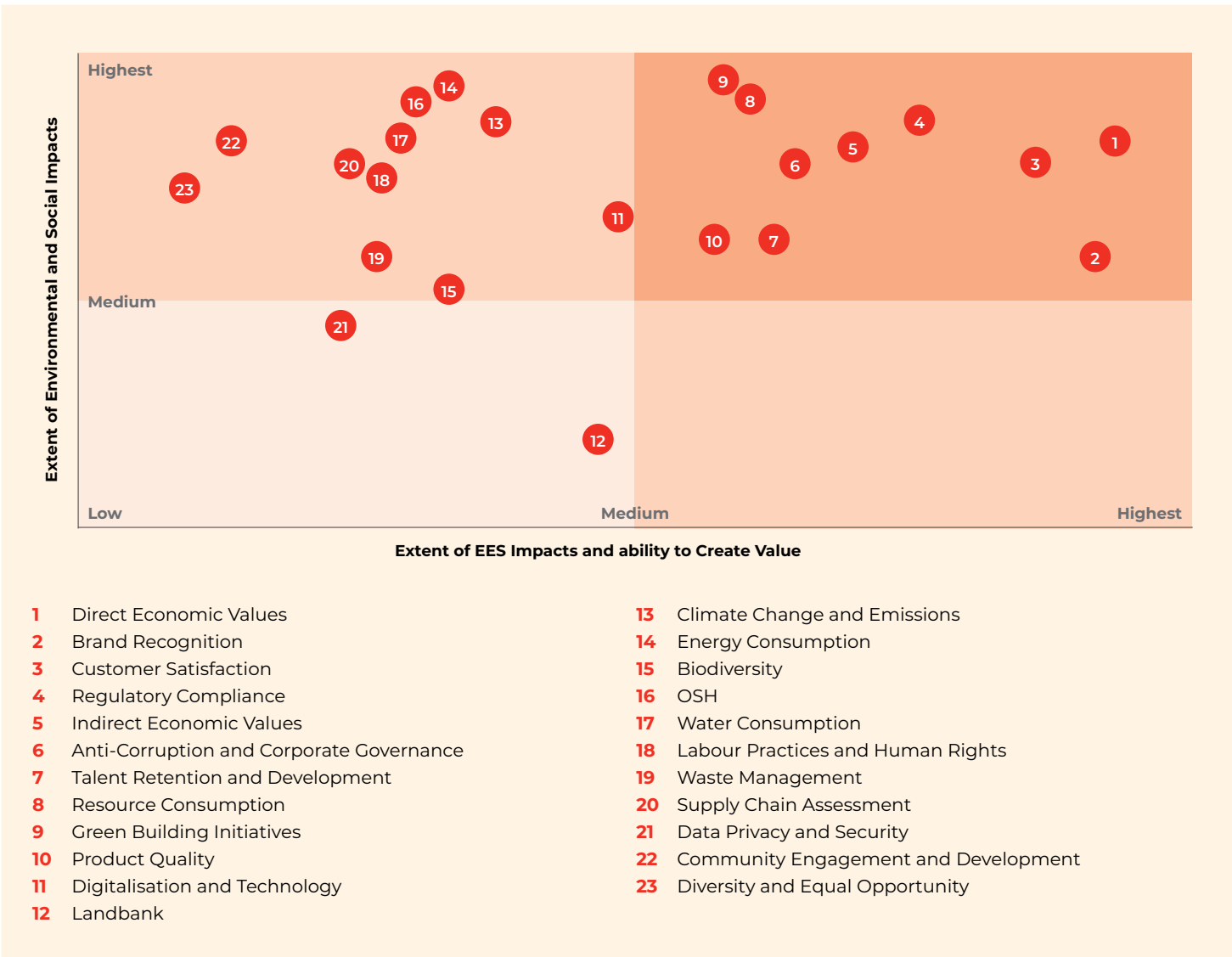
Materiality Assessment Process

The latest materiality assessment involved seeking input from stakeholders and evaluating topics on their environmental and social impacts as well as their importance to value generation. Sunsuria has taken into consideration the feedback and perspectives of all the Group's stakeholders engaged in its operations. The materiality assessment process is outlined as follows:



MATERIALITY MATRIX

This matrix illustrates the alignment of these material topics with stakeholder perspectives to map their significance in shaping the Group's ESG agenda. Detailed information on each material topic is available in the SS2023 report.



SUSTAINABILITY STATEMENT

ESG KPIs & Targets

Sunsuria is committed to incorporating sustainable practices into our business operations. In FY2023, we conducted a workshop on ESG Key Performance Indicators (KPIs) and Targets, with a deliberate emphasis on the revised list of material matters. The Group has embraced the following targets, marking a significant step toward Sunsuria's dedicated efforts to drive effective change:

Material Topic	KPIS	Targets
ECONOMIC		
Customer Satisfaction and Experience	Customer satisfaction levels upon VP and post VP	80% customer satisfaction rating: <ul style="list-style-type: none"> • Upon VP (existing KPI) • Post VP by FY2026
Product Quality and Responsibility	QLASSIC certification scores	FY2023: Tangerine Suites – 80% FY2024: Forum 2 SOHO and Forum 2 Apartments - 75% Concord College - 75% Bangsar Hill Park Block D & E - 80% FY2025: Seni – 80% and Forum 2 Office - 75% Bangsar Hill Park Block A - 75%
	Level of predelivery inspection checks for all building projects	100% inspection rate per annum for: <ul style="list-style-type: none"> • Tangerine Suites • Forum 2 SOHO • Forum 2 Apartment • Forum 2 Office • Residensi Seni • Concord College • Bangsar Hill Park Blocks A, D & E
Local Procurement (Supply Chain Management)	No. of local suppliers/contractors	80% of suppliers listed on approved list to comprise local businesses.
Brand Recognition and Reputation	Brand presence and media coverage (traditional media)	RM2 million PR Value per annum cumulatively from print and online media.
	Social media presence	5% increase per annum in: <ul style="list-style-type: none"> • Facebook followers: (FY2023 baseline: 117,000) • Instagram Followers: (FY2023 baseline: 1,648)
	Industry Awards	To secure two prestigious property industry awards per annum
Digitalisation and Technology	Reduction in paper use	At Group Level, to reduce the overall printing of hardcopy paper documents by 20% in the next 3 years. <ul style="list-style-type: none"> • 1st Year - Target 10% to 15% • 2nd Year - Target 15% to 19% • 3rd Year - Target 20%
	Digitalisation of manual workflows	FY2024: Digitalisation of supplier registration process.
	Introduction of paperless (electronic/digital processes)	Conversion of HR's KPI Performance review to paperless format by FY2024.



Material Topic	KPIS	Targets
ENVIRONMENT		
Energy Consumption	Energy intensity (kWh/m ² or kWh over revenue)	<ul style="list-style-type: none"> • 5% intensity reduction by FY2025 for permanent premises i.e., Group's HQ, sales galleries and investment properties. • Site reporting will continue to be based on annual absolute consumption for variable project area size year-on-year (m²).
	RE (solar) energy utilisation	<ul style="list-style-type: none"> • Inclusion of solar energy provision for new applicable projects i.e., Sunsuria Kejora Business Park. • Implementation of solar powered park/compound lighting and CCTVs in Sunsuria City.
Climate Change And Emissions	TCFD Framework Adoption	Partial adoption of the TCFD framework by FY2024 – Governance, Strategy and Metrics and Targets pillars as follows: <ul style="list-style-type: none"> • Establishment of Board Sustainability Committee with TOR by FY2024. • Establishment of Board approved Climate Change Policy by FY2024. • Establishment of physical, transitional and legal/reputational risks by FY2024. • Full adoption of TCFD Framework (and all recommended disclosures by FY2027).
	Direct and indirect Scope One and Scope Two carbon intensity over revenue and over operational size.	5% reduction per annum for both Scope One and Scope Two carbon intensity measured over revenue and operational area, tCO ₂ e/m ² . Note: FY2023 as baseline.
	Avoidance of carbon through sustainable resource consumption.	To develop a baseline based on FY2023's consumption levels of alternative/sustainable materials and the corresponding carbon avoided.
	Water Consumption	Water Intensity use as measured against operational size (Megalitres/m ²)
	Level of rainwater harvesting used.	Rain harvesting systems implemented on all applicable new projects.
	Usage of alternative water sources	Establishment of baseline measurement
Waste Management	Total waste recycled (Tonnes)	5% increase in waste quantities recycled Note: FY2023 as baseline.
	Single plastic use	Zero use of single plastics by FY2028
Green Building Initiatives	Level of green RE certification for projects	25% of projects initiated by FY2025 to be green certified. Assessment can be performed by either an internal or external party.



SUSTAINABILITY STATEMENT

Material Topic	KPIS	Targets
Biodiversity	Number of trees planted (including transplanted/cut trees).	Plant 500 trees by 2025.
	Number of IUCN Red List species in Sunsuria City	Develop a baseline in FY2023
	Perform assessment of biodiversity levels at project to preserve the biodiversity with a structured preservation planning.	Conduct one biodiversity audit by FY2024 at Sunsuria City.
	Use of local species	Use 50% local species for landscaping, including those of high conservation value.
	Percentage of green landscape allocated	Comply with or exceed regulatory minimums for green spaces for all new projects starting FY2024.

SOCIAL

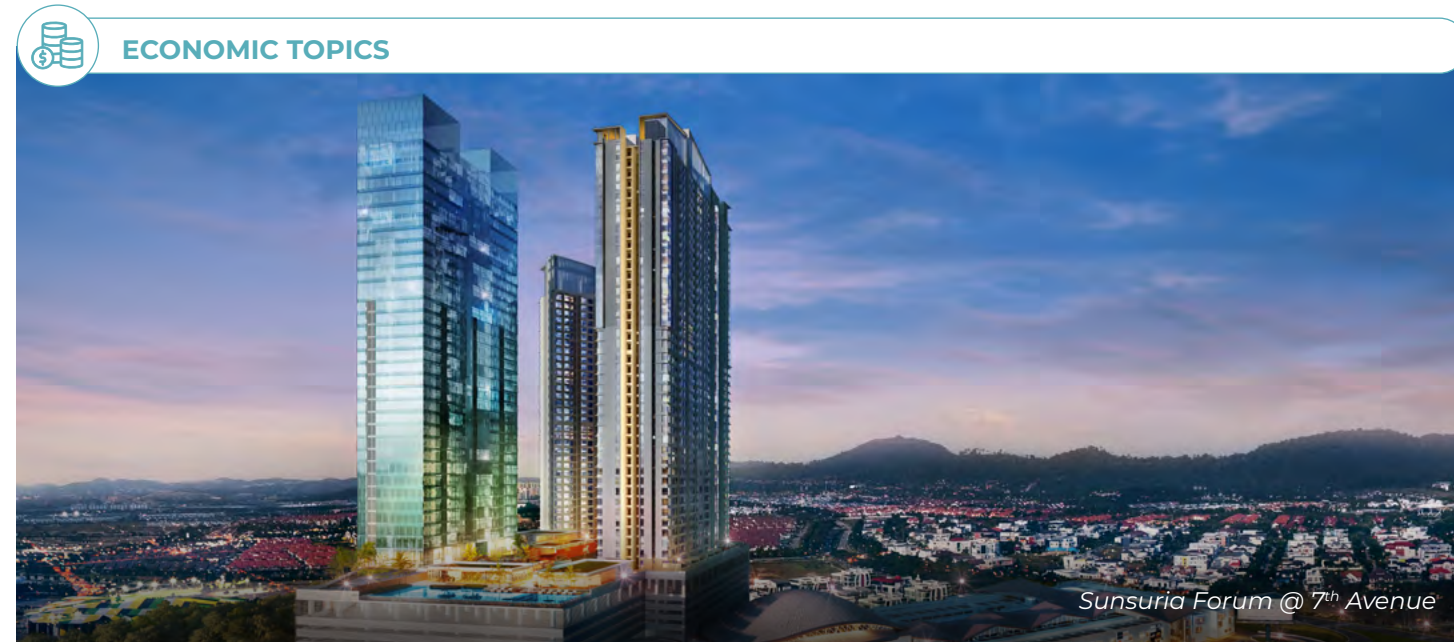


Talent Retention and Development	Design and facilitate training and development programmes for staff capabilities and capacity building.	Facilitate Leadership Development Programme ("LDP") & Managerial Development Programme by FY2025.
	Competitive Remuneration	Conduct a salary benchmarking exercise every three years. Desired outcome: Maintain a 10%-20% variance (+/-) compared to industry salary standards.
	Average training hours per employee	Minimum 8 hours per employee per annum
	Average training hours per male and female employee	Minimum 8 hours per male and female employee per annum
	No. of townhalls or large-scale employee engagement programmes	Organise one (1) large-scale employee engagement programme per financial year.
	Number of identified successors for strategic/critical positions identified	Identify at least one (1) candidate for each critical position.
	Diversity And Equal Opportunity Workplace	Age and gender ratios
Parity in pay ratios		1:1 Note: Variance of 30% +/-

Material Topic	KPIS	Targets
Labour And Human Rights	Level of regulatory compliance with labour laws (Akta 446, etc.)	Maintain a continued zero incidents record of non-compliance with labour and human rights infringements, including the hiring of child, illegal or forced labour within business operations under direct control of Sunsuria. · Achieve zero non-compliance incidents per annum based on punitive measures by regulators. · Attain a 100% resolution rate for all complaints received.
	Occupational Safety And Health ("OSH")	Annual LTI, accident, fatality rates, manhours worked.
Community Engagement And Development	Conducting community events	Conduct 8 placemaking events per year.
	Provision of EV charging stations or EV infrastructure ready for owned assets and new developments	Ensure all new, applicable investment properties and development projects are EV-enabled by FY2025.
GOVERNANCE		
Regulatory Compliance	Continued zero non-compliance track record for social, environmental, performance	Zero cases
	Continued zero confirmed corruption cases within the Group's business operations	Zero cases
Anti-Corruption And Corporate Governance	Continued zero confirmed corruption cases within the Group's business operations	Zero cases
	Periodic awareness to all staff on Section 17A of MACC.	Conduct at least one briefing/dissemination of information or reminder to all employees each year.
	Level of supplier commitment to anti-corruption	Obtain 100% written acknowledgment of commitment to Sunsuria's ABAC from suppliers by FY2024.
	Employee Integrity pledge sign-off	Secure 100% employee sign-off on the Conflict-of-Interest Declaration by FY2024.
	Due diligence on existing contractors/suppliers	Perform a desktop audit on 5% of existing suppliers annually for anti-corruption policies/compliance.
	Due diligence on new contractors/suppliers	Assess 100% of new contractors/suppliers annually through a desktop audit.
Data Privacy And Security	No of substantiated data breaches or complaints received	Zero incidents per annum.
Suppliers' Social Compliance	Legal Workers & Social and Environmental Compliance Declaration by Suppliers – applied to all to major building works contractors and all associated works/packages in related to the Contract (works above RM1 million)	Ensure awarded contractors/suppliers fully comply with requirements.
Suppliers' Environmental Compliance		



SUSTAINABILITY STATEMENT



DIRECT ECONOMIC VALUES

Sunsuria's sustainability strategy focuses on creating economic value through its business operations and financial results. In addition to delivering profits to shareholders, robust financial performance supports the Group's environmental and social strategies and ensures equitable resource distribution to diverse stakeholders.

In FY2023, the Group achieved a revenue of RM506.2 million and a profit before tax of RM46.1 million. As of 30 September 2023, Sunsuria's unbilled sales reached RM926.8 million, contributing to future earnings visibility.

The following table outlines the economic value distributed to various stakeholder groups over the past three years:

Economic Values Created (RM'000)	FY2021	FY2022	FY2023
Economic Value Generated	268,678	402,202	506,199
Economic Value Distributed:			
i) Total monetary value/spend on procurement	34,652	47,996	37,718
ii) Total payout to employees in salaries and benefits	19,739	24,727	30,740
iii) Taxes paid to government	23,837	18,831	18,236
iv) Repayments to Financiers	59,561	167,956	73,419
v) Dividend Returns to Shareholders	17,918	-	-
Economic Value Retained	112,971	142,692	346,086

INDIRECT ECONOMIC VALUES

In addition to tangible economic outcomes, Sunsuria's business model creates positive community impacts. Key aspects include:

- Affordable Housing**
 - Bangsar Hill Park (Block A) is underway as a replacement residence for DBKL, providing upgraded rental homes.
 - Tangerine Suites offer affordable housing, addressing local needs and fostering economic stability through increased property ownership.
- Job Creation in Construction**
 - Construction projects, such as affordable housing in Sunsuria Forum, Setia Alam, contribute to job creation, supporting local economic development and reducing unemployment rates.
- Development Near ERL Transit**
 - Proximity to the ERL transit system enhances accessibility, attracting businesses, commuters and residents, boosting economic activity.
- Education Hub**
 - Concord College International School complements Xiamen University's hub, enhancing education standards and creating job opportunities.
- Sunsuria Kejora Business Park**
 - Sunsuria Kejora Business Park aim to attract businesses, fostering job creation and commercial activity, acting as a catalyst for economic growth in the area.

SUSTAINABILITY STATEMENT

DIGITALISATION AND TECHNOLOGY

Embracing digitalisation and technological innovation is crucial for improving the quality of the Group's products and services and streamlining processes to maintain competitiveness.

The digital transformation initiative, launched during the COVID-19 pandemic, led to significant investments in electronic quality assessment systems, online and offline payment and ordering services, Business Intelligence Analytics, and Customer Relations Management ("**Nexplatform**") for enhanced sales, customer experience, and project team management.

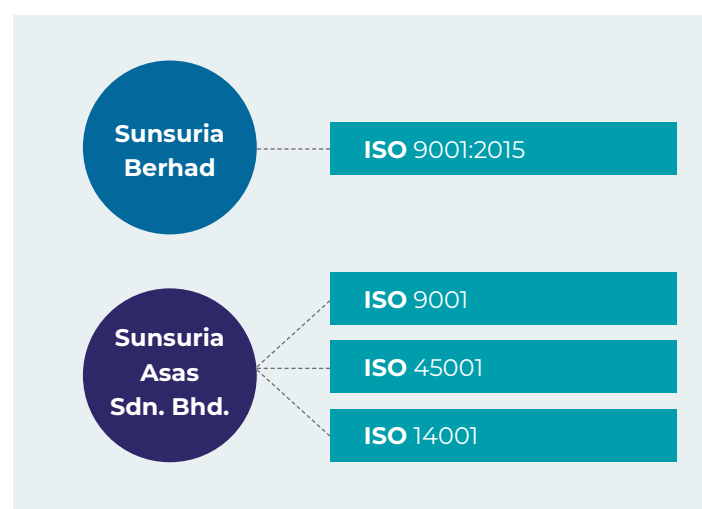
The Digital Transformation Committee meets bi-weekly to oversee progress and address issues, remaining a central focus for the Group to expand its adoption of technological innovations for enhanced business efficiency and service quality.



PRODUCT QUALITY AND RESPONSIBILITY

Sunsuria generates primary revenue from a diverse array of products and services. Ensuring quality is crucial for customer well-being and safety.

The Group is committed to maintaining the highest quality standards, adhering to established standards, certifications, and accreditations. Sunsuria Berhad maintains ISO 9001:2015 certification, and its construction subsidiary, Sunsuria Asas Sdn. Bhd., is certified in ISO 9001, ISO 45001, and ISO 14001.



QUALITY MANAGEMENT FOR PROPERTY DEVELOPMENT

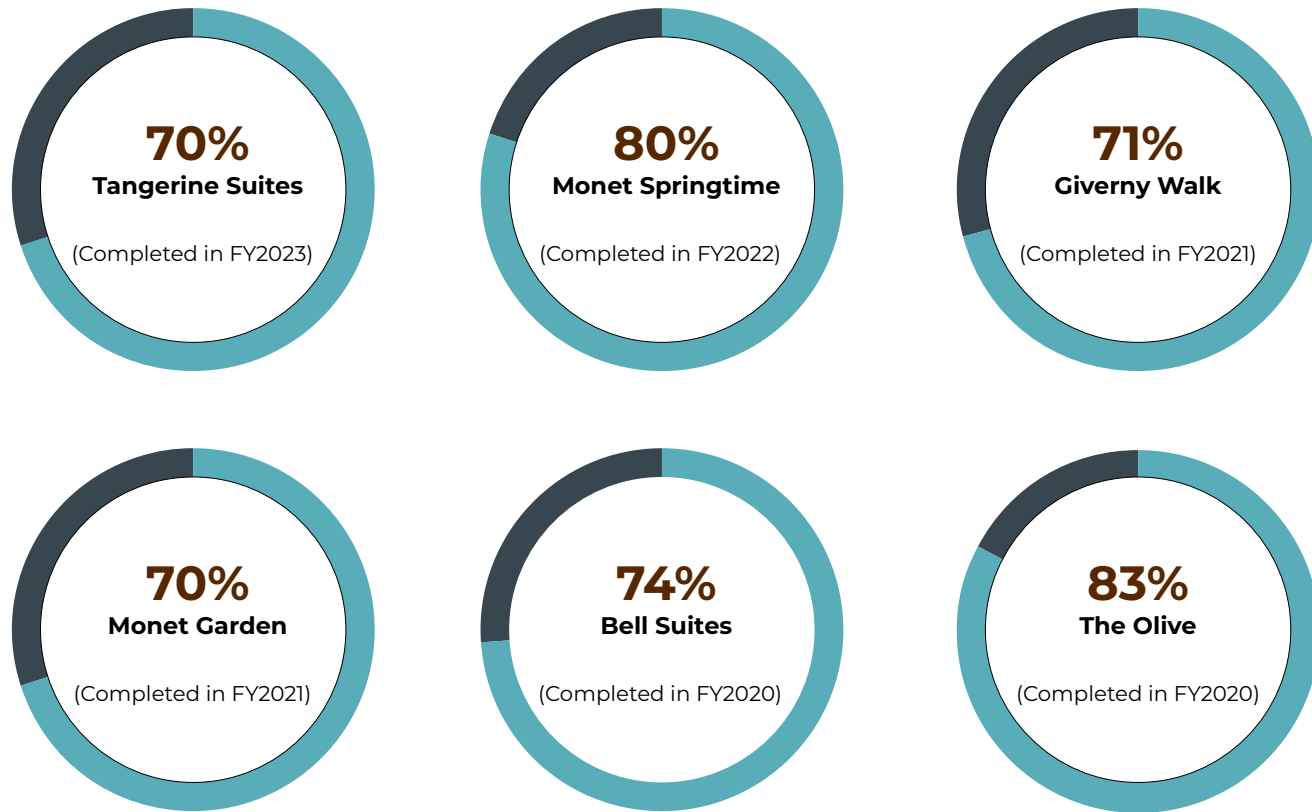
Sunsuria has established a comprehensive quality control system for its Property Development division. Supervised by the Quality, Environmental, Safety, and Health ("**QESH**") Unit and the Project Management Department ("**PMD**"), both report to the Chief Project Officer ("**CPO**").

Quality control measures implemented include various activities, as depicted below:

- 1 Sunsuria Design Standard Rev.2 was introduced by Sunsuria's Design Committee to establish universal design concepts' best practices.
- 2 Contractors receive a briefing from the QESH team through a Contractor QESH Briefing ("**CQB**") to outline the expected quality and safety standards before commencing construction activities.
- 3 Construction Trade Training ("**CTT**") is provided to equip workers with trade skills, such as concreting and brickwork, to ensure high-quality workmanship.
- 4 An Independent Site QESH Assessment ("**SQA**") is conducted during construction to ensure compliance with product quality and site safety standards.
- 5 Before handover, a Pre-Delivery Inspection ("**PDI**") and Pre-QLASSIC Assessment are performed to identify and rectify defects. The actual QLASSIC assessment is carried out by the Construction Industry Development Board ("**CIDB**").
- 6 Mock Up Validation is employed to verify workmanship, materials and product safety on sample projects before construction begins, aiming to prevent defects and incidents for end users.
- 7 All contractors and relevant Sunsuria staff are required to attend a mandatory Quality Assessment System in Construction ("**QLASSIC**") awareness course to enhance their knowledge and competency in QLASSIC standards.
- 8 Upon commencing construction works, a Project Quality Plan ("**PQP**") is submitted, outlining all QA/QC requirements for compliance by both Contractors and Consultants.
- 9 An e-RFWI system allows remote evaluation during routine work inspections.
- 10 An e-Defect System enables new homeowners to submit feedback during the Defect Liability Period ("**DLP**").
- 11 The Physical Product Quality Standards Rev.2 document contains standard best and poor practices.

SUSTAINABILITY STATEMENT

For all major building projects undertaken by Sunsuria, a QCLASSIC assessment is conducted to ensure that workmanship quality meets industry standards set by CIDB. The most recent QCLASSIC scores achieved by Sunsuria are as follows:



AWARDS AND RECOGNITION

In FY2023, the Group received several industry accolades and awards, reaffirming our steadfast commitment to delivering high-quality products. These recognitions underscore our dedication to excellence, and we are proud to have secured the following prestigious accolades:



Sunsuria Berhad

ALL-STARS AWARDS (LISTED TOP 10)

StarProperty Awards 2023

Sunsuria Forum

THE CLOSE-TO-HOME AWARD

StarProperty Awards 2023

Seni Residences

THE FAMILY-FRIENDLY AWARD (LANDED) WITHIN GREATER KL

StarProperty Awards 2023

One Grant Crescent

- BEST ARCHITECTURAL DESIGN (VICTORIA)
- BEST APARTMENT DEVELOPMENT (VICTORIA)
- BEST LIFESTYLE DEVELOPMENT (VICTORIA)

2023 PropertyGuru Asia Property Awards Australia

Bangsar Hill Park

GREENRE SILVER CERTIFICATION (PROVISIONAL)

under the Residential Building and Landed Home (RES v3.2) Category for the Bangsar Hill Park (Block B & C)

The Chapter and Monet Meadow

GREENRE BRONZE CERTIFICATION (PROVISIONAL)

under the Residential Category for The Chapter and Monet Meadow

Sunsuria Kejora Business Park

GREENRE BRONZE CERTIFICATION (PROVISIONAL)

under the Industrial Facilities Category

SUSTAINABILITY STATEMENT

Community-Centric Initiatives

To enhance our connections with our community, Sunsuria actively engages in initiatives that foster shared experiences and celebrate our unity in diversity.

Celebrating Our Cultural Heritage

Sunsuria organised various community events, including the Memori Gembira Balik Kampung Raya Open House, Merdeka celebration, and the Sunsuria Street Market. These events provide opportunities for the community to gather and participate in a range of activities.



Merdeka celebration featuring traditional dances and cultural performances.



Roti Canai Terbang and Teh Tarik Raja showcasing amazing stunts.



Memori Gembira Balik Kampung Raya Open House featuring dance performances, gasing painting, and ketupat weaving workshops.



Sunsuria Street Market provides a variety of wares.

Fostering Healthier Families

Addressing community well-being, Sunsuria Education Sdn. Bhd. organises a series of Parent Talks, including sessions on managing smartphone and gaming addiction in teenagers.

Encouraging Better Fitness and Health

Highlighting the importance of physical well-being, Sunsuria's staff participated in a friendly football match with Guangdong Alumni Xiamen University China, securing victory for the Sunsuria team.

Community engagement opportunities like these position Sunsuria as a community brand that values building bonds and fostering healthy communities.

CUSTOMER SATISFACTION

Sunsuria focuses on understanding and meeting customers' needs to maintain a competitive edge. The Group conducts market research and engages with customers to prioritise their needs, fostering brand loyalty through enhanced satisfaction.

To ensure customer satisfaction, Sunsuria has established a dedicated Customer Experience ("CX") unit within the Group. This unit is responsible for maintaining high levels of satisfaction with Sunsuria's brands and products.

In addition to delivering top-quality products and services, customer satisfaction levels are regularly assessed by the sales, administration, and CX teams through surveys administered at various homeownership journey stages:

SALES



Buyers are required to complete a survey form following the execution of the Sales and Purchase Agreement.

UPON VP



Property owners must complete a survey during the handover process.

POST VP



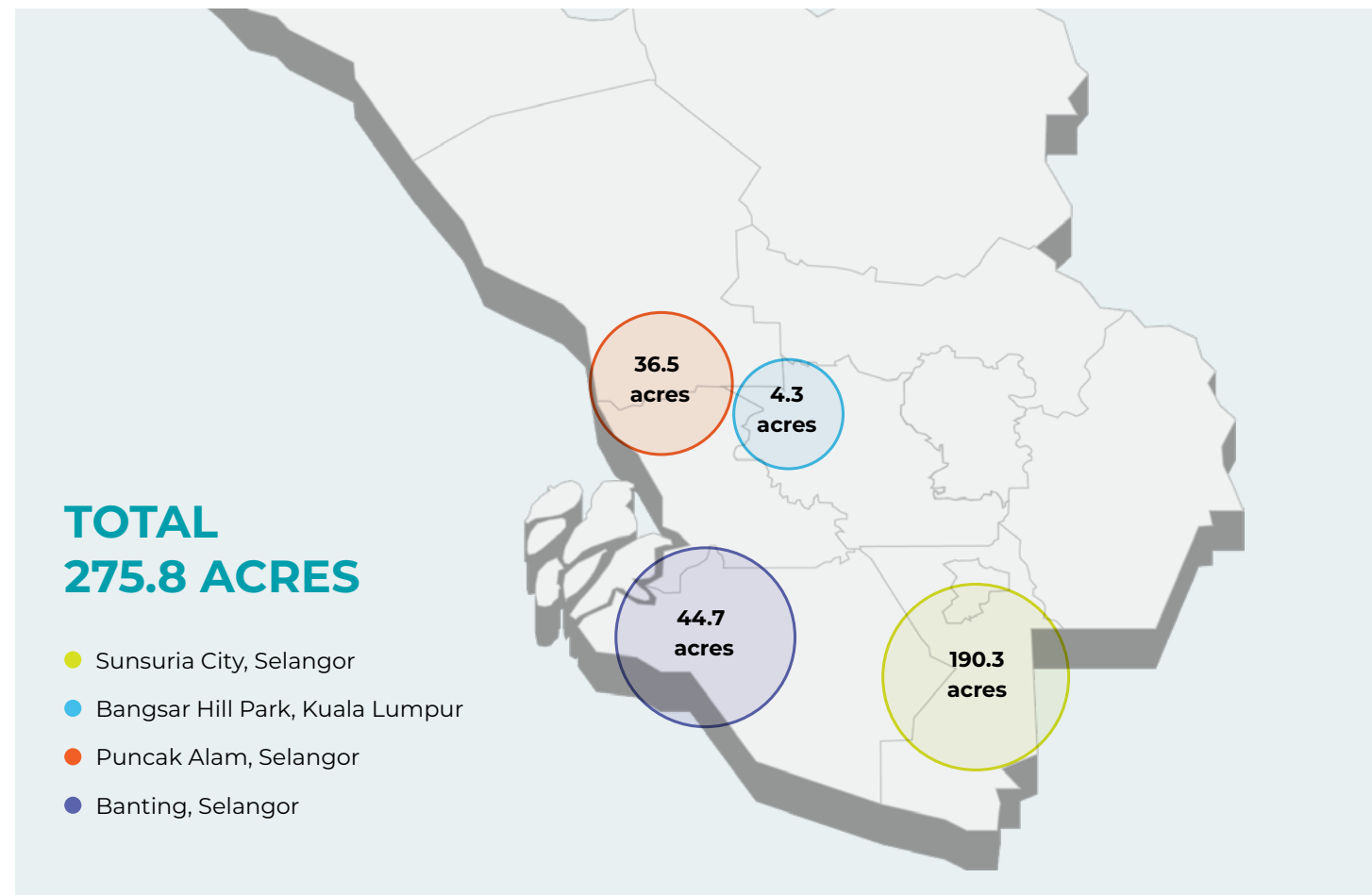
A follow-up survey is conducted 6 months to 1 year after the handover to assess the owners' satisfaction regarding the delivery and defect management process.

SUSTAINABILITY STATEMENT

LANDBANK

As a property developer, Sunsuria relies on acquiring land parcels to bring its real estate masterplans to fruition. Sunsuria has established a robust strategy for land acquisition to ensure a sustainable pipeline of land reserves for future development while maintaining financial liquidity for funding development initiatives.

All land acquisitions from property owners are executed in strict compliance with local regulations. This process involves assessments of environmental and social impacts to evaluate the suitability of development plans considering factors such as land topography, traffic, market conditions, and other effects on neighbouring communities. Additionally, all necessary approvals from local town councils are obtained before commencing development. As of FY2023, Sunsuria holds a total landbank of 275.8 acres to be developed:



ENVIRONMENTAL TOPICS



CLIMATE CHANGE

With the escalating effects of climate change felt globally, the imperative for a robust mitigation strategy has become evident to address these impacts and secure climate resilience. In alignment with these concerns, Sunsuria recognises that climate-related risks may impact its business value chains and has proactively included climate change within its significant ESG topics.

Emissions

As the property development industry significantly contributes to greenhouse gas (“GHG”) emissions, accounting for 40% of global emissions, Sunsuria is committed to participating in the effort to address climate change by striving to reduce direct and indirect GHG emissions from its business activities.

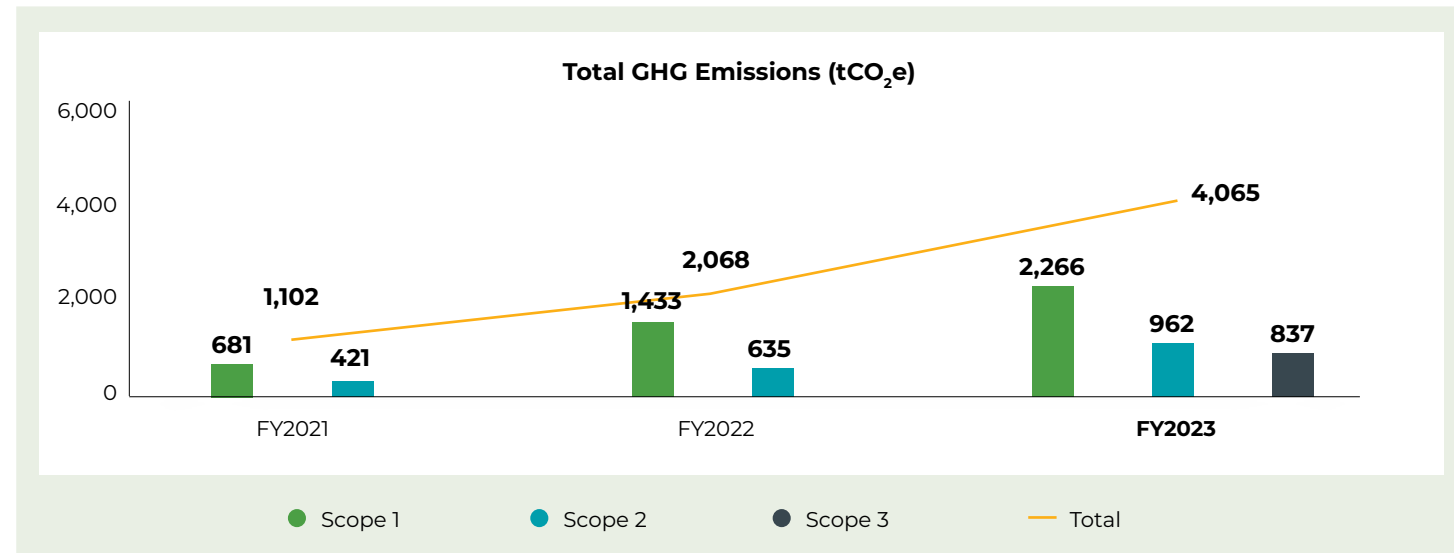
The Group's primary sources of carbon emissions arise from the direct combustion of fossil fuels to power machinery and equipment used in construction and property development activities (Scope 1) and indirect emissions from purchased electricity (Scope 2). We have thoroughly

assessed and implemented enhancements in our energy management strategy to minimise emissions generated by our property business activities in pursuit of economic growth.

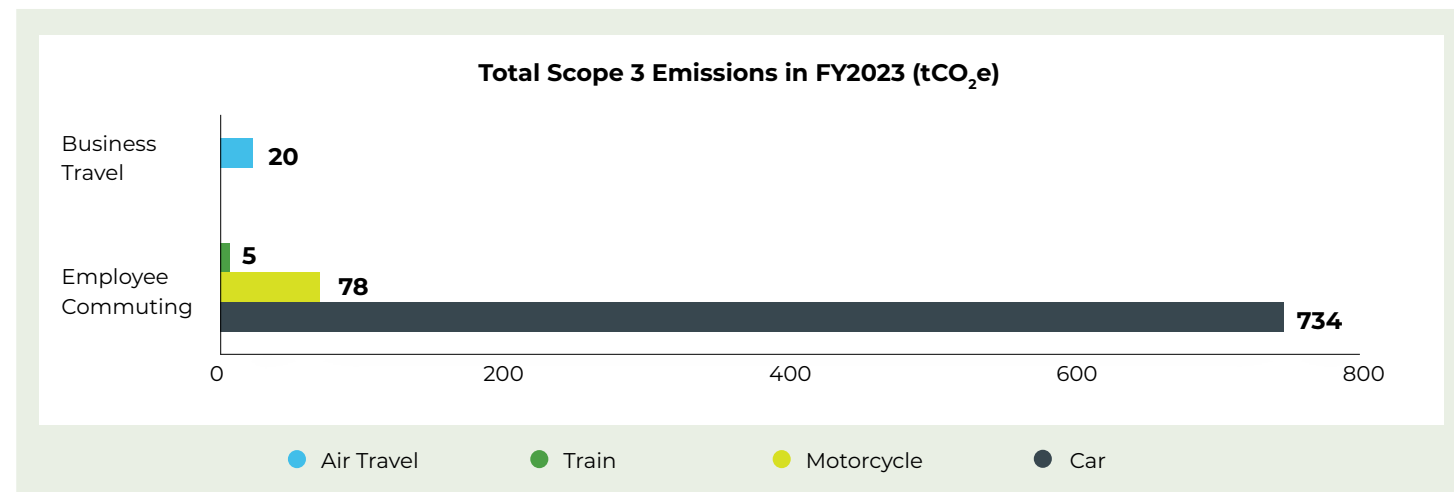
In FY2023, the Group initiated the assessment of its Scope 3 emissions, encompassing factors such as employee commuting and business trips using air travel.

The chart below provides a detailed breakdown of the Group's cumulative GHG emissions, including Scope 1, Scope 2, and Scope 3 emissions, over the past three years:

SUSTAINABILITY STATEMENT



Note: The figures for FY2021 and FY2022 has been restated to reflect the latest database retrieved from the Intergovernmental Panel on Climate Change (“IPCC”). The conversion factor used to convert litres consumption to energy value is based on Malaysia Energy Statistic Handbook 2020. Meanwhile, emission factors and Global Warming Potential (“GWP”) values are retrieved from the IPCC emission factor database. GWP values used in carbon accounting is (CO₂ = 1; CH₄ = 29.8 and N₂O = 273).

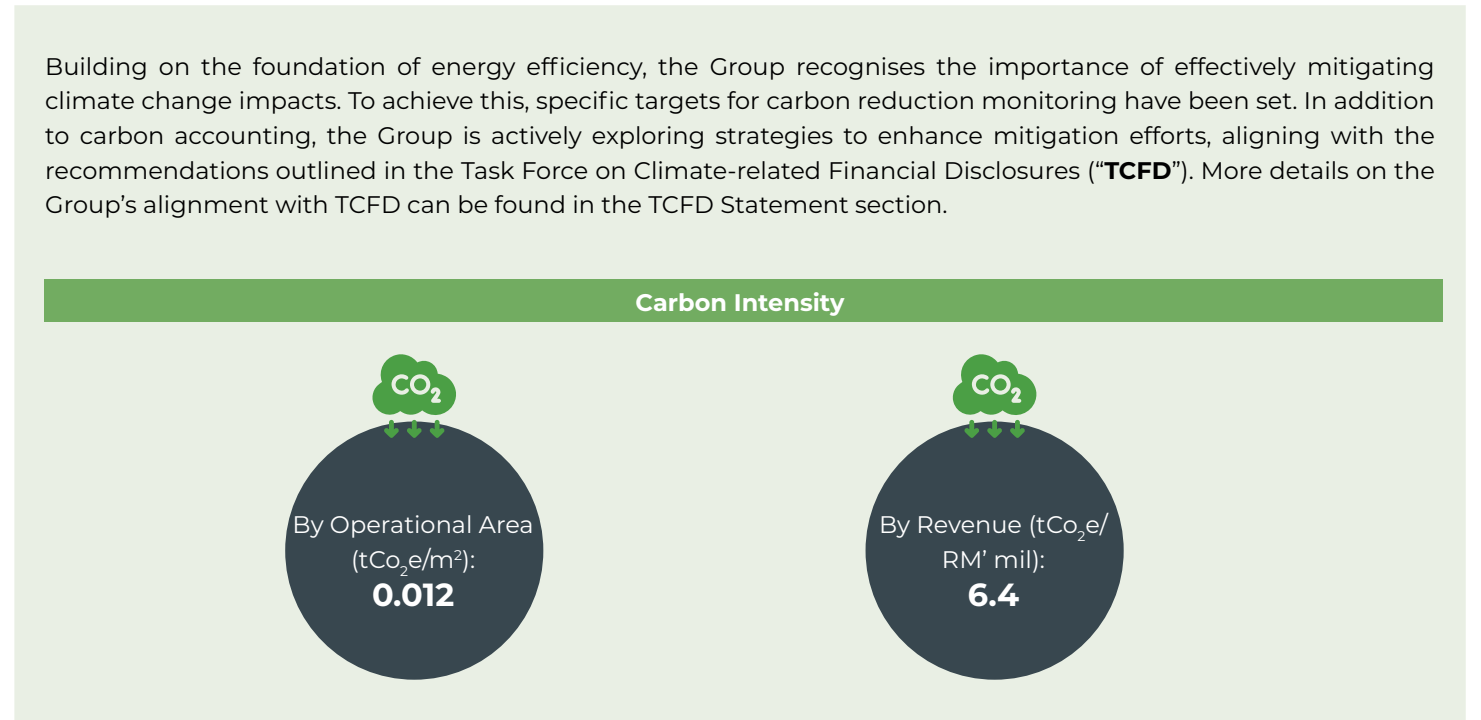


Note: The current scope of business travel is limited to air travel. The Group is currently in the planning stage of establishing a data collection process to account for other modes of transportation and intends to pursue comprehensive reporting when such data becomes available.

In FY2023, the Group recorded an increased trend in both Scope 1 and Scope 2 emissions. This increase is mainly due to our expanding projects, leading to higher energy use, especially in diesel and electricity. The heightened demand for energy has consequently contributed to the surge in overall carbon emissions.

Carbon Intensity in FY2023

The Group has established a carbon intensity measurement in FY2023, reflecting our commitment to an annual reduction of carbon intensity by 5% for both Scope 1 and Scope 2 emissions, as reported below:



ENERGY CONSUMPTION AND EFFICIENCY



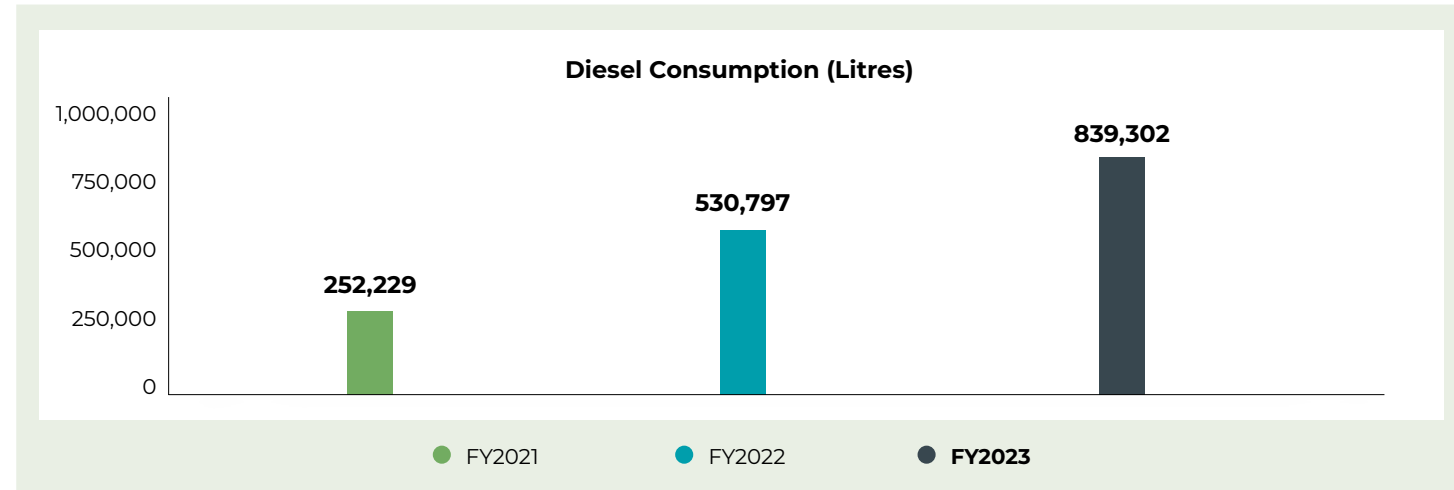
Sunsuria’s commitment to environmental responsibility is guided by the Group’s Sustainability Policy, closely aligned with the targets set by the UNSDGs. The focus on managing energy consumption and reducing emissions responds directly to the changing requirements of key stakeholders, including financiers, investors, industry regulators, and the growing environmental consciousness within the property development industry.

The Group actively seeks energy conservation measures across all business operations, promoting more commercially sustainable supply chains. In the upcoming plans, the Group aims to transition from conventional light bulbs to energy-efficient LED bulbs for all office spaces. The commitment also extends to ensuring that all office air conditioning systems are switched off during the lunch hour.

SUSTAINABILITY STATEMENT

Diesel Consumption

As Sunsuria’s construction projects expand, the Construction division’s project sites remain the primary consumers of diesel within the company. With the progression of work into more advanced stages, there is an anticipated increase in diesel consumption. In FY2023, these construction sites collectively consumed a substantial 839,302 litres of diesel.

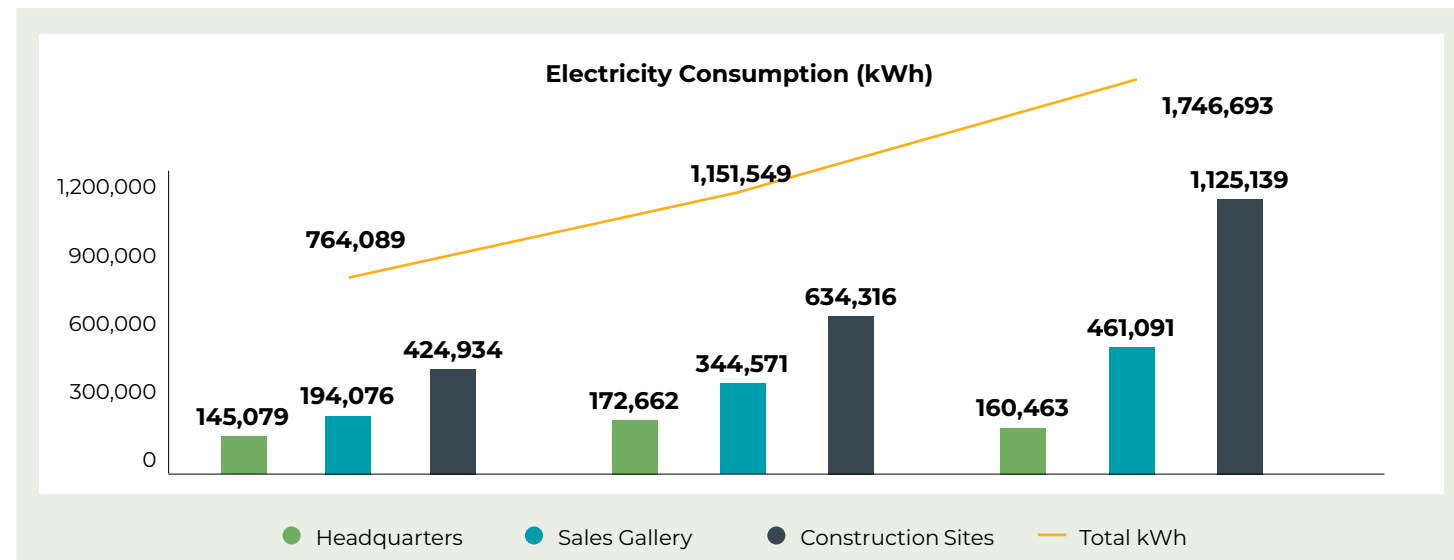


Electricity Consumption

Electricity supply plays a crucial role in supporting the Group’s operations by providing power to its office facilities and construction sites. Sunsuria recognises the importance of efficiently managing its purchased electricity, primarily sourced from the Tenaga Nasional Berhad (“TNB”) grid.

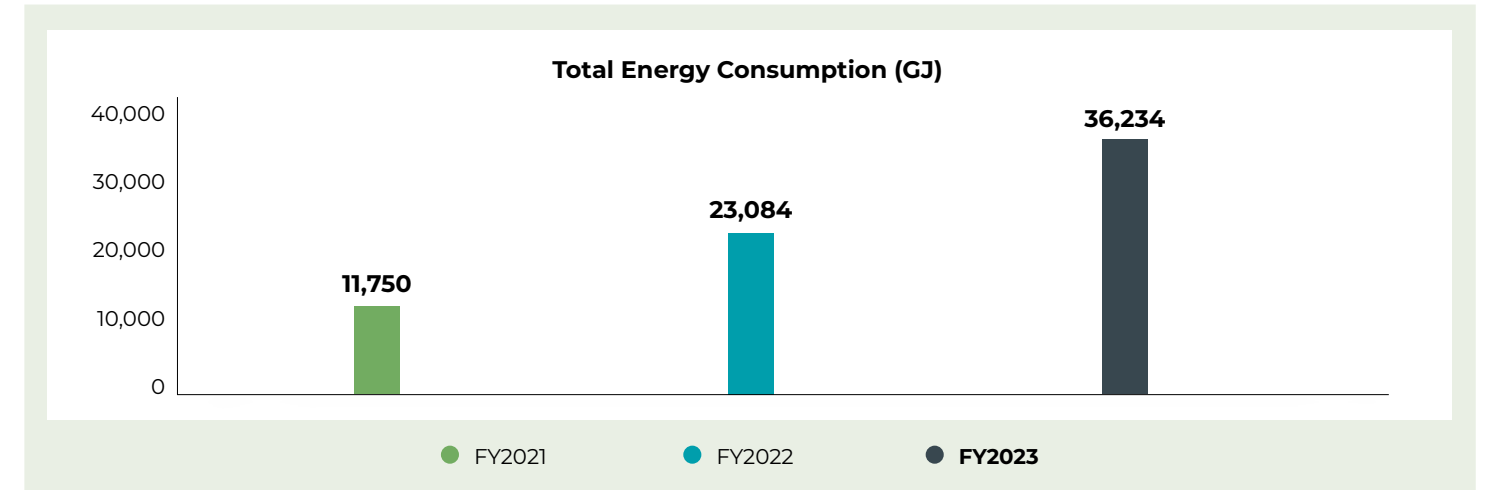
To ensure effective energy management, the Quality, Environmental, Safety, and Health (“QESH”) department closely monitors this aspect.

Several energy-saving initiatives have been implemented, such as adopting a solar photovoltaic (“PV”) system as a renewable energy (“RE”) source at the Celebration Centre, resulting in a 50% reduction in monthly electricity consumption at the facility. Additionally, employees are encouraged to adhere to the “Switch Off When Not In Use” practice for all machinery and equipment at our premises, including computers, lights, and air-conditioning units.



Total Energy Consumption

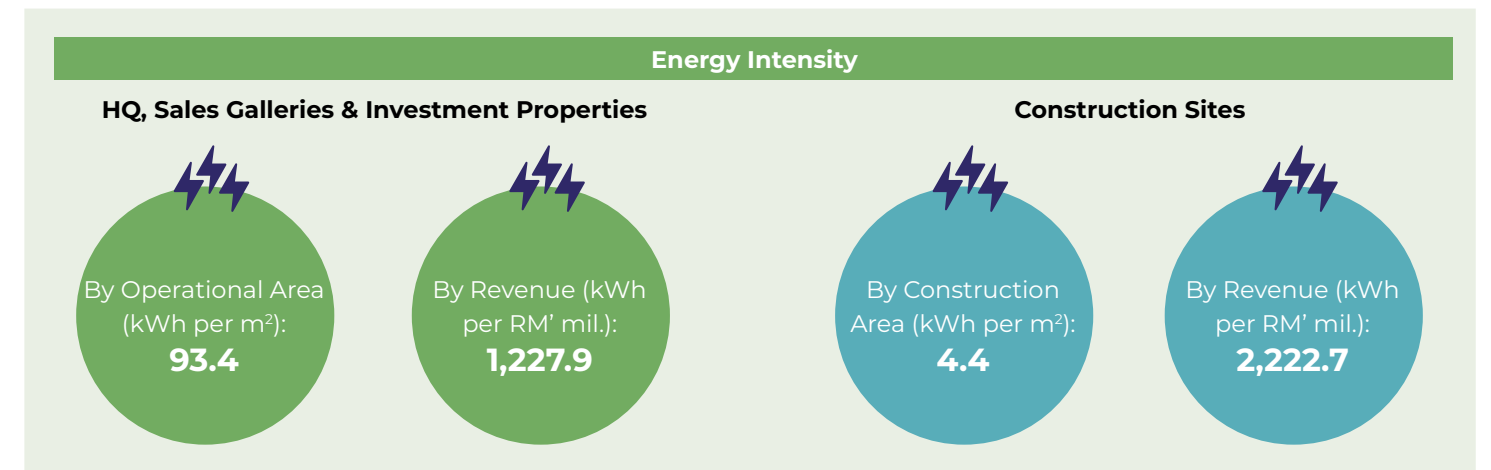
As the years progress, our Group’s projects are expanding, and we anticipate a corresponding upward trajectory in energy consumption driven by heightened business demand. In FY2023, the total energy consumption registered an increase compared to FY2022. This rise is attributable to both the ongoing progression of existing projects and the initiation of new projects.



Note: Total energy consumption is calculated based on unit conversion of total fuel consumption (Diesel: 1 L = 0.036 GJ) and total electricity consumption (1 kWh = 0.0036 GJ).

Energy Intensity

In FY2023, Sunsuria has established a comprehensive intensity measurement aligned to our commitment to reducing energy intensity by 5% for permanent premises such as Group’s HQ, sales galleries and investment properties by 2025, which covers the following:



The Group acknowledges an increase in energy intensity compared to FY2022, primarily due to the expanded scope involving additional permanent premises. With this recognition, the Group is committed to enhancing efficiency in energy consumption, focusing on medium to long term. This strategic initiative aims to reduce carbon footprint and increase cost-effectiveness, particularly in response to the challenges posed by rising energy prices.

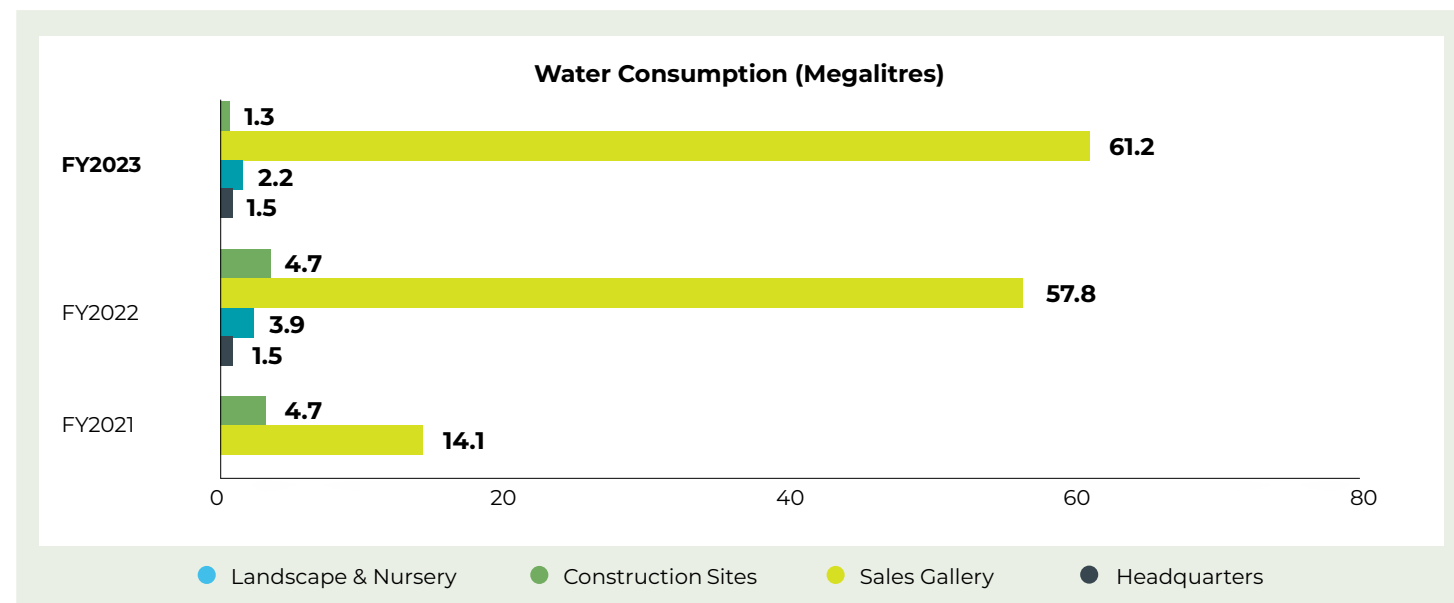
SUSTAINABILITY STATEMENT

WATER CONSUMPTION AND CONSERVATION

Water, especially potable water and its sources like rivers, faces growing threat from increased consumption, pollution, drought, and other factors affecting availability. Emphasising water efficiency and utilising non-potable sources, such as rainwater harvesting, helps reduce reliance on state utility-provided water and lowers costs. This is especially valuable in areas classified as water-stressed, enhancing overall water sustainability.

At Sunsuria, water is used across various aspects of the Group's operations, including construction and sanitation. The Group maintains vigilant monitoring of its water usage, driven by the goals of enhanced ESG compliance and the preservation of this vital resource.

Numerous water conservation initiatives have been introduced throughout the Group. For instance, automatic sensors have been installed in washrooms to promote efficient water utilisation.



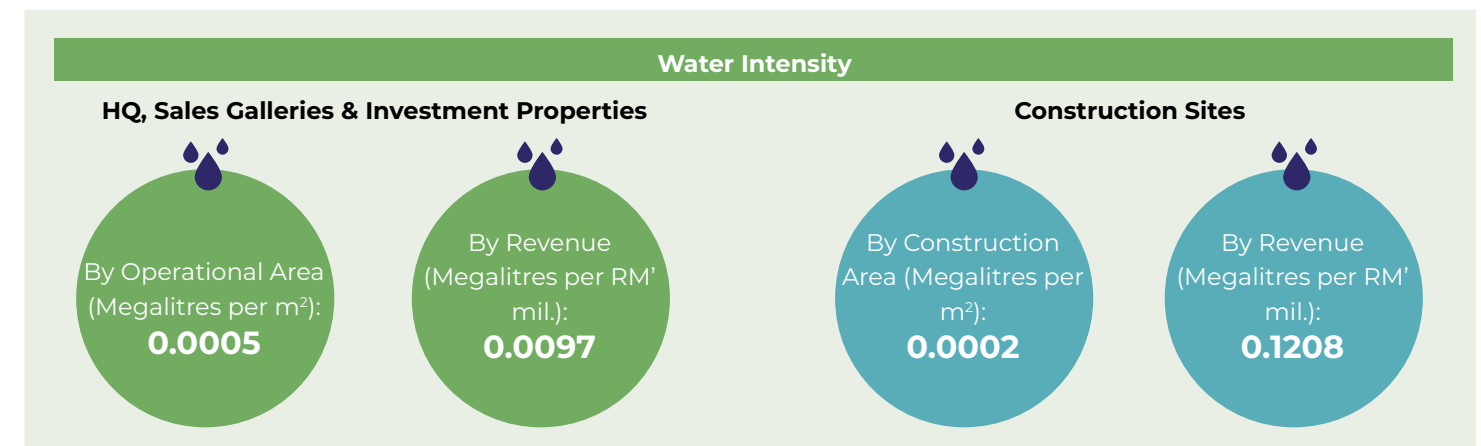
Note: The compilation of Headquarters' water consumption data commenced in FY2022. Reporting of water consumption data in construction sites from FY2021-FY2022 has been restated to show accurate unit conversion from operational data (m³) to reporting unit (Megalitres).

In addition to construction operations, the landscape and nursery division play a substantial role in Sunsuria's overall water consumption. In FY2023, the Group experienced a significant decrease in water usage for landscaping activities. This is attributed to the maturity of most plants and the consistent presence of rain, resulting in a reduction in water consumption.

To continue its water conservation efforts, the Group has introduced alternative water sources to reduce reliance on piped water for landscaping tasks. Notably, Giverny Park utilises water sourced from nearby lakes, and a rainwater harvesting system has been deployed to store water for landscaping activities around Sunsuria City.

Water Intensity in FY2023

As part of an effort to enhance water efficiency, the intensity measurement for water consumption within the Group's permanent premises was recorded at 0.0005 Megalitres/m² in FY2023, establishing it as the baseline year for comparative water intensity measurement.



Note: The calculation of overall water intensity by operational area excluded landscaping activities due to difficulty in ascertaining the specific operational area coverage for landscaping.

EFFLUENTS AND WASTE MANAGEMENT

At Sunsuria, our waste management strategy focuses on recycling construction waste to minimise its impact on landfills. We follow a "waste-to-wealth" approach, repurposing scrap metal bars and concrete waste to create precast slabs for future construction use. In FY2023, we collected a total of 343.3 tonnes of rebar and scrap.

Non-recycled waste is directed to an authorised third-party waste collector for proper disposal. This approach aligns with our commitment to United Nations Sustainable Development Goal 12, "Responsible Production and Consumption." To ensure effective waste management and monitoring, the Quality, Environmental, Safety & Health ("QESH") Department tracks waste generation data using templates provided by contractors. These records undergo monthly review and verification by QESH personnel.

Total Recycled Rebar and Scrap

343.3 tonnes

156.9 tonnes (FY2022)



Effluent monitoring is conducted at all active construction sites through total suspended solid tests to safeguard the quality of discharged effluents. This aligns with United Nations Sustainable Development Goal 6, "Clean Water and Sanitation," ensuring no adverse impact on the environment and preserving clean water sources in the vicinity.

SUSTAINABILITY STATEMENT



GREEN BUILDINGS INITIATIVES

Monet Meadow

GreenRE Bronze Certification (Provisional)

under the Residential Category,

Sunsuria Kejora Business Park

GreenRE Bronze Certification (Provisional)

Industrial Facilities Category



Sunsuria is committed to advancing sustainable development through environmentally conscious property management. The Group proactively integrates eco-friendly features into its project development, emphasising this commitment across various locations.

In particular, Sunsuria City has been designed with sustainability in mind, incorporating pedestrian-friendly elements such as footpaths and bike lanes to mitigate carbon emissions and promote healthier lifestyles among residents. Safety is a top priority, with efficient lighting and a closed-circuit television (“CCTV”) system in place. Sunsuria actively encourages the use of public transportation, demonstrated by the connectivity link between the Salak Tinggi Express Rail Link (“ERL”) Station and Sunsuria City.

Furthermore, the Group implements green building initiatives across its projects, extending these practices to existing developments and planning to incorporate them into upcoming projects. In FY2023, both the Chapter and Monet Meadow received GreenRE Bronze Certification (Provisional) under the Residential Category, while Sunsuria Kejora Business Park secured GreenRE Bronze Certification (Provisional) under the Industrial Facilities Category.

Additionally, Bangsar Hillpark (Block B & C) achieved GreenRE Silver Certification (Provisional) under the Residential Building and Landed Home (RES v3.2) Category, recognising its incorporation of the following sustainability measures:



Energy Efficient Facilities/Features

Installed energy efficient facilities, which includes:

- 4-star rating air-conditioners for all dwelling units.
- LED lighting for all common areas, with at least 40% savings from MS1525:2019 baseline.
- Passenger and service lifts that comes with sleep mode, Variable Voltage Variable Frequency (“VVVF”) Drive and gearless system (also contributes to increased lift travel speed).



Utilisation of Sustainable Products

Usage of certified environmental-friendly components, such as:

- Waterproofing membrane in all applicable wet areas including dwelling unit bathrooms.
- Ceiling panels in all applicable common areas and dwelling units.
- Exterior paint for all building façades.
- Cement with at least 19.9% replacement of ordinary Portland cement (“OPC”) with green cement (fly ash - a recycled material which strengthens concrete).
- Low volatile organic compound (“VOC”) paints and adhesives for all dwelling units.



Rainwater Management System

- Harvested rainwater is used for landscape irrigation which reduces potable water costs.
- Siphonic rainwater drainage system, which is used to drain rainwater from large roof areas, requires fewer pipes thus reducing the construction space required, making it more effective and cost-efficient.



Sustainable Living Facilities/Features

- Stationed compost bins for on-site production of at least 30% of required fertiliser using horticulture waste.
- Installation of 6 EV chargers with priority parking lots.
- More than 80% of plants on-site are drought-tolerant, reducing water utilisation and costs.

SUSTAINABILITY STATEMENT

Materials Consumption

Sunsuria's property development projects rely heavily on materials such as steel, wood, sand, and cement. The prudent use of these raw materials is a key initiative implemented across all operational sites.

Each project site is required to provide a materials report, incorporating a waste reduction target at the project's completion. This approach aims to assess performance and minimise material wastage. The Group underscores the importance of material conservation through employee training programmes.

BIODIVERSITY


Sunsuria recognises the crucial role of maintaining a healthy and diverse biodiversity in mitigating the impacts of climate change and regulating temperatures in urban areas, contributing to the long-term sustainability of property development.

The Group proactively enhances biodiversity in project development areas by thoughtfully selecting and planting a diverse array of plant species. The primary objective is to uphold and nurture biodiversity values, fostering a more balanced and flourishing ecosystem. Parks and water

features are designed to attract pollinating species of birds, butterflies, and other insects.

The Group meticulously assess native and non-invasive species, considering factors such as soil characteristics, climate conditions, and the specific requirements of local wildlife.

The introduction of a variety of plant species aims to establish a habitat that attracts and sustains a wide spectrum of wildlife within Sunsuria's developments.

List of Plant Species within Sunsuria's Developments	
	① Syzygium Zeylanicum
	② Sterculia Parviflora
	③ Suregada Multiflora
	④ Tristania Obovate
	⑤ Syzygium Polyanthum
	⑥ Hopea Odorata
	⑦ Peltophorum Pterocarpum
	⑧ Radermachera Hainanensis
	⑨ Dalbergia Sissoo
	⑩ Fagraea Fragrans
	⑪ Dalbergia Oliveri
	⑫ Dalbergia Latifolia
	⑬ Cratoxylum Cochinchinense
	⑭ Caesalpinia Sappan
	⑮ Agathis Borneensis
	⑯ Alstonia Scholaris
	⑰ Ficus Benjamina

⑤ Syzygium Polyanthum

Biodiversity Audit Planning

Sunsuria has scheduled a Biodiversity Audit to emphasise the conservation of biodiversity in the context of township development. The preliminary desktop study conducted in FY2023 revealed that the project site is approximately 80% developed, with the surrounding area featuring a mix of urbanisation and smaller sections of plantation. The nearest potential ecological corridor, Sg. Langat, is located roughly 3 km away which covers a variety of habitats, including existing oil palm estates, mixed shrublands, and man-made water bodies.

Green Landscape Initiatives

Sunsuria prioritises green landscaping through sustainable initiatives, promoting a healthy mix of flora and fauna. Prior to implementation, comprehensive case study assessments were conducted for the following green landscaping initiatives:



Tree Tagging and Signage

- Tags on trees serve multiple purposes, raising awareness and educating residents while aiding various entities in monitoring tree-related activities.
- Helps identify trees for removal, preservation, treatment, and commemorations.



Composting and Urban Farming

- Sunsuria adopts composting as an organic fertiliser source, replacing chemical fertilisers in landscaping operations.
- Mitigates the risk of water pollution through fertiliser runoff.
- The organisation explores advanced urban farming practices, including rooftop farms, hydroponic systems, and aquaponic facilities.



Solar Garden Lights

- Sunsuria focuses on energy-efficient solutions, planning to expand solar-powered LED streetlights in the community garden and park.
- Aesthetic appeal with self-sustained illumination for a minimum of six (6) hours, reducing reliance on grid electricity.



Tree Planting and Partnership Programme

- Sunsuria contributes to ecosystem rejuvenation through a tree planting program.
- Collaborates with biodiversity conservation experts to promote the nurturing and preservation of biodiversity.

SUSTAINABILITY STATEMENT

SOCIAL TOPICS



LABOUR AND HUMAN RIGHTS

Sunsuria strongly supports human rights, affirming the right of all employees to receive a fair and sustainable wage. The Group fully complies with the Minimum Wages Order 2020.

Our Code of Conduct and Business Ethics explicitly prohibits the use of child labour, forced labour, and any form of modern slavery across all operational facets. Other labor practices and commitments adopted by the Group include:

<p> Upholding equal opportunity and non-discrimination</p>	<p> Ensuring compliance with Minimum Wage Order 2022 and laws governing working hours, overtime pay and fair compensation</p>	<p> Respecting employees' right to wellness, mental health and work-life balance</p>
<p> Respecting workers' right to dignity at work</p>	<p> Prohibition and prevention of forced labour, debt bondage, human trafficking and all forms of modern slavery</p>	<p> Sufficient notice period for changes in terms of duties, work location or other operational changes</p>
<p> Supporting a harassment-free and violence-free workplace</p>	<p> Recognition of children's rights and prohibition and prevention of child labour</p>	<p> Upholding the right to safe working conditions</p>

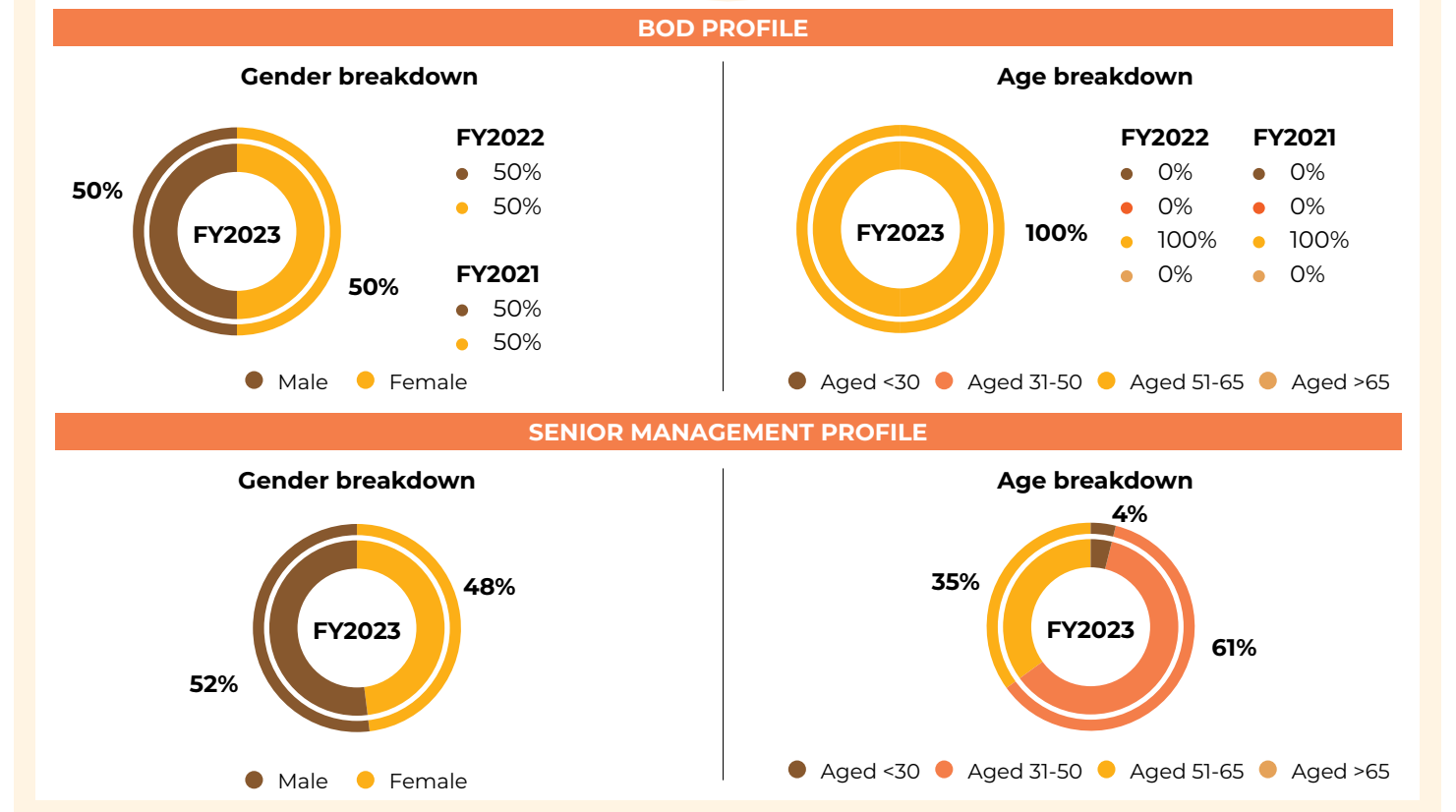
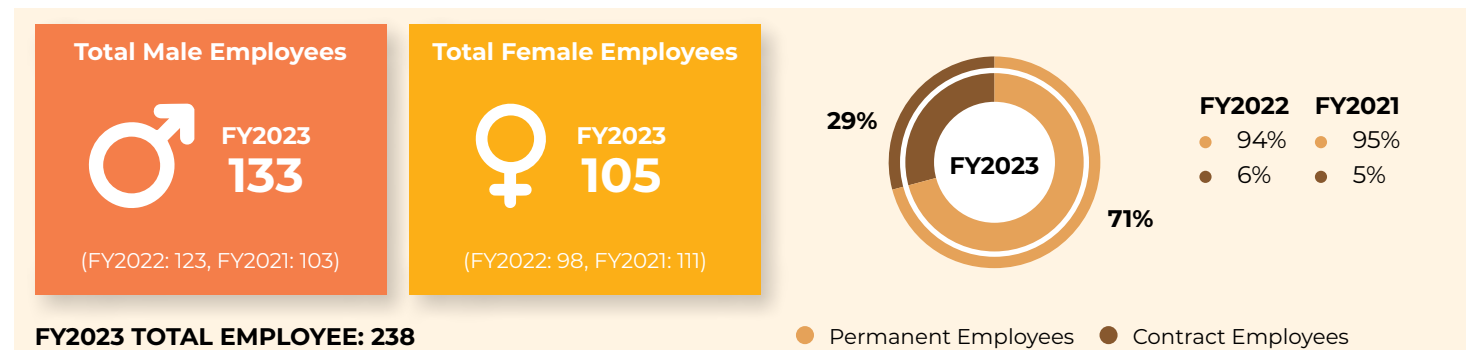
The Group currently does not have a due diligence process in place for evaluating the human rights practices of third-party business partners. Nevertheless, there is a commitment to include such requirements as a KPI in the upcoming reporting cycle. It is noteworthy that in FY2023, no incidents of adverse social impacts in the supply chain were reported.

DIVERSITY AND EQUAL OPPORTUNITY

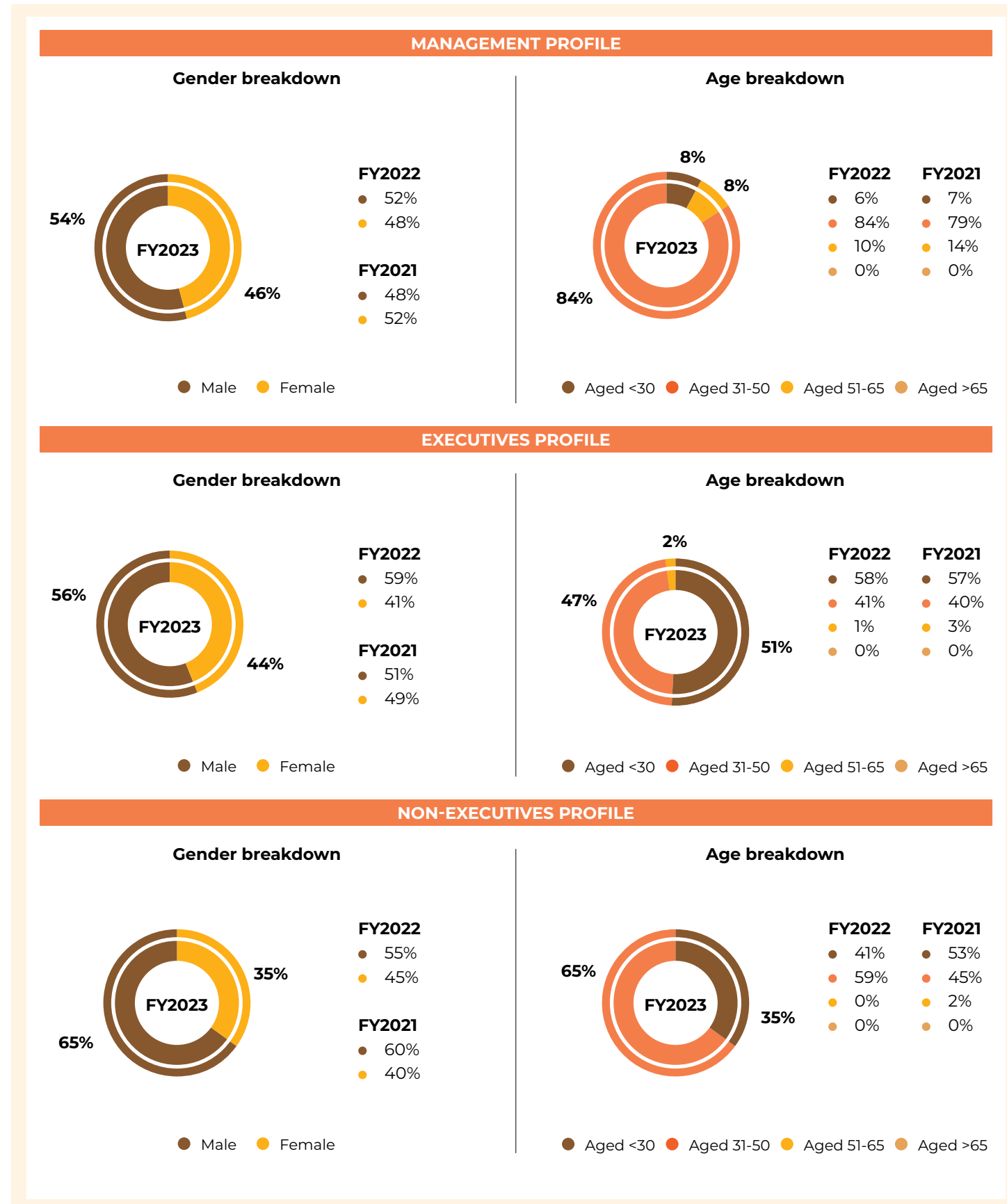
Sunsuria is dedicated to creating employment opportunities for Malaysians. Our approach to talent management places a strong emphasis on diversity and equality, fostering an inclusive environment that mirrors the multicultural and multi-ethnic fabric of Malaysia, with employees from various racial backgrounds.

The Group welcomes all gender expressions without bias, observes and respects diverse cultural celebrations equally, and considers individual ethnic sensitivities. In alignment with its commitment to UN Sustainable Development Goal 5 on "Gender Equality," the Group is steadfast in offering equal opportunities based on meritocracy in all aspects of its employment practices.

In FY2023, the overall composition of Sunsuria's workforce is detailed as follows:



SUSTAINABILITY STATEMENT



TALENT RETENTION AND DEVELOPMENT

At Sunsuria, we recognise the central role our talent plays in shaping not only our success but also in contributing to the well-being and development of our individuals. Understanding the significance of continuous learning, we are committed to providing inclusive access to quality education, fostering lifelong learning opportunities for all.

This dedication to human capital not only strengthens and enhances the Group but also empowers individuals to thrive both personally and professionally.

Hiring and Attrition

The Group prioritises local talents for all levels of Management and Non-Management positions.

At Sunsuria, our recruitment process emphasises aligning candidates with the company's values and collaborative culture. The key criteria encompass a blend of essential skills and a positive attitude, ensuring their ability to thrive within our dynamic work environment. The emphasis is on cultivating a skilled and diverse workforce for the mutual benefit of our employees and the overall organisational dynamics.

Acknowledging the importance of talent development, the Group invests in training and learning opportunities to enhance the skills of our workforce. This strategic approach not only enhances productivity and performance but also fosters higher job satisfaction, cultivating a positive work culture and mitigating attrition rates.

Employee Engagement and Satisfaction

Recognising the importance of fostering a conducive work environment, Sunsuria places a high priority on ensuring the well-being of its employees to enhance workplace productivity. The Group proactively conducts employee satisfaction surveys, evaluating various social indicators such as work-life balance, workplace relationships, working conditions, and management support and leadership. This proactive approach aligns with our commitment to creating a positive working environment.

The results for the annual FY2023 Employee Engagement Survey indicate a satisfaction rate of 84.9%, reflecting our concerted effort to organise more engaging employee initiatives that align with the staff's needs and interests.

Fostering Employee Engagement with Interactive Initiatives

Sunsuria implements diverse activities to foster employee engagement, including festive gatherings, informative talks on parenting and stress management, sporting events, and training sessions. Signature events like the Sunsuria City Foodiethon 2023 and Sunsuria Sports Day 2023 aim to enhance relationships beyond the workplace, promote a balanced lifestyle, and offer occasions for employees' families to come together. Festive celebrations such as the Sunsurian Ramadhan Get Together, Mid-Autumn Festival, and Christmas gift-exchange contribute to a more harmonious working relationship.

Engagement Activities in FY2023

- | | | | |
|---|------------------------------|---|---|
| 1 | Breast Cancer Awareness Talk | 5 | Sunsuria Sports Day |
| 2 | CPR Training | 6 | Sunsuria Ramadhan Get Together |
| 3 | Christmas Celebration | 7 | Friendly Football Match with Guangdong Alumni Xiamen University China |
| 4 | Chinese New Year Celebration | | |

SUSTAINABILITY STATEMENT

Employee Benefits and Well-Being

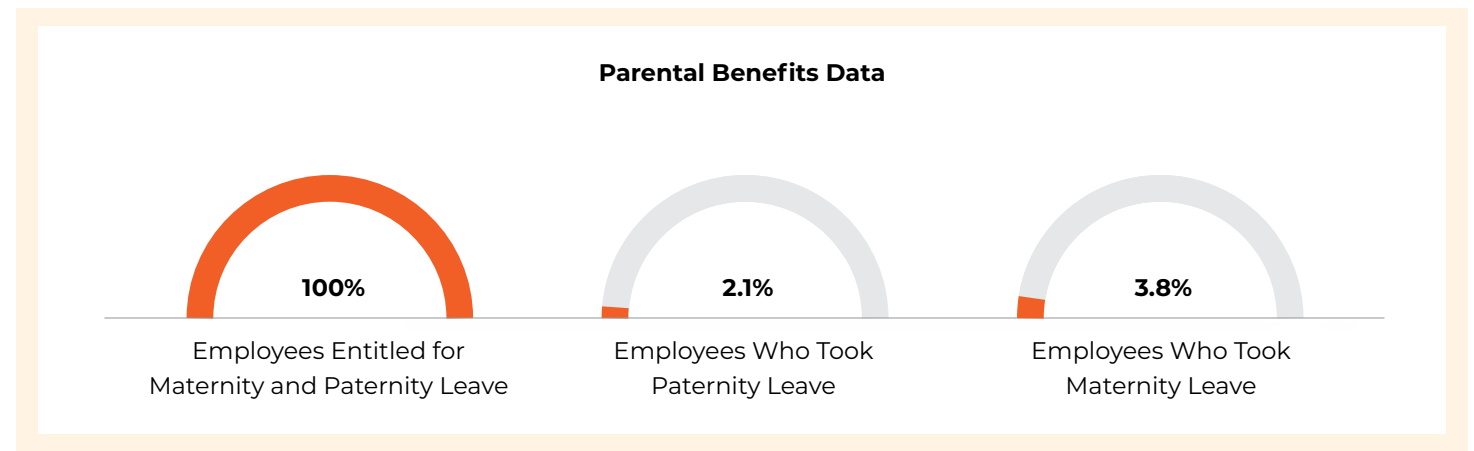
At Sunsuria, we prioritise maintaining a vibrant workplace, recognising its role in fostering a resilient and thriving workforce. The well-being of our employees is fundamental to the success of the Group, contributing to a positive work environment and supporting the overall health of our team.

Apart from adhering to statutory payments in compliance with employment laws, we ensure that our workforce receives competitive compensation packages. These packages are designed not only as a form of recognition but also to show appreciation for the valuable contributions of our employees. For a detailed breakdown of total payments and the defined contribution plan, please refer to the financial statements in the Annual Report 2023.

In addition to financial rewards, the Group actively promotes employee well-being through various programmes. These initiatives encompass Parent Talks, health seminars addressing topics such as diabetes and orthopaedics, and engaging sporting events. This holistic approach aims to contribute to the overall development and satisfaction of our employees.

Parental Benefits

Sunsuria offers parental leave to both male and female employees, with male employees granted a 7-day paid leave and female employees provided with 98 days of paid leave.



Parental Benefits Data	FY2021	FY2022	FY2023
Employees Entitled for Maternity and Paternity Leave	100%	100%	100%
Employees Who Took Paternity Leave	0.9%	0.5%	2.1%
Employees Who Took Maternity Leave	3.3%	3.2%	3.8%
Return to Work (After parental leave period)			
- Male	100%	100%	100%
- Female	100%	100%	100%
Retention Rate*			
- Male	-	-	80%
- Female	-	-	100%

*Note: The retention rate data compilation commenced in FY2023, which account for those remaining with the organisation for 12+ months after parental leave



TRAINING AND PROFESSIONAL DEVELOPMENT

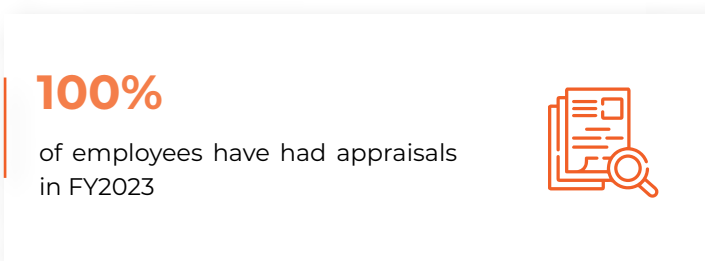
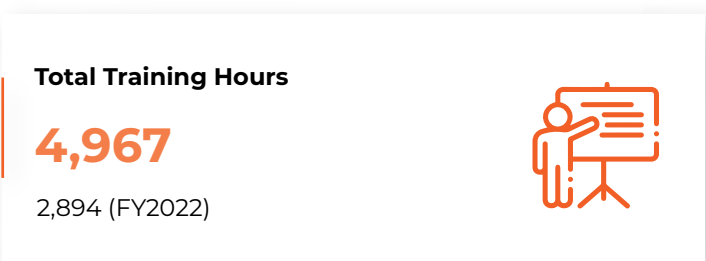
At Sunsuria, we place great value on continuous learning and development, recognising it as essential for fostering individual and organisational success. The Management is committed to providing learning opportunities that focus on upskilling employees and ensuring they stay well-informed about the latest industry knowledge.

Our approach to training follows a blended learning model, strategically designed to contribute to the long-term growth of our workforce.

Human Resources ("HR") Department takes the lead in crafting an annual Training and Development Plan tailored

to individual employee performance appraisal. This plan encompasses training in Professional and Personal Development, Managerial Development Programme ("MDP"), and On-the-Job Training.

In FY2023, there was a nearly twofold increase in the total hours allocated for training compared to the previous year. The primary objectives were to enhance organisational effectiveness, optimise human capital, fortify staff capabilities, and cultivate a sustainable performance culture. For more detailed information on training development data, please refer to the ESG Performance Data Table section.



Note: Data consolidated from Sunsuria Berhad, Sunsuria Facility Management SB, Sunsuria Landscape Nursery SB, Sunsuria Education SB & Sunsuria Healthcare SB and Sunsuria Asas in FY2023.

SUSTAINABILITY STATEMENT

Training Programme

Sunsuria is dedicated to fostering the growth of our talents, emphasising not only their abilities to address dynamic challenges but also their personal and professional enrichment. Aligned with UNSDG Goal 8 for “Decent Work and Economic Growth”, we provide ongoing skills training, counselling, guidance, and well-defined career paths for the individual’s empowerment. In FY2023, Sunsuria organised 48 training sessions, employing hybrid, physical, and online formats to cater to diverse learning needs.

Technical Training

- 1 2023 Budget Proposals & Tax Updates
- 2 ACEM Webinar Series Site Supervision Course Discipline Module: Mechanical (Webinar M1 to M5)
- 3 Building For The Future: Sustainable Property Development
- 4 CREAM: Enforcement on Scaffolding and Falsework for Safer Construction Sites
- 5 E-Invoicing Webinar By PWC
- 6 Industrial Development Conference
- 7 IR 2023 Webinar: Environmental Quality Act 1974 + EIA
- 8 Legal Talk Series #1-2023 - Land Matters And Issues In Real Estate Developments
- 9 Master Microsoft Power Platform
- 10 Microsoft Office 365 Admin
- 11 OSH Coordinator Training
- 12 Project Management
- 13 Protecting Your Property: Insurance Tips And Strategies For Property Managers (Siri 2)
- 14 PWC Malaysia’s Budget 2023 Seminar: Building A Sustainable And Resilient Future
- 15 Real Solutions For Real Estate
- 16 REHDA - Legal Tea Talk Series 2-2022 - Updates On Strata Management Issues Related To The Strata Management Act 2013 (Act 757)
- 17 Seminar Dasar Dan Mekanisma Penawaran Rumah Selangorku 3.0
- 18 Seminar Keselamatan Kebakaran: Awareness, Maintenance & Enforcement in Building
- 19 Seminar Pengurusan Strata Tahun 2022 Majlis Perbandaran Sepang
- 20 Series 1 - Property Development And Construction - Tax Compliance Issues
- 21 Series 2 - Joint Venture Arrangement - Tax Implications And Latest Development
- 22 Series 3 - Tax Planning - Land Transactions And Property Development
- 23 SIKAT At Work Training Program For Contractors And Developers
- 24 SSM - Read, Interpret And Analyse Financial Statements For Company Directors And Company Secretaries (Basic Level) Strata Conference: Revitalizing Strata Communities - Strategies For Sustainable Improvements & Innovations
- 25 Strata Management Seminar 2023 (Series 1) - How To Exercise The Proper Duties, Powers And Legal Obligations Of Developers, JMB/MC & Property Managers
- 26 Strata Property Management Seminar 2023 - Digitalizing Property Management
- 27 Transforming Your Business with Power BI Data Analytics
- 28 Webinar On Building Defects & QLASSIC
- 29 E-Performance Management (E-PM) Workshop

Technical Training

- 30 ESG - Anti Money Laundering Act, MACC Section 17A and Personal Data Protection Act
- 31 Finance For Non-Finance Personnel
- 32 First Aid At Workplace
- 33 Fundamental Of Purchasing & Basic Negotiation Skills
- 34 ISO 9001: 2015 Awareness & Internal Audit Training
- 35 Legal Sharing Session - Formation of Joint Management Body & Management Corporation & Post Construction
- 36 Microsoft Excel - Intermediate
- 37 MSOSH Trained Person Working At Height Course
- 38 Tik Tok As Marketing Tools

Soft Skill Training

- 1 Professional & Confident Corporate Image
- 2 Sales Motivation Training
- 3 Sales Training (S1) - Cold Call & Warm Call
- 4 Sales Training (S2) - Presentation & Closing
- 5 Sales Training (S3) - Follow Up Mastery
- 6 Sales Training (S4) - Calls & Appointment Setting
- 7 Team Building
- 8 The 3As Of Image Management
- 9 Effective Leadership & Supervisory Skill

OCCUPATIONAL SAFETY AND HEALTH (“OSH”)

Ensuring the safety and well-being of our employees and contractors is a top priority at Sunsuria. We adhere strictly to Occupational Safety and Health (“OSH”) standards, integrating safety practices into our corporate culture.

Our commitment to safety is unwavering, with the “Safety-First” philosophy communicated through our online portal and on-site postings at significant work sites. Even during the transition to the COVID endemic phase, Sunsuria continues its commitment to safety, conducting weekly COVID tests. Positive cases trigger immediate adherence to Ministry of Health (“MOH”) guidelines, including self-quarantine.

Since FY2021, we have implemented the Safety and Health Assessment System in Construction (“SHASSIC”) for all high-risk projects, creating Hazard Identification, Risk Assessment, and Risk Control (“HIRARC”) documents for each main building project.

SUSTAINABILITY STATEMENT

Safety Management and Control Measures

Safety management is conducted under the purview of the Board through the Group Risk Management Committee (“GRMC”), collaborating with Heads of Departments to establish an Emergency Response Team (“ERT”) that underscores the significance of OSH within the Group.

The safety profile is categorised into two segments: high-risk construction sites, involving activities like working at height, mechanical lifting, and installation works; and the office compound, where OSH risks are lower, primarily pertaining to maintenance activities such as electrical and mechanical troubleshooting. Sunsuria’s HR Department oversees

OSH matters related to the Group’s employees, while the contractor’s OSH personnel manage safety compliance and monitoring on construction sites.

Aligned with Sunsuria’s Safety and Health Policy, monthly safety committee meetings addressing OSH matters among main contractors and workers are carried out. HSE data is reported bi-weekly during site meetings and verified by consultants. In the case of incidents or accidents on construction sites, the Group adheres to established safety protocols on investigation and reporting to ensure effective hazard control.

Compliance With Safety and Health Standards

Demonstrating a commitment to a secure workplace, Sunsuria has implemented an OSH system covering all employees and contractors, fully aligned with relevant safety regulations, including:

- 1 Safety and Health Assessment System in Construction (“SHASSIC”) - CIS 10:2018
- 2 Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 (Act 520)
- 3 Occupational Safety and Health Act (“OSHA”) 1994 (Act 514)
- 4 Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health (“USECHHI”) Regulations 2000
- 5 Occupational Safety and Health - Safety and Health Committee (“SHC”) Regulations 1996
- 6 Occupational Safety and Health (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals (“CLASS”) Regulations 2013
- 7 Occupational Safety and Health - Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease (“NADOPOD”) Regulations 2004
- 8 Department of Occupational Safety and Health (“DOSHS”) - Guidelines for Public Safety and Health at Construction Site 1994
- 9 Factories and Machinery Act (“FMA”) 1967 (Act 139)
- 10 Factories and Machinery - Building Operations and Works of Engineering Construction (“BOWEC”) Safety Regulations 1986
- 11 Factories and Machinery - Safety, Health and Welfare (“SHW”) Regulations 1970
- 12 Factories and Machinery - Notification Certificate of Fitness and Inspection (“NCFAI”) Regulations 1970, Occupational Health and Safety Assessment Series (“OHSAS”) 18001: 2007, MS 1722 and ISO 45001:2018
- 13 Uniform Building by Law (“UBBL”) 1984
- 14 Registration of Engineers Act 1967 (“REA”) amended in 2015

Sunsuria conducts weekly health surveillance for employees, complying with OSHA 1994 guidelines. Construction site workers undergo monthly medical surveillance for their well-being and safety. The Group strictly adheres to relevant laws and regulations from local and international governmental authorities. Four out of seven project sites hold OHSAS 18001 certification:

4 out of 7 projects

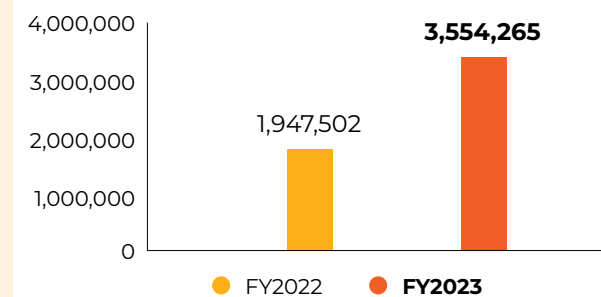
57.1%

OHSAS 18001 certified



Note: The projects include Sunsuria Asas (Forum 2, Tangerine Suites, BHP Block D & E) and Kerjaya Prospek (Block A)

Total manhours worked (Average overall total number of days worked by workers)



OSH Site Data	FY2022	FY2023
Total manhours worked (Average overall total number of days worked by workers)	1,947,502	3,554,265
Number of work-related fatalities	0	0
Number of recordable work-related injuries	0	0
Lost Time Incident Rate (“LTIR”)	0	0
Unsafe Act Unsafe Condition (“UAUC”)	0	0

Safety and Health Training and Programmes

In addition to strict compliance with safety regulations, Sunsuria reinforces the proficiency of its employees and construction personnel in Health, Safety, and Environmental (“HSE”) practices through supplementary training. These sessions are led by HSE subject matter experts sourced both internally and from external training providers appointed by Sunsuria.

As of now, a total of 10 personnel from Sunsuria have undergone comprehensive training on health and safety-related standards. In FY2023, numerous training programmes were conducted to further strengthen our commitment to fostering a safe and healthy working environment.

10 personnel

Received training on safety and health-related standards



Note: Consolidated data from Forum 2, BHP, Sunsuria City, Kejora Earthworks and Sunsuria Berhad

List of Safety Training

- 1 ACEM Webinar Series Site Supervision Course Discipline Module: Mechanical (Webinar M1 to M5)
- 2 CREAM: Enforcement on Scaffolding and Falsework for Safer Construction Sites
- 3 OSH Coordinator Training
- 4 Seminar Keselamatan Kebakaran: Awareness, Maintenance & Enforcement in Building
- 5 First Aid at Workplace
- 6 MSOSH Trained Person Working at Height Course

SUSTAINABILITY STATEMENT

COMMUNITY ENGAGEMENT

Sunsuria is committed to creating economic value for stakeholders in alignment with its vision and mission, ensuring a balanced approach to business progress and social responsibilities. By generating economic values for stakeholders, Sunsuria contributes to social capital, reinforcing its positive impact on society and building stronger community ties. This adaptive approach allows Sunsuria to meet market and stakeholder needs, reflecting its evolving business philosophy.

Community involvement remains a top priority for Sunsuria in line with nation-building efforts. In FY2023, the Group focused on addressing education inequality through financial contributions. Various community engagement programmes were conducted, emphasising health, family, community, and sustainability. These initiatives, including activities for World Earth Day, aim to instil sustainable practices and environmental awareness. Additionally, parenting talks were organised to assist families in addressing common household challenges.

Employee Volunteerism

Sunsuria places great importance on employee volunteerism as a driving force behind corporate responsibility initiatives, fostering stronger bonds among colleagues and motivating individuals to contribute to the community. In FY2023, a total of 18 employees collectively dedicated 2 hours per week to volunteer activities. Active encouragement is extended to employees to participate in corporate responsibility programmes, with upcoming initiatives focusing on sustainability and community engagement, fostering a mindset shift toward sustainability responsibilities within Sunsuria developments.

FY2023's Employee Volunteering Dashboard



2 hours per week



18 Employees Involved (7.38%)

Community Contributions

Beyond financial support, Sunsuria recognises the impact of education inequity on collective economic and social well-being. The overall distribution of community support in FY2023 is outlined below:

Scholarships



Total Beneficiaries
4

Total Amount
RM20,663.20

Donations



Total Beneficiaries
10

Total Amount
RM433,500



Sunsuria Cup, an inter-university football tournament sponsored by Sunsuria to foster community bonding.



GOVERNANCE TOPICS



Sunsuria Forum C-suite

Anti-Corruption and Corporate Governance

In adherence to the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"), Sunsuria has established an Anti-Bribery and Corruption Policy & Procedures ("ABAC"), adopted by the Board on 30 September 2019. The Group maintains a zero-tolerance stance towards bribery, corruption, and misconduct in all business matters.

The ABAC is applicable to all Directors, employees, and associates of Sunsuria Group, including suppliers, contractors, subcontractors, consultants, agents, representatives, and others performing work or services on behalf of Sunsuria. Anti-corruption provisions are included in all contracts and agreements with third parties to mitigate the Group's risk. A no gift and entertainment policy is enforced in all interactions with stakeholders, and new business partners undergo anti-corruption due diligence as part of supplier assessment practices.

The Board oversees all Anti-Corruption matters as the highest authority through the Risk Management Committee. Anti-corruption training is provided for all Board Directors and Senior Management, with the most recent training conducted in September 2023.

The Group's internal audit unit conducts annual bribery risk assessments, reporting low bribery and corruption risk in FY2023 following the assessment conducted in July 2023. A Whistleblowing Policy is in place to provide stakeholders with a channel to report suspicious activity or wrongdoing. The Whistle-Blower Committee, chaired by the Chairman of the Audit Committee, reviews all disclosures, and decides the appropriate course of action.

As part of our commitment to a zero-tolerance policy on corruption, all Sunsuria staff undergo mandatory ABAC training sessions, fostering an anti-corruption culture, and resulting in a zero-incidence track record.

During FY2023, there were no incidents of corruption detected through bribery and corruption risk assessment or reported through the Group's Whistleblowing channels. No third-party contracts were terminated or not renewed due to corruption-related violations, and no employees were dismissed or disciplined for corruption-related offenses. The Group did not receive any fines, censures, penalties, or enter into legal settlements related to corruption in FY2023.

SUSTAINABILITY STATEMENT

Regulatory Compliance

Non-compliance may result in penalties, sanctions, and license revocation, adversely affecting the Group’s reputation. Sunsuria recognises its duty to adhere to diverse laws, regulations, and guidelines established by authorities.

The Group is committed to prudently managing regulatory compliance risk. This commitment involves delivering comprehensive and accurate financial and corporate governance disclosures in alignment with applicable laws, regulations, and/or listing requirements pertinent to Sunsuria, including the following:

Environmental Regulations	Social Regulations
<ul style="list-style-type: none"> Environmental Quality Act 1974 Industrial Effluent Regulation 2009 Sewage Regulations 2009 Clean Air Regulations 2014 Scheduled Waste Regulations 2005 Environmental Impact Assessment Order (Prescribed Activities) 2015 	<ul style="list-style-type: none"> Employment Act 1995 Minimum Wage Act Children and Young Persons Act Occupational Safety and Health Act Employees’ Minimum Standards of Housing, Accommodations and Amenities Act 1990 Minimum Retirement Age Act

During FY2023, the Group conducted multiple environmental compliance assessments for the following:



13 Air Quality Reading



13 Noise Monitoring Reading

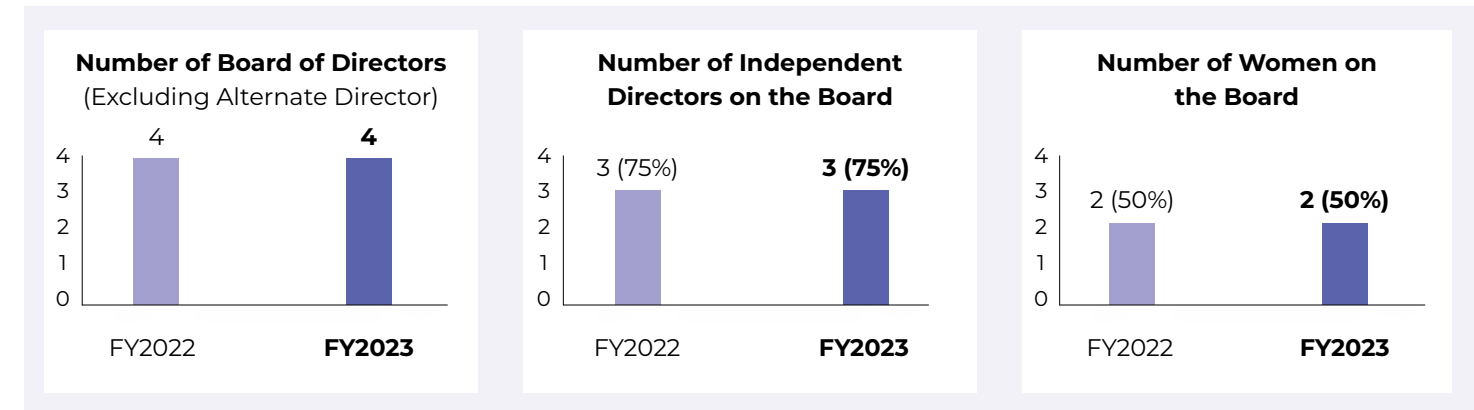
Note: Reading was carried out for the projects located at BHP Block D&E, Forum 2, BHP Pilling and Sunsuria Kejora Business Park’s Earthworks.

Additionally, we’ve established an internal system to monitor and ensure the Group’s compliance with relevant regulations in our operational areas. The Group adheres to the 31000:2009 Risk Management Principles and Guidelines for managing our primary risks, including regulatory and compliance risk, overseen by the Risk Management Committee (“**RMC**”).

In FY2023, the Group did not incur fines or receive censures from regulatory authorities for any non-compliance or misconduct related to environmental, socioeconomic, corporate governance, or anti-corruption matters.

Regulatory Compliance	FY2021	FY2022	FY2023
Has the company and/or subsidiaries been fined or censured for any environmental non-compliance?	No	No	No
Has the company and/or subsidiaries been fined or censured for any socioeconomic non-compliance?	No	No	No
Incidents of non-compliance with regulations resulting in a fine or penalty;	0	0	0
Incidents of non-compliance with regulations resulting in a warning;	0	0	0
Total monetary value of significant fines;	0	0	0
Total number of non-monetary sanctions;	0	0	0
Cases brought through dispute resolution mechanisms.	0	0	0

There were no instances of disputes brought through resolution mechanisms during FY2023 for the Company.



AGM Item	FY2021	FY2022	FY2023
AGM Notice Filing Date (DD-MM-YYYY)	28-01-2022	30-01-2023	29-01-2024
AGM Date (DD-MM-YYYY)	16-03-2022	15-03-2023	13-03-2024
Number of days between the date of notice and date of meeting	46	43	43

Supply Chain Management

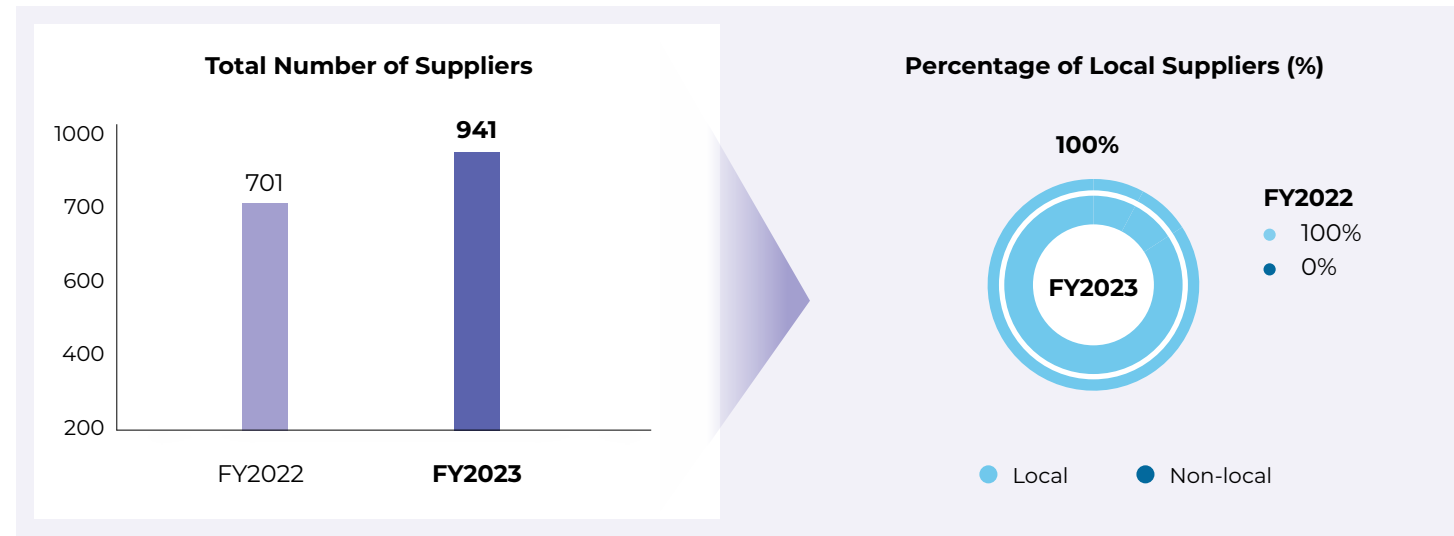
Sunsuria prioritises local procurement to enhance supply chains, providing better access to products while minimising environmental impacts. The focus on fairness, transparency, and support for local vendors with proven eco-friendly and socially responsible practices aligns with our commitment to local economic development.

Compliance with sustainable and eco-friendly practices in the supply chain is emphasised to uphold industry standards and indirectly contribute to superior goods and services. Sunsuria’s supplier pre-qualification process, which considers criteria such as price, quality, and ethical standards, prioritises ISO 14001 for environmental criteria and OHSAS 18001 for social criteria.

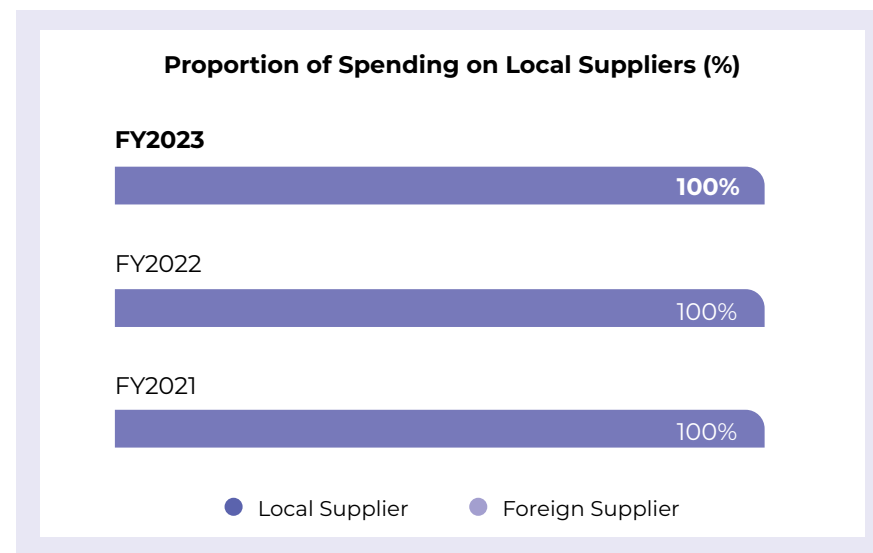
The Supply Chain Management (“**SCM**”) Department actively identifies new local suppliers, maintaining a competitive vendor pipeline for projects exceeding RM200,000. Regular audits and inspections, including ISO-related evaluations, ensure ongoing supplier performance and the delivery of quality services. Suppliers are required to comply with the Group’s policies, including endorsing our Anti-Bribery and Corruption Policy & Procedures and our Code of Ethics, and completing all forms of the pre-qualification and registration process as per the SOP.

This approach strengthens trust with our vendors, enables us to find products and services that meet our needs at the best value, supports local industries, and fosters prosperity among our community members.

SUSTAINABILITY STATEMENT



Procurement Data	FY2022	FY2023
Total number of suppliers	701	941
Total number of local suppliers	701	941
Total number of foreign suppliers	0	0
Percentage of local suppliers (%)	100%	100%
Percentage of new suppliers that were screened using environmental criteria (%)	0	0
Number of suppliers assessed for environmental impacts	0	0
Percentage of new suppliers that were screened social criteria (%)	0	0
Number of suppliers assessed for social impacts	0	0
Number of suppliers endorsed anti-bribery/anti-corruption policies (third party declaration)	701	941

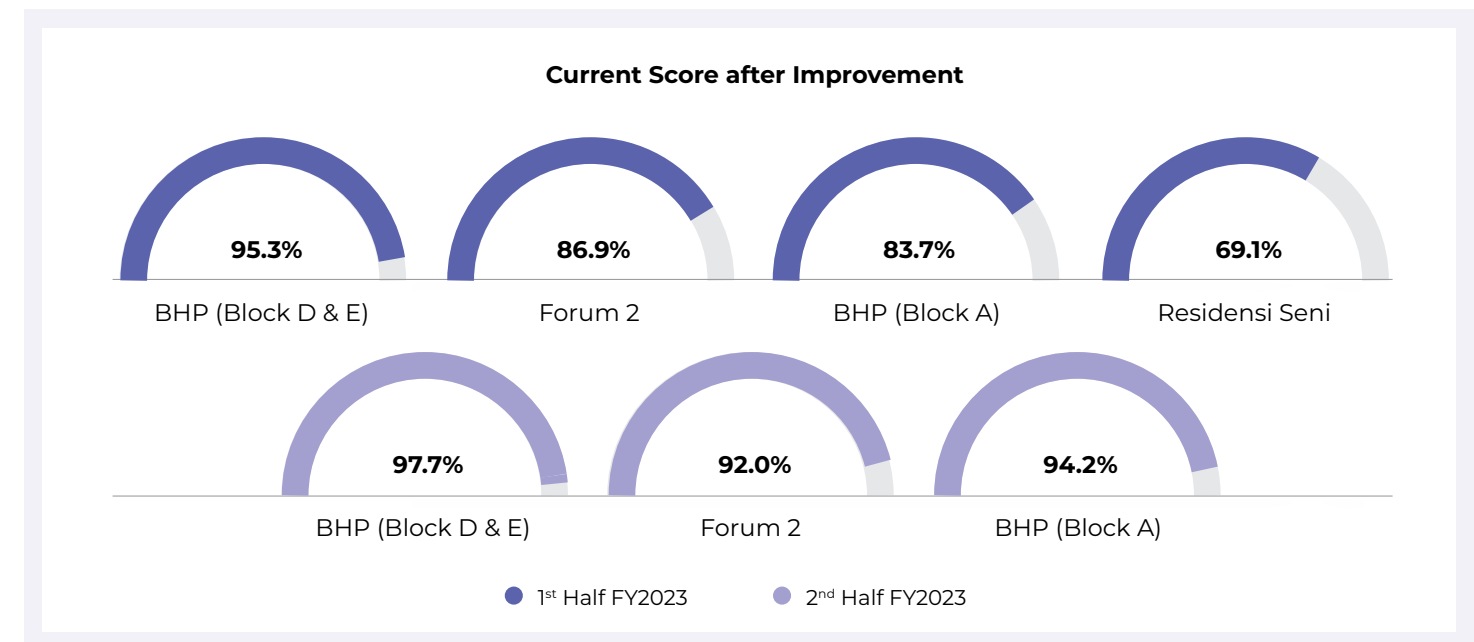


The Group has a longstanding commitment to supporting local suppliers, with a track record of 100% procurement spending on them. This commitment was maintained throughout FY2023, and the Group currently collaborates with 941 registered local suppliers. However, in light of rising building material costs, the Group is exploring various strategies for enhanced cost efficiency, which may include evaluating options for bulk purchasing from international suppliers. This consideration is aimed at ensuring a balance between supporting local businesses and managing operational costs effectively.

Supply Chain Social and Environmental Compliance

Sunsuria plans to integrate due diligence processes to ensure suppliers comply with human rights practices and labor laws, thereby mitigating risks within its supply chain. Presently, the Group conducts bi-annual physical site audits at its Centralized Labor Quarters ("CLQs") to ensure adherence to CIDB's guidelines and safeguard workers' well-being, preventing potential human rights violations.

As of FY2023, the Group has not identified any negative social or environmental impacts from its supply chain practices. The assessment findings are presented below:



CLQ Location	Assessment Date	Initial CLQ Score (%)	Total New Score after Action Plan	Current Score after Improvement (%)
1st Half FY2023				
BHP (Block D & E)	18 April 2023	87.1%	81/85	95.3%
Forum 2	03 May 2023	67.9%	73/84	86.9%
BHP (Block A)	26 April 2023	77.9%	72/86	83.7%
Residensi Seni	10 May 2023	56.8%	56/81	69.1%
2nd Half FY2023				
BHP (Block D & E)	30 October 2023	87.2%	84/86	97.7%
Forum 2	06 November 2023	74.7%	80/87	92.0%
BHP (Block A)	24 October 2023	81.4%	81/86	94.2%

*Note: There was no assessment carried out at Seni Residences in the 2nd half of FY2023 due to the relocation of the CLQ.

SUSTAINABILITY STATEMENT

Moving forward, the Group aims to expand the implementation of the Legal Workers & Social and Environmental Compliance Declaration by Suppliers. This will now include all major building works contractors and all associated works/packages related to the contract (works exceeding RM1 million), requiring all awarded contractors and suppliers to fully adhere to the specified requirements.

Data Privacy and Security

Safeguarding confidential information is a fundamental responsibility of the Group, aligning with our commitment to good governance. The potential loss of data poses risks to stakeholder confidence and may result in financial penalties and regulatory actions.

We diligently adhere to the Personal Data Protection Act 2010 (“**PDPA**”) stipulation on collection, use, and disclosure of personal data to ensure compliance.

Utilising robust cybersecurity measures, we ensure the secure handling of customers’ personal data, as emphasised in our dedication to data privacy. Our Code of Conduct includes a non-disclosure clause that extends this commitment to employees, directors, suppliers, and business partners who might encounter customer information in the course of business dealings.

As of the current date, we have reported no breaches of customer data privacy in the year under review.

	Target	FY2021	FY2022	FY2023
Number of complaints concerning breaches of customer privacy and losses of customer data	Zero incident per annum	0	0	0

ESG PERFORMANCE DATA TABLE

Sustainability Matters	Indicators	Unit	FY2021	FY2022	FY2023
Anti-Corruption	Confirmed incidents of corruption	Number	0	0	0
	Percentage of operations assessed for corruption-related risks	%	100	100	100
Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	-	371,738	454,163
	Total number of beneficiaries of the investment in communities	Number	-	27	14
Diversity	Total Employees by Nationality:				
	Malaysian		214	221	236
	Non-Malaysian		0	0	2
	Total Employees by Ethnicity:				
	Malay Employee		102	94	108
	Chinese Employee		107	121	126
	Indian Employee	Number	5	6	3
	Others Employee		0	0	1
	Total Employees by Employee Category:				
	Senior Management		22	22	23
	Management		65	71	76
	Executives		82	106	119
	Non-Executives		45	22	20
	Percentage of global staff with a disability	%	0	0	0
	Percentage of employees by gender, age group and ethnicity for each employee category:				
	- Senior Management				
	Male		-	-	52
Female				48	
Aged <30				4	
Aged 31-50	%			61	
Aged 51-65				35	
Aged >65				0	
Malay Employee				0	
Chinese Employee				100	
Indian Employee				0	
Others				0	

ESG PERFORMANCE DATA TABLE

Sustainability Matters	Indicators	Unit	FY2021	FY2022	FY2023
Diversity	- Management				
	Male		48	52	54
	Female		52	48	46
	Aged <30		7	6	8
	Aged 31-50		79	84	84
	Aged 51-65		14	10	8
	Aged >65		0	0	0
	Malay Employee		16	15	24
	Chinese Employee		83	84	74
	Indian Employee		1	1	1
	Others		0	0	1
	- Executives				
	Male		51	59	56
	Female		49	41	44
	Aged <30		57	58	51
	Aged 31-50		40	41	47
	Aged 51-65	%	3	1	2
	Aged >65		0	0	0
	Malay Employee		67	57	59
	Chinese Employee		32	40	39
	Indian Employee		1	3	2
	Others		0	0	0
	- Non-Executives				
	Male		60	55	65
	Female		40	45	35
	Aged <30		53	41	35
	Aged 31-50		45	59	65
	Aged 51-65		2	0	0
	Aged >65		0	0	0
	Malay Employee		73	91	100
Chinese Employee		20	0	0	
Indian Employee		7	9	0	
Others		0	0	0	

Sustainability Matters	Indicators	Unit	FY2021	FY2022	FY2023
Diversity	Percentage of directors by gender, age group and ethnicity:				
	Male		50	50	50
	Female		50	50	50
	Aged <30		0	0	0
	Aged 31-50		0	0	0
	Aged 51-65	%	100	100	100
	Aged >65		0	0	0
	Malay		0	0	0
	Chinese		100	100	100
	Indian		0	0	0
	Others		0	0	0
	Talent Management and Development	Total new hires:			
Male			68	65	71
Female			50	53	50
Aged <30			62	61	41
Aged 31-50			52	63	76
Aged 51-65			4	4	4
Aged >65			0	0	0
Total Turnover:					
Male		Number	41	47	57
Female			46	52	40
Aged <30			48	49	33
Aged 31-50			35	46	59
Aged 51-65			4	4	5
Aged >65			0	0	0
Senior Management			-	-	1
Management					31
Executives					58
Non-Executives					7
Average training hours per employee:					
Male		Hours	4.4	17.6	20
Female	9.3		9.5	22	
Senior Management	10.7		32.8	23.6	
Management	9.6		18	23.4	
Executives	7.3		6.5	20.4	
Non-Executives		0.4	9.3	12	

ESG PERFORMANCE DATA TABLE

Sustainability Matters	Indicators	Unit	FY2021	FY2022	FY2023	
Talent Management and Development	Total hours of training by employee category:					
	Senior Management	Hours	234	722.5	533.5	
	Management		598	1281	1,775	
	Executives		599	685	2,414	
	Non-Executive		18	205	244	
Energy Management	Total diesel consumption	Litres	252,229	530,797	839,302	
	Total electricity consumption	kWh	764,089	1,151,549	1,746,693	
	Total energy consumption	GJ	11,750	23,084	35,523	
Health and Safety	Number of work-related fatalities	Number	0	0	0	
	Lost time incident rate	Rate	0	0	0	
	Number of employees trained on health and safety standards	Number	-	12	10	
Labour practices and standards	Percentage of employees that are contractors or temporary staff:					
	- Permanent Employee	%	95	94	71	
	- Contract Employee		5	6	29	
	Number of substantiated complaints concerning human rights violations	Number	0	0	0	
Supply chain management	Proportion of spending on local suppliers	%	100	100	100	
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	
Water	Total volume of water used	Megalitres	18.8	67.9	66.0	
Waste Management	Total Recycled Waste (Rebar)	Tonnes	-	156.9	343.3	
Emissions management	Scope 1 emissions	Tonnes CO ₂ e	681	1,433	2,266	
	Scope 2 emissions		421	635	962	
	Scope 3 emissions:					
	- Employee Commuting		-	-	816.8	
	- Business Travel				20.1	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE REFERENCE/REASONS FOR OMISSION	
GRI 2: General Disclosures 2021	2-1	Organizational details	Corporate Information, page 6
	2-2	Entities included in the organization's sustainability reporting	Reporting Scope and Boundary, page 40
	2-3	Reporting period, frequency and contact point	Report Availability and Feedback, page 41
	2-4	Restatements of information	Total GHG Emissions (FY2021-2022), page 72; Water Consumption (FY2021-FY2022), page 76
	2-5	External assurance	Data Quality and Assurance, page 41
	2-6	Activities, value chain and other business relationships	Management Discussion & Analysis, page 12-21; Reporting Scope and Boundary, page 40; Stakeholder Engagement, page 52-54
	2-7	Employees	Diversity and Equal Opportunity, page 83-84
	2-8	Workers who are not employees	
	2-9	Governance structure and composition	
	2-10	Nomination and selection of the highest governance body	Sustainability Governance, page 50-51;
	2-11	Chair of the highest governance body	Profiles of Board of Directors, page 24-29;
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Overview Statement, page 112-124
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	Profiles of Board of Directors, page 24-29
	2-16	Communication of critical concerns	Anti-Corruption and Corporate Governance, page 93
	2-17	Collective knowledge of the highest governance body	
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement, page 112-124
	2-19	Remuneration policies	
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	
	2-22	Statement on sustainable development strategy	A Message from Our Executive Chairman, page 42-43
	2-23	Policy commitments	Sustainability Governance, page 50-51

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE REFERENCE/REASONS FOR OMISSION
GRI 2: General Disclosures 2021	2-24	Embedding policy commitments Sustainability Governance, page 50-51
	2-25	Processes to remediate negative impacts Anti-Corruption and Corporate Governance, page 93
	2-26	Mechanisms for seeking advice and raising concerns Anti-Corruption and Corporate Governance, page 93
	2-27	Compliance with laws and regulations Regulatory Compliance, page 94-95
	2-28	Membership associations Membership In Associations, page 41
	2-29	Approach to stakeholder engagement Stakeholder Engagement, page 52-54
	2-30	Collective bargaining agreements Not applicable.
GRI 3: Material Topics 2021	3-1	Process to determine material topics Materiality Assessment, page 55-61
	3-2	List of material topics Materiality Assessment, page 55-61
	3-3	Management of material topics Materiality Assessment, page 55-61
ECONOMIC PERFORMANCE		
GRI 3: Material Topics 2021	3-3	Management of material topics Materiality Assessment, page 55-61
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed Direct Economic Values, page 62
	201-2	Financial implications and other risks and opportunities due to climate change Direct Economic Values, page 62
	201-3	Defined benefit plan obligations and other retirement plans Direct Economic Values, page 62
	201-4	Financial assistance received from government Direct Economic Values, page 62
INDIRECT ECONOMIC IMPACTS		
GRI 3: Material Topics 2021	3-3	Management of material topics Materiality Assessment, page 55-61
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported Indirect Economic Value, page 63; Community Engagement, page 92
	203-2	Significant indirect economic impacts Indirect Economic Value, page 63; Community Engagement, page 92
PROCUREMENT PRACTICES		
GRI 3: Material Topics 2021	3-3	Management of material topics Supply Chain Management, page 95-97; ESG Performance Data Table, page 102
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers Supply Chain Management, page 95-97; ESG Performance Data Table, page 102

GRI STANDARD	DISCLOSURE	PAGE REFERENCE/REASONS FOR OMISSION
ANTI-CORRUPTION		
GRI 3: Material Topics 2021	3-3	Management of material topics Materiality Assessment, page 55-61
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption Anti-Corruption and Corporate Governance, page 93; ESG Performance Data Table, page 99
	205-2	Communication and training about anti-corruption policies and procedures Anti-Corruption and Corporate Governance, page 93; ESG Performance Data Table, page 99
	205-3	Confirmed incidents of corruption and actions taken Anti-Corruption and Corporate Governance, page 93; ESG Performance Data Table, page 99
CUSTOMER PRIVACY		
GRI 3: Material Topics 2021	3-3	Management of material topics Data Privacy and Security, page 98; ESG Performance Data Table, page 102
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data Data Privacy and Security, page 98; ESG Performance Data Table, page 102
ENERGY		
GRI 3: Material Topics 2021	3-3	Management of material topics Materiality Assessment, page 55-61
GRI 302: Energy 2016	302-1	Energy consumption within the organization Energy Consumption and Efficiency, page 73-75; Green Building Initiatives, page 78-79; ESG Performance Data Table, page 102
	302-2	Energy consumption outside of the organization Energy Consumption and Efficiency, page 73-75; Green Building Initiatives, page 78-79; ESG Performance Data Table, page 102
	302-3	Energy intensity Energy Consumption and Efficiency, page 73-75; Green Building Initiatives, page 78-79; ESG Performance Data Table, page 102
	302-4	Reduction of energy consumption Energy Consumption and Efficiency, page 73-75; Green Building Initiatives, page 78-79; ESG Performance Data Table, page 102
	302-5	Reductions in energy requirements of products and services Energy Consumption and Efficiency, page 73-75; Green Building Initiatives, page 78-79; ESG Performance Data Table, page 102
WATER AND EFFLUENTS		
GRI 3: Material Topics 2021	3-3	Management of material topics Materiality Assessment, page 55-61
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource Water Consumption and Conservation, page 76-77; Green Building Initiatives, page 78-79; ESG Performance Data Table, page 102
	303-2	Management of water discharge-related impacts Water Consumption and Conservation, page 76-77; Green Building Initiatives, page 78-79; ESG Performance Data Table, page 102
	303-3	Water withdrawal Water Consumption and Conservation, page 76-77; Green Building Initiatives, page 78-79; ESG Performance Data Table, page 102
	303-4	Water discharge Water Consumption and Conservation, page 76-77; Green Building Initiatives, page 78-79; ESG Performance Data Table, page 102
	303-5	Water consumption Water Consumption and Conservation, page 76-77; Green Building Initiatives, page 78-79; ESG Performance Data Table, page 102

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE REFERENCE/REASONS FOR OMISSION
BIODIVERSITY		
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas
	304-2	Significant impacts of activities, products and services on biodiversity
	304-3	Habitats protected or restored
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations
EMISSIONS		
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions
	305-2	Energy indirect (Scope 2) GHG emissions
	305-3	Other indirect (Scope 3) GHG emissions
	305-4	GHG emissions intensity
	305-5	Reduction of GHG emissions
WASTE		
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts
	306-2	Management of significant waste-related impacts
	306-3	Waste generated
	306-4	Waste diverted from disposal
	306-5	Waste directed to disposal
	308-2	Negative environmental impacts in the supply chain and actions taken
EMPLOYMENT		
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 401: Employment 2016	401-1	New employee hires and employee turnover
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
	401-3	Parental leave

GRI STANDARD	DISCLOSURE	PAGE REFERENCE/REASONS FOR OMISSION
LABOUR/MANAGEMENT RELATIONS		
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes
OCCUPATIONAL HEALTH AND SAFETY		
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system
	403-2	Hazard identification, risk assessment and incident investigation
	403-3	Occupational health services
	403-4	Worker participation, consultation and communication on occupational health and safety
	403-5	Worker training on occupational health and safety
	403-6	Promotion of worker health
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
	403-8	Workers covered by an occupational health and safety management system
	403-9	Work-related injuries
TRAINING AND EDUCATION		
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee
	404-2	Programs for upgrading employee skills and transition assistance programs
	404-3	Percentage of employees receiving regular performance and career development reviews

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE REFERENCE/REASONS FOR OMISSION
DIVERSITY AND EQUAL OPPORTUNITY		
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity and Equal Opportunity, page 83-84;
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Regulatory Compliance, page 94-95;
	405-2 Ratio of basic salary and remuneration of women to men	Gender Equality and Women's Empowerment, page 46; ESG Performance Data Table, page 99-101
NON-DISCRIMINATION		
GRI 3: Material Topics 2021	3-3 Management of material topics	Labour and Human Rights, page 82;
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity and Equal Opportunity, page 83-84
CHILD LABOR		
GRI 3: Material Topics 2021	3-3 Management of material topics	Labour and Human Rights, page 82
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	
FORCED OR COMPULSORY LABOR		
GRI 3: Material Topics 2021	3-3 Management of material topics	Labour and Human Rights, page 82;
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Supply Chain Social and Environmental Compliance, page 97-98
LOCAL COMMUNITIES		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement, page 52-54; Community-centric Initiatives, page 68-69; Community Engagement, page 92; ESG Performance Data Table, page 99
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	
	413-2 Operations with significant actual and potential negative impacts on local communities	
SUPPLIER SOCIAL ASSESSMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	Supply Chain Social and Environmental Compliance, page 97-98
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	
	414-2 Negative social impacts in the supply chain and actions taken	

TCFD STATEMENT

TCFD Disclosures



GOVERNANCE

Describe the Board's oversight of climate-related risks and opportunities,

The oversight of all material topics, including those related to climate issues, falls directly under the purview of Sunsuria's Board and Management team through the Group's sustainability governance structure.

Within this structure, Sunsuria has established a Board-level Sustainability Committee tasked with leading all climate and sustainability-related initiatives. This committee serves as the highest decision-making authority regarding the Group's ESG strategies.

The Sustainability Steering Committee ("**SSC**") facilitates the flow of information to the Board by providing regular reports on energy consumption and carbon emissions.

Armed with this information, the Board engages in deliberations to determine the most effective strategies for Sunsuria in managing climate-related topics across all levels of the Group's operations.

Further information can be found in the **Sustainability Governance** section (page 50) and **Climate Change** section (page 71-73).

Describe the management's role in assessing and managing climate-related risks and opportunities.

The Sustainability Working Committee ("**SWC**") plays a central role within the sustainability governance structure by supporting the Sustainability Committee in implementing and overseeing sustainability initiatives at the operational level.

They are tasked with establishing relevant KPIs and targets, as well as formulating the necessary strategies and action plans to achieve these targets. This involves driving annual performance in alignment with the 2023 baselines established for ESG KPIs and targets.

In addition to performance management, the SWC team is responsible for keeping the Group's Sustainability Steering Committee informed with timely updates on energy consumption and other climate intensity measurement-related data. When needed, they are also expected to contribute input and improvement plans to enhance Sunsuria's management of material topics.

The Management team is also tasked with ensuring there are robust mitigation strategies and systems in place to address emerging and existing climate-related risks identified by the Risk Management Committee.

For more information, please refer to the **Sustainability Governance** section on page 50.

TCFD STATEMENT

TCFD Disclosures



STRATEGY

Describe the climate-related risks and opportunities the organisation has identified over the short-, medium- and long-term.

The Board and Management of Sunsuria recognise the potential impact of climate-related risks on the Group's cash flows, reputation and license to operate, including the risk of losing access to financing from investors and lenders due to the growing integration of ESG and climate-risk considerations in investment and business decisions.

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

As a response, the Group is dedicated to systematically and strategically addressing all sustainability-related risks and opportunities to mitigate their potential impact on the Group's financial performance. Efforts are underway to embed these commitments and the Group's stance on climate change in the Group's Sustainability Policy.

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2oC or lower scenario.

Moreover, the Board and Management of Sunsuria have undertaken substantial efforts to fulfil Practices 4.1 to 4.4 of the MCCG 2021. This includes regular participation in ESG briefing and training sessions to stay abreast of sustainability developments.

In FY2023, the relevant working groups and Management team participated in a workshop to establish ESG KPIs and targets, aiming to better track and manage the Group's sustainability performance and enhance organisational resilience. For more information, please refer to the **ESG KPIs and Targets** section (pages 58-61).



RISK MANAGEMENT

Describe the organisation's processes for identifying and assessing climate-related risks.

Presently, Sunsuria does not have a dedicated process for identifying and assessing climate-related risks and opportunities. As the impacts of climate change intensify, we anticipate an increased frequency of natural disasters, such as floods, which could impact the viability of our landbank.

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

To remain vigilant amid the evolving landscape of climate change uncertainty and market transition, Sunsuria has undertaken several environmental initiatives. Details outlining how these initiatives enable the Group to sustain operations in the face of climate change can be found in the **Environmental Topics** section from pages 71-81.

As and when the need arises, the findings of climate-related risks will be presented to the dedicated working groups and committee members for further management and incorporation into the Group's overall risk management, as guided by the **Sustainability Governance** structure on page 50.



METRICS AND TARGETS

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Sunsuria monitors climate change and emissions data by quantifying the CO₂e produced from both direct and indirect energy consumption. This data is subsequently juxtaposed with the Group's revenue in RM Million and operational scale to compute the average energy efficiency/intensity.

CO₂e emissions are gauged in terms of tonnes of CO₂e produced per litre of fuel, specifically diesel and petrol (pertaining to Scope One and Scope Three energy consumption) and per kWh of electricity (pertaining to Scope Two energy consumption).

Please refer to the **Energy Consumption and Efficiency** (pages 73-75) and **Climate Change** (pages 71-73) sections for more information

Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks,

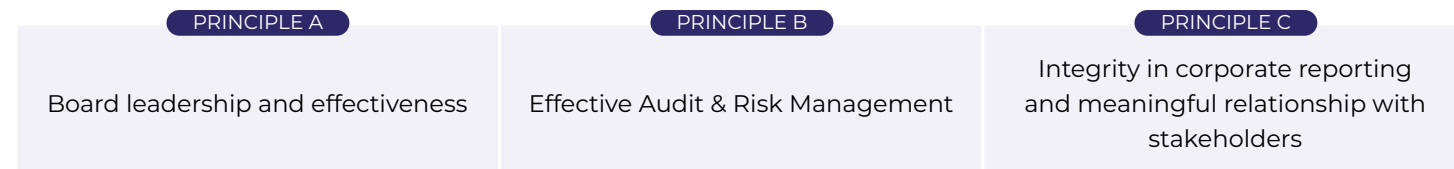
In FY2023, Sunsuria generated 4,065 tCO₂e emissions, marking an increase compared to the 2,067 tCO₂e emitted in the previous year. This rise is primarily attributed to the expansion of projects and an increase in recorded man-hours during FY2023. Additionally, the addition of Scope 3 emissions data, specifically for business travel and employee commuting, has contributed to this increase.

More information is provided in the **Emissions** section on pages 71-73.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Sunsuria Berhad (“**Sunsuria**” or “**Company**”) recognises the importance of maintaining good corporate governance practices within Sunsuria and its subsidiary companies (“**Sunsuria Group**” or the “**Group**”) as it is the Board’s fundamental responsibility to protect and enhance long-term shareholder value and the financial performance of Sunsuria Group, whilst taking into account the interest of all stakeholders. The Board is guided by the principles and recommendations of the Malaysian Code on Corporate Governance (“**MCCG**” or the “**Code**”) in implementing its governance system and ensuring compliance with the Main Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

This Corporate Governance Overview Statement (“**CG Statement**”) provides shareholders and investors with an overview of how Sunsuria Group has applied the 3 key Principles set out in the Code during the financial year ended 30 September 2023 (“**FY2023**”):



This CG Statement is complemented with a Corporate Governance Report (“**CG Report**”) based on a prescribed format pursuant to paragraph 15.25 of the Listing Requirements of Bursa Securities. The CG Report is available on the Company’s website www.sunsuria.com as well as via announcement on the website of Bursa Securities.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

Roles and Responsibilities

The Board is committed to ensuring that the Company’s purpose, values and high standards are set from the level of chairman and all Non-Executive Directors, with the support of the executive management team, embedded throughout the Group. The Board is responsible for the effective leadership and long-term success of the Group.

In discharging its fiduciary duties and responsibilities, the Board is guided by its Board Charter which outlines the roles and responsibilities of the Board. The Board also delegates certain responsibilities to the various Board Committees. The Board Charter was reviewed periodically and is available at the Company’s website at www.sunsuria.com.

The Board leads the Group and plays a strategic role for the oversight and overall management of the Company. The Board’s key responsibilities include reviewing and approving strategic annual business plan and budget, overseeing the conduct of the Company’s business, investment proposals, compliance and accountability systems, core values and corporate governance practices of the Group in ensuring that the Group operates with integrity and in compliance with the rules and regulations.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT’D)

Chairman and Chief Executive Officer (“CEO”)

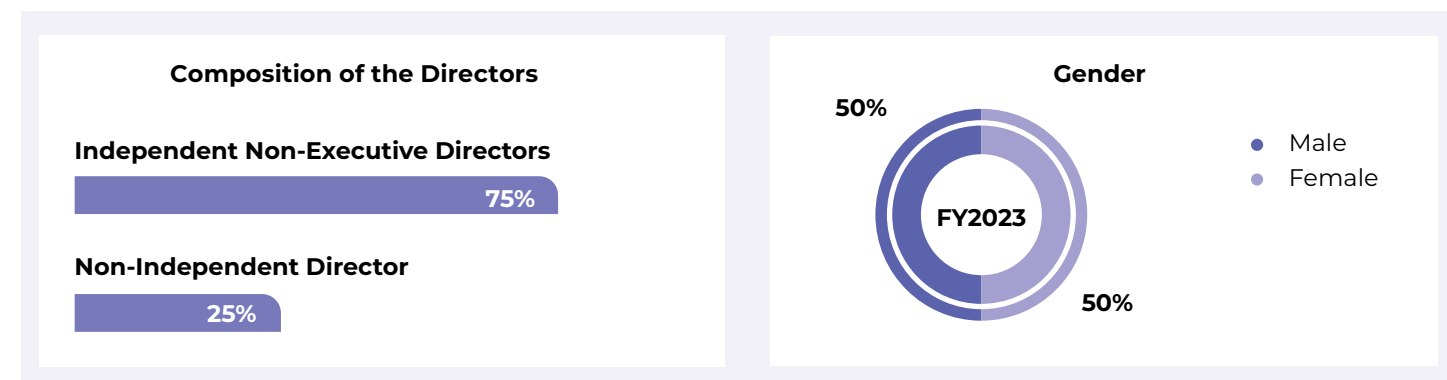
In line with good corporate practices, there is a clear distinction between the role of the Executive Chairman and the Group CEO. The Chairman provides leadership, effectiveness, conduct and governance of the Board while the Group CEO is responsible for the overall day-to-day business operations of the Group and for overseeing the implementation of strategies directed by the Board.

The roles of Chairman and Group CEO are held by separate persons and this facilitates a balance of power and authority to promote accountability and unfettered powers in decision making.

Composition of the Board and Board Committees

In spite of the compact Board size, the Board is confident that there are sufficient experienced and independent-minded Directors on the Board to provide sufficient check and balance. Given that there are three experienced Independent Directors representing more than 50% of the Board, the Board collectively would be able to function independently of management. This allows for effective oversight of the management as well as to support objective and independent deliberation, review and decision making.

Board diversity at the end of the financial year under review were as follows:



During the financial year ended 30 September 2023, none of the Independent Directors had served on the Board for more than nine (9) years.

Meetings of Board and Board Committees

For the financial year ended 30 September 2023, the Board met five (5) times to discuss the issues on the Group’s financial performance, significant investments, corporate development, strategy and business plan and other matters reserved for the decision by the Board. Presentations in relation to specific businesses areas are also made by key executives. This allows the Board to develop a good understanding of the progress of the Group’s business as well as the issues and challenges facing the Group, and also promotes active engagement between the Board and the key executives of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Directors' commitment, resources and time allocated to the Company are evident from the attendance records, where the Directors attended all Board Meetings held during the financial year ended 30 September 2023.

Details of attendance of Directors at the meetings held during the financial year are as follows:

Name	Board	Board Committee				AGM
		AC	RMC	NRC	ESOS	
Executive Director						
1. Tan Sri Datuk Ter Leong Yap ^{&}	5/5	5/5 [#]	4/4	-	0/0 [^]	1/1
Non-Executive Directors						
1. Tan Pei Geok*	5/5	5/5	4/4	3/3	-	1/1
2. Dato' Quek Ngee Meng*	5/5	5/5	4/4	3/3	0/0 [^]	1/1
3. Datin Loa Bee Ha ^{>}	5/5	5/5	4/4 [#]	3/3	0/0 [^]	1/1

Notes: AC : Audit Committee
 RMC : Risk Management Committee
 NRC : Nomination and Remuneration Committee
 ESOS : Employee Share Option Scheme Committee
 AGM : Annual General Meeting
 & : Executive Chairman of the Board
 * : Chairperson of AC and NRC
 + : Chairman of RMC
 > : Chairperson of ESOS
 ^ : The Committee was formed on 28 August 2019 and no meeting was held since then
 # : Attended as invitee

Board meetings for each financial year are scheduled before the end of the preceding financial year to ensure sufficient time is given to the Directors to plan their schedules and enable them to attend the meetings. All Directors are provided with an agenda for each Board and Committee meeting prior to each meeting so that the Directors are accorded sufficient time to appraise the proposals or information. The Directors are provided with the Board papers which contain, among others, the Group's financial performance, management reports and proposals and various Board Committees' Reports respectively prior to the Board meeting. The Board papers are issued in advance to facilitate informed decision making.

All proceedings of the Board meetings were minuted. The minutes of Board meetings are circulated to all Directors for their perusal and comments. The Directors may request for further clarification or raise comments on the minutes prior to the minutes being confirmed as a correct record of the proceedings of the Board at the subsequent meeting. The signed minutes of each Board and Board Committees Meeting are properly kept by the Company Secretaries and the Company Secretaries are entrusted to organise and attend all Board Meetings to ensure proper records of the proceedings.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)



BOARD FOCUS AREA

Reviewing and approving the Company's annual business plan, policies and budget

Overseeing the conduct of the Company's businesses, investment proposals, compliance and accountability systems, core values and corporate governance practices of the Group to ensure that the Group operates with integrity and in compliance with the rules and regulations

Together with Senior Management, promoted good corporate governance culture within the Group, whilst reinforcing ethical, prudent and professional behaviour

Ensure a sound risk management framework including the risk of corporate liability

Ensure the adequacy and integrity of the Company's internal control system

Ensure effective communication with stakeholders

Ensure the integrity of the Company's financial and non-financial reporting

During the financial year under review, the Board carried out the following activities:



STRUCTURE

- Revision to the composition of the Sustainability Committee.



STRATEGY

- Approved the annual budget and major capital expenditure.
- Increase in land bank.
- Diversification into healthcare through a partnership with ICON Asia Holdings Pte Ltd



FINANCIAL AND OPERATIONAL PERFORMANCE

- Reviewed and approved the last quarter financial results and audited financial statements for the Financial Year 2022.
- Reviewed and approved quarterly financial results for the Financial Year 2023.
- Established rated sukuk wakalah programme of RM500.0 million in nominal value based on Shariah principle of Wakalah Bi Al-Istithmar.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)



GOVERNANCE AND RISK

- Reviewed the Board Charter, Terms of Reference of Board Committees to align with the latest requirements of the Code and the Listing Requirements.
- Reviewed the risk reports and corruption risk assessment.
- Approved the adoption of the Policy on Non-Assurance Services and the Fit & Proper Policy.



SUSTAINABILITY

- Formalisation of the Sustainability Policy to align the Group's strategies and plans with sustainable development.
- Target 5% reduction per annum for both Scope One and Scope Two carbon intensity as measured over revenue and operational size, tCO₂e/m².



BOARD COMMITTEES

In order to ensure the effective discharge of its functions and responsibilities, the Board has delegated certain responsibilities of the Board-to-Board Committees and the Executive Chairman to assist in carrying out its responsibilities and functions. These Committees operate within their own defined terms of reference approved by the Board, and report to the Board on matters considered and their recommendations thereon. The ultimate responsibility for the final decision on all matters however, lies with the Board. The minutes of the respective Board Committee meetings will also be tabled at the quarterly Board meetings so as to keep the Board abreast of the decision and deliberation made by the respective Board Committees.



COMPANY SECRETARIES

The Board is supported by suitably qualified and competent Company Secretaries who are members of the relevant professional bodies. The appointment of Company Secretaries is based on the capability and proficiency determined by the Board. All members of the Board, whether as a whole or in their individual capacity, have access to the advice and services of the Company Secretaries on all matters relating to the Group to assist them in the furtherance of their duties.

The Company Secretaries also assist the Board in organising and facilitating the induction programme or on-boarding session for newly appointed Directors and making arrangements for their professional development and training. The Company Secretaries keep abreast of the evolving regulatory changes and developments in corporate governance through continuous training as they play an important role in advising the Board on updates relating to new statutory and relevant regulatory requirements.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)



ACCESS TO INFORMATION

All Directors have unrestricted direct access to the advice and services of the management representatives for obtaining the relevant information to facilitate the discharge of their duties. As and when required, Directors are also able to seek advice from independent professional advisers whenever necessary at the Company's expense, to enable the Board and committee members to discharge their duties with adequate knowledge on the matters being deliberated.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental, social and governance (ESG) considerations are built into the Company's strategy, planning and day-to-day business operations. We have responsibility for driving progress towards the Company's ESG initiatives and the annual report sets out how the Company has addressed this key area during the financial year 2023.

The senior leadership team is accountable for embedding sustainability initiatives and targets throughout business operations and overseeing the execution. Sustainability principles are being practised throughout Sunsuria Group including product design, project developments, talent

management and engagements with the community and the wider society. The establishment of Quality Management System has been certified by SIRIM with the ISO 9001:2015. Certification to the standards is the Company's commitment towards meeting compliance to legal and other requirements. For the financial year 2023, ESG metrics and targets for key areas were deliberated and proposed to Management for consideration for top-down cascading exercise with the intent to link the performance evaluation with the ESG targets.

COMMITMENT TO INTEGRITY

Code of Conduct and Ethics

In an effort to promote and maintain high ethical standards at all times, the Board has adopted a Directors' Code of Conduct and Ethics which covers, amongst others, the areas of transparency, integrity, accountability, conflicts of interest, anti-corruption/bribery, confidentiality, insider trading, anti-money laundering, proper use of the Company's assets and compliance with laws, rules and regulations. The adoption of the Code aims to promote corporate culture which engenders ethical conduct that permeates throughout the Group.

Employees of the Group are guided by the Company's Code of Conduct and Ethics which comprehensively listed in the Company's Employee Handbook and provides the ethical framework to guide actions and behaviours of all Directors and its employees while at work. The Employee Handbook is accessible through the corporate intranet.

The Directors' Code of Conduct and Ethics is published in the Company's website at www.sunsuria.com

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Whistleblowing Policy and Procedure

The Company has established its Whistleblowing Policy, with the objective of providing a mechanism for all level of employees and stakeholders of the Group to report concerns about any suspected wrongdoing, inappropriate behaviour or misconduct relating to fraud, corrupt practices and/or abuse for management action. Investigation on the whistleblowing cases is conducted by Whistleblowing Committee and the outcome of the investigation is reported to the Audit Committee. During the financial year under review, there were no whistleblowing cases being received by the Company.

Details of the Whistle Blowing Policy and Procedures are set out in the CG Report, which is available at the Company's website at www.sunsuria.com.

Anti-Bribery and Corruption Policy and Procedures

In compliance with the Corporate Liability Provision Section 17A of the Malaysian Anti-Corruption Commission Act 2009 enforced on 1 June 2020, and guided by the principles of the Ministerial Guidelines and Paragraph 15.29 of the MMLR of Bursa Securities in relation to anti-bribery, the Board has adopted its Anti-Bribery and Corruption Policy and Procedures ("ABAC"). The Company has adopted the ABAC in order to achieve and maintain the highest standard of integrity and work ethics in the conduct of its business and operations. The ABAC provides guidance to all employees and associates of Sunsuria Group relating to specific acts of bribery and corruption and also to related matters such as proper reporting and accounting. During FY2023, a corruption risk assessment was carried out and the outcome of the exercise was low risk.

The Anti-Bribery and Corruption Policy and Procedures is published in the Company's website at www.sunsuria.com

NOMINATION AND REMUNERATION COMMITTEE

The primary functions of the NRC are as follows:



NRC Primary Functions

- 1 to oversee the selection and assessment of directors and to ensure that Board composition meets the needs of Sunsuria Berhad, taking into consideration the fit and proper policy adopted by the Company, including the skills, knowledge, expertise and experience, integrity, competencies, commitment, contribution and gender
- 2 to propose new nominees to the Board of Directors of Sunsuria and any Committee of the Board
- 3 to assess Directors on an ongoing basis
- 4 to recommend to the Board the remuneration of the Executive Director in all its forms, drawing from outside advice as necessary
- 5 to assist the Board in determining the policy and structure for the remuneration of Directors and senior management of Sunsuria Group

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)



Committee Focus Area

- 1 The effectiveness of the size, mix and the composition of the Board and Board Committees
- 2 The contribution of individual Director in relation to the effective decision-making of the Board
- 3 The independence of Independent Directors
- 4 The re-nomination of the Director who was due for retirement at the Company's Annual General Meeting ("AGM")
- 5 The salary increment, performance bonus KPIs for Executive Director
- 6 The directors' fees for Non-Executive Directors payable from 15 March 2023 to the next AGM in March 2024, on a monthly basis, subject to the shareholders' approval
- 7 Assessed and evaluated the training needs of the Directors
- 8 Recommend and/or approve candidates for Senior Management positions in the Company

Remuneration

The Board through the NRC has established a Directors and Senior Management Remuneration Policy to assist the Group in attracting, retaining and motivating its Directors and Senior Management in order to run the Group successfully.

The remuneration of Executive Chairman and Senior Management are structured to link rewards to the Group and individual performance, and achievement of annual key performance indicators as well as the prevailing market practice and the economic condition. As for Non-Executive Directors, the level of remuneration reflects mainly on their experience, qualification and competence of the Non-Executive Director concerned.

The Non-Executive Directors are remunerated with Directors' fees which are subject to shareholders' approval at the AGM annually in accordance with the Clause 121 of the Company's Constitution. In recommending the proposed

Directors' fees, the Remuneration Committee takes into consideration the qualification, level of responsibilities undertaken and extent of contributions required from a Director in light of the Group's complexity, as well as the prevailing market practice and the economic condition. The Non-Executive Directors are also paid meeting allowance for attending the meetings.

In the forthcoming AGM, the Company would be seeking the shareholders' approval for the Directors' fees payable to Non-Executive Directors for the period from the 55th AGM until the next AGM in year 2025. The proposed Directors' fees, once approved, will continue to be payable on a monthly basis instead of in arrears. The Board opined that it is just and equitable for the Non-Executive Directors to be paid such payment on such basis upon them discharging their responsibilities and rendering their services to the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

The Non-Executive Directors who are shareholders of the Company will abstain from voting the Resolution concerning the Proposed Directors' Fees payment during the 55th AGM.

The remuneration details of the Executive and Non-Executive Directors for the FY2023 are outlined in the Corporate Governance ("CG") report and none of the remuneration was paid by the subsidiaries of Sunsuria.

Evaluation of Board, Board Committees and Individual Directors

The Board, through the NRC, conducts an annual review of the structure and composition of the Board, competency and time commitment of the Board, Board's role in addressing the governance of sustainability in the Company as well as the independence of the Independent Directors. The Board also undertakes an annual assessment of the Board effectiveness, the Board Committees and the individual Directors by way of self and peer assessment. Based on the results of the assessment made, the overall results were generally positive. The Board is satisfied with the overall performance of individual Director, effectiveness of the Board and Board committees and independency of the Independent Directors.

The Board agreed that whilst its composition is represented with an appropriate mix of skills, expertise and experience, the Board will continue to review the Board size taking into consideration the complexity of the Group.

Independence

The Board through the NRC undertakes the independent assessment of all its Independent Directors of the Company which was carried out as part of the board assessment annually. The NRC and the Board reviewed the independence assessment results and are satisfied that all the Independent Directors fulfilled the criteria of "Independence" as prescribed under the Listing Requirements. The Board is satisfied that none of the Independent Directors had any relationship that could materially interfere with, or be perceived to materially interfere with their unfettered and independent judgement and ability to act in the best interests of the Company.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. All Directors have given their full commitment to the Board meeting by attending all the Board and Board Committees meetings as shown in the details of attendance of Directors at the meetings held during the financial year.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

ON GOING PROFESSIONAL TRAINING

The Board recognises that Directors' training is an ongoing process to ensure that Directors keep themselves abreast of the latest developments in areas related to their duties and to ensure that they are equipped with the necessary skills and knowledge to meet the challenges faced by the Board. The Board has delegated the role of reviewing the training and development needs of the Directors to the NRC.

All Directors are provided with ongoing professional development and training opportunities to enable them to develop and maintain their skills and knowledge. Directors are also encouraged to personally undertake appropriate training and refresher courses as appropriate to maintain the skills required to discharge their obligations to the Group.

Name of Director	Seminars/Forum/Conference/Training	Date
Tan Sri Datuk Ter Leong Yap	• Anti Money Laundering Act, MACC Section 17A, and Personal Data Protection Act – in house training	15.09.2023
Tan Pei Geok	• Workshop – Malaysia Budget 2023 highlights: Amendments and developments on tax compliance • Virtual MIA International Accountants Conference 2023 • Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers • Are your "Eagles" Flying Away? 3 Steps to prevent healthcare high performers from leaving • ESG, Climate and Trust: The Board's Role – Deloitte Global Boardroom - Webinar • Anti Money Laundering Act, MACC Section 17A, and Personal Data Protection Act – in house training	22.03.2023 13 - 14.06.2023 22.08.2023 30.08.2023 06.09.2023 15.09.2023
Dato' Quek Ngee Meng	• Inside the Brain: A Virtual Conversation Series with Smitha Chandrashekaraiiah - Association of Corporate Counsel • Brand Strategy Workshop - Ten Cave Men • IBA Asia Pacific Regional Forum Biennial Conference - International Bar Association • Managing Individual Taxes - Halim Hong & Quek • Sharing session on Master of Real Estate - Halim Hong & Quek • The Practice of Law: Confronting Commercialism - Halim Hong & Quek • International Malaysia Law Conference 2023 – Malaysian Bar • Anti Money Laundering Act, MACC Section 17A, and Personal Data Protection Act – in house training • KL Inhouse Congress – 2023	06.12.2022 02.02.2023 22 - 24.02.2023 11.04.2023 18.04.2023 22.06.2023 10 - 13.07.2023 15.09.2023 21.09.2023
Datin Loa Bee Ha	• Common Offences Committed by Directors under the Companies Act 2016 - MICPA • What is Generative AI and how will it impact the future-PWC • Advocacy Session for Directors and CEOs of Main Market Listed Issuers – Bursa Malaysia • ESG, Climate and Trust: The Board's Role – Deloitte Global Boardroom - Webinar • Anti Money Laundering Act, MACC Section 17A, and Personal Data Protection Act – in house training	18.05.2023 21.06.2023 17.08.2023 06.09.2023 15.09.2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Re-election of Directors

The NRC is responsible for recommending to the Board, Directors who are retiring and are standing for re-election at the AGM pursuant to and in accordance with the Constitution of Sunsuria.

In accordance with the Clause 114 of the Company's Constitution, one-third of the Directors for the time being or, if their number is not a multiple of three (3), the number nearest to one-third shall retire from office and be eligible for re-election at each AGM. All Directors are subjected to retirement by rotation at least once every three (3) years.

The NRC is also responsible for recommending to the Board those Directors who are eligible to stand for re-election/re-appointment.

Based on the office period of the Directors since their last election and upon recommendation of the NRC, the Board is proposing the re-election of Tan Sri Datuk Ter Leong Yap, who is due for retirement by rotation pursuant to Clause 114 of the Company's Constitution, being eligible has offered himself for re-election.

To assist the shareholders in their decision, sufficient information such as personal profile of the Director standing for re-election is disclosed in the Profiles of Board of Directors of this Annual Report. The details of his interest in the securities of the Company are set out in the Analysis of Shareholdings of this Annual Report.

PRINCIPLE B

EFFECTIVE AUDIT & RISK MANAGEMENT

Audit Committee ("AC")

The AC comprises three (3) members, all of whom are Independent Non-Executive Director. The members of the AC are Tan Pei Geok as Chairperson, Dato' Quek Ngee Meng and Datin Loa Bee Ha. The Chairperson of the AC is not the Chairman of the Board. This meets the requirements of paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements and Practice 18.4 of the MCGG.

Collectively, the members of the AC have a wide range of relevant skills, knowledge and experience in discharging their duties. Additionally, the Chairperson, Tan Pei Geok and the Member of the AC, Datin Loa Bee Ha have vast experience and skills in accounting and finance as well as other fields of expertise and are highly-qualified to review the accuracy of the Group's financial reporting prior to recommending the same to the Board for approvals, both are the member of the Malaysian Institute of Accountants.

The composition, authority as well as the duties and responsibilities of the AC are set out under its Terms of Reference approved by the Board.

The performance of the AC for the FY2023 was evaluated and based on the results of the evaluation, the Board is generally satisfied that the AC collectively and its members individually, have been able to discharge their functions, duties and responsibilities in accordance with the Terms of Reference ("TOR") of the AC.

A full AC report enumerating summary of activities of the AC during the financial year is set out in the AC Report.

Relationship with External Auditors

The AC has in place policies and procedures to review and assess the appointment or re-appointment of the external auditors in respect of their suitability, objectivity and independence. The AC in this regard assesses and reviews annually among others, the adequacy of their experience and resources, their audit engagements and the experience of the engagement partners and staff in accordance with the requirements of the Group.

The AC also meets with the external auditors without the presence of the Management to enable the AC to discuss matters privately with them. During the financial period under review, the AC met the external auditors twice without the presence of the Management.

Aside from the provision of statutory services, the external auditors provide non-audit services to the Group. The proposed fees for the non-audit services are reviewed by the AC and approved by the Board. In its review, the AC ensures that the independence and objectivity of the external auditors are not compromised. In addition, the AC must be satisfied that there is no element of conflict of interest and the fees chargeable are within the allowable threshold set.

PRINCIPLE B

EFFECTIVE AUDIT & RISK MANAGEMENT (CONT'D)

The AC was satisfied with the quality of audit, performance, competency and sufficient resources provided to the Group by the external auditors during the financial period under review. As part of the assessment, the AC referred to the Annual Transparency Report issued by the audit firm. The AC was also satisfied that the provision of the non-audit services by the external auditors to the Group did not impair their objectivity and independence as external auditors of Sunsuria.

Having considered the outcome of the annual assessment of the external auditors, the Board approved the recommendation for the shareholders' approval to be sought at the forthcoming AGM on their re-appointment as external auditors of the Group.

Internal Audit Function

The Group has outsourced its internal audit function to an external professional services firm, which reports directly to the Audit Committee. The outsourced internal audit function has undertaken independent and systematic reviews of the systems of internal controls and risk management within the Group so as to provide reasonable assurance that such systems continue to operate satisfactorily, effectively and in compliance to the Group's established policies

and procedures. The Internal Auditors are free from any relationship or conflict of interest, which could impair their objectivity and independence.

Risk Management and Internal Control Framework

The Board is fully aware of its overall responsibility of continuously maintaining a sound system of internal control which covers not only financial controls but also operational and compliance controls as well as risk management and the need to review its effectiveness regularly in order to safeguard shareholders' investment and the Company's assets.

To assist the Board in maintaining a sound system of internal control, the Group has engaged internal audit and risk management consultants, who report to the AC and the RMC on a quarterly basis. The implementation and maintenance of the risk management process to help the Board in identifying, evaluating, and managing the risk is carried out by the Risk Management Committee of the Group.

The Statement on Risk Management & Internal Control which provides an overview of the Group's state of internal control is set out in pages 129-136 of this Annual Report.

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

Communication with Stakeholders

The Board acknowledges the importance of being accountable to the shareholders and the investors via a direct and effective line of communication. As such, the Group always ensures the timely release of quarterly financial results, audited financial statements, corporate developments and announcements of the Group via the BURSA LINK, the Company's annual reports and other circulars to shareholders and where appropriate, ad hoc press statements which serve as the principal channel in keeping the shareholders and the investing public informed of the Group's major developments and overviews of financial performance and progress throughout the year.

The communication channels used in the Company's engagement with stakeholders includes:



- ▶ Various disclosures and announcements to Bursa Securities including quarterly financial results
- ▶ Press releases and announcements to Bursa Securities and to the media
- ▶ The Company's Annual Report
- ▶ Dialogues and presentations at general meetings to provide overview and clear rationale with regards to the proposals tabled for approval by shareholders.

The Board has formalised a Corporate Disclosure Policy to ensure that communications to the public regarding the Group are timely, factual, accurate and complete. The said Policy outlines the central principles and practices in communicating with the investors, shareholders, medias and regulators.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (CONT'D)

Conduct of general meetings

The Company's General meetings serve as principal forums for shareholders to engage directly with the directors and senior management. It also provides the opportunity for shareholders to raise questions pertaining to issues related to the Annual Report, Audited Financial Statements, corporate developments, resolutions being proposed and the business of the Group. Shareholders are encouraged to attend AGM and to participate in the question-and-answer sessions on the resolutions being proposed or on the Group's operations in general. Shareholders who are unable to attend the meetings are allowed to appoint proxies to attend and vote on their behalf in accordance with the Company's Constitution.

In 2023, the Company served notice of its Fifty-Forth (54th AGM) held on 15 March 2023 of at least 28 days before the meeting, well in advance of the 21-day requirements under the Companies Act 2016 and the Main Market Listing Requirements of Bursa Securities. The additional time given to the shareholders provides them with sufficient time to scrutinise the Annual Report 2022 and to make necessary arrangements to attend the meeting. The Company also distributed together with the Notice of AGM, information on administrative details such as details of the meeting, shareholders' entitlement to attend the meeting, their right to appoint proxy and information as who may act as a proxy, etc.

The 54th AGM held on 15 March 2023 was conducted virtually through live streaming and online remote voting via Remote Participation and Voting facilities. The forthcoming Fifty-Fifth (55th AGM) of the Company will continue to be conducted virtually i.e. through live streaming and using Remote Participation and Voting Facilities to give shareholders and/or proxies an opportunity to participate in the AGM effectively.

All Board members had ensured their attendance at the 54th AGM and the Chairman of the respective Board Committees with Management attended to questions raised pertaining to their duties. The External Auditors also attended the 54th AGM and had provide information to the Management clarifications particularly relating to the financial statements.

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

At the AGM of the Company held on 15 March 2023, all resolutions were decided by a poll and the votes received in respect of each resolution were notified to Bursa Securities on the same date as the meeting was held. The poll voting was conducted via electronic means and the results of the voting were instantly displayed on the screen. The Company has appointed an independent external scrutineer to validate all the votes at the said general meeting.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board is satisfied that the Group has maintained high standards of corporate governance and strived to achieve the highest level of integrity and ethical standard, in all its business dealings.

Moving forward, the Board will continue to operationalise and improve the Company's corporate governance practices and instil a risk and governance awareness culture and mindset throughout the organisation in the best interest of all stakeholders.

This Statement is made in accordance with the resolution of the Board of Directors dated 19 January 2024.

AUDIT COMMITTEE REPORT

The Board of Directors of Sunsuria Berhad ("Sunsuria") is pleased to present the Audit Committee Report for financial year ended 30 September 2023 ("FY2023").

COMPOSITION AND ATTENDANCE

The composition of the Audit Committee ("AC") of Sunsuria is presented in the table below.

During the FY2023, the AC held five (5) meetings. The details of attendance of the AC members are set out below:

Members	Membership/Designation	Meeting Attendance
Tan Pei Geok	Chairperson/Senior Independent Non-Executive Director	5/5
Datin Loa Bee Ha	Member/Independent Non-Executive Director	5/5
Dato' Quek Ngee Meng	Member/Independent Non-Executive Director	5/5

The composition of the AC is in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") which prescribes that the AC must consist of at least three (3) members with the Chairperson and a majority of the members being Independent Non-Executive Directors.

The AC comprises qualified individuals having required skills and expertise to discharge the AC's functions and duties. The AC's literacy and understanding of financial reporting standards and information have contributed to meaningful discussions in overseeing the integrity of the financial reporting processes and financial statements. The AC Chairperson is a member of the Certified Practising Accountants (CPA, Australia) and the Malaysian Institute of Accountants ("MIA"). Accordingly, the Company complies with paragraph 15.09(1)(c)(i) of the MMLR.

The AC meetings were conducted in accordance with the requisite quorum as stipulated in the Terms of Reference ("TOR") of the AC, which requires at least two (2) members, with the majority of members present must be Independent Non-Executive Directors. The authorised officers and representative of the external auditors may attend meetings at the invitation of the AC. Other Board members and the representatives of the external auditors shall also have the right of attendance upon the invitation of the AC, as and when necessary, to brief the AC on specific issues.

During FY2023, the Group Chief Executive Officer and Chief Financial Officer attended the AC meetings by invitation.

The External Auditors were invited to brief the AC on audit related matters during the financial year and provided a high-level review of the financial position of the Group. Time was also allocated for the External Auditors to have private discussions with the AC in the absence of the Management. During the FY2023, the AC had met the External Auditors twice and the meeting were held without the presence of Management.

During FY2023, the Internal Auditors attended four (4) out of five (5) AC meetings held. The respective internal audit reports were presented together with their recommendations to the actions and steps taken by the Management in response to the audit findings.

Annually, the term of office and performance of the AC and each of its members are being assessed by the Nomination and Remuneration Committee. During the FY2023, the Board was satisfied that the AC has discharged its function, duties and responsibilities in accordance with TOR of the AC, supporting the Board in ensuring the Group upholds appropriate Corporate Governance standards, practices and guidance.

The Company Secretaries act as the Secretary of the AC. The AC members are provided with the agenda and relevant committee papers before each meeting. Minutes of the AC meetings will be distributed to the Board for notation and the Chairman of the AC shall report key issues discussed in the AC meetings to the Board.

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE

The TOR of the AC is made available on the Company's corporate website at www.sunsuria.com.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR 2023

1. Overseeing Financial Reporting

(a) Reviewed the following unaudited quarterly reports and the consolidated results and its related press statement, amongst others, any change in accounting policies, significant matters highlighted, the going concern assumption, and compliance with accounting standards and regulatory requirements prior to their recommendation to the Board of Directors for approval:

(i) Quarterly financial results for the fourth quarter of the financial year ended 30 September 2023 ("FY2023") at the AC meeting held on 24 November 2023.

(ii) First, second and third quarters of the quarterly results for FY2023 at the AC meetings held on 27 February 2023, 26 May 2023 and 25 August 2023, respectively.

(b) Reviewed the consolidated audited financial statements of the Company and the Group for FY2022 at the AC meeting held on 18 January 2023 and ensuring that the statements comply with the Malaysian Financial Reporting Standards ("MFRSs"), for recommendation to the Board for approval.

(c) Received and considered regular updates from management on the status and implications for the Group on financial reporting developments, including updates on discussions by the Malaysian Accounting Standards Board on the development of the MFRSs. There were new or amended MFRSs adopted by the Group in FY2023, details of which are disclosed in the audited financial statements.

(d) Assessed reasonableness and appropriateness of the judgements or estimations made by management in preparing the financial statements. Meeting on audit status, as well as findings on areas of significant external auditors' attention were held during FY2023.

For FY2023, Messrs Deloitte PLT ("Deloitte") identified one (1) Key Audit Matters ("KAM") of the Group, which is revenue and cost of sales recognition for property development activities, which is key significance in Deloitte's audit of the financial statements of the Group due to its magnitude relative to the Group's revenue and cost of sales as well as significant estimation by management were involved in developing and monitoring the total budgeted property development costs, for which inherent uncertainties may arise.

(e) Reviewed the going concern basis for preparing the Group's consolidated financial statements, including the assumptions underlying the going concern statement and the period of assessment.

The principal risks and uncertainties, the existing financial position, the Group's financial resources and the expectations for future performance and capital expenditure were made known to the AC for its review.

(f) Reviewed the significant risks and areas of audit focus highlighted by the auditors which was encountered by them during their engagement to prepare the financial statements, as well as the significant judgements made by management.

(g) Reviewed the adequacy of the processes and controls in place for effective and efficient financial reporting and disclosures under the MFRSs and the MMLR.

2. External Audit

(a) Reviewed with the External Auditors, Deloitte, the Audit Review Memorandum on the audit of the financial statements for FY2022 setting out their comments and conclusions on the significant auditing and accounting issues highlighted.

(b) Reviewed with the External Auditors, the audit report, issues, reservations and management responses arising from their audit, as well as the audit and non-audit fees.

(c) Reviewed with the External Auditors, the audit plan for FY2023 outlining, amongst others, their scope of work, areas of audit emphasis and development in laws and regulations affecting financial reporting and the responsibilities of directors and managements, and auditors.

(d) Had discussions with Deloitte during the financial year, without the presence of management, to apprise on matters in regard to the audit and financial statements.

(e) Reviewed the provision of non-audit services rendered by the external auditors to the Group, in circumstances where the auditors were best qualified and suitable to provide the required services given their comprehensive knowledge of the Group's business operations, systems and processes. In considering the nature and scope of the non-audit services, the AC was satisfied that the services were not likely to impair the external auditors' independence and objectivity.

(f) Reviewed, assessed and monitored the performance, suitability and independence of the external auditors. The external auditors had provided an annual confirmation of their independence in accordance with the terms of all professional and regulatory requirements.

As part of the assessment, the AC had considered:

- Quality of planning, delivery and execution of the audit Quality and knowledge of the audit team.
- Effectiveness of communications between management and the audit team.
- Robustness of the audit, including the audit team's ability to challenge management as well as demonstrate professional scepticism and independence.
- Performance evaluation and review by management.

Following the outcome of the assessment and having satisfied with the external auditors' performance, suitability and independence, the AC at its meeting held on 24 November 2023 recommended to the Board for approval of the re-appointment of Deloitte as auditors of the Company. A resolution for their re-appointment will be tabled for shareholders' approval at the forthcoming annual general meeting.

(g) Reviewed and revised the External Auditors' Policy, on the approved mandate for non-audit services provided by the External Auditors, up to a total fee not exceeding 50% of the total amount of audit fees paid to the External Auditors.

3. Internal Audit

(a) Reviewed and adopted the risk-based internal audit plan for FY2023 to ensure sufficient scope and coverage of activities of the Company and Group.

(b) Reviewed the internal audit reports and follow-up audit reports, including the audit findings and recommendations, Management's responses and/or actions taken thereto, and ensured that material findings were satisfactorily addressed by the Management.

(c) Reviewed the audit recommendations and Management's responses to these recommendations and actions taken to improve the system of internal control and risk management. Enquiries were made to both internal audit function and Management over details of issues raised, root causes and the proposed corrective actions.

(d) Monitored and deliberated the implementation of audit recommendations arising from internal audit activities as well as the follow-up audits conducted by the internal audit function to ensure that all key risks and audit issues raised have been addressed. The AC also considered the timeliness of completion of the proposed actions and whether such actions effectively resolved the issues raised.

(e) Reviewed the status of audit assignments reported by the internal audit function to ensure that work undertaken is in line with the approved Annual Audit Plan.

(f) Reviewed the whistle-blowing reports received via the whistle blowing channels managed by the Human Resource Department. All reports received through the whistle-blowing channels were tabled to the AC on a half yearly basis with pertinent reports highlighted for deliberation.

(g) Reviewed the Statement on Risk Management and Internal Control to ensure that it is consistent with the AC's understanding of the state of internal

AUDIT COMMITTEE REPORT

control and risk management system and activities of the Group and recommended the same to the Board for inclusion in the Annual Report.

- (h) Reviewed, assessed and monitored the performance and suitability of the internal audit function. An annual performance assessment was carried out by AC, as part of the internal audit function's assessment. The AC considered:

- Quality of planning, delivery and execution of the internal audit quality and knowledge of the internal audit team.
- Effectiveness of communications between the Management and the internal audit team.
- Feedback from the Management.

Following the outcome of the assessment and having satisfied with the internal audit function's performance and suitability, the AC had renewed the engagement of the outsourced internal audit function.

4. Related Party Transactions

- (a) Review significant related party transactions entered into/to be entered into by the Company and the Group to ensure that the transactions were in the best interest of Sunsuria Group; were fair, reasonable and on normal commercial terms; and not detrimental to the interest of the minority shareholders of Sunsuria Berhad.
- (b) Reviewed on a quarterly basis, the Recurrent Related Party Transactions ("**RRPT**") entered into by the Company and/or its subsidiaries with related parties to ensure that the Group's internal policies and procedures governing RRPT are adhered to, the terms of the shareholders' mandate are not contravened and disclose requirements of the MMLR are observed.
- (c) Reviewed the Circular to Shareholders in relation to the renewal of shareholders' mandate for RRPT and new shareholder mandate for additional RRPT, prior to its recommendation to the Board of Directors for approval.

INTERNAL AUDIT FUNCTION

The internal audit function assists the AC in evaluating the adequacy and effectiveness of the governance, risk management and internal control systems of the Group and provide recommendations for improving such systems.

The Group has outsourced its internal audit function to a professional services firm that reports directly to the AC. The internal audit function have undertaken independent and systematic reviews on the systems of internal control and risk management of key operating units within the Group so as to provide reasonable assurance that such systems continue to operate satisfactorily, effectively and in compliance with the Group's established policies and procedures.

During the financial year under review, the outsourced internal audit function has undertaken the following:

- (a) Developed the annual internal audit plan and proposed such plan for the AC's approval.
- (b) Presented significant audit findings and areas for improvements identified during the internal audit reviews undertaken to the AC.
- (c) Solicit Management's responses in addressing the audit findings and conducted follow-up audit reviews to assess if appropriate actions have been taken to address the issues highlighted.
- (d) Undertaken recurrent related party transaction review to assess adherence to established policies and procedures and compliance with the MMLR.
- (e) Conducted discussions with Management to identify significant concerns and risk areas for inclusion in the internal audit coverage.
- (f) Reviewed the adequacy and effectiveness of the system of internal control in managing risks in various operating companies, including regulatory & compliance risk, competition risk, feasibility risk and operational risk.
- (g) Considered the concerns of the AC and Management when undertaking the respective audit work.

Total cost incurred on the outsourced internal audit function of the Group in respect of the FY2023 was at RM81,946.58 (FY2022: RM118,912.23).

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

The Board of Sunsuria Berhad is committed to continuously improve the Group's risk management and internal control system and is pleased to present the following Statement on Risk Management & Internal Control for the financial year ended 30 September 2023. This statement is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and guided by the Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers. This Statement outlines the nature and scope of risk management and internal control of the Group and covers all of the Group's operations except for associate companies.

1 The Board's Responsibility

The Board of Directors (the "Board") recognises the importance of sound controls and risk management practices to good corporate governance. The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system to safeguard shareholders' investment and the Group's assets.

The Board continually reviews the adequacy and integrity of the Group's risk management and internal control system, which has been embedded in all aspects of the Group's activities and its alignment with business objectives. The Board is equally aware that the risk management framework and internal control system

are designed to manage the Group's risks within an acceptable risk appetite, rather than to eliminate the risk of failure to achieve the goals and objectives of the Group. In this regard, the risk management framework and internal control system can only provide reasonable assurance, and not absolute assurance, against material misstatement in financial information or against financial losses or fraud.

The Board established a Risk Management Committee ("**RMC**") to oversee the risk management processes within the Company and the Group and established a sound risk management framework, policies and internal risk control system.

2 Risk Management Committee

The Risk Management Committee ("**RMC**") was established to uphold risk oversight within the Group. The RMC is chaired by an Independent Non-Executive Director, who is neither the Chairman of the Board nor the Audit Committee.

Roles and responsibilities of the RMC include the following:

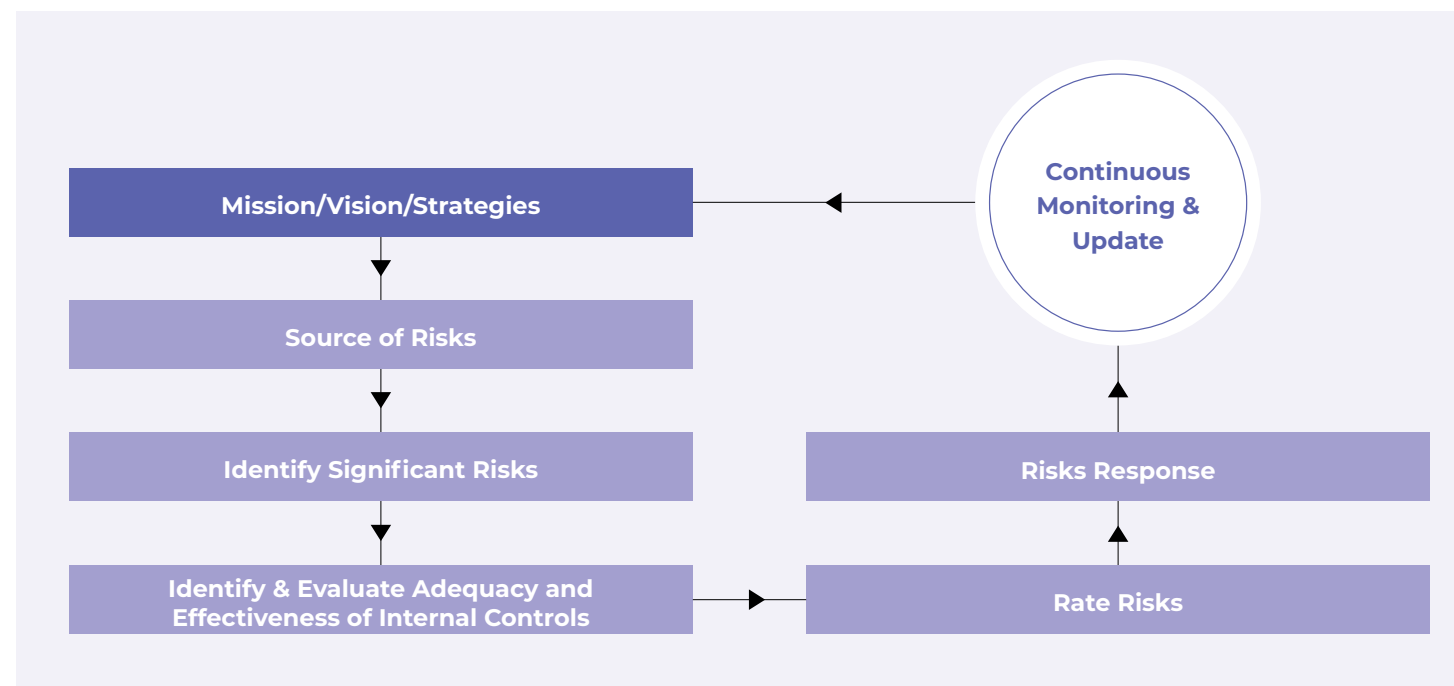
- a. Develop and recommend the Group's risk framework and policies that are aligned with its strategic business objectives.
- b. Communicate the Board's risk policies, objectives, responsibilities and reporting lines to all employees across the group.
- c. Identify and communicate to the Board on the significant risks that are critical and high risks both present and potential that the Group may face, their impact and consequences and the management action plans to manage and mitigate the risks.
- d. Perform risk oversight and review key risk profiles of the Company and the Group and regularly review and update the business units' risk management processes.
- e. Provide guidance to the business units on the Group's and business units' risk appetite and capacity, and other criteria which, when exceeded, trigger an obligation to report upward to the Board.
- f. To keep under review the effectiveness of the Group's internal control and risk management systems and review the statements to be included in the Annual Report concerning internal controls and risk management.
- g. All other risk management matters delegated by the Board.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

3 Risk Management Framework

The Group has adopted a Risk Management Framework (“**Framework**”) that outlines policy and on-going process for identifying, evaluating, managing, monitoring and communicating the key/significant risks faced by the Group throughout the period under review. It places importance of balancing between risk and reward in making strategic business decisions, a tool in managing both existing and potential key/significant risks with the objective of protecting key stakeholders’ interest, and compliance with statutory and legal requirements. The Framework sets the risk context and categories such as industry/market, financial, operations, compliance and people in relation to the Group’s business activities.

The risk assessment methodology adopted by the Group, which is guided by the globally accepted standard for risk management i.e. ISO 31000:2018 Risk Management – Guidelines is outlined as follows:



Risk identification and evaluation process

The risks associated with the Group’s business goals are identified through a series of interviews with key personnel and management of the Group, which are then incorporated into a Key Risk Profile that includes details on the nature of the risk as well as its severity and probability of occurrence.

The risk identification process includes consideration for both internal and external environmental factors. External environmental factors include political, economic, social technological, legal and environment changes. Internal factors include changes in key personnel, business expansion, introduction and implementation of new or revision of existing policies and procedures.

3 Risk Management Framework (Cont’d)

The risks identified are evaluated by examining the impact on the Group if a risk were to occur, as well as the likelihood of its occurrence. The likelihood is rated on a scale of 1 to 5, with 1 indicating that the event is very unlikely to happen and 5 indicating that there is a very high likelihood of the event happening. The impact is also assessed on the scale of 1 to 5, with 1 being of insignificant impact and 5 being very significant. The rating takes into consideration the effectiveness of existing controls put in place to manage the risks. After the risk assessment has been carried out, the Group will continue to closely monitor those significant risks identified that are rated as critical or high.

Amongst others, the three (3) key risk areas identified in the financial year ended 30 September 2023 in accordance to its potential impact to the Group are:

Regulatory and compliance risk

The Group’s operations are subject to guidelines, laws and regulations of the relevant jurisdictions where the local authorities, government bodies and ministries, securities commission and agencies may preside over.

The changes in laws and regulations may directly and indirectly affect the Group. The Group keeps abreast with the latest rulings, regulations and guidelines changes and assess the impact of such changes on the operation of the Group to ensure continuous compliance.

Operational risk

The Group’s operations were exposed to sales, project management and construction related risks.

The Group recognised the importance of delivering quality products and services. Therefore, the Group adhered to stringent standard operating policies and procedures and carefully select and assess every contractor, supplier, consultant, service provider and vendor that the Group engages in. In addition to the above, Group also emphasizes on the importance of safety and the well-being of its stakeholders.



Competition risk

The Group’s revenue and profitability are exposed to the risk of slowdown in global and local economy and the challenging property market sector. The recent surge in building material prices for steel, copper and cement have put additional pressure on the Group.

Recognising this, the Group embraces changes and strives for continuous innovation to remain relevant in the marketplace and creates differentiation to attract demand. Besides delivering quality products timely, the Group also embarks on initiatives to create vibrancy and footfalls to its development projects to enhance value for its customers.

In addition, the Group is continuously exploring various business and geographical diversifications and regularly reviewing the business plans against performances to address any gaps or shortfalls.

Risk information and treatment plans are captured and updated into a risk register. The information is consolidated to provide an enterprise overview of material risks faced by the Group and the associated risk mitigation plans, which are tracked and reviewed.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

3 Risk Management Framework (Cont'd)**Risk adoption and monitoring process**

All risks identified and assessed are documented in the Group risk assessment report and divisional & operational risk assessment report, whereby risks rated as significant and prioritised in terms of likelihood of the risk occurring and its impact should the risk occur are tabled to the RMC on 26 May 2023 and 24 November 2023, respectively. Risk assessment of the Company has been structured on a two-level assessment approach so as to give the appropriate focus at Group level and divisional & operational level.

Through these mechanisms, risks identified can be managed and monitored on a continual basis, so that the impact of such risks crystallising may be mitigated to avoid any loss or damage to the Group or division. However, certain significant risks which are rated critical or high could be due to the business environment it operates in and may not be managed and eliminated by the Group. The Group had formulated risk responses to address threats arising from significant risks to minimise the likelihood of such risks occurring or reducing the impact of such risks. On top of that, the Group also recognise opportunities that may come from certain significant risks and took appropriate actions to capitalise on the opportunities arising from such events.

The Risk Management Committee oversees risk management matters within the Group. The Risk Management Committee is assisted by the Risk Coordinator, who acts as the focal point for all risk management activities within the Group. The day-to-day risk management resides with the respective business units and support units, where action plans are developed and implemented to manage risks. The Risk Management Committee meets on a quarterly basis to review the risk management activities undertaken by the Management. Identification and assessment of significant risks as well as the corresponding controls put into effect by the Management to mitigate the identified significant risks, with the assistance from the Risk Coordinator, were presented to and reviewed by the Risk Management Committee. The Management, together with the Risk Coordinator, shall ascertain if controls are sufficient and reliable in mitigating the identified risks.

After due analysis and discussions with the Management, the Risk Coordinator will revise the risk ratings where applicable, taking into account the overall evaluation of internal controls. Any weaknesses noted during the review are reported to the Risk Management Committee. Through these mechanisms, the Risk Management Committee can be assured that the significant risks of the Group are regularly reviewed and appropriately managed to an acceptable level.

4 Internal Controls

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

During the financial year ended 30 September 2023, internal audit reviews were carried out in accordance with risk-based internal audit plan approved by the Audit Committee. Risk-based Internal Audit methodology was adopted, which entails focusing on the controls managing the key risks of the Group and providing assurance that key risks are being managed by the Management within the defined risk appetite level.

Based on the internal audit reviews, the findings arising, including the recommended corrective actions, potential risks, implications and Management's responses, were presented directly to the Audit Committee on a quarterly basis.

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

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

Key elements of the Group's risk management framework and system of internal controls include:

- An appropriate organisation structure for planning, executing, controlling and monitoring business operations with clear lines of responsibility and delegations of authority.
- Uniformity and consistency in practices and controls within the Group, whereby key processes in the Group's management and operations have been formalised and documented in the form of Standard Operating Policies and Procedures ("**SOPP**"). These SOPPs are subject to review and improvements, particularly through periodic internal audit reviews of selected areas of operations.
- Annual budgets for business units and the Group that is subject to the Board's approval. Any variances in actual performance against the budget are monitored and reported regularly. The results are consolidated and presented to the Board on a regular basis.
- Defined authorisation levels for all aspects of the business, which are formalised in the Group's Limits of Authority ("**LoA**").
- Necessary occupational safety and health ("**OSH**") guidelines, which include setting up a safety committee to enhance OSH procedures and address OSH issues that may arise from time to time.
- Audit Committee Meetings were convened at least four (4) times a year to review the effectiveness of the Group's system of internal controls. The Audit Committee meets with the Internal Auditors and External Auditors to review their reports.
- Regular internal audit visits to provide independent assurances on the effectiveness of the Group's system of internal controls processes and recommend to the Management on the areas for improvement.
- Periodic reviews of Recurrent Related Party Transactions by the Audit Committee and the Board to ensure compliance with the Listing Requirements.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

4 Internal Controls (Cont'd)

Key Internal Controls

Key elements of the Group's internal controls for the financial year ended 30 September 2023 are as follows:

Control Elements	Control Environment
People Management	<p>Human Resource Management</p> <ul style="list-style-type: none"> Employee Handbook Formal performance appraisal result in performance linked recognition and rewards Employee engagement survey <p>Integrity Management</p> <ul style="list-style-type: none"> An Anti-corruption Framework has been duly approved by the Board on 29 April 2020 and since then, adopted across the Group. Under the framework, an anti-bribery and corruption working group had been formed to oversee the Group's anti-corruption activities. The five (5) key principles of the framework are top level commitment, risk assessment, undertake control measures, systematic review, monitoring and enforcement and lastly, training and communication. An Anti-Bribery and Corruption Policy and Procedures has been adopted by the Company, duly approved by the Board of Directors. ABAC adopted are in line with Malaysian Anti-Corruption Commission Act 2009. The Group has adopted a zero-tolerance policy against all forms of bribery and corruption. No gift and entertainment policy, subject only to certain narrow exceptions. Sunsuria employees, directors or agents (executive and non-executive) and family members are prohibited from, directly or indirectly, receiving or providing gifts & entertainment. Whistleblowing policy has been established to provide an avenue for all employees and associates of the Group to disclose any concerns about misconduct, wrongdoings, corruption and instances of fraud, waste and/or abuse in accordance with the procedures as provided under the above-mentioned policy and to provide protection for its employees and associates who report such allegations.

4 Internal Controls (Cont'd)

Control Elements	Control Environment
Process Management	<p>Quality Management System</p> <ul style="list-style-type: none"> Clearly defined internal standard operating procedures and policies are easily accessible by all employees via the Company's intranet. <p>Financial Management</p> <ul style="list-style-type: none"> Annual budgets prepared are subject to management's review before being escalated to the Board for approval. LoA has been established for the Group and its subsidiaries to follow, in their day-to-day operations. Relevance of the LoA is reviewed periodically on as and when necessary. <p>Business/Project Management</p> <ul style="list-style-type: none"> Weekly operational and sales meetings are held to review and update on performances of every business division. <p>Environment, Safety and Health Management</p> <ul style="list-style-type: none"> An Occupational Health, Safety and Environment Committee is formed at every construction site.
Technology Management	<p>Information Security</p> <ul style="list-style-type: none"> Data security and data protection is very important to ensure access to applications and data is secured from cyber security threats. The Group has data backup plan and recovery procedures in place.
Crisis Management	<ul style="list-style-type: none"> Crisis management team headed by the Group's Senior Management that addresses any critical issues and operational matters effectively and efficiently and on a timely manner.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

5 Material Associates

Disclosures in this statement do not include the risk management and internal control practices of the Company's associates companies. The Company's interests in these entities are safeguarded through the appointment of members of the Group's Senior Management team to the Board of Directors and, in certain cases, the Management Committee of these entities.

6 Assurance From Management

In accordance with the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed issuers, the Board has received assurances from the Executive Chairman and the Chief Financial Officer, that, to the best of their knowledge, the system of internal control and risk management of the Group are operating effectively and adequately in all material respects, based on the risk management and internal control frameworks adopted by the Group.

7 Review Of The Statement By External Auditors

Pursuant to Paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Statement on Risk Management & Internal Control for inclusion in the 2023 Annual Report. Their review was performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. Based on their review, nothing has come to their attention that causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required to be set out by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

8 Conclusion

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

This statement was approved by the Board on 19 January 2024.

ADDITIONAL COMPLIANCE INFORMATION

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act 2016 ("**Act**") to cause Management to prepare the financial statements for each financial year in accordance with Malaysian Financial Reporting Standards ("**MFRSs**"), International Financial Reporting Standards ("**IFRS**") and the requirements of the Act to give a true and fair view of the financial position of the Group and the Company at the end of the financial year and of the financial performance and cash flows of the Group and the Company for the financial year. Where there are new accounting standards or policies that become effective during the year, the impact of these new requirements would be stated in the notes to the financial statements, accordingly.

In the preparation of the financial statements, the Directors ensure that Management have:

- a) applied appropriate and consistent accounting policies;
- b) made judgements and estimates that are reasonable and prudent;
- c) ensured that all applicable accounting standards have been followed; and
- d) prepared financial statements on a 'going concern' basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue operations for the foreseeable future.

The Directors have responsibility to ensure that the Company keeps accounting records, which disclose with reasonable accuracy the financial position of the Company and the Group, which enable them to ensure that the financial statements comply with the provisions of the Act. The Directors have overall responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

MATERIAL CONTRACT INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Company and its subsidiaries involving Directors and Major Shareholders' Interest which were still subsisting as at the end of the financial year under review or which were entered into since the end of previous financial period except as disclosed in the financial statements.

During the financial year under review, the Company has provided shareholders' advance and corporate guarantee amounting to RM81.1 million and RM97.8 million respectively in favour of Bangsar Hill Park Development Sdn. Bhd. ("**BHPD**"), a 51%-owned subsidiary

of the Company ("**Provision of Financial Assistance**"). The Provision of Financial Assistance to BHPD is for the purpose of working capital and made with reference to the Circular to Shareholders dated 21 January 2021 and Note 27 of the financial statements.

UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposals during the financial year under review.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

At the Extraordinary General Meeting held on 29 March 2019, the shareholders had approved the establishment of ESOS of up to 10% of the total number of issued shares of the Company (excluding Treasury Shares, if any) for eligible Directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries). The ESOS has a duration of five (5) years from its effective date i.e. 4 September 2019.

During the financial year, the Company has not granted ESOS options to the eligible persons under the scheme.

ADDITIONAL COMPLIANCE INFORMATION

RECURRENT RELATED PARTY TRANSACTIONS

At the last Annual General Meeting held on 15 March 2023, the Company had obtained a general mandate from its Shareholders for the Group to enter into recurrent related party transactions of a revenue or trading nature (“RRPT mandate”).

The aggregate value of the recurrent related party transactions of a revenue nature incurred by the Group pursuant to the RRPT mandate for the financial year ended 30 September 2023 did not exceed the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

AUDIT FEES AND NON-AUDIT FEES

During the financial year, the amount of audit-related and non-audit fees paid and payable to the External Auditors and/or its affiliates by the Company and the Group respectively for the financial year ended 30 September 2023 are as set out below:-

	Group		Company	
	2023 (RM'000)	2022 (RM'000)	2023 (RM'000)	2022 (RM'000)
Statutory audit fees	564.2	535.0	111.0	102.0
Total (a)	564.2	535.0	111.0	102.0
Non-audit fees:-				
- Other Services	43.2	58.0	18.0	38.0
Total (b)	43.2	58.0	18.0	38.0
% of non-audit fees (b/a)	7.66%	10.84%	16.22%	37.25%

FINANCIAL STATEMENTS



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DIRECTORS' REPORT**DIRECTORS' REPORT**

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and the provision of management services. The details of the subsidiaries are disclosed in Note 12 to the financial statements.

RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation	30,431	92,163
Attributable to:		
Owners of the Company	13,127	92,163
Non-controlling interests	17,304	-
	30,431	92,163

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividends were paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any declaration of dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year:

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

TREASURY SHARES

The shareholders of the Company had on 15 March 2023 approved the Company to purchase up to 10% of its prevailing issued and paid-up share capital. At the end of the reporting period, no shares was repurchased and held as treasury shares in accordance with Section 127 of the Companies Act 2016.

OPTIONS GRANTED OVER UNISSUED SHARES

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

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

On 29 March 2019, the shareholders of the Company approved the establishment of ESOS of up to ten percent (10%) of the total number of issued and paid-up ordinary shares of the Company (excluding Treasury Shares, if any) for eligible directors and employees of the Company and its subsidiaries (excluding subsidiaries which are dormant).

The ESOS is administered by the Employees' Share Option Scheme Committee ("ESOS Committee") in accordance with the ESOS By-Laws. The ESOS was established on 4 September 2019 for a period of five (5) years and may be extended or renewed (as the case may be) for another five (5) years in accordance to the ESOS By-Laws.

During the financial year, the Company has not granted ESOS options to the eligible persons under the ESOS.

The salient features of the ESOS are disclosed in Note 40 to the financial statements.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, 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 doubtful debts, and have satisfied themselves that no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised 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 require the writing off of bad debts or render the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company 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

DIRECTORS' REPORT

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, the directors are not aware of any circumstances: (Cont'd)

- (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; or
- (d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

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

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of 12 months after the end of the financial year, which in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

DIRECTORS

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

Tan Sri Datuk Ter Leong Yap	Datin Loa Bee Ha
Tan Pei Geok	Dato' Quek Ngee Meng

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

Ter Leong Ping	Datuk Tan Cheng Kiat	Joel Lee Jia Wei
Wong Chiew Meng	Datuk Ng Soon Hong	Ooi Kim Cheng
Gan Teck Boon	Alexon Khor Swek Chen	Tho Win-Son
Chuah Chew Hai	Zeng, ZhaoHui	Eng Kim Haw
Tan Bo Ren	Xuan, QiWu	Tan Hoi Kwan
Ter Shin Nie	Graham James Plant	Lee Li Fung
Ter Shin Ann	Jason Cham Toon Fook	Puay Sheng Hwa (appointed on 28 June 2023)
Abdul Hadi bin Ahmad	Ter Chen Loong	Siti Fairuz Fadhilah Binti Mohd Naim (appointed on 25 October 2023)
Yew Hann Loo	Lim Hooi Kiang	Diana Tan (appointed on 13 January 2023, resigned on 28 June 2023)
Chua Ah Bah	Kah Hoi Chan	
@ Chua Siew Seng		

DIRECTORS' INTERESTS

According to the register of directors' shareholdings kept by the Company under Section 59 of the Companies Act 2016, the interests of directors holding office at the end of the financial year in shares and warrants of the Company during the financial year are as follows:

	Number of ordinary shares			As at 30.9.2023
	As at 1.10.2022	Acquired	Disposed	
<i>Direct Interests:</i>				
Tan Sri Datuk Ter Leong Yap	168,839,872	-	-	168,839,872
Tan Pei Geok	1,830,000	-	-	1,830,000
Dato' Quek Ngee Meng	243,300	-	(193,300)	50,000
<i>Indirect Interests:</i>				
Tan Sri Datuk Ter Leong Yap #	368,666,208	-	-	368,666,208
Datin Loa Bee Ha ^	14,828,800	-	-	14,828,800

Notes:

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

^ Deemed interested by virtue of the shareholdings held by her spouse, Dato' Tan Tian Meng pursuant to Section 59(11)(c) of the Companies Act 2016.

By virtue of his shareholdings in the Company, Tan Sri Datuk Ter Leong Yap is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 41 to the financial statements.

DIRECTORS' REPORT**DIRECTORS' REPORT****DIRECTORS' BENEFITS (CONT'D)**

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Compensation of directors of the Group and of the Company for the financial year ended 30 September 2023 is as follows:

	The Group RM'000	The Company RM'000
Directors' remuneration		
Short-term employee benefits	4,934	4,473
Defined contribution benefits	524	480
Benefits-in-kind	120	100
	<u>5,578</u>	<u>5,053</u>

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Company were RM10,000,000 and RM27,714 respectively. No indemnity was given to or insurance effected for auditors of the Company.

AUDITORS' REMUNERATION

The auditors' remuneration for the financial year ended 30 September 2023 is as follows:

	The Group RM'000	The Company RM'000
Auditors' remuneration		
Audit fee	564	111
Non-audit fee	43	18
	<u>607</u>	<u>129</u>

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors,

TAN SRI DATUK TER LEONG YAP**TAN PEI GEOK**

Petaling Jaya, Selangor Darul Ehsan
19 January 2024

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

The directors of **SUNSURIA BERHAD**, state that, in their opinion, the accompanying financial statements 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 Group and of the Company as at 30 September 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors,

TAN SRI DATUK TER LEONG YAP**TAN PEI GEOK**

Petaling Jaya, Selangor Darul Ehsan
19 January 2024

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **ENG KIM HAW**, the officer primarily responsible for the financial management of **SUNSURIA BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.

ENG KIM HAW
MIA No. 10061

Subscribed and solemnly declared by the above named **ENG KIM HAW** at Petaling Jaya in the state of Selangor Darul Ehsan this 19th day of January, 2024.

Before me,

COMMISSIONER FOR OATHS**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNSURIA BERHAD****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of **SUNSURIA BERHAD**, which comprise the statements of financial position of the Group and of the Company as at 30 September 2023 and the statements of profit or loss and other 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 152 to 280.

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 30 September 2023, and of their financial performance and their cash flows for the financial 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 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 Group and 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' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNSURIA BERHAD

We have determined the matter described below to be the key audit matter to be communicated in our report.

Revenue and Cost of Sales Recognition for Property Development Activities	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>During the financial year ended 30 September 2023, property development revenue amounted to RM504 million, representing 99.6% of the Group's total revenue while its related cost of sales amounted to RM378 million, representing 99.7% of the Group's total cost of sales.</p> <p>The Group recognises property development revenue and cost of sales using input method. The stage of completion is determined by the proportion of property development costs incurred for work performed to date over the estimated total property development costs.</p> <p>Accounting for property development activities is inherently complex, whereby significant judgements and estimates are involved in the following areas:</p> <ul style="list-style-type: none"> determination of stage of completion; and estimated total property development costs and costs to be incurred to complete a project. <p>We determined this to be a key audit matter given its magnitude relative to the Group's revenue and cost of sales as well as the complexity and judgmental nature of these activities.</p> <p>Refer to Note 4.1 (b) (iv) (Critical Accounting Judgements and Key Sources of Estimation Uncertainty - Revenue and Cost of Sales Recognition for Property Development Activities), Note 4.24 (b) (Significant Accounting Policies - Revenue and Other Income), Note 5 (Revenue), Note 6 (Cost of Sales) and Note 18 (Inventories) to the financial statements.</p>	<p>Our key procedures include, amongst others:</p> <ol style="list-style-type: none"> Obtained an understanding of the process and relevant controls put in place by the Group in respect of: <ul style="list-style-type: none"> revenue recognition for property development activities and performed procedures to evaluate the design and implementation and operating effectiveness of such controls; and budgeting of development and computation of percentage of completion. Evaluated the terms and conditions of major sales transactions to ensure that revenue recognised at a point in time or overtime are in line with the Group policy and the requirements of MFRS 15 Revenue from Contracts with Customers with a five-step approach. Assessed the reasonableness of management-prepared budgets for property development projects against letters of award issued to contractors, challenged management assumptions used in the preparation of the respective budgets and performed retrospective review to establish the reliability of management-prepared budgets. Performed sampling test on actual development costs incurred to the relevant supporting documents such as contractor's progress claims, surveyor certificates and architect certificates. Performed site visits for individually significant on-going projects to arrive at an overall assessment as to whether information provided by management is reasonable. Interviewed management's project team on the achievability of the budgeted costs to the completion of individually significant projects. Obtained an understanding on the causes of the delays and corroborated key judgement applied by management in regards to the projects whereby actual progress is behind planned progress, as to whether provision for liquidated ascertained damages ("LAD") is required.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNSURIA BERHAD

Revenue and Cost of Sales Recognition for Property Development Activities (Cont'd)	
Key Audit Matter (Cont'd)	How our audit addressed the Key Audit Matter (Cont'd)
	<ol style="list-style-type: none"> Assessed the stage of completion of individually significant on-going development projects to the expected handover date to determine the adequacy of LAD as LAD is considered as variable consideration which will affect the transaction price of the projects. Assessed Sale & Purchase agreements ("SPA") entered into between the purchasers and the Group and test checked for subsequent cancellation of SPA. Performed search for unrecorded liabilities and cut off tests for cost incurred. Evaluated accruals made in respect of work performed by contractors and consultants of which invoice/progress claim has yet to be received as at year end. This includes review of basis of estimation of the amount accrued and subsequent invoices and progress claims received after year-end to ensure that costs have been properly taken up as of year end.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

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 annual 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 do not cover the other information 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 other information and, in doing so, consider whether the other information 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 this other information, 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 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 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's 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNSURIA BERHAD**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 a 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 skepticism 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's 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's or 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 or 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 of the Group and of the Company 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNSURIA BERHAD**Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 12 to the financial statements.

Other Matters

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 contents of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

TAN YU MIN
Partner - 03503/07/2024 J
Chartered Accountant

19 January 2024

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	5	506,199	402,202	130,145	25,945
Cost of sales	6	(378,991)	(284,016)	-	-
Gross profit		127,208	118,186	130,145	25,945
Investment income	7	7,971	4,913	8,552	5,419
Other income		6,931	5,165	2,921	482
Administrative and other expenses		(68,458)	(72,723)	(37,980)	(31,269)
Finance costs	8	(27,655)	(20,563)	(11,005)	(6,882)
Share of results of associates, net of tax		124	(97)	-	-
Profit/(Loss) before tax	9	46,121	34,881	92,633	(6,305)
Tax (expense)/credit	10	(15,690)	(15,542)	(470)	414
Profit/(Loss) for the year		30,431	19,339	92,163	(5,891)
Other comprehensive loss					
Items that may be reclassified subsequently to profit or loss:					
Loss on foreign currency translation		(33)	(6)	-	-
Other comprehensive loss, net of tax		(33)	(6)	-	-
Total comprehensive income/(loss) for the year		30,398	19,333	92,163	(5,891)
Profit/(Loss) attributable to:					
Owners of the Company		13,127	16,551	92,163	(5,891)
Non-controlling interests		17,304	2,788	-	-
		30,431	19,339	92,163	(5,891)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		13,088	16,543	92,163	(5,891)
Non-controlling interests		17,310	2,790	-	-
		30,398	19,333	92,163	(5,891)
Earnings per share (sen):					
Basic	11(a)	1.47	1.85		
Diluted	11(b)	N/A	N/A		

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS:					
Non-current Assets					
Investment in subsidiaries	12	-	-	239,809	237,819
Investment in associates	13	587	465	594	594
Other investment	14	159	159	159	159
Property, plant and equipment	15	71,027	44,228	13,814	13,923
Investment properties	16	228,707	225,262	331	350
Goodwill	17	14,737	14,737	-	-
Inventories	18	662,636	635,827	-	-
Deferred tax assets	19	13,340	12,895	244	-
Right-of-use assets	20	1,966	3,027	71	141
Other receivables, deposits and prepayments	25	67	-	67	-
Amount owing by subsidiaries	27	-	-	43,264	47,060
		993,226	936,600	298,353	300,046
Current Assets					
Inventories	18	471,566	493,331	-	-
Biological assets	21	12	12	-	-
Contract assets	22	269,710	176,232	-	-
Contract costs	23	32,128	36,489	-	-
Trade receivables	24	66,060	64,716	-	-
Other receivables, deposits and prepayments	25	62,873	72,562	1,920	2,270
Lease receivables	26	16	-	-	-
Amount owing by subsidiaries	27	-	-	683,851	455,203
Amount owing by related parties	28	3,073	1,680	38	13
Amount owing by associate	29	16,315	6,364	-	-
Tax recoverable		10,103	17,909	3,300	2,611
Short-term investment	30	47,277	34,628	21,675	21,128
Fixed deposits with licensed banks	31	107,273	29,817	67,591	24,861
Cash and bank balances	32	155,628	248,231	14,715	91,073
		1,242,034	1,181,971	793,090	597,159
TOTAL ASSETS		2,235,260	2,118,571	1,091,443	897,205

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
EQUITY AND LIABILITIES:					
Equity					
Ordinary share capital	33	640,288	640,288	640,288	640,288
Reserves	34	421,106	408,018	216,317	124,154
Equity attributable to owners of the Company		1,061,394	1,048,306	856,605	764,442
Non-controlling interests	12(c)	34,312	17,036	-	-
TOTAL EQUITY		1,095,706	1,065,342	856,605	764,442
Non-current Liabilities					
Deferred tax liabilities	19	86,429	91,599	-	255
Borrowings	35	491,999	476,045	113,258	121,733
Lease liabilities	36	1,063	2,290	13	70
		579,491	569,934	113,271	122,058
Current Liabilities					
Trade payables	37	106,598	72,931	-	-
Other payables, deposits received, accruals and provisions	38	164,666	150,440	8,347	4,124
Contract liabilities	22	35,175	62,649	-	-
Amount owing to subsidiaries	27	-	-	8,192	5,958
Amount owing to related parties	28	85,061	81,225	-	-
Amount owing to associate	29	15,625	93,055	-	-
Borrowings	35	150,886	17,689	104,972	551
Lease liabilities	36	1,280	1,346	56	72
Tax payable		772	3,960	-	-
		560,063	483,295	121,567	10,705
TOTAL LIABILITIES		1,139,554	1,053,229	234,838	132,763
TOTAL EQUITY AND LIABILITIES		2,235,260	2,118,571	1,091,443	897,205

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

The Group

	Non-distributable					Total equity RM'000
	Share capital (Note 33) RM'000	Capital reserve (Note 34) RM'000	Foreign currency translation reserve (Note 34) RM'000	Retained earnings (Note 34) RM'000	Attributable to Owners of the Company RM'000	
As at 1 October 2022	640,288	815	(8)	407,211	1,048,306	1,065,342
Profit for the year	-	-	-	13,127	13,127	30,431
Other comprehensive loss	-	-	(39)	-	(39)	(33)
Total comprehensive (loss)/income	-	-	(39)	13,127	13,088	30,398
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(90)
Issuance of shares by subsidiary to non-controlling interest	-	-	-	-	-	56
As at 30 September 2023	640,288	815	(47)	420,338	1,061,394	1,095,706

The accompanying Notes form an integral part of the Financial Statements.

The Group (Cont'd)

	Non-distributable		Distributable		Non-controlling interests		Total equity
	Share capital (Note 33) RM'000	Capital reserve (Note 34) RM'000	Foreign currency translation reserve (Note 34) RM'000	Retained Earnings reserve (Note 34) RM'000	Attributable to Owners of Company RM'000	the Company interests [Note 12(c)] RM'000	
As at 1 October 2021	640,288	815	-	389,083	1,030,186	15,820	1,046,006
Profit for the year	-	-	-	16,551	16,551	2,788	19,339
Other comprehensive (loss)/income	-	-	(8)	-	(8)	2	(6)
Total comprehensive (loss)/income	-	-	(8)	16,551	16,543	2,790	19,333
Acquisition of a subsidiary	-	-	-	-	-	5	5
Acquisitions of additional interests in subsidiary from non-controlling interests	-	-	-	(774)	(774)	772	(2)
Effects of dilution of interests in a subsidiary	-	-	-	2,351	2,351	(2,351)	-
As at 30 September 2022	640,288	815	(8)	4,07,211	1,048,306	17,036	1,065,342

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

The Company

	Non-distributable		Distributable	
	Share capital (Note 33) RM'000	Capital reserve (Note 34) RM'000	Retained earnings (Note 34) RM'000	Total equity RM'000
As at 1 October 2022	640,288	1,800	122,354	764,442
Profit for the year, representing total comprehensive income for the financial year	-	-	92,163	92,163
As at 30 September 2023	640,288	1,800	214,517	856,605
As at 1 October 2021	640,288	1,800	128,245	770,333
Loss for the year, representing total comprehensive loss for the financial year	-	-	(5,891)	(5,891)
As at 30 September 2022	640,288	1,800	122,354	764,442

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before tax	46,121	34,881	92,633	(6,305)
Adjustments for:				
Depreciation of:				
- property, plant and equipment	4,454	5,139	814	996
- investment properties	376	415	19	19
- right-of-use assets	1,211	1,414	70	69
Dividend income	-	-	(99,930)	-
Fair value loss on:				
- biological assets	-	2	-	-
Impairment loss on:				
- investment in subsidiaries	-	-	1,990	-
- investment in associate	2	-	-	-
- property, plant and equipment	-	294	-	-
- investment properties	-	11	-	11
- right-of-use assets	-	332	-	-
Reversal of impairment loss on investment property	(1,035)	-	-	-
Allowance for impairment losses on:				
- other receivables	-	60	-	60
- amount owing by subsidiaries	-	-	916	734
Finance costs	27,655	20,563	11,005	6,882
Investment income	(7,971)	(4,913)	(8,552)	(5,419)
Inventories write-down to net realisable value:				
medical supplies	-	3	-	-
Loss/(Gain) on disposal of property, plant and equipment	55	(406)	-	(196)
Gain on derecognition of lease liabilities	(381)	(501)	-	-
Sub-total carried forward	70,487	57,294	(1,035)	(3,149)

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES (CONT'D)				
Sub-total brought forward	70,487	57,294	(1,035)	(3,149)
Reversal of allowance for impairment losses on:				
- other receivables	(60)	-	(60)	-
- amount owing by subsidiaries	-	-	(2,378)	-
Waiver of debts on other payables	-	(80)	-	-
Share of results in associates	(124)	97	-	-
Unrealised (gain)/loss on foreign exchange	(753)	879	(452)	877
Provision for release of bumiputera quota	4,403	11,572	-	-
Reversal of provision for release of bumiputera quota	(4,547)	-	-	-
Operating profit/(loss) before changes in working capital	69,406	69,762	(3,925)	(2,272)
<i>Decrease/(Increase) in operating assets:</i>				
Inventories - completed units and others	14,516	60,502	-	-
Inventories - property development costs	33,805	(53,429)	-	-
Contract assets	(93,215)	13,214	-	-
Contract cost	4,361	(14,267)	-	-
Trade and other receivables	8,759	(18,015)	343	1,296
Amount owing by subsidiaries	-	-	(61,957)	27,150
Amount owing by related parties	(1,393)	(47)	(25)	(13)
Amount owing by associate	(9,951)	(295)	-	-
<i>Increase/(Decrease) in operating liabilities:</i>				
Trade and other payables	48,037	43,261	4,223	137
Contract liabilities	(27,474)	37,703	-	-
Amount owing to related parties	3,836	(375)	-	-
Amount owing to associate	(77,430)	62,135	-	-
Cash (for)/from operations	(26,743)	200,149	(61,341)	26,298

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES (CONT'D)					
Cash (for)/from operations (cont'd)		(26,743)	200,149	(61,341)	26,298
Income tax paid		(18,236)	(18,831)	(1,658)	(1,130)
Income tax refunded		1,549	53	-	-
Finance costs paid		(34,481)	(29,716)	(11,099)	(7,010)
Net cash (for)/from operating activities		(77,911)	151,655	(74,098)	18,158
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Advances to subsidiaries		-	-	(112,787)	(26,726)
Dividend received		-	-	49,990	-
Expenditure incurred on land held for property development		(41,531)	(46,568)	-	-
Placement of deposits pledged with licensed banks		(59,095)	(1,812)	(42,730)	(1,320)
Investment income received		7,971	4,913	8,552	5,419
Acquisition of additional equity interest of subsidiaries from non-controlling interests		-	(2)	-	-
Acquisition of:					
- property, plant and equipment	15(d)	(30,959)	(2,619)	(336)	(381)
- investment properties		(7,237)	(15,633)	-	-
Net sale proceeds from disposal of property, plant and equipment		20	419	-	240
Net cash for investing activities		(130,831)	(61,302)	(97,311)	(22,768)

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividends to non-controlling interest		(90)	-	-	-
Drawdown of loans and borrowings		83,037	123,160	-	-
Drawdown of revolving credits		31,500	-	30,000	-
Drawdown of invoice financing		41,813	8,403	-	-
Payments for the principal portion of lease liabilities		(1,325)	(1,308)	(73)	(68)
Transaction costs related to loans and borrowings		(316)	(315)	(316)	-
Proceeds from issuance of ordinary shares to non-controlling interests		56	5	-	-
Repayment of hire purchase obligations		(74)	(248)	(13)	(189)
Proceeds from issuance of Sukuk Wakalah		66,000	-	66,000	-
Repayment of term loans		(42,376)	(163,136)	-	-
Repayment of invoice financing		(31,043)	(4,820)	-	-
Net cash from/(for) financing activities		147,182	(38,259)	95,598	(257)
Net (decrease)/increase in cash and cash equivalents		(61,560)	52,094	(75,811)	(4,867)
Effects of exchange rate changes		(33)	(6)	-	-
Cash and cash equivalents at beginning of the financial year		284,226	232,138	112,201	117,068
Cash and cash equivalents at end of the financial year		222,633	284,226	36,390	112,201
Cash and cash equivalents comprised:					
Short-term investment	30	47,277	34,628	21,675	21,128
Fixed deposits with licensed banks	31	107,273	29,817	67,591	24,861
Cash and bank balances	32	155,628	248,231	14,715	91,073
		310,178	312,676	103,981	137,062
Less: Fixed deposits pledged to licensed banks	31(b)	(87,545)	(28,450)	(67,591)	(24,861)
		222,633	284,226	36,390	112,201

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

Notes:

- (i) Cash outflows for leases as a lessee

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Included in net cash from/(for) operating activities					
Short-term leases paid	20	1,335	1,492	1,216	1,214
Low value assets leases paid	20	27	52	-	12
Finance costs paid in relation to lease liabilities	8	156	219	4	7
		1,518	1,763	1,220	1,233
Included in net cash from/(for) financing activities					
Payment for the principal portion of lease liabilities		1,325	1,308	73	68
		2,843	3,071	1,293	1,301

- (ii) During the current financial year, the Group acquired investment properties through both cash payments:

	The Group	
	2023 RM'000	2022 RM'000
Total additions of investment properties (Note 16)	7,622	16,962
Less: interest capitalised (Note 8)	(385)	(1,329)
Total costs of investment properties acquired via cash payments	7,237	15,633

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. GENERAL INFORMATION

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 19 January 2024.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and the provision of management services. The details of the subsidiaries are disclosed in Note 12.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in other section under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except as otherwise indicated.

3.1 Adoption of Amendments to MFRS

In the current financial year, the Group and the Company have adopted all the Amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual periods beginning on or after 1 October 2022 as follows:

Amendments to MFRSs	Annual Improvements to MFRS Standards 2018-2020
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract

The adoption of these Amendments to MFRSs have not affected the amounts reported on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

3.2 New Standards and Amendments to MFRS in issue but not yet effective

At the date of authorisation for issue of these financial statements, the new MFRSs and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

MFRS 17/Amendments to MFRS 17	Insurance contracts ¹
Amendments to MFRS 17	Initial Application of MFRS 9 and MFRS 17 - Comparative Information ¹
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current ²
Amendments to MFRS 101	Disclosure on Accounting Policies ¹
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements ²
Amendments to MFRS 108	Definition of Accounting Estimates ¹
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transactions ¹
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules ¹
Amendments to MFRS 121	Lack of Exchangeability ³
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to MFRS 101	Non-current Liabilities with Covenants ²

¹ Effective for annual periods beginning on or after 1 January 2023, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2024, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.

⁴ Effective date deferred to a date to be determined and announced.

The above mentioned new MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and the Directors anticipate that the adoption of these new MFRSs and amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical Judgement Made in Applying Accounting Policies

The directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements except as mentioned below:

Provision for release of bumiputera quota

The directors of the Group exercise judgement in determining the provision for release of bumiputera quota as disclosed in Note 38. In estimating the quantum at year-end, the directors have considered various factors including conditions imposed on the Group's development projects, past historical transactions, legal advice and probability the provision will eventuate. The carrying amount of the provision is assessed at least annually by the directors.

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Income Taxes

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

(ii) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unutilised tax losses and unabsorbed capital allowances could be utilised.

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 19.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key Sources of Estimation Uncertainty (Cont'd)

(iii) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 17.

(iv) Revenue and Cost of Sales Recognition for Property Development Activities

Revenue is recognised as and when the control of the asset is transferred to customers and it is probable that the Group and the Company will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation based on the physical proportion of contract work-to-date certified by professional consultants. Significant estimation is required in determining the progress towards complete satisfaction of that performance obligation based on the certified work-to-date corroborated by the level of completion of the development based on actual costs incurred to date over the estimated total property development costs. The total estimated costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgements, management relies on past experience and the work of specialists.

(v) Net Realisable Value of Inventories

Inventories are stated at the lower of cost and net realisable value. The Group determines net realisable value based on historical trends and management estimates of future selling pricing. Possible changes in these estimates could result in revisions to the valuation of inventories.

(vi) Impairment of Non-Financial Assets

The Group and the Company review the carrying amount of its non-financial assets to determine whether there is an indication that those assets have suffered an impairment loss.

When there is an indication that the carrying amount of an asset may be impaired, the asset's recoverable amount, being the higher of its fair value less costs to sell and its value-in-use ("VIU"), will be assessed. The assessment of the recoverable amounts involves a number of methodologies.

In determining the VIU of an asset, being the future economic benefits to be expected from its continued use and ultimate disposal, the Group and the Company make estimates and assumptions that require significant judgements. While the Group and the Company believe these estimates and assumptions of VIU could be reasonable and appropriate, changes on these estimates and assumptions of VIU could impact the Group's and the Company's financial position and results.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key Sources of Estimation Uncertainty (Cont'd)

(vi) Impairment of Non-Financial Assets (Cont'd)

In determining the fair value less costs to sell, it has been done by references to the latest valuation carried out by independent firm of professional valuers.

The impairment loss on investment in subsidiaries, property, plant and equipment, investment properties and right-of-use assets are disclosed in Notes 12, 15, 16 and 20 respectively.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 September each year. Control is achieved when the Company:

- Has the power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee
- Has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- Potential voting rights held by the Company, other vote holders or other parties
- Rights arising from other contractual arrangements
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.2 BASIS OF CONSOLIDATION (CONT'D)**

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

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 of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable MFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. The carrying amount of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.3 GOODWILL (CONT'D)**

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

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

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

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

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

(b) Foreign Currency Transactions and Balances

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

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Ringgit Malaysia using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the Group's translation reserve.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to the foreign operation accumulated in the Group's translation reserve shall be reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.5 FINANCIAL INSTRUMENTS**

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(a) Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the Group and the Company become a party to the contractual provisions of the instruments.

At initial recognition, the Group and the Company measure a financial asset (unless it is a trade receivable without significant financing component) or a financial liability at its fair value plus or minus, in the case of a financial instrument not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition or issuance. Transaction costs of financial assets at FVTPL are recognised immediately in profit or loss.

Trade receivables without a significant financing component are initially measured at transaction price in accordance with MFRS 15.

Regular way of purchase or sale of a financial asset is recognised on the trade date, the date on which the Group and the Company commit to purchase or sell an asset.

(b) Classification and Subsequent Measurement**Financial Assets**

The Group and the Company classify its financial assets in the following measurement categories:

- (i) those to be measured at fair value (either through other comprehensive income ("FVTOCI") or FVTPL); and
- (ii) those to be measured at amortised cost.

The classification depends on the Group's and the Company's business model for managing the financial assets and their contractual cash flows characteristics.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.5 FINANCIAL INSTRUMENTS (CONT'D)****(b) Classification and Subsequent Measurement (Cont'd)****Financial Assets (Cont'd)**

For assets measured at fair value, gain and losses will be recorded in either profit or loss or other comprehensive income ("OCI").

The Group and the Company reclassify debt instruments when and only when its business model for managing those assets changes.

(i) Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding are classified as financial assets at amortised cost. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method, less accumulated impairment.

Interest income from these financial assets is calculated using the effective interest rate method and is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. For credit-impaired financial assets, the effective interest rate shall be applied to the amortised cost of the financial asset in subsequent reporting periods.

(ii) Financial assets at fair value through other comprehensive income ("FVTOCI")

This category comprises investment in equity instruments which are not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in fair value of the investments in OCI. The election is made on an investment by-investment basis. On derecognition, gains and losses accumulated in OCI are not reclassified to profit or loss.

Dividend income from these investments is recognised in profit or loss when the right to receive payment of the dividend is established.

The Group and the Company subsequently measured these investments in equity instruments at fair value.

(iii) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Fair value changes are recognised in profit or loss in the period in which it arises.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(b) Classification and Subsequent Measurement (Cont'd)

Financial Liabilities

Financial liabilities of the Group and the Company are classified as 'financial liabilities measured at amortised cost'.

The Group's and the Company's financial liabilities measured at amortised cost, are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

(c) Impairment of Financial Assets and Contract Assets

An impairment loss is recognised in profit or loss based on expected credit losses ("ECL") at the end of each reporting period. ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group and the Company in accordance with the contract and the cash flows that the Group and the Company expect to receive). ECLs are discounted at the effective interest rate of the financial asset.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. 12-month ECL represents the portion of lifetime ECL that is expected to result from defaults event on a financial instrument that are possible within 12 months after the end of reporting period.

Reversal of impairment loss to profit or loss, if any, is restricted to not exceeding what the amortised cost would have been had the impairment not been recognised previously.

The Group and the Company apply the simplified approach to measure the impairment of trade receivables, contract assets and lease receivables at lifetime ECL. The ECL are estimated based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate.

To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables. The Group and the Company have therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(c) Impairment of Financial Assets and Contract Assets (Cont'd)

For other financial assets such as other receivables and amount owing from related companies, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the impairment losses for that financial instrument at an amount equal to 12-month ECL.

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

At the end of each reporting period, the Group and the Company assess whether the 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, such as debtor who have defaulted on payment, or are in significant financial difficulties, or it is becoming probable that the borrower will enter bankruptcy.

These assets are written off when there is no reasonable expectation of recovery, with case-by-case assessment performed based on indicators such as insolvency or demise. Subsequent recoveries of amounts previously written off are recognised in profit or loss as bad debts recovered.

Deposits and bank balances of the Group and of the Company are placed with reputable financial institution with high credit ratings and no history of default. Hence, the Group and the Company do not expect any losses from default or non-performance by the counterparties.

(d) Derecognition

(i) Derecognition of financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the consideration received and receivable is recognised in profit or loss, except for the derecognition of an investment in equity instruments measured at FVTOCI, the cumulative gain or loss is transferred within equity, not recognised in profit or loss.

(ii) Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability recognised and the consideration paid or payable is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, there are measure at higher of:

- the amount of the loss allowance determined in accordance with MFRS 9; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 *Revenue from Contracts with Customers*.

(f) Equity Instruments

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

(i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

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

(ii) Treasury Shares

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

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 INVESTMENT IN SUBSIDIARIES

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

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

4.7 INVESTMENT IN ASSOCIATES

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

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

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 30 September 2023. The Group's share of the post-acquisition profits and other comprehensive income of the associate is included in the consolidated statements of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statements of financial position at cost plus the Group's share of the post-acquisition retained earnings and reserves.

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

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

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate into profit or loss when the equity method is discontinued.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land and capital work in progress are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land and capital work in progress are not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are as follows:

Buildings	10%
Plant and machinery	20%
Furniture, fittings and equipment	10% - 20%
Motor vehicles	20%
Renovation	20%
Signboard	20%
Sculpture	20%
Virtual show unit	20%

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

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.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 INVESTMENT PROPERTIES

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 properties are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. Leasehold land is depreciated on a straight-line basis over the lease terms of 55 to 90 years. Buildings and carpark are depreciated on a straight-line over their estimated useful lives of 50 years.

Freehold land and investment properties under construction are not depreciated.

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

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

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

4.10 BIOLOGICAL ASSETS

Biological assets comprise of grasses, shrubs and trees. This represents grasses, shrubs and trees development expenditure consisting of cost incurred on preparation, planting and upkeep of grasses, shrubs and trees to maturity which are initially recognised at cost.

The Group measures biological assets at fair value less costs to sell from initial recognition up to the point of harvest, other than when fair value cannot be measured reliably on initial recognition. Gains and losses arising on the initial recognition of biological assets at fair value less costs to sell and changes in fair value less costs to sell are charge to profit or loss in the period in which they arise.

Replanting expenditure is charged to profit or loss in the financial year in which the expenditure is incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 INVENTORIES

(a) Land Held for Property Development

Land held for property development consists of land on which no significant development has been undertaken or where development activities are not expected to be completed within the normal operating cycle, and costs attributable to the development activities which are held for future development. Such land is classified as non-current asset and is stated at lower of cost and net realisable value.

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

(b) Property Development Costs

Property development costs are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to completion and selling expense. The property development cost is subsequently recognised as an expense in profit or loss when the control of the inventory is transferred to the customer.

Property development cost of unsold unit is transferred to completed development unit once the development is completed.

(c) Completed development units and vacant land for sale

Completed property units and vacant land for sale are valued at the lower of cost (determined on the specific identification basis) and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less cost to completion and selling expense.

(d) Construction materials

The cost of construction materials represents cost of purchase plus incidental costs.

4.12 CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of cumulative revenue earned over the billings to-date.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D)

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

4.13 CONTRACT COSTS

The Group recognises the incremental costs of obtaining a contract with a customer, which are expected to be recovered, as an asset. The incremental costs of obtaining a contract are costs incur to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

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 profit and loss when the carrying amount of the contract cost asset exceeds the expected revenue less expected costs that will be incurred.

4.14 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.15 LEASE****(a) The Group and the Company as lessee**

The Group and the Company assess whether a contract is or contains a lease, at inception of the contract. The Group and the Company recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as assets valued at less than RM2,000 each when purchased new). For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use its incremental borrowing rate.

The incremental borrowing rate is determined by referring to rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- (i) fixed lease payments (including in-substance fixed payments), less any lease incentives receivables;
- (ii) variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- (iii) the amount expected to be payable by the lessee under residual value guarantees;
- (iv) the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- (v) payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.15 LEASE (CONT'D)****(a) The Group and the Company as lessee (Cont'd)**

The Group and the Company remeasure the lease liability (and make a corresponding adjustment to the related right-of-use asset) whenever:

- (i) the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- (ii) the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- (iii) a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group and the Company incur an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Company expect to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position.

The Group and the Company apply MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of non-financial assets' policy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.15 LEASE (CONT'D)****(b) The Group and the Company as lessor**

The Group and the Company enter into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group and the Company are lessors are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group and the Company are intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's and the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's and the Company's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group and the Company apply MFRS 15 to allocate the consideration under the contract to each component.

4.16 INCOME TAXES**(a) Current Tax**

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.16 INCOME TAXES (CONT'D)****(b) Deferred Tax**

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

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

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

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.18 CONTINGENT LIABILITIES

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.19 FAIR VALUE MEASUREMENTS**

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

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

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

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

4.20 EMPLOYEE BENEFITS**(a) Short-term Benefits**

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss and included in the construction costs, where appropriate, in the period in which the associated services are rendered by employees of the Group and of the Company.

(b) Defined Contribution Plans

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

4.21 OPERATING SEGMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.22 BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale.

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

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

4.23 EARNINGS PER ORDINARY SHARE

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

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

4.24 REVENUE AND OTHER INCOME

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.24 REVENUE AND OTHER INCOME (CONT'D)

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, applicable taxes, cash and trade discounts.

(a) Other Goods and Services

Revenue from other goods and services representing multiple promises included in the contracts with purchasers on sale of properties, which is therefore accounted as separate performance obligations. Transaction price is being allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue for rendering of services is recognised on a straight line basis over the tenure of the service period of which the customer consumes the benefit.

Revenue for sale of goods is recognised at a point in time when the goods are delivered or control transferred to the customer.

(b) Property Development

Contracts with buyers may include multiple promises to buyers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the standalone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.24 REVENUE AND OTHER INCOME (CONT'D)

(b) Property Development (Cont'd)

Revenue from property development is recognised as and when the control of the asset is transferred to the buyer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the buyer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point of time.

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the project). The input method depicts the Group's progress of performance in the assets created which has no alternative use to the Group. Otherwise, revenue is recognised at a point in time when the buyer obtains control of the asset.

Revenue from sales of vacant land and completed development units is recognised upon delivery of vacant land and completed development units where the control of the vacant land and completed development units has been transferred to the buyer and it is probable the Group will collect the consideration to which it will be entitled to exchange for the asset sold.

(c) Construction Contracts

Construction contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the standalone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from construction contracts is measured at the fixed transaction price agreed net of expected liquidated ascertained damages payment, based on the expected value method. Apart from that, it also take consideration of variations in the contract work and claims that can be measured reliably. A variation or claim is only included in contract revenue when it is probable that the customer will approve the variation or negotiations have been reached an advanced stage that it is probable that the customer will accept the claim. Variation claim gives rise to a variable consideration which are estimated at either the expected value or most likely amount and included in revenue to the extent that it is highly probable that the revenue will not be reversed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.24 REVENUE AND OTHER INCOME (CONT'D)****(c) Construction Contracts (Cont'd)**

Revenue from construction contracts is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Control of the asset is transferred over time as the Group's performance create or enhance an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The Group recognises revenue over time using the input method, which is based on the level the proportion that the construction costs incurred to date bear to the estimated total costs for the construction contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as recoverables, prepayments or other assets, depending on their nature.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable. Irrespective of whether the outcome of a construction contract can be estimated reliably when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the attributable profit/loss recognised on each contract is compared against the progress billings up to the end of the financial year. Where costs incurred and recognised profit (less recognised losses) exceed progress billings, the balance is shown as contract assets. Conversely, where progress billings exceed costs incurred and attributable profit, the balance is shown as contract liabilities.

(d) Interest Income

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

(e) Dividend Income

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

(f) Maintenance Income

Maintenance income is recognised over time when the service is rendered in accordance to contract term.

(g) Rental Income

Rental income is recognised on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.24 REVENUE AND OTHER INCOME (CONT'D)****(h) Food and Beverage Income**

Revenue from food and beverage is recognised at a point in time when the related services has been rendered to customers.

(i) Healthcare Income

Healthcare income is recognised at a point in time when the related services has been rendered to customers.

4.25 PROVISIONS

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

4.26 BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the interest issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 and MFRS 119 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 are measured in accordance with that Standard.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.26 BUSINESS COMBINATIONS (CONT'D)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Company in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Company's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

5. REVENUE

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contract with customers:				
Property development	476,916	311,997	-	-
Sale of completed properties	27,330	87,748	-	-
Construction contracts	1,052	554	-	-
Management fee	82	82	30,055	25,788
Healthcare	-	791	-	-
Food and beverage	-	777	-	-
	505,380	401,949	30,055	25,788
Revenue from other sources:				
Dividend income	-	-	99,930	-
Rental income	819	253	160	157
	819	253	100,090	157
	506,199	402,202	130,145	25,945
Timing of revenue recognition for revenue from contract with customers:				
- At a point in time	27,497	89,361	-	-
- Over time	477,883	312,588	30,055	25,788
	505,380	401,949	30,055	25,788

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

6. COST OF SALES

	Note	The Group	
		2023 RM'000	2022 RM'000
Property development costs	18(b)	337,704	210,379
Cost of completed properties sold	18(c)	14,698	61,986
Cost to obtain contracts	23	25,443	17,024
Construction costs		757	400
Other direct costs		389	1,217
Adjustments on land cost #		-	(6,990)
		378,991	284,016

Arose from the adjustments on land cost due to settlement agreement entered among Sime Darby Property (Serenia City) Sdn. Bhd., Sunsuria City Sdn. Bhd. and Sunsuria Development Sdn. Bhd. in prior year as disclosed in Note 18(a).

7. INVESTMENT INCOME

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income from:				
Deposits with licensed financial institutions	6,424	3,013	3,167	2,104
Housing development accounts	1,146	852	-	-
Overdue balances of house purchasers	143	50	-	-
Amount owing by subsidiaries	-	-	5,385	3,315
Stakeholders' sum	257	957	-	-
Fair value gain on short term investment	1	41	-	-
	7,971	4,913	8,552	5,419

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

8. FINANCE COSTS

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expenses on:					
Bank guarantee		482	426	-	-
Commitment fee		150	163	150	162
Revolving credits		89	20	89	20
Hire purchase		1	9	-	6
Term loans		18,239	15,346	369	295
Sukuk Wakalah		10,487	6,520	10,487	6,520
Amount owing to related parties		2,311	2,887	-	-
Unwinding of discount on provisions		-	12	-	-
Lease liabilities	20	156	219	4	7
Finance charges on deferred payment arrangement with contractor	41(b)	2,566	4,114	-	-
Amortisation of transaction costs		926	653	275	167
		35,407	30,369	11,374	7,177
Less: Finance charges capitalised in:					
Property, plant and equipment	15(c)	(369)	(384)	(369)	(295)
Investment properties	16(b)	(385)	(1,329)	-	-
Inventories - land held for property development	18(a)(i)	(6,998)	(5,684)	-	-
Inventories - property development costs	18(b)(ii)	-	(2,409)	-	-
		(7,752)	(9,806)	(369)	(295)
		27,655	20,563	11,005	6,882

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

9. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is arrived at after charging/(crediting):

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Auditors' remuneration:					
- auditors of the Company:					
- audit fee		564	535	111	102
- non-audit fee		43	58	18	38
Depreciation of:					
- property, plant and equipment	15	4,454	5,139	814	996
- investment properties	16	376	415	19	19
- right-of-use assets	20	1,211	1,414	70	69
Directors' remuneration	39(a)	5,458	5,459	4,953	4,812
Impairment losses on:					
- investment in a subsidiary	12	-	-	1,990	-
- investment in an associate	13	2	-	-	-
- property, plant and equipment	15	-	294	-	-
- investment properties	16	-	11	-	11
- right-of-use assets	20	-	332	-	-
Allowance for impairment losses on:					
- other receivables	25	-	60	-	60
- amount owing by subsidiaries	27	-	-	916	734
Inventories write-down to net realisable value: medical supplies		-	3	-	-
Unrealised (gain)/loss on foreign exchange		(753)	879	(452)	877
Waiver of debts on other payables		-	(80)	-	-
Fair value loss on:					
- biological assets	21	-	2	-	-
- short-term investment		-	61	-	-
Loss/(Gain) on disposal of property, plant and equipment		55	(406)	-	(196)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

9. PROFIT/(LOSS) BEFORE TAX (CONT'D)

Profit/(Loss) before tax is arrived at after charging/(crediting): (Cont'd)

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Gain on derecognition of lease liabilities		(381)	(501)	-	-
Staff costs (including other key management personnel as disclosed in Note 39(b)):					
- salaries, overtime, bonus, allowances and other benefits		27,928	22,288	18,007	15,483
- defined contribution plan		2,812	2,439	1,971	1,748
Reversal of allowance for impairment losses on:					
- Investment properties	16	(1,035)	-	-	-
- other receivables	25	(60)	-	(60)	-
- amount owing by subsidiaries	27	-	-	(2,378)	-

10. TAX (EXPENSE)/CREDIT

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax:				
- for the financial year	(23,525)	(17,992)	(969)	-
- overprovision in the previous financial year	2,220	446	-	347
	(21,305)	(17,546)	(969)	347
Deferred tax (Note 19):				
- relating to originating and recognition of temporary differences	6,560	593	331	171
- (under)/over provision in the previous financial year	(945)	1,411	168	(104)
	5,615	2,004	499	67
Total income tax (expense)/credit	(15,690)	(15,542)	(470)	414

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

10. TAX (EXPENSE)/CREDIT (CONT'D)

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

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit/(Loss) before tax	46,121	34,881	92,633	(6,305)
Tax (expense)/credit at the statutory tax rate of 24% (2022: 24%)	(11,069)	(8,371)	(22,232)	1,513
Tax effects of:				
Non-taxable income	2,309	649	22,376	394
Non-deductible expenses	(8,129)	(8,864)	(782)	(1,736)
Share of results in associates	30	(23)	-	-
Net deferred tax assets not recognised during the financial year	(106)	(790)	-	-
Over/(Under) provision in the previous financial year				
- current tax	2,220	446	-	347
- deferred tax	(945)	1,411	168	(104)
Tax (expense)/credit	(15,690)	(15,542)	(470)	414

11. EARNINGS PER SHARE ("EPS")

(a) Basic earnings per share

	The Group	
	2023	2022
Profit attributable to Owners of the Company (RM'000)	13,127	16,551
Number of ordinary shares in issue at 30 September ('000)	895,917	895,917
Basic EPS (sen)	1.47	1.85

(b) Diluted earnings per share

No diluted earnings per share have been presented as there were no diluted potential ordinary shares outstanding as at 30 September 2023 and 30 September 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. INVESTMENT IN SUBSIDIARIES

	The Company	
	2023 RM'000	2022 RM'000
Unquoted ordinary shares		
At cost:		
At the beginning of the year	106,330	106,330
Addition during the financial year	3,980	-
At the end of the year	110,310	106,330
Accumulated impairment losses		
At the beginning of the year	(22,886)	(22,886)
Charge for the year (Note 9) #	(1,990)	-
At the end of the year	(24,876)	(22,886)
	85,434	83,444
Unquoted preference shares		
At cost:		
At the beginning and end of the year	154,375	154,375
Total	239,809	237,819

Note:

The Company conducted an impairment review of its investment in subsidiary companies principally based on the directors' estimation of fair value less costs to sell of these subsidiary companies. The review gave rise to the recognition of impairment losses of investment in subsidiary companies of RM1,990,000 (2022: RMNil) (categorised as level 3 in the fair value hierarchy) which was recognised in profit or loss and other comprehensive income. The impairment losses arose mainly due to the inactivity of the subsidiary company.

These investment in subsidiaries mainly belonged to the Group's "Investment Holding and Others" reportable segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of Subsidiaries	Proportion of ownership interest and voting power held by the Group		Principal Activities	Principal Place of Business
	2023 %	2022 %		
Maica Wood Industries Sdn. Bhd. ("MWISB")	99.78	99.78	Investment holding [^]	Malaysia
Sunsuria East Sdn. Bhd. ("SETSB") [(b)(i)]	70	70	Property development [^]	Malaysia
Sunsuria North Sdn. Bhd. ("SNSB")	100	100	Investment holding and property investment	Malaysia
Sunsuria Kejora Sdn. Bhd. (formerly known as Sunsuria Residence Sdn. Bhd.) ("SKSB")	100	100	Property development	Malaysia
Sunsuria Symphony Sdn. Bhd. ("SSSB")	100	100	Investment holding	Malaysia
Sunsuria Facility Management Sdn. Bhd. ("SFMSB")	100	100	Service management and investment holding	Malaysia
Sunsuria Nusantara Sdn. Bhd. ("SNTSB")	99.02	99.02	Property development	Malaysia
Sunsuria Gateway Sdn. Bhd. ("SGSB")	99.99	99.99	Investment holding	Malaysia
Sunsuria Forum Sdn. Bhd. ("SFSB")	95.63	95.63	Property development	Malaysia
Sunsuria Builders Sdn. Bhd. ("SBSB")	100	100	Investment holding	Malaysia
Sunsuria Education Sdn. Bhd. ("SEDSB")	100	100	Providing learning support and educational services ^{^^}	Malaysia
Library Mall Development Sdn. Bhd. ("LMDSB")	100	100	Investment holding	Malaysia
Sunsuria Arena Sdn. Bhd. ("Arena")	100	100	Investment holding	Malaysia

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

Name of Subsidiaries	Proportion of ownership interest and voting power held by the Group		Principal Activities	Principal Place of Business
	2023 %	2022 %		
BRS Medicare Ventures Sdn. Bhd. ("BRS")	70	70	Integrated healthcare centre ^{^^}	Malaysia
Bangsar Hill Park Development Sdn. Bhd. ("BHPDSB")	51	51	Property development	Malaysia
Sunsuria IAT (M) Sdn. Bhd. ("SIATSB")	51	51	Automobile related business [^]	Malaysia
Cloudcubes Sdn. Bhd. ("CSB") [(a)(ii)],[(b)(ii)]	100	100	Food and beverage [^]	Malaysia
Kemudi Semarak Sdn. Bhd. ("KSSB") [(a)(iii)],[(b)(xii)]	100	100	Food and beverage ^{^^}	Malaysia
Subsidiaries of SSSB				
Sunsuria City Sdn. Bhd. ("SCSB")	99.99	99.99	Property development	Malaysia
Sunsuria Australia Pty Ltd ("SAPL") [#]	100	100	Investment holding	Australia
Sunsuria Everrich Sdn. Bhd. ("SESB") [(b)(xi)]	53.85	53	Investment holding and property development	Malaysia
Concept Innocity Sdn. Bhd. ("CISB") [(b)(iii)]	70	70	Property development	Malaysia
Intra House (London) Developments Ltd ("IHLD") [(b)(v)] [#]	75	75	Property development	United Kingdom
Subsidiary of SGSB				
Sunsuria Genlin Development Sdn. Bhd. ("SGDSB")	69.99	69.99	Property development	Malaysia

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

Name of Subsidiaries	Proportion of ownership interest and voting power held by the Group		Principal Activities	Principal Place of Business
	2023 %	2022 %		
Subsidiary of SNSB				
Consolidated Factoring (M) Sdn. Bhd.	100	100	Factoring business [^]	Malaysia
Subsidiaries of Arena				
Sunsuria Landscape & Nursery Sdn. Bhd. ("SLNSB")	69.99	69.99	Landscape and nursery	Malaysia
Sunsuria City Amenities Sdn. Bhd. ("SCASB")	100	100	Proprietors of restaurants, food and beverage businesses ^{^^}	Malaysia
Future Seeds Global Sdn. Bhd.	100	100	Trading [^]	Malaysia
Sunsuria Healthcare Sdn. Bhd. ("SHSB")	100	100	Trading of pharmaceutical and medical goods	Malaysia
Sunsuria (HK) Limited ("SHKL") #	100	100	Investment holding	Hong Kong
Sunsuria Shield Sdn. Bhd. ("SSDSB") [(b)(iv)]	100	100	Trading of healthcare related products	Malaysia
Subsidiary of LMDSB				
Dreamsphere Sdn. Bhd.	100	100	Investment holding [^]	Malaysia
Subsidiary of SFSB				
Sunsuria Retail (Forum) Sdn. Bhd. (formerly known as Greenworth Sdn. Bhd.)	95.63	95.63	Parking and services	Malaysia
Subsidiary of SBSB				
Sunsuria Asas Sdn. Bhd. ("SASB")	51	51	Construction	Malaysia

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

Name of Subsidiaries	Proportion of ownership interest and voting power held by the Group		Principal Activities	Principal Place of Business
	2023 %	2022 %		
Subsidiaries of SHSB				
Sunsuria Care Sdn. Bhd. ("SCRSB")	100	100	Trading of healthcare related products [^]	Malaysia
Sunsuria Healthcare Pte Ltd [#]	100	100	Trading of pharmaceutical and medical goods [^]	Singapore
Sunsuria Chem Sdn. Bhd. ("Chem") [(a)(i)]	100	-	Trading of medical and pharmaceutical goods or products [^]	Malaysia
Subsidiary of SCASB				
Aspen Esplanade Sdn. Bhd.	100	100	IT Service Provider [^]	Malaysia
Subsidiary of SHKL				
Sunsuria Guangxi Real Estate Development Co., Ltd. ("SGX") [(b)(vii)] [#]	51	51	Construction [^]	Guang Xi, China
Subsidiary of SESB				
Tapah Land Development Sdn. Bhd. ("TLDSB") [(b)(viii)]	34.90	34.45	Property development	Malaysia
Subsidiary of SAPL				
Crescent East Pty. Ltd. ("CEPL") [(b)(vi)] [#]	88.24	88.24	Property development	Australia

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

Name of Subsidiaries	Proportion of ownership interest and voting power held by the Group		Principal Activities	Principal Place of Business
	2023 %	2022 %		
Subsidiaries of SEDSB				
Vibrant Blossom Sdn. Bhd. ("VBSB") [(a)(iv)],[(b)(x)]	100	100	School operator ^{^^^}	Malaysia
Aspire Century Sdn. Bhd. ("ACSB")[(b)(ix)]	100	100	Care centre ^{^^^}	Malaysia

Notes:

The financial statements of these companies are exempted from audit for financial year ended 30 September 2023 and 30 September 2022.

^ Dormant/inactive as at 30 September 2023 and 30 September 2022.

^^ Dormant/inactive in the previous financial year and has commenced its operation with effective from 1 October 2022.

^^^ Ceased operation in previous financial year ended 30 September 2022, dormant/inactive as at 30 September 2023.

(a) During the financial year:

- (i) On 24 November 2022, SCRSB, a wholly-owned indirect subsidiary of the Company, had incorporated a wholly-owned subsidiary, Chem with 2 ordinary shares which representing 100% of total paid up capital for a total cash consideration of RM2. In consequence thereof, Chem becomes a wholly-owned indirect subsidiary of the Company.
- (ii) On 7 July 2023, the Company had acquired 10,000 ordinary shares in CSB from SCASB at a purchase consideration of RM1 which was settled by offsetting the amount owing by SCASB to the Company. Subsequently on 10 July 2023, CSB allotted 1,990,000 shares at purchase consideration of RM1,900,000 of which the Company has subscribed 1,990,000 ordinary shares, paid on behalf by SCASB for the Company to set off amount owing to the Company by SCASB. In consequent thereof, CSB becomes a wholly-owned direct subsidiary of the Company.
- (iii) On 30 June 2023, KSSB allotted 1,990,000 shares of which the Company has subscribed 1,990,000 ordinary shares, representing 99.5% of ordinary shares in KSSB by way of offsetting the amount due from KSSB to the Company of RM1,900,000, deemed the purchase consideration. Subsequently on 10 July 2023, the Company had acquired the remaining 10,000 ordinary shares in KSSB from SCASB at a purchase consideration of RM1 which was settled by way of offsetting the amount due from SCASB to the Company. In consequence thereof, KSSB became a wholly-owned direct subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

(a) During the financial year: (Cont'd)

- (iv) On 10 July 2023, VBSB allotted 990,000 shares of which SEDSB has subscribed 990,000 ordinary shares, representing 99.9% of ordinary shares in VBSB. Subsequently, SEDSB had acquired 1,000 ordinary shares from SCASB at a purchase consideration of RM1 which was settled by way of cash. In consequence thereof, VBSB remained as a wholly-owned indirect subsidiary of the Company.

(b) In the previous financial year, the Company:

- (i) On 1 October 2021, the Company had incorporated a new subsidiary, SETSB comprises 10 ordinary shares at an issue price of RM1 each. The Company had subscribed for 7 ordinary shares at the issue share price of RM1 each with a purchase consideration settled through cash amounted to RM7. In consequence thereof, SETSB becomes a 70%-owned direct subsidiary of the Company.
- (ii) On 13 October 2021, SCASB, a wholly-owned indirect subsidiary of the Company, had acquired 20% ordinary shares of CSB from Tan Hong Thai at RM2,000 of which the consideration of RM2,000 has been paid by cash. In consequence thereof, CSB becomes a wholly-owned indirect subsidiary of the Company.
- (iii) On 25 November 2021, SSSB, a wholly-owned subsidiary of the Company had incorporated a new subsidiary, CISB, comprises 10 ordinary shares at an issue price of RM1 each. SSSB had subscribed for 7 ordinary shares at the issue share price of RM1 each with a purchase consideration settled through cash amounted to RM7. In consequence thereof, CISB becomes a 70%-owned indirect subsidiary of the Company.
- (iv) On 7 December 2021, Arena, a wholly-owned subsidiary of the Company had acquired 100% ordinary shares of SSDSB from SHSB at RM1 of which the consideration of RM1 has been paid by cash.
- (v) On 10 January 2022, SSSB, a wholly-owned subsidiary of the Company, had incorporated a new subsidiary in the United Kingdom, IHLD, comprises 100 ordinary shares at an issue price of GBP 1 each. SSSB had subscribed for 75 ordinary shares at the issue share price of GBP 1 each with a purchase consideration settled through cash amounted to GBP 75. In consequence thereof, IHLD becomes a 75%-owned indirect subsidiary of the Company.
- (vi) On 6 April 2022, CEPL was incorporated in the Australia as a wholly-owned subsidiary of SAPL. SAPL is a wholly-owned subsidiary of SSSB, who in turn is a wholly owned subsidiary of the Company.
- (vii) On 25 April 2022, SGX was incorporated in Guang Xi, China as a 51%-owned subsidiary of SHKL. SHKL is a wholly-owned subsidiary of Arena, who in turn is a wholly-owned subsidiary of the Company.
- (viii) On 17 May 2022, SSSB, a wholly-owned subsidiary of the Company, had incorporated a new company, TLDSB comprises 100 ordinary shares at an issue price of RM1 each. SSSB had subscribed for 35 ordinary shares at the issue price of RM1 each with a purchase consideration settled through cash amounted to RM35. Subsequently on 1 July 2022, SESB, an indirect subsidiary of the Company, had acquired 30% and 35% ordinary shares of TLDSB from Datuk Seri Kalimullah Hassan Bin Masheerul Hassan and SSSB respectively. The total purchase consideration of RM65 was settled by way of cash. In consequence thereof, TLDSB becomes a 34.45%-owned indirect subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

(b) In the previous financial year, the Company: (Cont'd)

- (ix) On 1 June 2022, SCASB, a wholly-owned indirect subsidiary of the Company, had acquired 15% and 25% ordinary shares of ACSB from Lim Guat Lee and Serimas Bakti Sdn. Bhd., respectively. The total purchase consideration of RM2 was settled by way of cash. In consequence thereof, ACSB becomes a wholly-owned indirect subsidiary of the Company.
- (x) On 1 June 2022, SCASB, a wholly-owned indirect subsidiary of the Company, had acquired 20% ordinary shares of VBSB from Chew Poh Huat. The total purchase consideration of RM1 was settled by way of cash. In consequence thereof, VBSB becomes a wholly-owned indirect subsidiary of the Company.
- (xi) On 5 July 2022, SSSB, a wholly-owned subsidiary of the Company, had acquired 5% and 48% ordinary shares of SESB from SGSB and SCSB respectively. The total consideration of RM2 was settled by way of cash. Subsequently, on 5 July 2022, SCSB had disposed 47% ordinary shares in SESB to Datuk Seri Kalimullah Hassan Bin Masheerul Hassan for RM1 in cash. In consequence thereof, SESB becomes a 53%-owned indirect subsidiary of the Company.
- (xii) On 13 October 2021, KSSB, a wholly-owned indirect subsidiary of the Company, allotted 9,999 shares of which SCASB has subscribed 7,999 ordinary shares whereas Tan Hong Thai subscribed for 2,000 ordinary shares. Subsequently on 1 June 2022, SCASB had acquired 2,000 ordinary shares from Tan Hong Thai. The total purchase consideration of RM1 was settled by way of cash. In consequence thereof, KSSB is now a wholly-owned indirect subsidiary of the Company.

(c) The material non-controlling interests ("NCI") at the end of the reporting period comprise the following:

	Proportion of ownership interest and voting power held by non-controlling interests		The Group	
	2023 %	2022 %	2023 RM'000	2022 RM'000
SFSB	4.37	4.37	1,572	1,097
SASB	49	49	15,582	14,799
BHPDSB	49	49	19,447	3,521
SESB	46.15	47	(2,357)	(2,353)
Other subsidiaries with immaterial NCI			68	(28)
			34,312	17,036

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

(d) The summarised financial information (before intra-group elimination) for the subsidiaries that have non-controlling interests that are material to the Group are as follows:

2023	SFSB RM'000	SASB RM'000	BHPDSB RM'000	SESB RM'000
At 30 September				
Non-current assets	127,846	9,069	161,007	65
Current assets	287,118	106,467	340,506	5,572
Non-current liabilities	(10)	(5,746)	(172,850)	-
Current liabilities	(391,112)	(77,990)	(298,596)	(10,601)
Net assets/(liabilities)	23,842	31,800	30,067	(4,964)
Financial Year Ended 30 September				
Revenue	220,021	211,307	191,763	-
Profit/(loss) after taxation for the financial year	6,574	1,598	31,950	(8)
Total comprehensive income/(loss)	6,574	1,598	31,950	(8)
Total comprehensive income/(loss) attributable to non-controlling interests	287	783	15,656	(4)
Net cash flows (for)/from operating activities	(79,839)	4,297	33,866	(4,201)
Net cash flows (for)/from investing activities	(17,110)	(962)	(14,250)	-
Net cash flows from/(for) financing activities	101,830	14,888	(31,060)	4,570

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

(d) The summarised financial information (before intra-group elimination) for the subsidiaries that have non-controlling interests that are material to the Group are as follows: (Cont'd)

2022	SFSB RM'000	SASB RM'000	BHPDSB RM'000	SESB RM'000
At 30 September				
Non-current assets	119,400	8,997	148,638	-
Current assets	276,815	80,347	268,126	1,073
Non-current liabilities	(4,819)	(6,952)	(160,873)	-
Current liabilities	(374,128)	(52,190)	(257,774)	(6,079)
Net assets/(liabilities)	17,268	30,202	(1,883)	(5,006)
Financial Year Ended 30 September				
Revenue	151,419	154,842	67,190	-
(Loss)/Profit after taxation for the financial year	(4,596)	3,734	1,113	(12)
Total comprehensive (loss)/income	(4,596)	3,734	1,113	(12)
Total comprehensive income/(loss) attributable to non-controlling interests	374	1,829	857	(2)
Net cash flows from/(for) operating activities	48,260	(4,337)	60,902	(14)
Net cash flows (for)/from investing activities	(18,706)	(86)	(14,644)	-
Net cash flows (for)/from financing activities	(17,971)	3,146	(33,001)	(5)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

13. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted ordinary shares in Malaysia				
At cost:				
At the beginning of the year/ At the end of the year	1,192	1,192	672	672
Share of post-acquisition profit/(losses):				
At the beginning of the year	(149)	(52)	-	-
For the financial year	124	(97)	-	-
At the end of the year	(25)	(149)	-	-
Accumulated impairment losses:				
At the beginning of the year	(578)	(578)	(78)	(78)
Charge for the year (Note 9)	(2)	-	-	-
At the end of the year	(580)	(578)	(78)	(78)
	587	465	594	594

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

13. INVESTMENT IN ASSOCIATES (CONT'D)

The details of the associates are as follows:

Name of Associates	Effective Equity Interest		Principal Activities	Principal Place of Business
	2023 %	2022 %		
Citic Sunsuria Sdn. Bhd. ("Citic") (a)^	49	49	Construction	Malaysia
Mahakota Sdn. Bhd. ("Mahakota") (b)^	25.42	25.42	Woodworks manufacturer and dealer in timber and wood	Malaysia
Tadika M Champs Sdn. Bhd. ("M Champs") (c)^	30	30	Dormant	Malaysia
Icon Sunsuria Sdn. Bhd. ("ICON Sunsuria") (d)	30	-	Dormant	Malaysia

All of the above associates are accounted for using the equity method in these consolidated financial statements as set out in the Group's accounting policies in Note 4.7.

Notes:

- (a) The financial year end date of Citic is 31 December. This was the reporting date established when that entity was incorporated.
- (b) The financial year end date of Mahakota is 31 May. This was the reporting date established when that entity was incorporated.
- (c) The financial year end date of M Champs is 31 December. This was the reporting date established when that entity was incorporated.
- (d) The financial year end date of ICON Sunsuria is 31 December. This was the reporting date established when that entity was incorporated in the current financial year. The Group has subscribed 30 shares which represents 30% of total shares issued by ICON Sunsuria at a purchase consideration of RM30.

^ For the purpose of applying equity method of accounting, the unaudited financial statements of the respective entities with different year end (31 December/31 May) have been used and appropriate adjustments have been made to account for significant transaction from year end to 30 September 2023.

* The Group recognised its share of results in the associates based on the unaudited financial statements of the associate as the share of results is not material to the Group. The financial statements of the above associates are audited by auditors other than the auditors of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

13. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information below represents amounts in associates' financial statements prepared in accordance with MFRSs:

2023	Citic RM'000	Mahakota RM'000	M Champs RM'000
At 30 September			
Non-current assets	42	3,773	-
Current assets	34,917	3,445	87
Current liabilities	(36,086)	(4,071)	(4)
Net (liabilities)/assets	(1,127)	3,147	83
Financial Year Ended 30 September			
Revenue	151,271	245	-
Profit/(Loss) after taxation for the financial year	1,506	(863)	(2)
Total comprehensive income/(loss)	1,506	(863)	(2)
Total comprehensive income/(loss) attributable to owners of associates	738	(218)	(1)

2022	Citic RM'000	Mahakota RM'000	M Champs RM'000
At 30 September			
Non-current assets	103	3,538	1
Current assets	116,189	4,351	85
Non-current liabilities	(86,880)	-	-
Current liabilities	(32,045)	(3,879)	(1)
Net (liabilities)/assets	(2,633)	4,010	85
Financial Year Ended 30 September			
Revenue	103,872	1,262	-
Profit/(Loss) after taxation for the financial year	1,184	(367)	(9)
Total comprehensive income/(loss)	1,184	(367)	(9)
Total comprehensive loss attributable to owners of associates	#	(94)	(3)

Share of losses of the associate has been recognised to the extent of the Group's investment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

13. INVESTMENT IN ASSOCIATES (CONT'D)

Reconciliation of unrecognised share of losses of Citic as follows:

	2023 RM'000	2022 RM'000
At the beginning of the year	395	975
Reversal	(395)	(580)
At the end of the year	-	395

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

	Citic RM'000	Mahakota RM'000	M Champs RM'000	Total RM'000
2023				
Net (liabilities)/assets of associates	(1,127)	3,147	83	2,103
% of effective equity interest	49.00%	25.42%	30.00%	-
Group share of net (liabilities)/assets	(552)	799	24	271
Impairment losses	-	(576)	(4)	(580)
Gain on derecognition as a former subsidiary	896	-	-	896
Carrying amount of the Group's interest in the associates	344	223	20	587

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

13. INVESTMENT IN ASSOCIATES (CONT'D)

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements: (Cont'd)

	Citic RM'000	Mahakota RM'000	M Champs RM'000	Total RM'000
2022				
Net (liabilities)/assets of associates	(2,633)	4,010	85	1,462
% of effective equity interest	49.00%	25.42%	30.00%	-
Group share of net (liabilities)/assets	(1,291)	1,018	25	(248)
Impairment losses	-	(576)	(2)	(578)
Gain on derecognition as a former subsidiary	896	-	-	896
Accumulated share of losses not recognised	395	-	-	395
Carrying amount of the Group's interest in the associates	-	442	23	465

The summarised financial information of Sunsuria ICON is not presented as it is not material to the Group.

14. OTHER INVESTMENT

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Investment in golf club memberships	159	159	159	159

Investment in transferable golf club memberships are classified as financial assets at fair value through profit or loss. Details of the fair value information are disclosed in Note 45.4.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	At the beginning of the year	Additions	Disposal/ Written-offs/ Adjustments	Transfer from investment properties (Note 16)	Transfer from land held for property development costs [Note 18(a)]	At the end of the year
At cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023						
Freehold land	12,282	-	-	-	-	12,282
Buildings	21,816	-	-	-	-	21,816
Plant and machinery	383	76	(144)	-	-	315
Furniture, fittings and equipment	14,563	1,095	(192)	-	-	15,466
Motor vehicles	3,399	-	-	-	-	3,399
Renovation	4,327	977	-	-	-	5,304
Signboard	2,301	23	-	-	-	2,324
Sculpture	65	-	-	-	-	65
Virtual show unit	172	-	-	-	-	172
Capital work in progress	13,142	29,157	-	-	-	42,299
	72,450	31,328	(336)	-	-	103,442
2022						
Freehold land	1,331	-	(69)	4,769	6,251	12,282
Buildings	21,814	2	-	-	-	21,816
Plant and machinery	322	61	-	-	-	383
Furniture, fittings and equipment	14,547	1,191	(1,175)	-	-	14,563
Motor vehicles	3,180	-	219	-	-	3,399
Renovation	4,981	450	(1,104)	-	-	4,327
Signboard	2,320	10	(29)	-	-	2,301
Sculpture	65	-	-	-	-	65
Virtual show unit	172	-	-	-	-	172
Capital work in progress	2,943	1,289	-	8,910	-	13,142
	51,675	3,003	(2,158)	13,679	6,251	72,450

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group (Cont'd)

	At the beginning of the year	Charge for the year (Note 9)	Disposal/ Written-offs/ Adjustments	Transfer from investment properties (Note 16)	At the end of the year
Accumulated depreciation	RM'000	RM'000	RM'000	RM'000	RM'000
2023					
Freehold land	-	-	-	-	-
Buildings	(10,263)	(2,159)	-	-	(12,422)
Plant and machinery	(248)	(17)	141	-	(124)
Furniture, fittings and equipment	(9,553)	(1,262)	94	-	(10,721)
Motor vehicles	(3,133)	(205)	-	-	(3,338)
Renovation	(1,954)	(605)	-	-	(2,559)
Signboard	(1,958)	(189)	-	-	(2,147)
Sculpture	(39)	(13)	-	-	(52)
Virtual show unit	(168)	(4)	-	-	(172)
	(27,316)	(4,454)	235	-	(31,535)
2022					
Freehold land	-	-	-	-	-
Buildings	(8,214)	(2,016)	-	(33)	(10,263)
Plant and machinery	(178)	(70)	-	-	(248)
Furniture, fittings and equipment	(8,203)	(1,644)	294	-	(9,553)
Motor vehicles	(2,422)	(492)	(219)	-	(3,133)
Renovation	(1,672)	(519)	237	-	(1,954)
Signboard	(1,612)	(351)	5	-	(1,958)
Sculpture	(26)	(13)	-	-	(39)
Virtual show unit	(134)	(34)	-	-	(168)
	(22,461)	(5,139)	317	(33)	(27,316)

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group (Cont'd)

	At the beginning of the year	Charge for the year (Note 9)	Disposal/ Written-offs/ Adjustments	At the end of the year
	RM'000	RM'000	RM'000	RM'000
Accumulated impairment losses				
2023				
Buildings	(43)	-	-	(43)
Furniture, fittings and equipment	(246)	-	26	(220)
Renovation	(603)	-	-	(603)
Signboard	(14)	-	-	(14)
	(906)	-	26	(880)
2022				
Buildings	(43)	-	-	(43)
Furniture, fittings and equipment	(966)	(148)	868	(246)
Renovation	(1,325)	(145)	867	(603)
Signboard	(37)	(1)	24	(14)
	(2,371)	(294)	1,759	(906)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group (Cont'd)

	2023 RM'000	2022 RM'000
Net carrying amount		
Freehold land	12,282	12,282
Buildings	9,351	11,510
Plant and machinery	191	135
Furniture, fittings and equipment	4,525	4,764
Motor vehicles	60	266
Renovation	2,143	1,770
Signboard	163	329
Sculpture	13	26
Virtual show unit	-	4
Capital work in progress	42,299	13,142
	71,027	44,228

The Company

	At the beginning of the year RM'000	Additions RM'000	Disposal/ Written-offs/ Adjustments RM'000	At the end of the year RM'000
At cost				
2023				
Furniture, fittings and equipment	6,144	300	-	6,444
Motor vehicles	1,839	-	-	1,839
Renovation	1,641	36	-	1,677
Capital work in progress	10,754	369	-	11,123
	20,378	705	-	21,083
2022				
Furniture, fittings and equipment	5,821	323	-	6,144
Motor vehicles	2,369	-	(530)	1,839
Renovation	1,583	58	-	1,641
Capital work in progress	10,459	295	-	10,754
	20,232	676	(530)	20,378

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company (Cont'd)

	At the beginning of the year	Charge for the year (Note 9)	Disposal/ Written-offs/ Adjustments	At the end of the year
	RM'000	RM'000	RM'000	RM'000
Accumulated depreciation				
2023				
Furniture, fittings and equipment	(3,886)	(558)	-	(4,444)
Motor vehicles	(1,749)	(90)	-	(1,839)
Renovation	(820)	(166)	-	(986)
	(6,455)	(814)	-	(7,269)
2022				
Furniture, fittings and equipment	(3,339)	(547)	-	(3,886)
Motor vehicles	(1,946)	(289)	486	(1,749)
Renovation	(660)	(160)	-	(820)
	(5,945)	(996)	486	(6,455)
		2023	2022	
		RM'000	RM'000	
Net carrying amount				
Furniture, fittings and equipment		2,000	2,258	
Motor vehicles		-	90	
Renovation		691	821	
Capital work in progress		11,123	10,754	
		13,814	13,923	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) Included in the property, plant and equipment of the Group and of the Company at the end of the reporting period were motor vehicles with a total carrying amount of RM3 (2022: RM78,000) and RM1 (2022: RM7,000) respectively, which were acquired under hire purchase terms. The assets under hire purchase have been pledged as security for the related hire purchase borrowings of the Group and of the Company as disclosed in Note 35(a).
- (b) Included in property, plant and equipment were freehold land and capital work in progress of the Group and of the Company with carrying amount of RM54,581,000 (2022: RM25,424,000) and RM11,123,000 (2022: RM10,754,000) respectively which have been pledged to licensed banks as security for banking facilities as disclosed in Note 35(b).
- (c) Included in the property, plant and equipment of the Group and of the Company were interest expenses capitalised during the financial year amounted to RM369,000 (2022: RM384,000) and RM369,000 (2022: RM295,000) respectively.
- (d) The Group and the Company acquired property, plant and equipment through cash payments:

	Note	The Group		The Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Total additions of property, plant and equipment		31,328	3,003	705	676
Less: interest capitalised	8	(369)	(384)	(369)	(295)
Total costs of property, plant and equipment acquired via cash payments		30,959	2,619	336	381

- (e) In prior year, adjustment on the cost of the group's freehold land amounting RM69,000 arose from the settlement agreement entered among Sime Darby Property (Serenia City) Sdn. Bhd., Sunsuria City Sdn. Bhd. and Sunsuria Development Sdn. Bhd. as disclosed in Note 18(a).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

16. INVESTMENT PROPERTIES

The Group

	Note	Freehold land RM'000	Buildings RM'000	Freehold properties RM'000	Carpark RM'000	Total RM'000
At cost:						
At 1 October 2021		98,080	935	124,228	23,756	246,999
Additions during the financial year		-	-	16,962	-	16,962
Adjustments on land cost*		(5,587)	-	-	-	(5,587)
Transfer to property, plant and equipment	15	(4,769)	-	(8,910)	-	(13,679)
Transfer from land held for property development	18(a)	3,654	-	8,910	-	12,564
At 30 September 2022/1 October 2022		91,378	935	141,190	23,756	257,259
Additions during the financial year		4,836	-	2,786	-	7,622
Transfer to property development cost	18(b)	(4,836)	-	-	-	(4,836)
At 30 September 2023		91,378	935	143,976	23,756	260,045
Accumulated depreciation:						
At 1 October 2021		-	47	436	681	1,164
Depreciation during the financial year	9	-	52	138	225	415
Transfer to property, plant and equipment	15	-	(33)	-	-	(33)
At 30 September 2022/1 October 2022		-	66	574	906	1,546
Depreciation during the financial year	9	-	39	112	225	376
At 30 September 2023		-	105	686	1,131	1,922

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

16. INVESTMENT PROPERTIES (CONT'D)

The Group (Cont'd)

	Note	Freehold land RM'000	Buildings RM'000	Freehold properties RM'000	Carpark RM'000	Total RM'000
Accumulated impairment losses:						
At 1 October 2021		272	508	17,152	12,508	30,440
Charge for the year*	9	-	11	-	-	11
At 30 September 2022/1 October 2022		272	519	17,152	12,508	30,451
Reversal of impairment for the year*	9	(272)	-	(763)	-	(1,035)
At 30 September 2023		-	519	16,389	12,508	29,416
Net carrying amount:						
2023		91,378	311	126,901	10,117	228,707
2022		91,106	350	123,464	10,342	225,262

These investment properties mainly belonged to the Group's "Property Development" and "Investment Holding and Others" reportable segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

16. INVESTMENT PROPERTIES (CONT'D)

The Company

	Note	Total - Buildings RM'000
At cost:		
At 1 October 2021/30 September 2022/1 October 2022/30 September 2023		925
Accumulated depreciation:		
At 1 October 2021		37
Depreciation during the financial year	9	19
At 30 September 2022/1 October 2022		56
Depreciation during the financial year	9	19
At 30 September 2023		75
Accumulated impairment losses:		
At 1 October 2021		508
Charge for the year*	9	11
At 30 September 2022/1 October 2022/30 September 2023		519
Net carrying amount:		
2023		331
2022		350

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

16. INVESTMENT PROPERTIES (CONT'D)

[^] In the previous financial year ended 30 September 2021, an impairment loss of RM1,553,000 representing the write-down of the investment properties in relation to the Group's freehold land and properties to its recoverable amount, was recognized in "Administrative and Other Expenses" line item of the statements of profit or loss and other comprehensive income.

At the reporting date, the Group reassessed its recoverable amount and reversed part of the initially recognized impairment amounted to RM1,035,000. The amount was recognized in "Other Income" line item of the statements of profit or loss and other comprehensive income. The recoverable amount of the investment properties is determined based on its fair value less cost of disposal approach is amounted to RM7,762,000 which is higher than their net carrying amount of RM6,727,000. The fair value of the property is determined via comparable approach by reference to valuation carried out by an independent firm of professional valuer.

[#] Arose from the adjustments on land cost due to settlement agreement entered among Sime Darby Property (Serenia City) Sdn. Bhd., Sunsuria City Sdn. Bhd. and Sunsuria Development Sdn. Bhd. in prior year as disclosed in Note 18(a).

^{*} In the previous financial year, a total impairment loss of RM11,000 representing the write-down of the Group's and the Company's investment properties to their recoverable amounts, was recognised in "Administrative and Other Expenses" line item of the statements of profit or loss and other comprehensive income. The total recoverable amount determined based on their fair value less costs to sell approach is amounted to RM350,000 lower than their net carrying amount of RM361,000.

At the reporting date, the Group and the Company reassessed its recoverable amount which amounted to RM350,000 and determined that no reversal of impairment is to be made.

(a) The carrying amount of certain investment properties have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 35. Details are as follows:

	The Group	
	2023 RM'000	2022 RM'000
Freehold land	91,378	91,106
Freehold properties	146,224	116,202
	237,602	207,308

(b) Included in investment properties of the Group is interest expenses capitalised during the financial year amounted to RM385,000 (2022: RM1,329,000).

(c) Rental income generated from the rental of investment properties of the Group during the financial year amounted to RM819,000 (2022: RM632,000).

(d) Direct operating expenses from investment properties which generated rental income to the Group during the financial year amounted to RM1,715,000 (2022: RM775,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

16. INVESTMENT PROPERTIES (CONT'D)

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

	2023 RM'000	2022 RM'000
The Group		
Freehold land	117,591	117,591
Buildings	350	350
Freehold properties (exclude under construction ^{**})	16,035	15,000
Carpark	11,000	11,000
The Company		
Buildings	350	350

^{**} Fair value of the freehold properties under construction with carrying amount of RM122,704,000 (2022: RM116,202,000) are unable to be determined reliably as there are uncertainties in estimating their fair value at this juncture.

The fair value of the investment properties are classified as a Level 3 in respect of fair value hierarchy. The fair value is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuers provide the fair value of the Group's investment properties annually.

There were no transfers between Levels 1, 2 and 3 in previous and current years.

The following table shows the significant unobservable input used in the valuation model:

<u>Valuation Technique</u>	<u>Significant Unobservable Inputs</u>	<u>Relationship of Unobservable Inputs and Fair Value</u>
Comparison Method	Adjustment factors to prices of comparable properties	The higher the sale price of comparable land and buildings, the higher the fair value.
Investment Method	Estimated rental rate per square foot per month	The higher the estimated rental rate per square foot per month, the higher the fair value.
	Estimated outgoings per square foot per month	The lower the estimated outgoings per square foot per month, the higher the fair value.
	Void Rate	The lower the void rate, the higher the fair value.
	Term Yield Rate	The higher the term yield rate, the higher the fair value.
	Capitalisation/Discount rate	The lower the capitalisation/discount rate, the higher the fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

17. GOODWILL

	The Group	
	2023 RM'000	2022 RM'000
At cost:		
At 30 September	21,514	21,514
Accumulated impairment losses:		
At 30 September	(6,777)	(6,777)
Net carrying amount	14,737	14,737

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

	The Group	
	2023 RM'000	2022 RM'000
Property development - SFSB	11,453	11,453
Property development - BHPDSB	3,284	3,284
	14,737	14,737

(b) The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of SFSB and BHPDSB as CGU were determined based on value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a four-year period and six-year period respectively taking consideration of the project completion period. The key assumptions used by management in setting the financial budgets were as follows:

	Average Gross Margin		Growth Rate		Discount Rate	
	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
SFSB	23	25	Refer(ii)		10.85	12.85
BHPDSB	43	43	Refer(ii)		15.52	16.04

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

17. GOODWILL (CONT'D)

(i) Budgeted gross margin: The basis used to determine the value assigned to the budgeted gross margins is the average gross margin achievable.

(ii) Growth rate: SFSB
Based on the expected projection of sales generated from Forum I and II projects.

BHPDSB
Based on the expected projection of sales generated from Bangsar Hill Park project.

(iii) Discount rate (pre-tax): The discount rate used is computed based on the unlevered weighted average cost of capital of the respective CGU.

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

(c) Sensitivity analysis

SFSB and BHPDSB

The directors believe that there is no reasonable possible change in the above key assumptions applied that is likely to materially cause the respective cash-generating unit's carrying amounts to be exceeded its recoverable amounts.

18. INVENTORIES

	Note	The Group	
		2023 RM'000	2022 RM'000
Non-current			
Land held for property development	(a)	662,636	635,827
Current			
Property development costs	(b)	406,277	414,721
Others:			
Completed development units	(c)	61,310	74,813
Raw materials		3,979	3,794
Medical supplies		-	3
		65,289	78,610
		471,566	493,331
Total		1,134,202	1,129,158

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

18. INVENTORIES (CONT'D)

(a) Land held for property development

	Note	The Group	
		2023 RM'000	2022 RM'000
At the beginning of the year		635,827	681,662
Additions during the financial year		48,529	52,252
Adjustments on land cost #		-	(28,404)
Transfer to property, plant and equipment	15	-	(6,251)
Transfer to investment properties	16	-	(12,564)
Transfer to property development costs	18(b)	(21,720)	(50,868)
At the end of the year		662,636	635,827
Represented by:			
Freehold land, at cost		475,460	461,169
Leasehold land, at cost		93,645	93,636
Development costs, at cost		78,072	67,237
Development costs, at net realisable value		15,459	13,785
		662,636	635,827

Arose from the adjustments on land cost due to settlement agreement entered among Sime Darby Property (Serenia City) Sdn. Bhd., Sunsuria City Sdn. Bhd. and Sunsuria Development Sdn. Bhd. in prior year as part of the total settlement sum of RM43,000,000. The settlement sum has been allocated to each parcel of land and adjusted against the land cost of the respective land. The financial effects to the other parcel of land are disclosed in Notes 6, 15(e) and 16 accordingly. Out of the total settlement sum of RM43,000,000, SCSB has received RM21,500,000 from SDP Serenia during the previous financial year, with remaining RM21,500,000 received in current financial year as disclosed in Note 25.

(i) Included in land held for property development of the Group is interest expenses capitalised during the financial year amounted to RM6,998,000 (2022: RM5,684,000).

(ii) The land held for property development of the Group with total carrying amount RM630,326,000 (2022: RM599,207,000) have been pledged to a licensed banks as security for banking facilities granted to the Group as disclosed in Notes 35(b) and 35(d).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

18. INVENTORIES (CONT'D)

(b) Property development costs

	Note	The Group	
		2023 RM'000	2022 RM'000
<u>Land costs</u>			
At the beginning of the year		330,190	224,857
Cost incurred during the financial year		12,432	91,393
Transfer from land held for property development	18(a)	12,416	32,889
Transfer from investment properties		4,836	-
Adjustments on land cost #		-	(564)
Reversal of completed projects		(6,325)	(18,385)
At the end of the year		353,549	330,190
<u>Development costs</u>			
At the beginning of the year		349,871	265,536
Cost incurred during the financial year		291,467	174,824
Transfer from land held for property development	18(a)	9,304	17,979
Reversal of completed projects		(114,970)	(108,468)
At the end of the year		535,672	349,871
Total property development costs incurred		889,221	680,061
<u>Costs recognised in profit or loss</u>			
Cumulative costs recognised at the beginning of the year		(265,340)	(181,643)
Reversal of completed projects		121,295	126,853
Cost recognised during the financial year	6	(337,704)	(210,379)
Transfer to inventories	18(c)	(1,195)	(171)
Cumulative costs recognised at the end of the year		(482,944)	(265,340)
Net carrying amount of property development costs		406,277	414,721

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

18. INVENTORIES (CONT'D)

(b) Property development costs (Cont'd)

- # Arose from the adjustments on land cost due to settlement agreement entered among Sime Darby Property (Serenia City) Sdn. Bhd., Sunsuria City Sdn. Bhd. and Sunsuria Development Sdn. Bhd. in prior year.
- (i) The land under development of the Group with a carrying amount of RM375,060,000 (2022: RM398,658,000) has been pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 35(b).
- (ii) Included in property development costs of the Group is interest expense capitalised during the financial year amounted to RMNil (2022: RM2,409,000).

(c) Completed development units

	Note	The Group	
		2023 RM'000	2022 RM'000
At the beginning of the year		74,813	137,080
Cost of completed properties sold	6	(14,698)	(61,986)
Transfer from property development costs	18(b)	1,195	171
Adjustments on land cost #		-	(452)
At the end of the year		61,310	74,813

- # Arose from the adjustments on land cost due to settlement agreement entered among Sime Darby Property (Serenia City) Sdn. Bhd., Sunsuria City Sdn. Bhd. and Sunsuria Development Sdn. Bhd. in prior year.

Included in inventories are completed units with a carrying amount of RM7,758,000 (2022: RM7,758,000) pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 35(b).

19. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax assets	13,340	12,895	244	-
Deferred tax liabilities	(86,429)	(91,599)	-	(255)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

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

The Group

	As at 1.10.2022	Recognised in Profit or Loss (Note 10)	As at 30.9.2023
	RM'000	RM'000	RM'000
<i>Deferred Tax Assets</i>			
Temporary differences arising from:			
Provision for costs	7,937	416	8,353
Property development costs	4,283	(3,065)	1,218
Lease liabilities	761	(341)	420
Others	280	(82)	198
Unabsorbed capital allowance	394	(302)	92
Unutilised tax losses	8,934	(7,728)	1,206
	22,589	(11,102)	11,487
Offset	(9,694)	11,547	1,853
Net deferred tax assets	12,895	445	13,340
<i>Deferred Tax Liabilities</i>			
Temporary differences arising from:			
Property development costs	(100,238)	16,333	(83,905)
Accelerated of capital allowance over depreciation of property, plant and equipment	(363)	147	(216)
Right-of-use assets	(692)	237	(455)
	(101,293)	16,717	(84,576)
Offset	9,694	(11,547)	(1,853)
Net deferred tax liabilities	(91,599)	5,170	(86,429)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components of deferred tax assets and deferred tax liabilities prior to offsetting are as follows: (Cont'd)

The Group (Cont'd)

	As at 1.10.2021	Recognised in Profit or Loss (Note 10)	As at 30.9.2022
	RM'000	RM'000	RM'000
<i>Deferred Tax Assets</i>			
Temporary differences arising from:			
Provision for costs	5,804	2,133	7,937
Property development costs	12,707	(8,424)	4,283
Lease liabilities	971	(210)	761
Others	197	83	280
Unabsorbed capital allowance	234	160	394
Unutilised tax losses	9,111	(177)	8,934
	29,024	(6,435)	22,589
Offset	(13,065)	3,371	(9,694)
Net deferred tax assets	15,959	(3,064)	12,895
<i>Deferred Tax Liabilities</i>			
Temporary differences arising from:			
Property development costs	(108,404)	8,166	(100,238)
Accelerated of capital allowance over depreciation of property, plant and equipment	(398)	35	(363)
Right-of-use assets	(930)	238	(692)
	(109,732)	8,439	(101,293)
Offset	13,065	(3,371)	9,694
Net deferred tax liabilities	(96,667)	5,068	(91,599)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components of deferred tax assets and deferred tax liabilities prior to offsetting are as follows: (Cont'd)

The Company

	As at 1.10.2021	Recognised in Profit or Loss (Note 10)	As at 30.9.2022/ 1.10.2022	Recognised in Profit or Loss (Note 10)	As at 30.9.2023
	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Deferred Tax Assets</i>					
Temporary differences arising from:					
Lease liabilities	48	(14)	34	(17)	17
Provisions	-	-	-	504	504
Unabsorbed capital allowance	-	102	102	-	102
Unutilised tax losses	-	54	54	-	54
	48	142	190	487	677
Offset	(48)	(142)	(190)	12	(433)
Net deferred tax assets	-	-	-	499	244
<i>Deferred Tax Liabilities</i>					
Temporary differences arising from:					
Accelerated of capital allowance over depreciation of property, plant and equipment	(322)	(89)	(411)	(5)	(416)
Right-of-use assets	(48)	14	(34)	17	(17)
	(370)	(75)	(445)	12	(433)
Offset	48	142	190	(12)	433
Net deferred tax liabilities	(322)	67	(255)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

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

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

	The Group	
	2023 RM'000	2022 RM'000
Temporary differences arising from (before offsetting):		
- impairment loss on trade receivables	-	28
- provision for costs	-	374
- lease liabilities	-	322
Unabsorbed capital allowances	5,139	7,103
Unutilised tax losses	38,406	43,480
Unutilised reinvestment allowance	3,260	3,260
	46,805	54,567

The comparative figures of the Group has been revised to reflect the previous year's final tax submission.

No deferred tax assets are recognised in respect of the above items as they are not probable that taxable profits of the Group will be available against which the deductible temporary differences can be utilised.

Unutilised tax losses accumulated up to year of assessment 2018 can be carried forward for ten consecutive years of assessment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Expiry date of the unutilised tax losses and unutilised reinvestment allowance are summarised as follows:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax assets recognised on unutilised tax losses:				
Expire in year of assessment 2028	-	1,742	-	-
Expire in year of assessment 2029	27	2,084	-	-
Expire in year of assessment 2030	782	5,537	-	-
Expire in year of assessment 2031	-	8,017	-	-
Expire in year of assessment 2032	74	19,845	225	225
Expire in year of assessment 2033	4,142	-	-	-
	5,025	37,225	225	225
No deferred tax assets recognised on unutilised tax losses:				
Expire in year of assessment 2028	22,978	25,073	-	-
Expire in year of assessment 2029	249	1,880	-	-
Expire in year of assessment 2030	5,286	6,149	-	-
Expire in year of assessment 2031	5,197	7,168	-	-
Expire in year of assessment 2032	446	3,210	-	-
Expire in year of assessment 2033	4,250	-	-	-
	38,406	43,480	-	-
No deferred tax assets recognised on unutilised reinvestment allowance:				
Expire in year of assessment 2025	3,260	3,260	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

20. RIGHT-OF-USE ASSETS

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net carrying amount					
At the beginning of the year					
Equipment		155	215	141	202
Land		518	788	-	-
Buildings		2,354	2,888	-	-
		3,027	3,891	141	202
Additions					
Equipment		16	25	-	8
Buildings		195	889	-	-
		211	914	-	8
Disposal					
Equipment		-	(9)	-	-
Buildings		(61)	(23)	-	-
		(61)	(32)	-	-
Depreciation charges					
Equipment		(72)	(76)	(70)	(69)
Land		(270)	(270)	-	-
Buildings		(869)	(1,068)	-	-
	9	(1,211)	(1,414)	(70)	(69)
Impairment loss					
Buildings	9	-	(332)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

20. RIGHT-OF-USE ASSETS (CONT'D)

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net carrying amount					
At the end of the year					
Equipment		99	155	71	141
Land		248	518	-	-
Buildings		1,619	2,354	-	-
		1,966	3,027	71	141

The following table shows the breakdown of the lease expense between amounts charged/(credited) to operating profit and amounts charged to finance costs:

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Depreciation of right-of-use assets		1,211	1,414	70	69
Short-term lease expense		1,335	1,492	1,216	1,214
Low-value assets lease expense		27	52	-	12
Charge to operating profit		2,573	2,958	1,286	1,295
Interest expenses related to lease liabilities	8	156	219	4	7
Charge to profit before taxation		2,729	3,177	1,290	1,302

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

21. BIOLOGICAL ASSETS

The Group

	Note	Shrub RM'000	Tree RM'000	Total RM'000
At 1 October 2021		4	10	14
Fair value loss	9	(1)	(1)	(2)
At 30 September 2022/1 October 2022		3	9	12
Fair value loss	9	-	-	-
1 October 2022/30 September 2023		3	9	12

The biological assets of the Group comprise shrub and tree prior to maturity. The fair value measurement of the biological assets is determined by using the present value of net cash flows expected to be generated from the sale of shrub and tree, less harvesting, transport and other costs to sell and is categorised within Level 3 of the fair value hierarchy. There were no transfer between three levels of the fair value hierarchy during the financial year.

22. CONTRACT ASSETS/(LIABILITIES)

The Group issues progress billing to purchaser when the billing milestones are attained. The Group recognises revenue when performance obligation is satisfied. There is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue under the cost-to-cost method and the milestone payment is always less than one year. The Group's contract assets and contract liabilities relating to the sales of properties as of each reporting period can be summarised as follows:

	The Group	
	2023 RM'000	2022 RM'000
Contract assets	269,710	176,232
Contract liabilities	(35,175)	(62,649)
	234,535	113,583
At the beginning of the year	113,583	164,468
Revenue recognised during the year	476,916	399,748
Progress billings during the year	(362,532)	(459,976)
Consideration payable to customers	6,568	9,343
At the end of the year	234,535	113,583

The transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) as at 30 September 2023 is RM995,451,207 (2022: RM978,814,000) where the Group expects to recognise it as revenue over the next 4 (2022: 3) years.

There is no allowance for impairment losses recognised on contract assets in the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

23. CONTRACT COSTS

	The Group	
	2023 RM'000	2022 RM'000
Cost to obtain contracts	32,128	36,489

Cost to obtain contracts relate to incremental sales person and agent commission for obtaining property sales contracts which are expected to be recovered. These costs are subsequently expensed off as cost of sales by reference to the performance completed to date, consistent with the revenue recognition pattern.

During the financial year, the total cost to obtain contracts recognised by the Group as cost of sales in profit or loss amounted to RM25,443,000 (2022: RM17,024,000) as disclosed in Note 6.

The Group applied the practical expedient in para 94 of MFRS 15 and recognised the incremental costs of obtaining contracts as an expense when incurred, if the amortisation period of the assets is one year or less.

There was no impairment loss in relation to the costs capitalised.

24. TRADE RECEIVABLES

	The Group	
	2023 RM'000	2022 RM'000
Retention sum held by contract customer	4	358
Stakeholders' sum	9,955	21,383
Trade receivables	56,130	43,004
Allowance for impairment losses	(29)	(29)
	56,101	42,975
	66,060	64,716

(a) Stakeholders' sum represents retention sum held by solicitors upon handing over of vacant possession to individual purchasers of development properties. These amounts will be paid in the range from 12 months to 24 months after the delivery of vacant possession together with interest earned.

(b) The Group's normal trade credit terms for current trade receivables range from 14 to 30 (2022: 14 to 30) days. Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

24. TRADE RECEIVABLES (CONT'D)

- (c) Trade receivables that are past due but not impaired are mainly related to the progress billings to be settled by the purchasers or the purchasers' end financiers. However, these debts are expected to be realised in full without material losses in the ordinary course of business as majority of the customers are with financing facilities obtained from reputable end financiers and the legal title to the properties sold remains with the Group until the purchase consideration is fully settled/paid.
- (d) The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or groups of debtors.
- (e) The Group recognises allowance for impairment losses based on expected credit losses ("ECL") model using the simplified approach, which measures the impairment losses at an amount equal to lifetime ECL.
- (f) The retention sum held by contract customer is unsecured, interest free and is expected to be received upon expiry of the defect liability period, in the financial years ending 30 September 2024 (2022: 30 September 2023).

Movement in the allowance for impairment losses:

	The Group	
	2023 RM'000	2022 RM'000
Allowance for impairment losses:		
At the beginning and end of the year (past due more than 151 days)	29	29

The aging analysis of trade receivables past due but not impaired is as follows:

	The Group	
	2023 RM'000	2022 RM'000
Not past due	42,815	23,525
Past due:		
- less than 30 days ^	2,422	4,109
- 31 to 60 days	4,184	4,492
- 61 to 150 days	2,074	3,793
- more than 151 days	4,606	7,056
Total	56,101	42,975

Note:

^ Represents debts fall within the month of September.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

25. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other receivables:					
Non-Current					
Non-interest bearing		67	-	67	-
Current					
Non-interest bearing	(a)	8,286	31,151	1,098	1,172
Allowance for impairment losses		(1,390)	(1,450)	(1,071)	(1,131)
		6,896	29,701	27	41
Other assets	(b)	13,030	16,426	-	-
Goods and services tax recoverable		9	19	-	-
Advances to payables		2,533	3,951	-	-
Deposits	(c)	31,098	12,808	358	378
Prepayments		7,844	7,811	5	5
Deferred expenses	(d)	1,463	1,846	1,530	1,846
Subtotal - current		62,873	72,562	1,920	2,270
Total		62,940	72,562	1,987	2,270

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

25. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

Movement in the allowance for impairment losses:

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Allowance for impairment losses:					
At the beginning of the year		(1,450)	(1,390)	(1,131)	(1,071)
Reversal/(Charge) for the year	9	60	(60)	60	(60)
At the end of the year		(1,390)	(1,450)	(1,071)	(1,131)

(a) Included in the previous financial year was other receivables RM21,500,000 of outstanding settlement sum receivable from Sime Darby Property (Serena City) Sdn. Bhd. arising from settlement agreement entered with SCSB and Sunsuria Development Sdn. Bhd., which has been received during the current financial year.

(b) Other assets of the Group are the costs for consideration payable to customers to be accounted for as a reduction of revenue, when the Group recognises revenue for the transfer of the related goods or services to the customers.

(c) Included in the deposits are:

i) On 2 December 2022, TLDSB, an indirect subsidiary of the Company, entered into three sale and purchase agreements with Symphony Hills Sdn. Bhd., for the proposed acquisition of seventeen pieces of leasehold lands, situated in Mukim Batang Padang and Mukim Bidor, both in the District of Batang Padang, State of Perak for a total purchase consideration of RM75,520,000.

The proposed acquisition enabled the Group to increase its land banks and expand its existing property development activities. Presently, parties are still in the process of obtaining the consents required to transfer the land. There is a conditional period for a further eight (8) months and has been further extended to 1 May 2024.

As at year end, TLDSB has paid RM7,552,000 (2022: RM7,552,000) being earnest deposit prior to the execution of these agreements. The remaining unpaid capital commitment as of current financial year end is amounting to RM67,968,000 (2022: RM67,968,000) as disclosed in Note 43.

ii) In addition to the above, included in current year's deposits is an amount of RM9,261,000 (2022: RMNil) being land conversion premium paid to the land office by SKSB for its application of conversion of its development land status from agriculture to industrial.

(d) Deferred expenses of the Group and of the Company are transaction costs that are directly attributable to the acquisition or issuance of financial liabilities prior to its issuance. These transaction costs are minus from the fair value of the financial liabilities at initial measurement. At subsequent measurement, the transaction costs are amortised and charged out to profit or loss as finance costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

26. LEASE RECEIVABLES

	The Group	
	2023 RM'000	2022 RM'000
At the beginning of the year	-	32
New leases entered into during the financial year	16	-
Lease payments received during the financial year	-	(32)
At the end of the year	16	-
Total undiscounted lease payments receivable	16	-

The Group entered into sublease arrangements as an intermediate lessor to re-lease its right-of-use assets to its related companies.

The re-leased right-of-use assets are completed properties leased by the Group under sales and leaseback arrangement. The completed properties were initially sold to the lessor and leased back by the Group as part of the guarantee rental rebate package offered to the purchasers. The average term of finance leases entered into is 2 years. Generally, these lease contracts do not include extension or early termination options.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in Ringgit Malaysia. Residual value risk on completed properties under lease is not significant, because of the existence of a secondary market with respect to the properties.

The Group's finance lease arrangements do not include variable payments.

The directors of the Company estimate the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime ECL. None of the finance lease receivables at the end of the reporting period is past due and taking into account the future prospects of the industries in which the lessees operate, the directors of the Company consider that no finance lease receivables is impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

27. AMOUNT OWING BY/(TO) SUBSIDIARIES

The Company	2023			2022		
	Interest Bearing RM'000	Non-Interest Bearing RM'000	Total RM'000	Interest Bearing RM'000	Non-Interest Bearing RM'000	Total RM'000
Amount owing by:						
Non-current:						
- Non-trade						
Principal	-	46,834	46,834	-	50,630	50,630
Impairment	-	(3,570)	(3,570)	-	(3,570)	(3,570)
	-	43,264	43,264	-	47,060	47,060
	-	43,264	43,264	-	47,060	47,060
Current:						
- Trade	-	51,572	51,572	-	37,341	37,341
- Non-trade						
Principal	97,146	541,799	638,945	97,204	334,171	431,375
Interest	10,077	-	10,077	4,692	-	4,692
Impairment	-	(16,743)	(16,743)	-	(18,205)	(18,205)
	107,223	525,056	632,279	101,896	315,966	417,862
	107,223	576,628	683,851	101,896	353,307	455,203
Total	107,223	619,892	727,115	101,896	400,367	502,263

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

27. AMOUNT OWING BY/(TO) SUBSIDIARIES (CONT'D)

The Company (Cont'd)

	2023			2022		
	Interest Bearing RM'000	Non-Interest Bearing RM'000	Total RM'000	Interest Bearing RM'000	Non-Interest Bearing RM'000	Total RM'000
Amount owing to:						
Current:						
- Non-trade	-	(8,192)	(8,192)	-	(5,958)	(5,958)

Movement in the allowance for impairment losses:

	Note	The Company	
		2023 RM'000	2022 RM'000
Allowance for impairment losses:			
At the beginning of the year		21,775	21,041
Charge for the year	9	916	734
Reversal [#]	9	(2,378)	-
At the end of the year		20,313	21,775

[#] Reversal pertaining to setting off amount owing by a subsidiary, SCASB, against amount owing to other subsidiaries by the Company as part of the debt novation transactions among these wholly owned subsidiaries.

(a) The trade and non-trade balances are unsecured, interest-free and repayable on demand, except certain non-trade balances are interest bearing. The amounts owing are to be settled in cash.

(b) The non-trade interest bearing amounts at the end of the reporting period bore the following interest rates:

	2023 %	2022 %
Interest rate per annum	5.43	3.42 to 4.43

(c) Included in amount owing by subsidiaries is dividend receivable amounting to RM49,940,000 (2022: RMNil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

28. AMOUNT OWING BY/(TO) RELATED PARTIES

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amount owing by:				
- Trade	3,035	1,667	-	-
- Non-trade	38	13	38	13
	3,073	1,680	38	13
Amount owing to:				
- Non-trade	(85,061)	(81,225)	-	-

(a) The amount owing by related parties are unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

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

(c) The amount owing to related parties represent unsecured advances which are repayable on demand bears interest at 5.43% (2022: 4.24%) per annum. The amounts owing are to be settled in cash.

29. AMOUNT OWING BY/(TO) ASSOCIATE

The Group

	2023			2022		
	Interest Bearing RM'000	Non-Interest Bearing RM'000	Total RM'000	Interest Bearing RM'000	Non-Interest Bearing RM'000	Total RM'000
Amount owing by:						
Trade	-	16,315	16,315	-	6,364	6,364
Amount owing to:						
Trade						
- Principal	-	-	-	(84,464)	-	(84,464)
- Retention sum	-	(15,625)	(15,625)	-	(8,591)	(8,591)
	-	(15,625)	(15,625)	(84,464)	(8,591)	(93,055)
Total	-	690	690	(84,464)	(2,227)	(86,691)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

29. AMOUNT OWING BY/(TO) ASSOCIATE (CONT'D)

- (a) The amount owing by associate is unsecured, interest-free and repayable on demand. The amounts owing is to be settled in cash.
- (b) The retention sum is unsecured, interest-free and is expected to be paid upon expiring of the defect liability period which will be ended in financial year 2025 (2022: 2025).
- (c) The amount owing to associate is unsecured, interest bearing and repayable on demand. The amount owing is to be settled in cash.
- (d) The balance for amount owing to associate bore the following interest rates:

	2023 %	2022 %
Interest rate per annum	-	3.78

30. SHORT-TERM INVESTMENT

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Financial assets at fair value through profit or loss:				
- Money market fund	47,277	34,628	21,675	21,128

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

31. FIXED DEPOSITS WITH LICENSED BANKS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed deposits with licensed banks	107,273	29,817	67,591	24,861

- (a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 1.38% to 2.90% (2022: 1.60% to 2.15%) per annum and 1.95% to 2.90% (2022: 1.60% to 1.95%) per annum respectively. The fixed deposits have maturity periods ranging from 1 day to 12 months (2022: 1 day to 12 months) for the Group and for the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

31. FIXED DEPOSITS WITH LICENSED BANKS (CONT'D)

- (b) The amount of fixed deposits pledged with licensed banks as security for banking facilities granted to the Group and the Company as disclosed in Note 35 is as follows:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed deposits pledged for:				
- bank guarantees	30,211	12,100	14,933	12,025
- invoice financing	1,210	124	-	-
- revolving credits	11,573	11,358	11,333	11,117
- term loans	3,227	3,149	-	-
- Sukuk Wakalah	41,324	1,719	41,325	1,719
	87,545	28,450	67,591	24,861

32. CASH AND BANK BALANCES

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	64,001	120,591	14,715	91,073
Housing development accounts	91,627	127,640	-	-
	155,628	248,231	14,715	91,073

Bank accounts held under housing development accounts are maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966. The amount is held at call with banks and is available only to the subsidiaries involved in the property development activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

33. ORDINARY SHARE CAPITAL

	The Group and The Company			
	2023 Number of shares '000	2022 Number of shares '000	2023 Amount RM'000	2022 Amount RM'000
Ordinary Shares:				
At the beginning and end of the year	895,917	895,917	640,288	640,288

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

34. RESERVES

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Capital reserve	(a)	815	815	1,800	1,800
Foreign currency translation reserve	(b)	(47)	(8)	-	-
Retained earnings	(c)	420,338	407,211	214,517	122,354
		421,106	408,018	216,317	124,154

(a) Capital reserve

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

(b) Foreign currency translation reserve

Foreign currency translation reserve is used to record foreign currency translation differences arising from the translations of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the foreign currency translation differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(c) Retained earnings

At the end of the reporting period, the entire retained earnings of the Company are available for distribution as dividends under the single-tier income tax system.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

35. BORROWINGS

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current					
Hire purchase payables		-	26	-	-
Term loans		386,310	361,304	7,569	7,018
Sukuk Wakalah*		105,689	114,715	105,689	114,715
Total non-current		491,999	476,045	113,258	121,733
Current					
Hire purchase payables		26	74	-	13
Term loans		30,035	14,032	-	538
Invoice financing		14,353	3,583	-	-
Sukuk Wakalah*		74,972	-	74,972	-
Revolving credits		31,500	-	30,000	-
Total current		150,886	17,689	104,972	551
Total		642,885	493,734	218,230	122,284
Total borrowings					
Hire purchase payables	(a)	26	100	-	13
Term loans	(b)	416,345	375,336	7,569	7,556
Invoice financing	(b)	14,353	3,583	-	-
Sukuk Wakalah*	(c)	180,661	114,715	180,661	114,715
Revolving credits	(d)	31,500	-	30,000	-
		642,885	493,734	218,230	122,284

* Net of transaction costs of RM339,000 (2022: RM285,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

35. BORROWINGS (CONT'D)

(a) Hire purchase payables

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Minimum hire purchase payments:				
- not later than 1 year	27	76	-	13
- later than 1 year and not later than 5 years	-	26	-	-
	27	102	-	13
Less: Future finance charges	(1)	(2)	-	-
Present value of hire purchase payables	26	100	-	13

(i) The hire purchase payables of the Group and of the Company are secured by the Group's and the Company's motor vehicles under hire purchase borrowing as disclosed in Note 15.

(ii) The hire purchase payables of the Group and of the Company bore effective interest rates of 4.02% to 4.98% (2022: 4.02% to 4.98%) per annum at the end of reporting period. The interest rates are fixed at the inception of the hire purchase agreement.

(b) Term loans and invoice financing

As at reporting date, the Group and the Company have the following credit facilities from licensed banks:

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Floating rate loans					
I	(i)	121,605	121,606	-	-
II	(ii)	10,503	-	-	-
III	(iii)	6,069	7,556	7,569	7,556
IV	(iv)	7,269	7,245	-	-
V	(v)	191,350	172,502	-	-
VI	(vi)	67,949	66,427	-	-
VII	(vii)	11,600	-	-	-
		416,345	375,336	7,569	7,556
Floating rate invoice financing					
IV	(iv)	14,353	3,583	-	-
		430,698	378,919	7,569	7,556

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

35. BORROWINGS (CONT'D)

(b) Term loans and invoice financing (Cont'd)

The interest rate profile of the term loans and invoice financing are summarised below:

	The Group		The Company	
	2023 %	2022 %	2023 %	2022 %
Floating rate loans and invoice financing				
I	5.57	4.63	-	-
II	5.57	4.27	-	-
III	5.10	4.27	5.10	4.27
IV	5.48	4.03	-	-
V	5.20	4.41	-	-
VI	5.36	4.42	-	-
VII	5.29	-	-	-

(i) Term Loan 1

Term loan 1 including the following:

Term Loan 1

The Term Loan is repayable over 10 years by 47 monthly principal repayments of RM4,017,000 each with 1 final month principal repayment of RM4,001,000 commencing on the 73rd month from the date of the first drawdown, or by application of redemption sum pursuant to the redemption units to be developed on the Property as disclosed in Note 18.

Term Loan 2

The Term Loan is repayable over 10 years by 71 monthly principal repayments of RM970,000 each with 1 final month principal repayment of RM1,130,000 commencing on the 49th month from the date of reinstatement, or by application of redemption sum pursuant to the redemption units to be developed on the Property A.

Term loan 1 is secured by:

- a facility agreement;
- a legal charge over 10 parcels of freehold land held under title GRN 337202, 337203, 337204, 332588, 335776, 335777, 335779, 333882, H.S.(D) 56107 PT 69199 and H.S.(D) 56108 PT 69200 situated in Mukim Dengkil, District of Sepang, State of Selangor ("Property A") as disclosed in Notes 15, 16 and 18 respectively;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

35. BORROWINGS (CONT'D)**(b) Term loans and invoice financing (Cont'd)****(i) Term Loan I (Cont'd)**

Term loan I is secured by: (Cont'd)

- a general debenture creating a fixed and floating charge over the subsidiary's undertaking, assets, rights and properties, both present and future whatsoever and wheresoever situated (including but not limited to the Property and all development projects to be undertaken by the subsidiary on the Property A);
- placement of fixed deposits for the funds in the Debt Service Reserve Account ("DSRA") as disclosed in Note 31, which the DSRA shall cover minimum 3 months' interest payment; and
- a corporate guarantee of the Company.

(ii) Bridging loan II

Bridging loan is secured by:

- a facility agreement;
- a legal charge over 1 parcel of freehold development land held under title GRN 333880, situated in Mukim Dengkil, District of Sepang, State of Selangor ("Project Land") as disclosed in Note 18;
- a debenture for RM46,000,000 by way of fixed and floating charge over all the present and future assets of a subsidiary in relation to the Project Land;
- assignment of surplus proceeds of the Project Land captured in Housing Development Account;
- assignment of all performance bonds/guarantees/warranties (if any) given by contractors/suppliers to a subsidiary in relation to the Project Land;
- assignment of all applicable insurance policies in respect of the Project Land (if any), where the Bank is to be endorsed as loss payee; and
- a corporate guarantee of the Company.

(iii) Term Loan III

Term loan III including the following:

Term Loan 1

The Term Loan is repayable over 10 years by 120 monthly principal repayments of RM85,202 each commencing on the full release of Term Loan 1, or by Availability Period, whichever is earlier.

Term Loan 2

The Term Loan is repayable over 10 years by 120 monthly principal repayments of RM84,985 each commencing on the full release of Term Loan 2, or by Availability Period, whichever is earlier.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

35. BORROWINGS (CONT'D)**(b) Term loans and invoice financing (Cont'd)****(iii) Term Loan III (Cont'd)**Term Loan 3

The Term Loan is repayable over 10 years by 120 monthly principal repayments of RM115,707 each commencing on the full release of Term Loan 3, or by Availability Period, whichever is earlier.

Term loan III is secured by:

- a facility agreement;
- first party first legal charge over Lot No. CO-37-01, CO-38-01 and CO-39-01, Block CO located at Jalan Setia Dagang AL U13/AL Setia Alam Seksyen U13, 40170 Shah Alam, Selangor to be erected on part of land held under Master Title Geran 334463, Lot 86616, Mukim Bukit Raja, Daerah Petaling, Negeri Selangor upon issuance of strata title;
- deed of Assignment (Interim security); and
- Power of Attorney (Interim security).

(iv) Term Loan IV and Invoice Financing

Term loan IV including the following:

The Term Loan IV is repayable by 131 equal monthly principal installments of RM149,000 each and 1 final installment of RM76,000, the first instalment to commence on the 1st day of the 37th month following the date of first drawdown and to be concurrent with the interest payment.

The Invoice Financing is repayable within 90 days upon maturity notwithstanding the Bank's right to demand repayment at any time at its sole discretion.

Term loan IV and invoice financing are secured by:

- a facility agreement;
- assignment of the Company's interest, rights, titles and benefits with respect to 16 units of freehold office units, held under Geran 334463, Lot 86516 in Mukim Bukit Raja, District of Petaling, State of Selangor Darul Ehsan as disclosed in Note 16;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

35. BORROWINGS (CONT'D)

(b) Term loans and invoice financing (Cont'd)

(iv) Term Loan IV and Invoice Financing (Cont'd)

Term loan IV including the following: (Cont'd)

- Overdraft ("OD") by way of Memorandum of Deposit (MOD) in the following manner:
 - a) pledge of fixed deposit via 2.5% retention over each contract (Limit RM2mil); and
 - b) other pledge that may be required;
- OD/Invoice Financing, by way of 1st party deed of assignment with the contract values of no less than RM473,363,532, subsequent assignments over other contracts (if any), proceeds shall be credited into designated escrow account in favour of the Bank (via assignment over designated escrow account and all monies standing in it);
- Bank Guarantee by way of an MOD through 30% fixed deposit and other pledge of fixed deposit may be required to be deposited from time to time; and
- Corporate guarantee of the Company.

(v) Term Loan V

The Term Loan V includes Term Loan 1, Term Loan 2, Term Loan 3, Term Loan 4, Term Loan 5, Term Loan 6 and Term Loan 7 which shall be repaid through redemption of individual units or reduction schedule, whichever is earlier.

Term loan V is secured by:

- a facility agreement;
- cash deposit agreement;
- All monies charge over 4 parcels of land held under title GRN 31910, PT 50001, 50002 and 50003, situated in Bandar Kuala Lumpur, Daerah Kuala Lumpur, negeri Wilayah Persekutuan as disclosed in Notes 16 and 18 respectively;
- Debenture with fixed and floating charge over all present and future assets of a subsidiary's development project; and
- Proportionate guarantee by the former director of the subsidiary and the Company.

(vi) Term Loan VI

Term loan VI

The Term loan VI is repayable by 179 equal monthly principal installments of RM371,112 each and 1 final installment of RM370,952, the first instalment to commence on the 1st day of the 25th month following the date of first drawdown and to be concurrent with the interest payment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

35. BORROWINGS (CONT'D)

(b) Term loans and invoice financing (Cont'd)

(vi) Term Loan VI (Cont'd)

Term loan VI is secured by: (Cont'd)

- a first party first open monies legal charge over a piece of agricultural leasehold land held under HS(D)5732, PT10568, Mukim Ijok, Daerah Kuala Selangor, Negeri Selangor together with any profits, costs, miscellaneous charges or compensation charges levied on the facility as disclosed in Note 18; and
- a corporate guarantee of the Company.

(vii) Term Loan VII

Term loan VII

The Term Loan is repayable over 47 monthly principal repayments of RM300,000 each with 1 final month principal repayment of RM500,000 commencing on the first business day of the 37th month from the date of first drawdown.

Term loan VII is secured by:

- a facility agreement;
- a legal charge over a parcel of freehold agricultural land located at H.S.(D) 39313, PT 2897, Mukim Bandar, Daerah Kuala Langat, Negeri Selangor Darul Ehsan as disclosed in Note 18;
- a general debenture with fixed and floating charge over all present and future assets of a subsidiary's development project; and
- a joint corporate guarantee of the Company and shareholder of one of its subsidiary.

(c) Sukuk Wakalah

On 7 October 2020, the Company has established a Rated Islamic Medium Terms Notes ("Sukuk Wakalah") Programme of up to RM500 million in nominal value under the Shariah Principle of Wakalah Bi Al-Istithmar. The Sukuk Wakalah allows for the issuance of Sukuk Wakalah from time to time, provided that the aggregate outstanding nominal value of Sukuk Wakalah shall not exceed RM500 million at any point in time.

The tenure of the Sukuk Wakalah Programme shall be up to thirty (30) years from the date of first issuance of the Sukuk Wakalah. At the end of the reporting period, the Sukuk Wakalah Programme has been assigned a rating of A+_{IS} (2021: A+_{IS}) by Malaysian Rating Corporation Berhad.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

35. BORROWINGS (CONT'D)

(c) Sukuk Wakalah (Cont'd)

Pursuant to the Sukuk Wakalah Programme, the Company had issued the following:

Tranche	Series	Date of Issuance	RM'000	Yield-to-maturity (per annum)	Tenure (year)
1	1	2 December 2020	75,000	5.60%	3
1	2	2 December 2020	40,000	5.80%	5
2	1	14 October 2022	66,000	6.25%	3
			<u>181,000</u>		

The proceeds from the issuance of the Sukuk Wakalah shall be utilised by the Company for the following Shariah-compliant purposes:

- (i) finance the capital expenditure, working capital requirements and/or investments as well as for general corporate purposes of the Group which shall be Shariah-compliant;
- (ii) refinance the existing financing/borrowings and future financing of the Group; and
- (iii) pay all fees and expenses in connection with the Sukuk Wakalah Programme.

(d) Revolving Credits

As at reporting date, the Group and the Company have the following credit facilities from licensed banks:

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Floating rate revolving credit					
I	(i)	30,000	-	30,000	-
II	(ii)	1,500	-	-	-
		<u>31,500</u>	-	<u>30,000</u>	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

35. BORROWINGS (CONT'D)

(d) Revolving Credits (Cont'd)

The interest rate profile of the revolving credits are summarised below:

	The Group		The Company	
	2023 %	2022 %	2023 %	2022 %
Floating rate revolving credits				
I	5.35	-	5.35	-
II	5.54	-	-	-

(i) Revolving Credit I

The facilities are secured by:

- a facility agreement;
- third party first legal charge over 4 parcels of freehold development land, completed units of the Group, held under title PT 36975, 36976, 36977 and 36983 located within Bukit Raja, District of Petaling, Selangor as disclosed in Note 18; and
- redemption sum pledged as fixed deposit as disclosed in Note 31.

(ii) Revolving Credit II

The facilities are secured by:

- a facility agreement;
- first party first legal charge over a piece of agricultural leasehold land held under HS(D) 5732, PT10568, Mukim Ijok, Daerah Kuala Selangor, Negeri Selangor as disclosed in Note 18; and
- Corporate guarantee of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

36. LEASE LIABILITIES

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current	1,063	2,290	13	70
Current	1,280	1,346	56	72
	2,343	3,636	69	142
Maturity analysis:				
- not later than 1 year	1,394	1,676	57	76
- later than 1 year and not later than 5 years	1,158	2,379	14	72
Less: unexpired finance charges	(209)	(419)	(2)	(6)
	2,343	3,636	69	142

The incremental borrowing rates applied to the lease liabilities are:

	The Group		The Company	
	2023 %	2022 %	2023 %	2022 %
Interest rate per annum	3.69 - 5.67	3.69 - 5.67	3.69 - 5.67	3.69 - 5.67

37. TRADE PAYABLES

	The Group	
	2023 RM'000	2022 RM'000
Trade payables	25,089	4,804
Retention sum payables	21,330	13,180
Accrued costs	60,179	54,947
	106,598	72,931

- (a) The normal trade credit terms granted to the Group range from 30 to 75 days (2022: 30 to 75 days).
- (b) The retention sum payables are unsecured, interest-free and are expected to be paid upon expiry of the defect liability period, ranging from the financial years ending 30 September 2024 to 2027 (2022: 2023 to 2026).
- (c) Included in accrued costs are construction cost payable to associate of RM13,761,000 (2022: RM9,095,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

38. OTHER PAYABLES, DEPOSITS RECEIVED, ACCRUALS AND PROVISIONS

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other payables		10,873	8,293	89	375
Deposits received		3,020	2,794	54	50
Accruals	(a)	64,143	59,427	8,204	3,699
Advances received		28,971	31,074	-	-
Provisions:					
- Foreseeable losses	(b)	14,531	5,580	-	-
- Release of bumiputera quota	(c)	43,128	43,272	-	-
		164,666	150,440	8,347	4,124

- (a) Included in accruals of the Group are Sukuk's finance costs payable and major infrastructure works to be completed by SCSB for XMU Jiageng Education Development Sdn. Bhd. amounting to RM4,053,000 (2022: RM2,144,000) and RM934,000 (2022: RM934,000), respectively.

Included in accruals of the Company is Sukuk's finance costs amounting to RM 4,053,000 (2022: RM2,144,000).

(b) Provision for foreseeable losses

Provision is recognised for the estimated shortfall between the cost and the gross development value for the construction of certain housing development. The corresponding asset is recognised as common development costs.

Movement of the provision for foreseeable losses is as follows:

	The Group	
	2023 RM'000	2022 RM'000
At beginning of year	5,580	2,244
Provision made during the financial year	8,951	3,336
At end of year	14,531	5,580

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

38. OTHER PAYABLES, DEPOSITS RECEIVED, ACCRUALS AND PROVISIONS (CONT'D)

(c) Provision for release of bumiputera quota

Provision is recognised for the estimated payment to the authority for the release of bumiputera unit to non-bumiputera units.

Movement of the provision for release of bumiputera quota is as follows:

	The Group	
	2023 RM'000	2022 RM'000
At beginning of year	43,272	31,700
Provision made during the financial year	4,403	11,572
Reversal during the financial year	(4,547)	-
At end of year	43,128	43,272

39. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(a) Directors					
<u>Directors of the Company</u>					
Short-term employee benefits:					
- fees		192	192	192	192
- salaries, bonuses and other benefits		3,290	3,034	3,290	3,034
Defined contribution benefits		392	361	392	361
		3,874	3,587	3,874	3,587

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

39. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows: (Cont'd)

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(a) Directors (Cont'd)					
<u>Directors of the Subsidiaries</u>					
Short-term employee benefits:					
- salaries, bonuses and other benefits		1,452	1,718	991	1,117
Defined contribution benefits		132	154	88	108
		1,584	1,872	1,079	1,225
Total directors' remuneration	9	5,458	5,459	4,953	4,812
Estimated monetary value of benefits-in-kind:					
- directors of the Company		100	49	100	49
- directors of the subsidiaries		20	20	-	-
		120	69	100	49
(b) Other Key Management Personnel					
Short-term employee benefits		2,200	1,774	2,200	1,774
Defined contribution benefits		238	215	238	215
Total compensation for other key management personnel		2,438	1,989	2,438	1,989
Estimated monetary value of benefits-in-kind		28	34	28	34

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

40. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS of the Company is governed by the by-laws approved by the shareholders at the Extraordinary General Meeting held on 29 March 2019 and is administered by the ESOS Committee in accordance with the ESOS By-Laws. The ESOS was established on 4 September 2019 for a period of five (5) years and may be extended or renewed (as the case may be) for another five (5) years in accordance to the ESOS By-Laws.

The maximum number of the Company's shares under the ESOS should not exceed in aggregate 10% of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company at any point of time during the duration of the scheme period. Other principal features of the ESOS are as follows:

(a) Eligibility to participate in the ESOS

In respect of the directors and employee of the Company, the employee must fulfil the following criteria:

- (i) is at least eighteen (18) years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (ii) a director has been appointed as a director of the Company or any company in the Group for a minimum period of one (1) year;
- (iii) a permanent employee who has been confirmed and served for at least continuous period of one (1) year or a contract employee who has served for at least a period of one (1) year on a cumulative basis under the current and/or previous contract; and
- (iv) has fulfilled any other criteria and/or falls within such category as may be determined by the ESOS Committee from time to time.

(b) Option Price

Subject to any adjustments in accordance with the By-Laws and pursuant to the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR"), the Option Price shall be determined by the Board upon recommendation of the ESOS Committee which will be based on the 5-day Weighted Average Price ("WAP") of the Company's shares, as quoted on Bursa Securities, immediately preceding the date of offer, with a discount of not more than 10%, or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the duration of the ESOS.

(c) Termination of the ESOS

Subject to compliance with the Main Market Listing Requirements of Bursa Securities and any other relevant authorities, the ESOS may be terminated by the Company at any time before its expiry without obtaining the approvals from the grantees or its shareholders provided that the Company makes an announcement immediately to Bursa Securities.

During the financial year, the Company has not granted ESOS options to the eligible persons under the ESOS.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

41. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company have the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group and the Company have related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties which are determined on a basis as negotiated between the said companies during the financial year:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Subsidiaries				
Advances to	-	-	112,466	26,726
Collection received on behalf of	-	-	89	669
Dividend received/receivable	-	-	99,930	-
Interest received/receivable	-	-	5,385	3,315
Management fee received/receivable	-	-	30,055	25,788
Payment on behalf of	-	-	45,740	74,985
Rental charged	-	-	2	6
Disposal of property, plant and equipment	-	-	-	240
Associate				
Rental of premises	99	110	99	110
Construction service rendered by	133,650	93,259	-	-
Retention sum payable to	7,034	7,360	-	-
Back charged of clerk of work to	332	201	-	-
Finance charges on deferred payment arrangement with contractor	2,566	4,114	-	-
Construction revenue received/receivable	147,799	84,510	-	-
Management fee	-	1	-	-
Payment on behalf by	7	-	-	-
Payment on behalf of	-	5	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

41. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances (Cont'd)

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Companies substantially owned by certain directors and/or their close family members				
Carpark rental paid/payable	52	98	52	98
Payment on behalf of	29	16	29	16
Rental of premises paid/payable	1,160	1,148	1,160	1,106
Finance costs paid/payable	2,311	2,887	-	-
Construction cost paid/payable	17,278	9,291	-	-
Management fee paid/payable	5,045	5,349	-	-
Staff cost	1,845	1,745	-	-

42. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Chairman as its chief operating decision maker in order to allocate resources to segments and to assess their performance on quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into three main business segments as follows:

- Property development
 - undertakes the development of commercial and residential properties.
- Construction
 - undertakes the construction activities.
- Healthcare
 - trading of pharmaceutical and medical goods, healthcare related products and operation of integrated healthcare centre.
- Investment holding and others
 - investment activities, provision of management services and others.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

42. OPERATING SEGMENTS (CONT'D)

- The Executive Chairman assesses the performance of the reportable segments based on their profit before interest expenses and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.
- Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than investment in associates and tax-related assets.
- Each reportable segment liabilities is measured based on all liabilities of the segment other than tax-related liabilities.
- Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

Business Segments

	Property development RM'000	Construction RM'000	Healthcare RM'000	Investment holding and others RM'000	Total RM'000
2023					
Revenue					
External revenue	504,246	1,052	-	901	506,199
Inter-segment revenue	6,102	213,346	182	230,299	449,929
	510,348	214,398	182	231,200	956,128
Consolidation adjustments					(449,929)
Consolidated revenue					506,199
Results					
Segment profit/(loss)	108,751	103	(1,174)	(34,028)	73,652
Finance costs					(27,655)
Share of results in associates					124
Consolidated profit before taxation					46,121
Segment profit/(loss) includes the following:					
Investment income	4,483	507	3	2,978	7,971
Finance costs	(16,334)	(533)	(3)	(10,785)	(27,655)
(Loss)/Gain on disposal of property, plant and equipment	-	(75)	-	20	(55)
Gain on derecognition of lease liabilities	26	-	-	355	381

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

42. OPERATING SEGMENTS (CONT'D)

Business Segments (Cont'd)

2023	Property development RM'000	Construction RM'000	Healthcare RM'000	Investment holding and others RM'000	Total RM'000
Segment profit/(loss) includes the following: (Cont'd)					
Depreciation of:					
- property, plant and equipment	(3,063)	(221)	(23)	(1,147)	(4,454)
- investment properties	(133)	-	-	(243)	(376)
- right-of-use assets	(1,112)	-	(28)	(71)	(1,211)
Reversal of allowance for impairment losses on other receivables	-	-	60	-	60
Provision for release of bumiputera quota	(4,403)	-	-	-	(4,403)
Reversal of provision for release of bumiputera quota	4,547	-	-	-	4,547
Impairment loss on investment in an associate	-	-	-	(2)	(2)
Reversal of impairment loss on investment properties	1,035	-	-	-	1,035
Unrealised gain on foreign exchange	-	-	-	753	753
Assets					
Segment assets	2,029,441	50,802	761	130,226	2,211,230
Unallocated assets:					
- investment in associates					587
- deferred tax assets					13,340
- current tax assets					10,103
Consolidated total assets					2,235,260

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

42. OPERATING SEGMENTS (CONT'D)

Business Segments (Cont'd)

2023	Property development RM'000	Construction RM'000	Healthcare RM'000	Investment holding and others RM'000	Total RM'000
Additions to non-current assets other than financial instruments and deferred tax assets are:					
- property, plant and equipment (Note 15)	28,671	121	168	2,368	31,328
- investment properties (Note 16)	6,151	1,470	-	1	7,622
Liabilities					
Segment liabilities	740,917	77,403	727	233,306	1,052,353
Unallocated liabilities:					
- deferred tax liabilities					86,429
- tax payable					772
Consolidated total liabilities					1,139,554
2022					
Revenue					
External revenue	399,748	551	791	1,112	402,202
Inter-segment revenue	3,253	156,455	138	25,999	185,845
	403,001	157,006	929	27,111	588,047
Consolidation adjustments					(185,845)
Consolidated revenue					402,202
Results					
Segment profit/(loss)	88,861	(478)	(2,538)	(30,304)	55,541
Finance costs					(20,563)
Share of results in associates					(97)
Consolidated profit before taxation					34,881

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

42. OPERATING SEGMENTS (CONT'D)

Business Segments (Cont'd)

2022	Property development RM'000	Construction RM'000	Healthcare RM'000	Investment holding and others RM'000	Total RM'000
Segment profit/(loss) includes the following:					
Investment income	2,630	163	7	2,113	4,913
Finance costs	(13,616)	(47)	(14)	(6,886)	(20,563)
Waiver of debts on other payables	-	-	-	80	80
(Loss)/Gain on disposal of property, plant and equipment	-	-	(1)	407	406
Gain on derecognition of lease liabilities	1	-	-	500	501
Depreciation of:					
- property, plant and equipment	(3,534)	(238)	(88)	(1,279)	(5,139)
- investment properties	(138)	-	-	(277)	(415)
- right-of-use assets	(1,165)	-	(82)	(167)	(1,414)
Allowance for impairment losses on other receivables	-	-	-	(60)	(60)
Provision for release of bumiputera quota	(11,572)	-	-	-	(11,572)
Impairment loss on:					
- property, plant and equipment	-	-	(269)	(25)	(294)
- investment properties	-	-	-	(11)	(11)
- right-of-use assets	-	-	(293)	(39)	(332)
Inventories write-down to net realisable value on medical supplies	-	-	(3)	-	(3)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

42. OPERATING SEGMENTS (CONT'D)

Business Segments (Cont'd)

2022	Property development RM'000	Construction RM'000	Healthcare RM'000	Investment holding and others RM'000	Total RM'000
Segment profit/(loss) includes the following: (Cont'd)					
Fair value loss on					
- biological assets	-	(2)	-	-	(2)
- short-term investment	(61)	-	-	-	(61)
Unrealised gain/(loss) on foreign exchange	-	-	2	(881)	(879)
Assets					
Segment assets	1,904,819	20,694	261	161,528	2,087,302
Unallocated assets:					
- investment in associates					465
- deferred tax assets					12,895
- current tax assets					17,909
Consolidated total assets					2,118,571
Additions to non-current assets other than financial instruments and deferred tax assets are:					
- property, plant and equipment (Note 15)	976	219	-	1,808	3,003
- investment properties (Note 16)	16,291	671	-	-	16,962
Liabilities					
Segment liabilities	771,726	57,829	1,051	127,064	957,670
Unallocated liabilities:					
- deferred tax liabilities					91,599
- tax payable					3,960
Consolidated total liabilities					1,053,229

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

42. OPERATING SEGMENTS (CONT'D)

Geographical Segments

Information about geographical location of segment assets has not been reported separately as the Group operates principally within Malaysia. Segment revenue based on geographical location of customers is analysed as follows:

	The Group	
	2023 RM'000	2022 RM'000
Malaysia	506,199	402,202

Major Customers

There is no single customer that contributed 10% or more to the Group's revenue.

43. CAPITAL COMMITMENT

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Contracted but not provided for				
Construction of investment properties	69,923	89,042	-	-
Construction of property, plant and equipment	10,003	10,623	10,003	10,623
Commitment for acquisition of development land [Note 25(c)]	67,968	67,968	-	-
	147,894	167,633	10,003	10,623

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

44. DIVIDEND

The directors do not recommend any dividend in respect of the current financial year.

45. FINANCIAL INSTRUMENTS

The Group's and the Company's activities are exposed to interest rate risk, credit risk and liquidity risk. The Group's and the Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and the Company's financial performance.

45.1 Financial risk management policies

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

(a) Market Risk

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's and the Company's fixed interest bearing assets are primarily fixed deposits with licensed banks as disclosed in Note 31. The Group and the Company consider the risk of significant changes to interest rates on those deposits to be unlikely.

The Group's and the Company's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The Group's and the Company's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 35.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 Financial risk management policies (Cont'd)

(a) Market Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis

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

The sensitivity analyses below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents managements' assessment of the reasonably possible change in interest rates.

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Effects on profit/(loss) after taxation				
Increase of 100 basis points	(3,510)	(2,880)	(58)	(57)
Decrease of 100 basis points	3,510	2,880	58	57
Effects on total equity				
Increase of 100 basis points	(3,510)	(2,880)	(58)	(57)
Decrease of 100 basis points	3,510	2,880	58	57

(b) Credit Risk

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

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company use aging analysis to monitor the credit quality of a financial asset. The Group and the Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis.

For individual basis evaluation, any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually and determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 Financial risk management policies (Cont'd)

(b) Credit Risk (Cont'd)

The Group and the Company measure the loss allowance for receivables at an amount equal to lifetime expected credit loss ("ECL"). The expected credit losses on receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current financial reporting.

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the results of the subsidiaries and repayments made by the subsidiaries on ongoing basis.

(i) Credit Risk Concentration Profile

The Group is not exposed to any significant concentration of credit risk in the form of receivables due from a single debtor or from group of debtors.

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

The Company is exposed to credit risk in relation to unsecured financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM424,236,000 (2022: RM455,827,000) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 45.1(c). As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material due to directors regard the value of the credit enhancement to be minimal and the likelihood of default to be low.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 Financial risk management policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

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

The Group

	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000		Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
			Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000			
2023							
Trade payables	-	106,598	106,598	106,598	-	-	-
Other payables, deposits received and accruals	-	164,666	164,666	164,666	-	-	-
Amount owing to related parties	5.43	85,061	89,680	89,680	-	-	-
Amount owing to associate							
- Non-interest bearing	-	15,625	15,625	15,625	-	-	-
Hire purchase payables	4.02 to 4.98	26	27	27	-	-	-
Term loans	5.10 to 5.57	416,345	458,672	55,581	304,533	98,558	-
Invoice financing	5.48	14,353	15,379	15,379	-	-	-
Sukuk Wakalah	5.60 to 6.25	180,661	199,233	83,555	115,678	-	-
Revolving credits	5.35 to 5.54	31,500	31,569	31,569	-	-	-
Lease liabilities	3.69 to 5.67	2,343	2,552	1,394	1,158	-	-
		1,017,178	1,084,001	564,074	421,369	98,558	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 Financial risk management policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

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

The Group (Cont'd)

	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000		Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
			Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000			
2022							
Trade payables	-	72,931	72,931	72,931	-	-	-
Other payables, deposits received, accruals and provisions	-	150,440	150,440	150,440	-	-	-
Amount owing to related parties	4.24	81,225	84,669	84,669	-	-	-
Amount owing to associate							
- Non-interest bearing	-	8,591	8,591	8,591	-	-	-
- Interest bearing	3.78	84,464	87,657	87,657	-	-	-
Hire purchase payables	4.02 to 4.98	100	102	76	26	-	-
Term loans	4.03 to 4.70	375,336	448,703	28,756	313,578	106,369	-
Invoice financing	4.03	3,583	3,727	3,727	-	-	-
Sukuk Wakalah	5.60 to 5.80	114,715	129,424	6,520	122,904	-	-
Lease liabilities	3.69 to 5.67	3,636	4,055	1,676	2,379	-	-
		895,021	990,299	445,043	438,887	106,369	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 Financial risk management policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

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

The Company

	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2023						
Other payables, deposits received and accruals	-	8,347	8,347	8,347	-	-
Amount owing to subsidiaries	-	8,192	8,192	8,192	-	-
Term loans	5.10	7,569	8,938	395	8,543	-
Sukuk Wakalah	5.60 to 6.25	180,661	199,233	83,555	115,678	-
Lease liabilities	3.69 to 5.67	69	71	57	14	-
Revolving credits	5.35	30,000	30,066	30,066	-	-
Financial guarantee contracts	-	-	424,236	424,236	-	-
		234,838	679,083	554,848	124,235	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 Financial risk management policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

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

The Company (Cont'd)

	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2022						
Other payables, deposits received and accruals	-	4,124	4,124	4,124	-	-
Amount owing to subsidiaries	-	5,958	5,958	5,958	-	-
Hire purchase payables	4.02 to 4.98	13	13	13	-	-
Term loans	4.27	7,556	8,374	862	7,512	-
Sukuk Wakalah	5.60 to 5.80	114,715	129,424	6,520	122,904	-
Lease liabilities	3.69 to 5.67	142	148	76	72	-
Financial guarantee contracts	-	-	455,827	455,827	-	-
		132,508	603,868	473,380	130,488	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.2 Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:

	The Group	
	2023 RM'000	2022 RM'000
Hire purchase payables	26	100
Term loans	416,345	375,336
Revolving credits	31,500	-
Invoice financing	14,353	3,583
Sukuk Wakalah	180,661	114,715
	642,885	493,734
Less: Short-term investment	(47,277)	(34,628)
Less: Fixed deposits with licensed banks	(107,273)	(29,817)
Less: Cash and bank balances	(155,628)	(248,231)
Net debt	332,707	181,058
Total equity	1,095,706	1,065,342
Debt-to-equity ratio/Net gearing ratio	0.30	0.17

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

The Group and the Company are also required to comply with certain loan covenants, failing which, the banks may call an event of default. The Group has complied with these requirements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.3 Classification of financial instruments

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Other investment	159	159	159	159
Short-term investment	47,277	34,628	21,675	21,128
<u>Amortised Costs</u>				
Trade receivables	66,060	64,716	-	-
Other receivables and deposits	38,061	42,509	385	419
Lease receivables	16	-	-	-
Amount owing by subsidiaries	-	-	727,115	502,263
Amount owing by related parties	3,073	1,680	38	13
Amount owing by associate	16,315	6,364	-	-
Fixed deposits with licensed banks	107,273	29,817	67,591	24,861
Cash and bank balances	155,628	248,231	14,715	91,073
Financial Liabilities				
<u>Amortised Costs</u>				
Trade payables	106,598	72,931	-	-
Other payables, deposits received and accruals	107,007	101,588	8,347	4,124
Amount owing to subsidiaries	-	-	8,192	5,958
Amount owing to related parties	85,061	81,225	-	-
Amount owing to associate	15,625	93,055	-	-
Hire purchase payables	26	100	-	13
Term loans	416,345	375,336	7,569	7,556
Revolving credits	31,500	-	30,000	-
Invoice financing	14,353	3,583	-	-
Sukuk Wakalah	180,661	114,715	180,661	114,715

45.4 Fair Value Information

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The fair values of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.4 Fair Value Information (Cont'd)

The fair values of hire purchase payables and Sukuk Wakalah that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period.

The financial guarantees have not been recognised in the financial statements since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the securities pledged by the subsidiaries.

The following table sets out the fair value profile of financial instruments that are carried at fair value at the end of the reporting period:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Level 1				
Financial asset at FVTPL:				
Short-term investment [#]	47,277	34,628	21,675	21,128
Level 3				
Financial asset at FVTPL:				
Other investment [^]	159	159	159	159

[#] The fair value of short-term investment is determined at their quoted closing prices at the end of the reporting period.

[^] The fair values of unquoted investment in transferable golf club memberships are determined by reference to recent market transactions and replacement cost of identical assets.

The following table sets out the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period:

	Carrying amount		Fair value	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Level 2				
Financial liabilities:				
Sukuk Wakalah	180,661	114,715	176,331	112,193

During the reporting year ended 30 September 2023, there were no transfers between the hierarchy fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

46. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows from/(for) financing activities.

The Group

	Hire purchase payables (Note 35) RM'000	Term loans (Note 35) RM'000	Revolving credits (Note 35) RM'000	Invoice financing (Note 35) RM'000	Sukuk Wakalah (Notes 35) RM'000	Lease liabilities (Note 36) RM'000
At 1 October 2021	348	415,129	-	-	114,560	4,563
Proceeds	-	123,160	-	8,403	-	-
Repayment	(248)	(163,136)	-	(4,820)	-	(1,308)
Transaction cost paid	-	(315)	-	-	-	-
Non-cash transactions	-	498	-	-	155	381
At 30 September 2022/1 October 2022	100	375,336	-	3,583	114,715	3,636
Proceeds	-	83,037	31,500	41,813	66,000	-
Repayment	(74)	(42,376)	-	(31,043)	-	(1,325)
Transaction cost paid	-	-	-	-	(316)	-
Non-cash transactions	-	348	-	-	262	32
At 30 September 2023	26	416,345	31,500	14,353	180,661	2,343

46. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows from/(for) financing activities. (Cont'd)

The Company

	Hire purchase payables (Note 35) RM'000	Revolving credits (Note 35) RM'000	Term loans (Note 35) RM'000	Sukuk Wakalah (Notes 35) RM'000	Lease liabilities (Note 36) RM'000
At 1 October 2021	202	-	7,544	114,560	202
Repayment	(189)	-	-	-	(68)
Non-cash transactions	-	-	12	155	8
At 30 September 2022/1 October 2022	13	-	7,556	114,715	142
Proceeds	-	30,000	-	66,000	-
Repayment	(13)	-	-	-	(73)
Transaction cost paid	-	-	-	(316)	-
Non-cash transactions	-	-	13	262	-
At 30 September 2023	-	30,000	7,569	180,661	69

LIST OF GROUP'S PROPERTIES

AS AT 30 SEPTEMBER 2023

No.	Date of Acquisition	Property Address/ Location	Description	Existing Use	Tenure/ Approximate Age of Building	Land Area (sq meters)	Total RM'000
1	02.10.2019	Unit 31-1, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara	Commercial Lot	Office	Leasehold land with lease period expiring 21.2.2107/13 years	37.0	208
2	02.10.2019	Unit 31-2, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara	Commercial Lot	Office	Leasehold land with lease period expiring 21.2.2107/13 years	37.0	124
3	07.08.2015	No. 11-G, Garden Wing, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara	Commercial Lot	Office	Leasehold land with lease period expiring 21.2.2107/13 years	74.0	710
4	07.08.2015	No. 3-6, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara	Commercial Lot	Office	Leasehold land with lease period expiring 21.2.2107/13 years	111.0	640
5	11.6.2015	GRN 337202, Lot 124035, GRN 337203, Lot 124036, GRN 337204, Lot 124037, Mukim Dengkil, Daerah Sepang, Selangor	Land for investment properties, land & commercial building and land held for property development	Investment properties under construction, shop, development land and sales gallery/ office	Freehold/6 years	434,480.0	300,079
6	11.06.2015	GRN 332588, Lot 115624 Mukim Dengkil, Daerah Sepang, Selangor	Land held for property development	Development land	Freehold	171,700.0	115,708
7	11.06.2015	GRN 335776, Lot 121629, GRN 335777, Lot 121630, GRN 335779, Lot 121638 Mukim Dengkil, Daerah Sepang, Selangor	Land held for property development	Development land	Freehold	55,860.0	68,334
8	11.06.2015	GRN 333879, Lot 115616, Mukim Dengkil, Daerah Sepang, Selangor	Land held for property development	Development land	Freehold	40,470.0	88,261
9	11.06.2015	GRN 335296, Lot 119114, HSD 44451, PT59441, Mukim Dengkil, Daerah Sepang, Selangor	Land held for property development	Development land	Freehold	12,055.0	16,803

LIST OF GROUP'S PROPERTIES

AS AT 30 SEPTEMBER 2023

No.	Date of Acquisition	Property Address/ Location	Description	Existing Use	Tenure/ Approximate Age of Building	Land Area (sq meters)	Total RM'000
10	09.05.2016	GRN 333882, Lot 115623, Mukim Dengkil, Daerah Sepang, Selangor	Land held for property development	Development land	Freehold	34,330.0	30,631
11	25.03.2016	GRN 334463 Lot 86616, Jalan Setia Dagang AL, U13/AL, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor	Land for investment properties	Investment properties under construction	Freehold	26,830.7	108,668
12	25.06.2018	GRN 334463 Lot 86616, Jalan Setia Dagang AL, U13/AL, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor	Land and building for investment properties	Supermarket/ kiosk	Freehold/5 years	2,350.0	7,130
13	27.09.2018	GRN 334463 Lot 86616, Jalan Setia Dagang AL, U13/AL, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor	Land and building for investment properties	Car park space	Freehold/5 years	23,594.0	10,117
14	30.05.2019	Lot 223, Section 96, Town of Kuala Lumpur	Land for investment properties	Bungalow lot (land)	Freehold	562.5	7,762
15	26.8.2015	Lot No PT 50001, PT 50002 and PT 50003, Section 96 (formerly under Lot 365, Section 96), Town of Kuala Lumpur	Land held for property development	Development land	Leasehold with lease period expiring 13.10.2119	38,993.0	151,809
16	03.01.2022	H.S.(D) 39313, PT 2897, Mukim Bandar, Daerah Kuala Langat, Negeri Selangor Darul Ehsan	Land held for property development	Development land	Freehold	180,900.0	21,367
17	03.04.2023	Geran 125955, Lot no.20997, Mukim Dengkil, Daerah Sepang, Negeri Selangor.	Land held for property development	Development land	Freehold	21,020.0	20,417

ANALYSIS OF SHAREHOLDINGS

AS AT 29 DECEMBER 2023

SHARE CAPITAL

Issued Share Capital : 895,917,302 ordinary shares
Voting Rights : One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	312	6.52	8,546	0.00
100 - 1,000	620	12.96	369,674	0.04
1,001 - 10,000	2,394	50.03	12,078,873	1.35
10,001 - 100,000	1,281	26.77	41,834,528	4.67
100,001 - 44,795,864 (*)	174	3.64	290,845,901	32.46
44,795,865 and Above (**)	4	0.08	550,779,780	61.48
TOTAL:	4,785	100.00	895,917,302	100.00

Remark: * Less than 5% of issued shares
** 5% and above of issued shares

THIRTY (30) LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares Held	%
1. CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR TER EQUITY SDN. BHD. (PB)	182,557,376	20.38
2. CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR TER CAPITAL SDN. BHD. (PB)	167,000,532	18.64
3. CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR TER LEONG YAP (PB)	155,921,872	17.40
4. RUBY TECHNIQUE SDN. BHD.	45,300,000	5.06
5. HLB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KIM HEUNG	24,000,000	2.68
6. CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR TAN WEI HOONG (PB)	22,033,600	2.46
7. LAI MING CHUN @ LAI POH LIN	20,000,000	2.23
8. TER CAPITAL SDN. BHD.	16,308,300	1.82
9. CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR TAN WEI WEN (PB)	15,000,000	1.67
10. CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR TAN TIAN MENG (PB)	14,828,800	1.65

ANALYSIS OF SHAREHOLDINGS

AS AT 29 DECEMBER 2023

Name of Shareholders	No. of Shares Held	%
11. BINTANG SARI SDN. BHD.	10,000,000	1.12
12. MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK PRIVATE WEALTH MANAGEMENT FOR LAI MING CHUN @ LAI POH LIN (PW-M00801) (421104)	10,000,000	1.12
13. TER FAMILY LABUAN FOUNDATION	10,000,000	1.12
14. LIM KUANG SIA	9,657,600	1.08
15. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP (8058900)	9,210,000	1.03
16. CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR LAI MING CHUN @ LAI POH LIN (PB)	8,008,000	0.89
17. TAN WEI WEN	8,000,000	0.89
18. LEE TOON HIAN	7,255,800	0.81
19. CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP (MY0502)	7,070,000	0.79
20. WONG YUEN TECK	7,050,000	0.79
21. TAN WEI HOONG	6,000,000	0.67
22. CHONG CHIN HUANG	4,250,000	0.47
23. CIMSEC NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR CIMB COMMERCE TRUSTEE BERHAD FOR PEARSON TRUST (PB)	4,233,200	0.47
24. TING CHEK HUA	4,222,200	0.47
25. ATTRACTIVE FEATURES SDN. BHD.	4,000,000	0.45
26. LION – PARKSON FOUNDATION	3,200,000	0.36
27. CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR TAN KIM HEUNG (PB)	3,000,000	0.33
28. TER LEONG YAP	2,918,000	0.33
29. THK CAPITAL SDN. BHD.	2,800,000	0.31
30. GAN BOON KHIM	2,000,000	0.22
TOTAL	785,825,280	87.71

ANALYSIS OF SHAREHOLDINGS

AS AT 29 DECEMBER 2023

SUBSTANTIAL SHAREHOLDERS
(AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

Name of Shareholders	Direct	No. of Shares Held		%
		%	Indirect	
1. Ter Capital Sdn. Bhd.	183,308,832	20.46	-	-
2. Ter Equity Sdn. Bhd.	182,557,376	20.38	-	-
3. Tan Sri Datuk Ter Leong Yap	158,839,872	17.73	378,666,208 ⁽¹⁾	42.27
4. Ruby Technique Sdn. Bhd.	45,300,000	5.06	-	-
5. CBG Holdings Sdn. Bhd.	-	-	45,300,000 ⁽²⁾	5.06
6. Farsathy Holdings Sdn. Bhd.	-	-	45,300,000 ⁽²⁾	5.06
7. Chia Seong Pow	1,200,000	0.13	45,300,000 ⁽³⁾	5.06
8. Chia Song Kun	-	-	49,300,000 ⁽⁴⁾	5.50
9. Chia Seong Fatt	-	-	46,050,000 ⁽⁵⁾	5.14

Notes:

⁽¹⁾ Deemed interested by virtue of his interest in Ter Family Labuan Foundation, Ter Equity Sdn. Bhd., Ter Capital Sdn. Bhd. and THK Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

⁽²⁾ Deemed interested by virtue of its shareholdings in Ruby Technique Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

⁽³⁾ Deemed interested by virtue of his shareholdings in Farsathy Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

⁽⁴⁾ Deemed interested by virtue of his shareholdings in CBG Holdings Sdn. Bhd. and Attractive Features Sdn. Bhd., being a related company of Ruby Technique Sdn. Bhd., pursuant to Section 8 of the Companies Act 2016.

⁽⁵⁾ Deemed interested by virtue of his shareholdings in Farsathy Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and his spouse's direct interest in the Company.

DIRECTOR'S INTEREST IN SHARES
(AS PER THE DIRECTORS' SHAREHOLDINGS)

Name of Shareholders	Direct	No. of Shares Held		%
		%	Indirect	
1. Tan Sri Datuk Ter Leong Yap	158,839,872	17.73	378,666,208*	42.27
2. Datin Loa Bee Ha	-	-	14,828,800^	1.66
3. Tan Pei Geok	1,830,000	0.20	-	-
4. Dato' Quek Ngee Meng	50,000	0.005	-	-

* Deemed interested by virtue of his interest in Ter Family Labuan Foundation, Ter Equity Sdn. Bhd., Ter Capital Sdn. Bhd. and THK Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

^ Deemed interested by virtue of the shareholdings held by her spouse, Dato' Tan Tian Meng pursuant to Section 59(11)(C) of the Companies Act 2016.

NOTICE OF 55TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Fifth Annual General Meeting ("**55th AGM**") of Sunsuria Berhad will be conducted on a virtual basis for the purpose of considering and if thought fit, passing with or without modifications the resolutions setting out in this notice.

Day and Date : Wednesday, 13 March 2024
 Time : 10.00 a.m.
 Broadcast Venue : Tricor Business Centre, Gemilang Room
 Unit 29-01, Level 29, Tower A
 Vertical Business Suite, Avenue 3, Bangsar South
 No. 8, Jalan Kerinchi
 59200 Kuala Lumpur, Malaysia
 Meeting Platform : TIIH Online website at <https://tiih.online>

AGENDA**AS ORDINARY BUSINESS**

- | | |
|--|--------------------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 30 September 2023 together with the Reports of the Directors and Auditors thereon. | (Please refer to explanatory note 1) |
| 2. To approve the payment of Directors' fees to the Non-Executive Directors amounting to RM192,000.00 for the financial year ended 30 September 2023 (2022 : RM192,000). | Resolution 1 |
| 3. To approve the payment of Directors' benefits (other than Directors' fees) for the period from the Fifty-Fifth Annual General Meeting to the Fifty-Sixth Annual General Meeting to be held in 2025. | Resolution 2 |
| 4. To re-elect the Director, Tan Sri Datuk Ter Leong Yap who retires by rotation pursuant to Clause 114 of the Company's Constitution, and who being eligible, has offered himself for re-election. | Resolution 3 |
| 5. To re-appoint Messrs Deloitte PLT as Auditors of the Company to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. | Resolution 4 |

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications the following ordinary resolutions:

- | | |
|---|--------------|
| 6. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS | Resolution 5 |
|---|--------------|

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 ("**the Act**") and subject always to the approval of all the relevant regulatory authorities, the Board of Directors of the Company be and is hereby authorised to issue and allot from time to time such number of shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being.

THAT pursuant to Section 85(1) of the Act read together with Clause 20 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of

NOTICE OF 55TH ANNUAL GENERAL MEETING

the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate.

AND THAT the Directors are also empowered to obtain the approval from Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier."

- | | |
|--|--------------|
| 7. TO APPROVE THE PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR NEW RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE | Resolution 6 |
|--|--------------|

"THAT subject to the Companies Act 2016 ("**the Act**") and Bursa Malaysia Securities Berhad Main Market Listing Requirements, other applicable laws, guidelines, rules and regulations, and the approval of the relevant government and/or regulatory authorities (where applicable), approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties ("**Recurrent Related Party Transactions**") as set out in Section 2.3.3 and 2.3.4 of Part A of the Circular to Shareholders dated 29 January 2024 ("**the Circular**"), subject further to the following:

- | | | | |
|--|--|--|---|
| (i) the Recurrent Related Party Transactions are entered into in the ordinary course of business which are necessary for the day-to-day operations and are on terms which are not more favourable to the related parties than those generally available to the public, and the Recurrent Related Party Transactions are undertaken on arm's length basis and on normal commercial terms which are not to the detriment of the non-interested shareholders of the Company; | | | |
| (ii) the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall commence immediately upon passing of this ordinary resolution and continue to be in full force until: <table border="0" style="margin-left: 20px;"> <tr> <td style="vertical-align: top;">(a) the conclusion of the next AGM of the Company following the AGM at which this shareholders' mandate is approved, at which time it will lapse, unless by a resolution passed at the next AGM, such authority is renewed; or</td> </tr> <tr> <td style="vertical-align: top;">(b) the expiration of the period within which the next AGM after the date is required to be held pursuant to Sections 340(1) and (2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or</td> </tr> <tr> <td style="vertical-align: top;">(c) this shareholders' mandate is revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,</td> </tr> </table> | (a) the conclusion of the next AGM of the Company following the AGM at which this shareholders' mandate is approved, at which time it will lapse, unless by a resolution passed at the next AGM, such authority is renewed; or | (b) the expiration of the period within which the next AGM after the date is required to be held pursuant to Sections 340(1) and (2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or | (c) this shareholders' mandate is revoked or varied by a resolution passed by the shareholders of the Company in a general meeting, |
| (a) the conclusion of the next AGM of the Company following the AGM at which this shareholders' mandate is approved, at which time it will lapse, unless by a resolution passed at the next AGM, such authority is renewed; or | | | |
| (b) the expiration of the period within which the next AGM after the date is required to be held pursuant to Sections 340(1) and (2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or | | | |
| (c) this shareholders' mandate is revoked or varied by a resolution passed by the shareholders of the Company in a general meeting, | | | |

whichever is the earlier;

AND THAT the Directors of the Company and/or any one of them be and are/is hereby authorised to complete and do all such acts, deeds and things as they consider necessary or expedient in the best interest of the Company, including executing all such documents as may be required or necessary and with full powers to assent to any modifications, variations and/or amendments as the Directors of the Company in their discretion deem fit and expedient to give effect to the Recurrent Related Party Transactions contemplated and/or authorised by this Ordinary Resolution."

NOTICE OF 55TH ANNUAL GENERAL MEETING8. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR AUTHORITY TO THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENT (10%) OF THE TOTAL ISSUED SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

"THAT subject to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Exchange") and the requirements of any other relevant authority, the approval be and is hereby given to the Company to purchase such number of ordinary shares in the Company ("Sunsuria Shares") as may be determined by the Directors of the Company from time to time through the Exchange and to take all such steps as are necessary (including the opening and maintaining of a central depositories account under the Securities Industry (Central Depositories) Act, 1991) and to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things as the Directors may deem fit, necessary and expedient in the interest of the Company, subject further to the following:

- (i) the maximum number of ordinary shares purchased which may be purchased and held by the Company shall be equivalent to ten per cent (10%) of the total issued shares of the Company;
- (ii) the maximum funds allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings of the Company; and
- (iii) the authority shall commence immediately upon passing of this ordinary resolution and will continue to be in force until:
 - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time the authority will lapse, unless by ordinary resolution passed at that meeting of members, the authority is renewed, either unconditionally or subject to conditions; or
 - (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND THAT upon completion of the purchase(s) of the Sunsuria Shares or any part thereof by the Company, authority be and is hereby given to the Directors of the Company in their absolute discretion to deal with any Sunsuria Shares so purchased in the following manner:

- (i) cancel all or part of the Sunsuria Shares so purchased; and/or
- (ii) retain all or part of the Sunsuria Shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act); or
- (iii) retain part thereof as treasury shares and subsequently cancelling the balance; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Exchange and any other relevant authority for the time being in force.

Resolution 7

- 9. To consider any other business of which due notice shall have been given in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD

ENG KIM HAW (MIA 10061) (SSM Practicing Cert. No.: 202208000364)
KHOO MING SIANG (MAICSA 7034037) (SSM PC No. 202208000150)
Company Secretaries

Petaling Jaya

Date: 29 January 2024

NOTES:

1. The 55th AGM will be conducted on a virtual basis through live streaming from the broadcast venue and online remote voting via Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at <https://tiih.online> ("TIIH online"). Please follow the procedures provided in the Administrative Notes for the 55th AGM in order to register, participate and vote remotely via the RPV facilities.
2. The broadcast venue of the 55th AGM 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 broadcast venue. No shareholders/proxy(ies) from the public should be physically present at the broadcast venue.
3. A member of the Company entitled to participate and vote at the meeting is entitled to appoint not more than two (2) proxies to participate and vote in his stead. The members may submit questions to the Board of Directors through the TIIH Online platform prior to the 55th AGM or use the TIIH Online to transmit questions to Board of Directors via RPV facilities during live streaming. A proxy may but need not be a member of the Company.
4. Since the 55th AGM will be conducted virtually in its entirety, a Member entitled to participate and vote at the Meeting may appoint Chairman of the 55th AGM as his/her proxy and indicate the voting instruction in the Form of Proxy.
5. Members whose names appear on the Record of Depositors as at 6 March 2024 ("General Meeting Record of Depositors") shall be eligible to attend and vote remotely at the 55th AGM via the RPV facilities or appoint proxy(ies) to attend and vote on his/her behalf.
6. Where a member of the Company is an authorised nominee as defined under The Securities Industry (Central Depositories) Act, 1991, 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. 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, failing which the appointment shall be invalid.
9. The instrument appointing a proxy in the case of an individual, shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
10. The appointment of proxy may be made in a hardcopy form or by electronic means, not less than forty-eight (48) hours before the time for holding the 55th AGM or at any adjournment thereof, as follows:

NOTICE OF 55TH ANNUAL GENERAL MEETING

i) In Hardcopy 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

The proxy form can be electronically lodged with the Share Registrar of the Company, Tricor, via TIIH Online. Kindly refer to the Procedure for Electronic Submission of Proxy Form.

11. 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 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 Notes.
12. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the 55th AGM of the Company shall be put to vote by way of poll.

EXPLANATORY NOTES

1. Audited Financial Statements for the financial year ended 30 September 2023

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of Companies Act (“the Act”) for discussion only under Agenda 1 and do not require members’ approval. Hence, this item is not put forward for voting.

2. Payment of Directors’ Fees and Benefits

Section 230(1) of the Companies Act 2016 provides amongst others, that the Directors’ fees and benefits payable to the Directors of the Company and its subsidiaries be approved at a general meeting.

(i) Ordinary Resolution 1 – Payment of Directors’ Fees to the Non-Executive Directors

Payment of Directors’ fees to the Non-Executive Directors in respect of the FY2023 is as follows:

Board/Committee	Position	Fee Per Annum (RM)
Board	Member	48,000
Audit Committee	Chairperson	24,000
	Member	12,000

(ii) Ordinary Resolution 2 – Payment of Directors’ Benefits (other than Directors’ Fees)

Payment of Directors’ benefits (other than Directors’ fees) for the period from the Fifty-Fifth Annual General Meeting to the Fifty-Sixth Annual General Meeting to be held in 2025 comprise:

Type of Benefit/Allowance	Amount
Meeting Allowance (Board and Audit Committee)	RM2,000 per meeting

NOTICE OF 55TH ANNUAL GENERAL MEETING

3. Ordinary Resolution 3 – Re-election of Director

Clause 114 of the Company’s Constitution expressly stated that at every AGM, at least one-third (1/3) of the Directors for the time being shall retire from office and that all Directors shall retire from office once at least in each three (3) years. A retiring Director shall be eligible for re-election.

Tan Sri Datuk Ter Leong Yap, being eligible, has offered himself for re-election at the 55th AGM pursuant to Clause 114 of the Constitution.

In determining the eligibility of the retiring Director standing for re-election at this AGM, the Board had, via the Nomination and Remuneration Committee (“NRC”), assessed the performance and eligibility of the said retiring Director and was satisfied that the retiring Director fulfilled the following criteria:

- commitment and time to serve the Company;
- fitness and propriety;
- competent and capable; and
- past contribution and performance.

The retiring Director do not have any conflict of interest with the Company save as disclosed in the Annual Report FY2023 and the Circular to the shareholders and had also abstained from deliberation and decision making on his re-election.

Premised on the above, the Board recommends the re-election of Tan Sri Datuk Ter Leong Yap at the 55th AGM under Ordinary Resolution 3. The profile of the retiring Director is set out in the Profiles of Board of Directors section of the Company’s Annual Report FY2023.

4. Ordinary Resolution 4 – Re-appointment of Auditors

The Audit Committee (“AC”) at its meeting held on 24 November 2023, had undertaken an annual assessment of the suitability and effectiveness of the external audit process, and the performance, suitability and independence of the external auditors, Messrs Deloitte PLT (“Deloitte”) as prescribed under the Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The AC was satisfied with the suitability of Deloitte based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Company and its subsidiaries. The AC was also satisfied in its review that the provisions of non-audit services by Deloitte during the period under review did not impair Deloitte’s objectivity and independence.

The Board had, at its meeting held on 24 November 2023, approved the AC’s recommendation for the shareholders’ approval to be sought at the 55th AGM on the re-appointment of Deloitte as external auditors of the Company to hold office until the conclusion of the next AGM under Ordinary Resolution 4. Deloitte has indicated their willingness to continue their services until the conclusion of the next AGM.

5. Ordinary Resolution 5 – Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-emptive Rights

The Ordinary Resolution proposed under Agenda 6 is a renewal of the general mandate (“Mandate”) and waiver of pre-emptive rights under Section 85(1) of the Act read together with Article 20 of the Company’s Constitution, if passed, will give authority to the Directors to issue and allot shares up to 10% of the total number of issued shares of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier and will exclude the shareholders’ pre-emptive rights over all new shares to be issued under the Mandate.

NOTICE OF 55TH ANNUAL GENERAL MEETING

As at the date of this Notice, no new shares were issued pursuant to the mandate granted to the Directors at 54th AGM held on 15 March 2023 which will lapse at the conclusion of the 55th AGM.

The Mandate will provide flexibility and expediency to the Company for any possible fund-raising activities including but not limited to further placing of shares, to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or for working capital requirements.

6. Ordinary Resolution 6 – Proposed Shareholders' Mandate

The Ordinary Resolution proposed under Agenda 7, if passed, will provide the Company and/or its subsidiaries a mandate to enter into RRPT of a revenue or trading nature with the Related Parties in compliance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The mandate, unless revoked or varied by the Company at a meeting of members, will expire at the next AGM of the Company.

Please refer to the Circular to Shareholders dated 29 January 2024 for further information.

7. Ordinary Resolution 7 – Proposed Renewal of Share Buy-Back Authority

The Ordinary Resolution proposed under Agenda 8, if passed, will provide the mandate for the Company to purchase up to 10% of the total number of issued ordinary shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

- There were no Directors standing for election (excluding Directors standing for a re-election) at the 55th AGM.
- Please refer to Explanatory Note 5 for information relating to general mandate for issue of securities.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting (“AGM”) and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees and undertakes that the member shall indemnify the Company and/or to keep the Company fully indemnified and save the Company harmless against all and/or any actions, demands, claims, losses, costs, proceedings and damages (including all legal fees and costs) which the Company may suffer or incur in any manner howsoever arising from or as a result of the member’s breach of the aforementioned warranty.

ADMINISTRATIVE NOTES FOR THE 55TH ANNUAL GENERAL MEETING

Date and Time	Wednesday, 13 March 2024 at 10.00 a.m.
Broadcast Venue	Tricor Business Centre, Gemilang 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

The Fifty-Fifth Annual General Meeting (“55th AGM”) of the Company will be conducted virtually through live streaming from the broadcast venue.

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 / proxies will not be allowed to attend the 55th AGM of the Company in person at the broadcast venue on the day of the 55th AGM of the Company. However, Shareholders/proxies shall register their attendance to participate the 55th AGM of the Company remotely by using the Remote Participation and Voting facilities (“RPV Facilities”) provided by our Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. (“TIIH”), via its website at <https://tiih.online> (“TIIH Online”).

PROCEDURES FOR THE RPV FACILITIES

Shareholders, proxies or authorised representatives who wish to participate the 55th AGM of the Company using the RPV Facilities are to follow the requirements and procedures summarised below:

Procedure	Action
Before the Day of the 55th AGM of the Company	
(a) Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, access the website at TIIH Online. Register as a user under the “e-Services” select “Create Account by Individual Holder”. 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 e-mail to notify you that the remote participation is available for registration at TIIH Online.
(b) Submit your registration for RPV Facilities	<ul style="list-style-type: none"> Registration is open from Monday, 29th January 2024 up to 1.00 p.m. on the day of the 55th AGM of the Company. Shareholders, proxies, authorised representatives or attorney(s) are required to pre-register their attendance for the 55th AGM of the Company to ascertain their eligibility to participate the AGM of the Company using the RPV Facilities. Login with your user ID and password and select the corporate event: “(REGISTRATION) SUNSURIA BERHAD 55TH AGM”. 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 e-mail 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 6 March 2024, the system will send you an e-mail 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.

ADMINISTRATIVE NOTES FOR THE 55TH ANNUAL GENERAL MEETING

Procedure	Action
Before the Day of the 55th AGM of the Company	
(b) Submit your registration for RPV Facilities (cont'd)	Note: Please ensure to allow sufficient time required for the approval as a new user of TIIH Online as well as the registration for RPV Facilities in order that you can login to TIIH Online and participate the 55 th AGM of the Company remotely.
On the day of the 55th AGM of the Company	
(c) Login to TIIH Online	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the AGM of the Company at any time from 9.00 a.m. i.e. 1 hour before the commencement of the AGM of the Company on Wednesday, 13 March 2024 at 10.00 a.m.
(d) Participate through live streaming	<ul style="list-style-type: none"> Select the corporate event: “(LIVE STREAM MEETING) SUNSURIA BERHAD 55TH AGM” to engage in the proceedings of the AGM 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 endeavor to respond to questions submitted by you during the 55th AGM of the Company. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
(e) Online remote voting	<ul style="list-style-type: none"> Voting session commences from Wednesday, 13 March 2024 at 10.00 a.m. until a time when the Chairman announces the end of the voting session of the AGM of the Company. Select the corporate event: “(REMOTE VOTING) SUNSURIA BERHAD 55TH AGM” 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	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the closure of the 55th AGM of the Company, the live streaming will end.

Notes to users of the RPV Facilities:

- Should your registration for 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 55th AGM of the Company will indicate your presence at the virtual meeting.
- 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.
- In the event you encounter any issue with logging-in, connection to the live streamed meeting or online voting on the day of the 55th AGM of the Company, kindly call TIIH's helpline at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 or e-mail to tiih.online@my.tricorglobal.com for assistance.

ADMINISTRATIVE NOTES FOR THE 55TH ANNUAL GENERAL MEETING**APPOINTMENT OF PROXY(IES) OR AUTHORISED REPRESENTATIVE(S)**

Shareholders who appoint proxy(ies) or authorised representative(s) to participate, speak and vote at the 55th AGM of the Company via RPV Facilities must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to TIIH no later than Monday, 11 March 2024 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 Hardcopy 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 at 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 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.

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 at 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 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 Monday, 11 March 2024 at 10.00 a.m. to participate at the 55th AGM of the Company via 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 at 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 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 Monday, 11 March 2024 at 10.00 a.m. to participate at the 55th AGM of the Company via RPV Facilities. The certificate of appointment should be executed in the following manner:

- 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.
- 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:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

ADMINISTRATIVE NOTES FOR THE 55TH ANNUAL GENERAL MEETING

(ii) By Electronic Form

All shareholders can have the option to submit Proxy Form electronically via Tricor's TIIH Online and the steps to submit are summarised below:-

Procedure	Action
i. Steps for Individual Shareholders	
(a) Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please 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 form of proxy	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. Select the corporate event: SUNSURIA BERHAD 55th AGM - "Submission of Proxy Form". Read and agree to the Terms and Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Indicate your voting instructions – "FOR" or "AGAINST", otherwise your proxy will decide on your votes. Review and confirm your proxy(s) appointment. Print the form of proxy for your record.
ii. Steps for corporation or institutional shareholders	
(a) Register as a User with TIIH Online	<ul style="list-style-type: none"> Access TIIH Online at https://tiih.online Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects "Create Account by Representative of Corporate Holder". Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password.
<p>Note: <i>The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</i></p>	

ADMINISTRATIVE NOTES FOR THE 55TH ANNUAL GENERAL MEETING

Procedure	Action
ii. Steps for corporation or institutional shareholders	
(b) Proceed with submission of form of proxy	<ul style="list-style-type: none"> Login to TIIH Online at https://tiih.online Select the corporate exercise name: "SUNSURIA BERHAD 55th AGM - Submission of Proxy Form" Agree to the Terms & Conditions and Declaration. Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required data. Submit the proxy appointment file. Login to TIIH Online, select corporate exercise name: "SUNSURIA BERHAD 55th AGM - Submission of Proxy Form". Proceed to upload the duly completed proxy appointment file. Select "Submit" to complete your submission. Print the confirmation report of your submission for your record.

POLL VOTING

The voting at the 55th AGM 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) can proceed to vote on the resolutions at any time from 10.00 a.m. on Wednesday, 13 March 2024 but before the end of the voting session which will be announced by the Chairman. Kindly refer to item (e) of the above Procedures for RPV Facilities for guidance on how to vote remotely from TIIH Online.

Upon completion of the voting session for the 55th AGM of the Company, the scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD

Shareholders may submit questions for the Board in advance of the 55th AGM of the Company via TIIH Online by selecting **"e-Services"** to login, pose questions and submit electronically no later than Monday, 11 March 2024 at 10.00 a.m. The Board will endeavour to answer the questions received at the 55th AGM of the Company.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited for the 55th AGM of the Company.

ADMINISTRATIVE NOTES FOR THE 55TH ANNUAL GENERAL MEETING

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 : 03-2783 9299
 Fax Number : 03-2783 9222
 Email : is.enquiry@my.tricorglobal.com
 Contact Person : Mr. Darwin Ibrahim +603-2783 9246 / Email: Nazrul.Darwin@my.tricorglobal.com
 Mr. Mohamad Hifzul +603-2783 9284 / Email: Mohamad.hifzul@my.tricorglobal.com
 Ms. Siti Zalina Osmin +603-2783 9247 / Email: Siti.Zalina@my.tricorglobal.com

Personal Data Privacy

By registering for the remote participation and voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

I/We, _____
 (Full name in block capitals)

NRIC No./Company No. _____ of _____
 (Address)

_____ being a Member of

SUNSURIA BERHAD, hereby appoint _____
 (Full name in block capitals)

(NRIC No.) _____ of _____
 (Address)

_____ and, _____
 (Full name in block capitals)

(NRIC No.) _____ of _____
 (Address)

_____ or failing him/her,*the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Fifty-Fifth Annual General Meeting of Sunsuria Berhad ("the Company") that will be conducted virtually through live streaming from the Broadcast Venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, on Wednesday, 13 March 2024, at 10.00 a.m. and, at any adjournment thereof.

(Please indicate with a "X" or "✓" in the boxes provided on how you wish your vote to be casted. If you do not do so, the proxy will vote or abstain from voting at his/her discretion)

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1	Approval of the payment of Directors' fees		
2	Approval of the payment of Directors' benefits (other than Directors' fees)		
3	Re-election of Tan Sri Datuk Ter Leong Yap		
4	Re-Appointment of Messrs Deloitte PLT as Auditors		
5	Proposed Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-Emptive Rights		
6	Proposed Shareholders' Mandates for Recurrent Related Party Transactions of a Revenue or Trading Nature		
7	Proposed Renewal of Share Buy-Back Authority		

* Strike out whichever is not valid

Signed this _____ day of _____ 2024

 Signature/Common Seal of Member

The proportions of shareholdings to be represented by *my/*our proxies are as follows:-

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

NOTES:

- The 55th AGM will be conducted fully virtual manner through live streaming from the broadcast venue and online remote voting via Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIH Online website at <https://tiah.online> ("TIH online"). Please follow the procedures provided in the Administrative Notes for the 55th AGM in order to register, participate and vote remotely via the RPV facilities.
- The broadcast venue of the 55th AGM 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 broadcast venue. No shareholders/proxy(ies) from the public should be physically present at the broadcast venue.
- A member of the Company entitled to participate and vote at the meeting is entitled to appoint not more than two (2) proxies to participate and vote in his stead. The members may submit questions to the Board of Directors through the TIH Online platform prior to the 55th AGM or use the TIH Online to transmit questions to Board of Directors via RPV facilities during live streaming. A proxy may but need not be a member of the Company.
- Since the 55th AGM will be conducted virtually in its entirety, a Member entitled to participate and vote at the Meeting may appoint Chairman of the 55th AGM as his/her proxy and indicate the voting instruction in the Form of Proxy.
- Members whose names appear on the Record of Depositors as at 6 March 2024 ("General Meeting Record of Depositors") shall be eligible to attend and vote remotely at the 55th AGM via the RPV facilities or appoint proxy(ies) to attend and vote on his/her behalf.
- Where a member of the Company is an authorised nominee as defined under The Securities Industry (Central Depositories) Act, 1991, 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.
- 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. 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, failing which the appointment shall be invalid.
9. The instrument appointing a proxy in the case of an individual, shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
10. The appointment of proxy may be made in a hardcopy form or by electronic means, not less than forty-eight (48) hours before the time for holding the 55th AGM or at any adjournment thereof, as follows:
 - i) In Hardcopy 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
The proxy form can be electronically lodged with the Share Registrar of the Company, Tricor, via TIIH Online hyperlink <https://tiih.online>. Kindly refer to the Procedure for Electronic Submission of Proxy Form.
11. 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 Notes.
12. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the 55th AGM of the Company shall be put to vote by way of poll.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 29th January 2024.

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STAMP

The Share Registrar
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

Please fold here


SUNSURIA


BUILDING TODAY CREATING TOMORROW


SUNSURIA BERHAD

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