



SUNSURIA

Building Today Creating Tomorrow

SUNSURIA BERHAD

Registration No.: 196801000641 (8235-K)

BUILDING TODAY CREATING TOMORROW

ANNUAL REPORT 2020



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.



VALUES

- ◆ **RELIABILITY**
- ◆ **INTEGRITY**
- ◆ **RESPECTFUL**

We respect and value the community in which we operate and strive to enrich it. We take pride in working as a team and believe in earning respect through our actions.

- ◆ **COMMITTED**

We are committed to achieve excellence in all that we do and delivering the best experience for our customers.



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COVER RATIONALE

At Sunsuria Berhad, we place monumental emphasis on sustainability and growth.

We believe in focusing on the future by acting now. We are concerted in our efforts to establish performance-based procedures along with good governance to exceed customers' satisfaction. Through dedicated and talented personnel, Sunsurians are well equipped to devise new ideas and possibilities.

All things are possible and there will always be ways to find a better tomorrow with Sunsuria.



FEEDBACK

Please scan this QR code with your smartphone to access our website <https://www.sunsuria.com/>



CORPORATE PROFILE

The roots of Sunsuria Group dates back to 1989, when its founder and owner, Tan Sri Datuk Ter Leong Yap, started to develop various residential, commercial and industrial property projects within Klang Valley. Today, Sunsuria has grown into a multi-faceted and well-established public listed property developer, that also diversified into construction, landscape and nursery, food and beverages, digital development, education, integrated healthcare, retails and other complementary businesses and joint ventures.



Head office of Sunsuria Berhad located at Kota Damansara, Selangor

Sunsuria has embarked on a 525-acre flagship development located at Salak Tinggi, Putrajaya South with the name of “Sunsuria City”. The development is designed with the guiding principles of Smart, Livable and Sustainable. It is a freehold integrated township that will become the new international landmark with Xiamen University Malaysia, the first overseas university campus from China.

Sunsuria has been growing from strength to strength, embracing new challenges as we expand our expertise. Being a community-focused, growth and value-oriented developer, Sunsuria places reliability at the core of its operations and will continue to ensure better value creation for its stakeholders, focusing especially on our customers.

Over the years, Sunsuria has gained recognition as one of the leading property developers in Malaysia, such as being listed as one of the 15 Malaysian companies in the Forbes Asia’s Best Under A Billion (USD) 2020, CIDB QLASSIC 2020 High Achievement, High rise Residential Development (The Olive @ Sunsuria City), the Honour Award for Landscape Design (Professional Category) for Suria Residence at the Malaysia Landscape Architecture Awards 2020, and winning other notable accolades like Focus Malaysia’s Best Under Billion Awards 2019’s Best Revenue Growth, Best Profit Growth, and the awards’ Overall Winner for 2019, The Cornerstone Award on Best Landed Development for Monet Residences by Starproperty.my Awards 2019, Property Insights Prestigious Developers Awards (“PIPDA”) 2018 for Best Office Development, Best Small Homes Development for Bell Suites by Starproperty.my Awards 2018, CHT Pursuit of Excellence Developer Property Award 2018, Highest Returns to Shareholders Over Three Years (Property) at The Edge Billion Ringgit Club Corporate Awards 2017, The Edge Top 30 Property Developers Award 2016-2017, Best Township Development by iProperty.com Malaysia People’s Choice Awards 2016 and Best Sustainable Township Development 2016 by Property Insights.

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

Tan Pei Geok (Chairman)
Datin Loa Bee Ha
Dato' Quek Ngee Meng

NOMINATION AND REMUNERATION COMMITTEE

Tan Pei Geok (Chairman)
Datin Loa Bee Ha
Dato' Quek Ngee Meng

RISK MANAGEMENT COMMITTEE

Dato' Quek Ngee Meng (Chairman)
Tan Pei Geok
Tan Sri Datuk Ter Leong Yap

EMPLOYEE SHARE OPTION SCHEME COMMITTEE

Datin Loa Bee Ha (Chairman)
Tan Sri Datuk Ter Leong Yap
Dato' Quek Ngee Meng

COMPANY SECRETARIES

Lee Swee Kheng (MIA 12754)
SSM Practising Cert. No.: 201908003159
Ngian Yoke Fung (MAICSA 7049093)
SSM Practising Cert. No.: 201908002393

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: Property

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
Website : www.sunsuria.com

PRINCIPAL BANKERS

AmBank (M) Berhad
CIMB Bank Berhad
Malayan Banking Berhad
Public Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

SHARE REGISTRAR

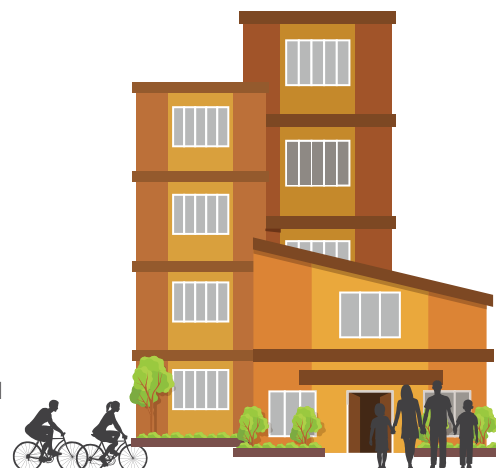
Tricor Investor & Issuing House Services Sdn Bhd

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@my.tricorglobal.com

Customer Service Centre:

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



EXECUTIVE CHAIRMAN'S STATEMENT



Dear Valued Shareholders,

The year 2020 has been an unprecedented one. Amidst a pandemic, Sunsuria Berhad and its subsidiaries (“the Group”) has achieved year-to-date Revenue and Net Profit of RM197.1 million and RM29.1 million, respectively.

On behalf of the Board of Directors of Sunsuria Berhad (“the Company”), it is my pleasure to present to you the Company’s Annual Report and Financial Statements for the Financial Year ended 30 September 2020.



Tan Sri Datuk Ter Leong Yap
Executive Chairman

2020: A PANDEMIC YEAR

On March 11, the world as we knew it changed overnight when the World Health Organisation declared the COVID-19 coronavirus outbreak a pandemic. Infecting more than 81.2 million people and causing 1.77 million deaths worldwide as of end-December 2020, COVID-19 crippled the global economy and sparked an international health crisis. The Malaysian Government began nationwide lockdowns and closed international borders to stem the spread of the coronavirus, but these measures also disrupted global supply chains and business operations.

NAVIGATING THE PANDEMIC

As the adage goes, when the going gets tough, the tough get going. We are proud of our Sunsurians, who rose to the occasion during the pandemic, adapting with great agility to the disruptions of business as usual, and embraced change to keep everyone safe from COVID-19.

Prior to the implementation of the Movement Control Order (“MCO”) on 18 March 2020, the Company’s Crisis Management Committee had initiated the Emergency Response Team (“ERT”) in February 2020 to review all possible crisis scenarios and formulate standard operating procedures (“SOPs”) in response to the growing coronavirus threat.

With a crisis response plan in place, the Group was able to transition smoothly into the new normal during the various phases of the MCO, supported by the Group’s digitalisation initiative.

Among the measures that were introduced were temperature checks for employees at office premises, mandatory COVID-19 testing for construction workers at project sites, work-from-home (“WFH”) arrangements and selling to purchasers via online presentations.

Whether operating in a blue-sky scenario or a pandemic, we remain committed to engaging with customers and delivering service excellence through a culture of integrity, quality, and reliability. This is only made possible by upholding the four pillars of the Company:

Great Sunsurians

Integral to Sunsuria’s success are our employees - they are the Company’s greatest asset. As such, ensuring their safety and welfare was paramount during the pandemic.

Anticipating that the Group’s performance would be impacted by the pandemic, the Company actively communicated with employees virtually to provide assurances of no pay cuts and to keep tabs on their wellbeing and welfare. The Company utilised Microsoft Teams and Zoom to communicate internally on a regular basis and hold its virtual townhall.

EXECUTIVE CHAIRMAN'S STATEMENT

True to our vision of being a progressive organisation, we need to set the example of lifelong learning and strive for continuous improvement, if we are to stay ahead of the curve.

Investing into our employees' talent and capabilities, our Human Resource department organised online training, classes, and webinars for Sunsurians to upskill themselves professionally throughout the year.

With the aim of fostering a stronger sense of belonging, ownership, and teamwork among Sunsurians, the Sunsuria Sports and Recreational Club ("SRC") had initiated staff bonding breakfast in February 2020.

When the pandemic hit, SRC refocused their efforts online, organising virtual health and wellness events for employees to keep fit and stay connected while working from home.

Excellence in Performance

Quality is our utmost focus. From product offerings to services, we pride ourselves as a customer-centric organisation that offers a distinctly Sunsuria experience of service excellence through a culture of integrity, quality, and reliability.

The silver lining of the pandemic was that it galvanised our Sunsurians to strive for innovation and to optimise our resources, as we continued to deliver value to our stakeholders with integrity, quality, and excellence.

Digitalisation of the Group's business operations was accelerated during the pandemic, which improved operational efficiency and primed the company for future growth.



Show Unit for Forum Serviced Apartment, Setia Alam, Selangor

The Company also embarked on cost-cutting measures on non-critical expense items, which increased the Group's profitability.

Sustainability

Beyond property development and other businesses within the Group, it is our hope to contribute to nation-building efforts through sustainable cities and communities.

Building on our Sustainability Policy that was formulated in 2019, the Group identified five Sustainable Development Goals ("SDGs") that are most aligned to our vision. We have endeavoured to integrate our strategies to contribute to the aspirations and targets of these goals: Good Health and Wellbeing, Quality Education, Decent Work and Economic Growth, Sustainable Cities and Communities, as well as Peace, Justice and Strong Institutions.

Last year the Group also introduced and implemented Key Performance Indicators ("KPIs") to track our sustainability performance in a robust manner - reflecting our deepening commitment towards embedding sustainability throughout business operations, so we are well-prepared to face unforeseen challenges with greater resilience.

Making the World A Better Place

Beyond providing great quality services to our customers, Sunsuria aims to contribute to society at large. We desire to create products and services that improve the lives of others and reduce our impact on the environment. We respect and value the community, and actively look for opportunities to enrich it through our actions.

During the year, the Group contributed a total of RM785,835 to organisations that addressed the plight of communities most adversely impacted by the pandemic, as well as education scholarships and social welfare. Among the beneficiaries was The Edge COVID-19 Fund via the Associated Chinese Chambers of Commerce and Industry of Malaysia ("ACCCIM") and donation of medical gloves to China.

PANDEMIC ECONOMY

On the domestic front, the Malaysian economy experienced a 17.1% contraction in GDP for the second quarter of the year, as overall economic activity fell sharply following the implementation of the MCO on 18 March 2020. This was the lowest recorded performance since the fourth quarter of 1998, during which the economy contracted by 11.2%.

There were signs of recovery in the third quarter, with the economy contracting by 2.7%, bolstered by fiscal measures that were launched by the government to mitigate the impact of the pandemic.

EXECUTIVE CHAIRMAN'S STATEMENT

The property industry was not spared from the pandemic, with the National Property Information Centre (“NAPIC”) reporting a 27.9% drop in transaction volume to 115,476 transactions in the first half of 2020 and a 31.5% drop in yearly value.

However, the volume of transactions improved in the third quarter of 2020, with 89,245 units transacted during the period - a year-on-year increase by 7.4% from the same quarter in 2019, according to NAPIC.

Among the measures launched by the government to stimulate the property market were reintroducing the Home Ownership Campaign 2020, Real Property Gains Tax (“RPGT”) exemption for the sale of up to three residential properties, stamp duty exemption, and the removal of the 70% margin of financing limit. A six-month loan repayment moratorium beginning in April 2020, helped to keep default rates in check. The National Economic Recovery Plan (“Penjana”) worth RM35.0 billion also comprised stimulus initiatives aimed at addressing the overbuilt property sector.

The Group attained a year-to-date revenue and net profit of RM197.1 million and RM29.1 million respectively, compared to RM534.3 million and RM135.5 million respectively in the previous year’s corresponding quarter.

Besides the Group’s financial year ended 30 September 2020 (“FY2020”) financial performance being adversely affected by various levels of the MCO, the previous financial year’s financial results were also higher due to the point in time recognition of Jasper Square, a commercial development completed in January 2019 which contributed revenue and gross profit of RM152.6 million and RM103.6 million respectively.

A HEALTHY FINANCIAL PERFORMANCE

For the FY2020, the Group’s revenue totalled RM197.1 million, which is lower than the RM534.3 million recorded in the financial year ended 30 September 2019 (“FY2019”). Net profit attributable to owners of the Company decreased to RM29.1 million in the year under review compared to RM135.5 million in FY2019.

Despite the pandemic - hit economic landscape, the Group, being well-positioned in terms of cash management and healthy cash flows, was able to meet contractual obligations in a timely manner with little disruption. The Group recorded a healthy profit stream due to the completion of commercial and residential developments such as Bell Avenue, Jasper Square, The Olive and Monet Lily in Sunsuria City; Suria Residence in Bukit Jelutong; and The Forum 1 in Setia Alam in the previous financial years; as well as the Bell Suite Retail and Bell Suites SOHO in Sunsuria City in the current financial year. Currently, the Group’s ongoing projects are Monet Springtime, Monet Garden, Giverny Walk and Tangerine Suites in Sunsuria City, as well as The Forum 2 mixed development in Setia Alam.

A more in-depth review of our financial and operational performance will be reported under the Management Discussion and Analysis Section of this Annual Report.

STRATEGIC CORPORATE INITIATIVES

The year 2020 saw the Group embarking on corporate initiatives to achieve healthy and sustainable long-term business growth.

On 2 October 2020, the Company entered into two agreements to venture into the development of Bangsar Hill Park - a high-rise residential project along Lorong Maarof and Nadi @ TAR, a high-rise mixed commercial project along Lorong Tuanku Abdul Rahman in Kuala Lumpur. The proposed Bangsar Hill Park project has an estimated gross development value (“GDV”) of RM3.0 billion, while Nadi @ TAR has an estimated GDV of RM524.8 million.

The proposed Bangsar Hill Park agreement involved a Conditional Shares Subscription and Shareholders’ Agreement (“SSSA”) with Bangsar Hill Park Development Sdn Bhd, Suez Capital Sdn Bhd, Dasar Temasek Sdn Bhd and Sunsuria KL Sdn Bhd.

For the proposed Nadi @ TAR project, the Group entered a Conditional Shares Sale and Purchase Agreement (“SSPA”) to acquire an investment holding company, Bumilex Construction Sdn Bhd, which owns the development rights over two plots of land along Lorong Tuanku Abdul Rahman via its 51% subsidiary Montflex Sdn Bhd.

The acquisitions are expected to contribute positively to the earnings of the Group over the long term through income contribution from the development projects, as well as opportunities for the Group’s construction arm to tender for construction contracts to develop Bangsar Hill Park and Nadi @ TAR.

ENHANCING SHAREHOLDERS’ VALUE

Bearing testament to Sunsuria’s unwavering commitment to quality are the string of accolades received this year. In FY2020, The Olive development at Sunsuria City received 83% in our QLASSIC score and was awarded the High QLASSIC Achievement for High Rise Residential Development by the Construction Industry Development Board (“CIDB”) Malaysia. The QLASSIC (Quality Assessment System in Construction) score is accorded upon the evaluation of a development project’s workmanship by an independent assessor to ensure the delivery of quality products to customers using the QLASSIC method.

This year also saw Suria Residence winning the MLAA Honour Award 2019 at the Malaysia Landscape Architects Awards 2019. Recognising the best in landscape architecture from various aspects of the industry, the MLAA is organised by the Institute of Landscape Architects Malaysia and is endorsed by the International Federation of Landscape Architects.

EXECUTIVE CHAIRMAN'S STATEMENT



Tangerine Suites at Sunsuria City, Sepang, Selangor

UPHOLDING STRICT CORPORATE GOVERNANCE

The Board remains committed to upholding and implementing strong standards of corporate governance as well as robust risk management and internal control measures throughout the organisation. As an integral component of the business, these elements help ensure sustainable, long-term growth, bolster investor confidence, which in turn, enhances the Company's reputation and shareholder value creation.

Being named by Forbes Asia in its 2020 "Best Under A Billion" list is an international recognition of our strict corporate governance. The award, which highlights 200 top-performing small and mid-sized public-listed companies in the Asia-Pacific region with sales under US\$1 billion that have demonstrated a track record of outstanding corporate performance, includes 'Strong Corporate Governance' in its selection criteria.

THE NEW NORMAL IN 2021 AND BEYOND

The challenges brought forth by the COVID-19 pandemic were unprecedented. Yet, having the benefit of hindsight now, we see clearly that the hardships of 2020 served to teach us many lessons.

Enforced lockdowns and quarantines remind us that social isolation is unnatural, and that we need one another to survive and thrive in this world.

The slowdown in life and economic activity forced us all to reassess our priorities and closely scrutinise how we are operating from a sustainability perspective, and whether we are consciously leaving a positive legacy for the future generations.

Even as our country undergoes yet another round of MCO in a renewed bid to control a new wave of COVID-19 infections, we acknowledge that this disruption is a necessary part of the new normal moving forward.

With WFH arrangements and digital initiatives in place, we continue to operate our business in compliance with guidelines issued by the Ministry of International Trade and Industry effective January 13, 2021.

As the government continue to manage the delicate balance between lives and livelihoods, we will do our part in maintaining strict SOPs not just in our business operation but in our everyday lives, having emerged from 2020 better equipped with digital acceleration and innovation.

With COVID-19 vaccines being made available worldwide provides reason for optimism. We take heart that although 2020 has been a year of loss for many, it is also a year of consolidation. Armed with the knowledge and experience gained through navigating the pandemic last year, we are confident that we can, and will flatten the curve once again in the year ahead - as we once did.

A NOTE OF APPRECIATION

On behalf of the Board of the Company, I would like to extend my sincere thanks and gratitude to our shareholders for their trust and confidence in Sunsuria now and in the years gone by. I would also like to convey my deep appreciation to all Sunsurians for your dedication and commitment as we continue to grow this company together.

Last but certainly, not least, we would like to extend our heartfelt appreciation to our valued customers, bankers, government departments and agencies, vendors, suppliers, partners, and stakeholders for your resolute support. Without your cooperation, we can achieve nothing. It is our hope that we will grow from strength to strength in the year ahead.

Tan Sri Datuk Ter Leong Yap
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS



Monet Garden, Sunsuria City, Sepang, Selangor

DEAR VALUED SHAREHOLDERS,

The emergence of the COVID-19 has caused unparalleled disruption to economies and lives around the world. International travel arrived at a standstill, global supply chains were derailed, healthcare systems were overwhelmed, and lives - as well as livelihoods - were lost. Besides the COVID-19 pandemic, the historical collapse of crude oil prices to an all-time low and domestic political uncertainty were among the factors that led to challenging market conditions for business in Malaysia.

Despite the dismal year, Sunsuria Berhad and its subsidiaries (“the Group”) was able to navigate the pandemic and achieve a healthy financial performance by maintaining our focus on delivering outstanding sustainable value to customers and stakeholders, regardless of prevailing market conditions. With the slowdown in economic activity, the Group focused on consolidation of human capital and business operations via capacity-building, a digitalisation initiative, and deeper sustainability integration this year – measures that not only contributed positively to the Group’s business performance but lay a stronger foundation for long-term growth in future.

STRENGTHENING OUR VALUE PROPOSITION

Not one to put all our eggs in one basket, we diversify into businesses that complement and enhance the value of our core property development business. Diversification adds to our unique value proposition and competitive advantage to the business, as we seek to provide innovative lifestyle solutions that meet our customers’ needs.

Recognising that health is wealth, the Group ventured into the healthcare business via a joint venture with Dr Tan Bo Ren, owner of Boren Healthcare, a homegrown group of healthcare providers that provides luxury medical care, ranging from aesthetics, dentistry, and general medicine to postpartum confinement care.

Sunsuria is currently awaiting the official letter of approval before commencing operations. We believe that the strategic partnership will provide our customers the convenience of having quality healthcare available right at their doorstep.

The Group’s existing diversified businesses include food and beverage (“F&B”) companies under Sunsuria City Amenities Sdn Bhd Group, which operates Double Happiness, Artelier Café, and Ming Yang eateries; construction companies Sunsuria Asas Sdn Bhd and Citic Sunsuria Sdn Bhd.

MANAGEMENT DISCUSSION AND ANALYSIS

IMPROVING THE LIVES OF THE COMMUNITY

Reflecting the core values of the Company and our social responsibility as a corporate entity, we strive to respect the local community where our projects are located by actively engaging with them to create a better, more sustainable society. This is also aligned with the United Nations' Sustainable Development Goal ("SDG") No. 11 to build sustainable cities and communities.

Prior to the Movement Control Order ("MCO") on 18 March 2020, Sunsuria was involved in community engagement initiatives promoting causes such as zero waste living, helping the poor, ending world hunger, mental health, family welfare and supporting local Malaysian products.

The Group also contributed a total of RM785,835 to organisations that helped individuals most adversely impacted by the pandemic, as well as medical frontliners, education scholarships, and social welfare.

Throughout the year, it is our hope that our community efforts will educate and inspire Malaysians be the best versions of themselves - to achieve their best potential, to be compassionate towards the marginalised and to be intentional about building a better Malaysia.

CAPACITY BUILDING

Highly engaged employees deliver better customer service, stay longer with the organisation, and are more intrinsically motivated to perform better at their jobs - factors that contribute towards business sustainability and performance. The success of a company ultimately boils down to the collective performance of employees, making it imperative that the Group continues to actively invest in our employees' wellbeing and professional development.

From leadership development, management in the post-pandemic world, and financial reporting to COVID-19 related training, the Group conducted a series of external training programmes for Sunsurians via online classes and webinars.

As the saying goes, 'All work and no play make Jack a dull boy'. Zumba sessions, a Dalgona coffee contest and various fitness challenges organised virtually by the Sunsuria Recreational Club provided employees with fun ways to stay healthy together and much needed human interaction despite being confined in their homes during the MCO.

SUSTAINABILITY JOURNEY

Building for a sustainable future requires a resolute commitment towards economic efficiency, environmental performance, and social responsibility.



Celebration Centre Sales Gallery at Sunsuria City, Sepang, Selangor

MANAGEMENT DISCUSSION AND ANALYSIS

As such, we introduced our Sustainability Policy in 2019, which has been instrumental in providing direction for the planning and implementation of sustainability initiatives within the Group.

The key highlights of our sustainability journey in 2020 include expanding our sustainability reporting scope to include the landscape and nursery division and introducing Key Performance Indicators (“KPIs”) to monitor our sustainable performance.

By the end of financial year ended 30 September 2020 (“FY2020”), the Group has met four out of five KPIs relating to electricity consumption, customer satisfaction, project quality, occupational health and safety, as well as local procurement.

As we progress each year, it is our intent to gradually increase the number of KPIs to achieve more for the environment, economy, and community.

Committed towards promoting green building initiatives, the Group implemented eco-friendly features in development projects to reduce the buildings’ overall environmental footprint.

Among them were natural ventilation and lighting in Bell Suites; starker block and panel in Monet Springtime and Monet Garden; North-South orientation to avoid direct sunlight and reduce room temperature in Tangerine Suites; and rainwater harvesting tanks in The Forum 2 for landscape irrigation.

DIGITAL DRIVE

During the MCO period, the Group sold 49 units of homes virtually over the course of two months. The digitalisation of business operations became increasingly critical during the MCO, as social distancing and work-from-home (“WFH”) arrangements constitute the new normal for businesses. The Group’s digitalisation initiative involved enabling employees to WFH seamlessly, engaging with prospective customers via Facebook Live, signing Sales and Purchase Agreements (“SPA”) with customers using video conferencing, as well as conducting Sunsuria’s 51st Annual General Meeting online.

Going digital presented the Group with many benefits - improved stakeholders’ communication, optimum operational efficiency, wider reach to customers through digital channels and more timely engagement with customers via our mobile app.

Vacant possession and defect management were made accessible for customers via the Sunsuria Moments mobile app while salespersons could manage customers on the move using a mobile customer relationship (“CRM”) management app. A chatbot using artificial

intelligence was introduced to the Sunsuria website to provide sales and leasing information to the public

The Group’s F&B businesses began taking online food orders and engaged third-party delivery service providers to deliver food to customers’ doorsteps, as people stayed home during MCO.

Moving forward, digitalisation will play an increasingly important role in the business, with plans by the Group to incorporate automation, smart building management and Internet of Things (“IoT”) for an enhanced customer experience.

OUR FINANCIAL PERFORMANCE

For FY2020, the Group attained a year-to-date (“YTD”) revenue and net profit of RM197.1 million and RM29.1 million respectively, compared to RM534.3 million and RM135.5 million recorded in the previous financial year.

Besides being adversely affected by various levels of the MCO in Malaysia, the Group’s financial performance for FY2020 was weaker due to the previous financial year’s financial results including revenue and gross profit contribution of RM152.6 million and RM103.6 million respectively from Sunsuria’s Jasper Square commercial development upon its completion in January 2019.

The difference in revenue and net profit year-on-year is due to higher work completion upon the issuance of the Certificate of Completion and Compliance for The Olive and Monet Lily at Sunsuria City in the previous year, which contributed 39.2% of revenue for the financial year ended 30 September 2019 (“FY2019”).

The Group’s revenue in the fourth quarter (“Q4”) of FY2020 was higher quarter-on-quarter due to higher sales recorded during the period, while net profit was higher compared to the preceding quarter as the percentage of work done during the quarter almost doubled during Q4 FY2020, following the resumption of construction work during the CMCO.

The Group’s FY2020 revenue was mainly derived from the property development business, which contributed 98.3% of the Group’s revenue.

Monet Springtime contributed RM76.7 million to the Group’s revenue while Bell Suites SOHO & Retail and Monet Garden contributed RM52.3 million and RM26.5 million respectively. Meanwhile, The Forum 2 integrated development of SOHO, Serviced Apartments and Serviced Suites contributed RM16.2 million to the Group’s revenue.

MANAGEMENT DISCUSSION AND ANALYSIS



Monet Springtime at Sunsuria City, Sepang, Selangor

HEALTHY BALANCE SHEET

The Group's total assets in the financial year under review increased to RM1.6 billion from RM1.5 billion in FY2019. Shareholders' funds rose by RM29.1 million to RM1.0 billion in FY2020 from RM999.6 million in FY2019. The Group's total cash and bank balances of RM267.8 million exceeded total borrowings of RM251.3 million.

The Group continues to manage its financial position prudently and cautiously. Amidst a depressed pandemic economy, the Group achieved a commendable performance in FY2020.

KEY DEVELOPMENT PROJECTS

The Group's ongoing projects are Monet Springtime, Monet Garden, Giverny Walk and Tangerine Suites at Sunsuria City, as well as The Forum 2 mixed development at Setia Alam. FY2020 saw the completion of the Bell Suites SOHO & Retail.

In FY2020, The Olive – Sunsuria City's first high-rise residential development – received a QLASSIC score of 83.0% and was awarded the High QLASSIC Achievement for High Rise Residential Development by the Construction Industry Development Board ("CIDB") Malaysia. Monet Lily, the first landed residential development in Sunsuria City, achieved a QLASSIC score of 77.6% while commercial development Bell Suites received a QLASSIC score of 74.0%.

The QLASSIC (Quality Assessment System in Construction) score is accorded upon the evaluation of a development project's workmanship by an independent assessor to ensure the delivery of quality products to customers using the QLASSIC method.

COMPLETED PROJECTS

Bell Suites

Featuring 478 units of SOHO suites and 5 units of retail, Bell Suites SOHO & Retail was launched in March 2017 with a combined gross development value ("GDV") of RM194.3 million. Winner of the Best Small Homes Development at Starproperty.my Awards 2018, the mixed development has issued vacant possession in February 2020 and contributed RM52.3 million to the Group revenue in FY2020.

Jasper Square

Launched in February 2016, Jasper Square is the first commercial development of Sunsuria City, with a GDV of RM158.5 million. Spanning more than 8.5 acres of land, Jasper Square consists of 86 units of shop offices amid lush foliage. Located adjacent to Xiamen University Malaysia Campus within Sunsuria City and close to the township's main entrance, Jasper Square offers convenience and connectivity. Jasper Square issued vacant possession in January 2019.

Monet Lily

The first landed residential development in Sunsuria City, Monet Lily was launched in October 2017 with a GDV of RM154.8 million. Boasting of French contemporary design, Monet Lily features 211 units of two-storey terrace homes. Vacant possession for Monet Lily was delivered to purchasers in October 2019.

The Olive

With a GDV of RM285.0 million, The Olive comprises 663 units of freehold condominium with full amenities. The first high-rise residential development of Sunsuria City, The Olive issued vacant possession in November 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

ONGOING PROJECTS

Monet Springtime

Monet Springtime offers 308 units of two-storey terrace homes. Launched in FY2018 with a GDV of RM224.9 million, Monet Springtime's work completion was 79.6% in FY2020 and is set to be completed in FY2021.

Monet Garden

With a GDV of RM196.5 million, Monet Garden residential development launched 132 units of townhouses in November 2017, followed by 114 units of three-storey terrace homes in August 2018. Set to be completed in Q3 of 2021, Monet Garden Townhouses and three-storey terrace homes were 78.6% and 10.6% sold respectively and with 79.8% work completion in FY2020.

Giverny Walk

Launched in January 2019 with a GDV of RM61.1 million, Giverny Walk consists of 33 units of dual frontage shoplots. The closest commercial centre to Monet Residences - Monet Lily, Monet Springtime and Monet Garden - Giverny Walk offers lakefront views and maximum visibility to the businesses there and will enjoy regular patronage from residents. Giverny Walk's work completion was 74.1% and is expected to be completed in FY2021.

Tangerine Suites

With the promise of affordable living for first-time home buyers, Tangerine Suites is a Peranakan themed high-rise residential development, offering 778 units of multi-facility serviced apartments. Launched in May 2019 with a GDV of RM210.6 million, Tangerine Suites' work completion was 21.6% in FY2020, and is expected to be completed in FY2022.

Forum 2

The Forum @ 7th Avenue in Setia Alam is the Group's first integrated mixed development project, consisting of retail outlets, offices, residential suites, corporate offices and SOHO suites. Phase 1, which features 264 units of shop offices and retail lots, was launched in March 2015 and completed in June 2018.

Forum 2 refers to the second phase of the development, which offers a holistic lifestyle with its business and leisure offerings. Forum 2 comprises the SOHO Tower, Serviced Apartments Tower, Office Tower, and a two-floor retail mall. The Serviced Apartments Tower was launched in November 2019 while the Corporate Office Tower, which was 32.8% sold in FY2020, is expected to be completed by 2023.



Sunsuria Forum at Setia Alam, Selangor

MANAGEMENT DISCUSSION AND ANALYSIS



BUSINESS RISKS

The Risk Assessment Committee has identified two critical risks that requires constant monitoring for FY2020. Firstly, a strategic business risk in the form of the slowdown in economy due to the COVID-19 pandemic; and secondly, credit risk due to limited funding for end-financing of projects.

THE WAY FORWARD

The World Bank has forecast Malaysia's economy to grow by 6.7% in 2021, after contracting by 5.8% in 2020. Previously, the World Bank's GDP contraction forecast for 2020 was at 4.9% - the greater contraction forecast being attributed to the reimposition of the Conditional Movement Control Order ("CMCO"), which adversely affected the economy. According to the World Bank, the 6.7% GDP growth forecast will be contingent upon several factors - the effective roll-out of a COVID-19 vaccine, gradual improvements in exports and a build-up in consumption and investment.

The Group will continue to exercise prudence in expenditure and in growing its land bank under the new normal. Having embarked on more digitalisation initiatives in FY2020, the Group hopes to further tap into new business opportunities and innovative product offerings to stay relevant to prospective and existing stakeholders. The Company also aims to improve on the QLASSIC scores of all ongoing projects, such as Giverny Walk, Monet Garden, and Monet Springtime, as we continue to push ourselves towards higher standards of quality, integrity, and excellence in our projects.

Moving forward, the availability of COVID-19 vaccines give us reason to hope for a better future, as we look forward to overcoming the pandemic in due time, and creating a lasting, sustainable legacy for future generations.

GROUP FINANCIAL HIGHLIGHTS

YEAR	2016	2017 (Restated)	2018 (Restated)	2019	2020
Revenue (RM'000)					
- continuing operations	202,401	133,930	712,264	534,257	197,083
- discontinued operations	12,353	-	-	-	-
Profit after taxation attributable to owners of the Company (RM'000)	43,839	(5,851)	155,237	135,465	29,096
Total Borrowings (RM'000)	221,363	181,348	239,974	183,398	251,276
Equity attributable to owners of the Company (RM'000)	680,751	646,166	803,202	999,570	1,028,666
Gross Gearing Ratio (times)	0.32	0.28	0.30	0.18	0.24
Basic Earnings Per Share (sen)*					
- continuing operations	4.80	(0.73)	19.43	16.08	3.25
- discontinued operations	0.93	-	-	-	-
Net Asset Per Share (RM)**	0.86	0.81	1.01	1.12	1.15
No. of shares ('000)	798,831	798,834	798,834	895,917	895,917

* Based on weighted average number of shares issued during the period/year.

** Based on number of shares issued as at end of financial year.

Segmental: Revenue

YEAR	2016	2017 (Restated)	2018 (Restated)	2019	2020
Manufacturing (RM'000)	9,301	-	-	-	-
Property Development (RM'000)	198,933	133,288	711,347	532,439	193,798
Constructions (RM'000)	-	-	285	245	949
Investment holdings and Others (RM'000)	6,520	642	632	1,573	2,336
	214,754	133,930	712,264	534,257	197,083

BOARD OF DIRECTORS



From left to right:

TAN PEI GEOK
Senior Independent
Non-Executive Director

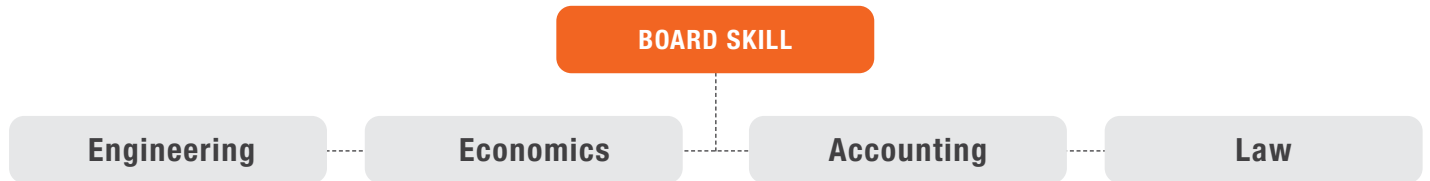
**TAN SRI DATUK
TER LEONG YAP**
Executive Chairman

DATO' QUEK NGEE MENG
Independent
Non-Executive Director

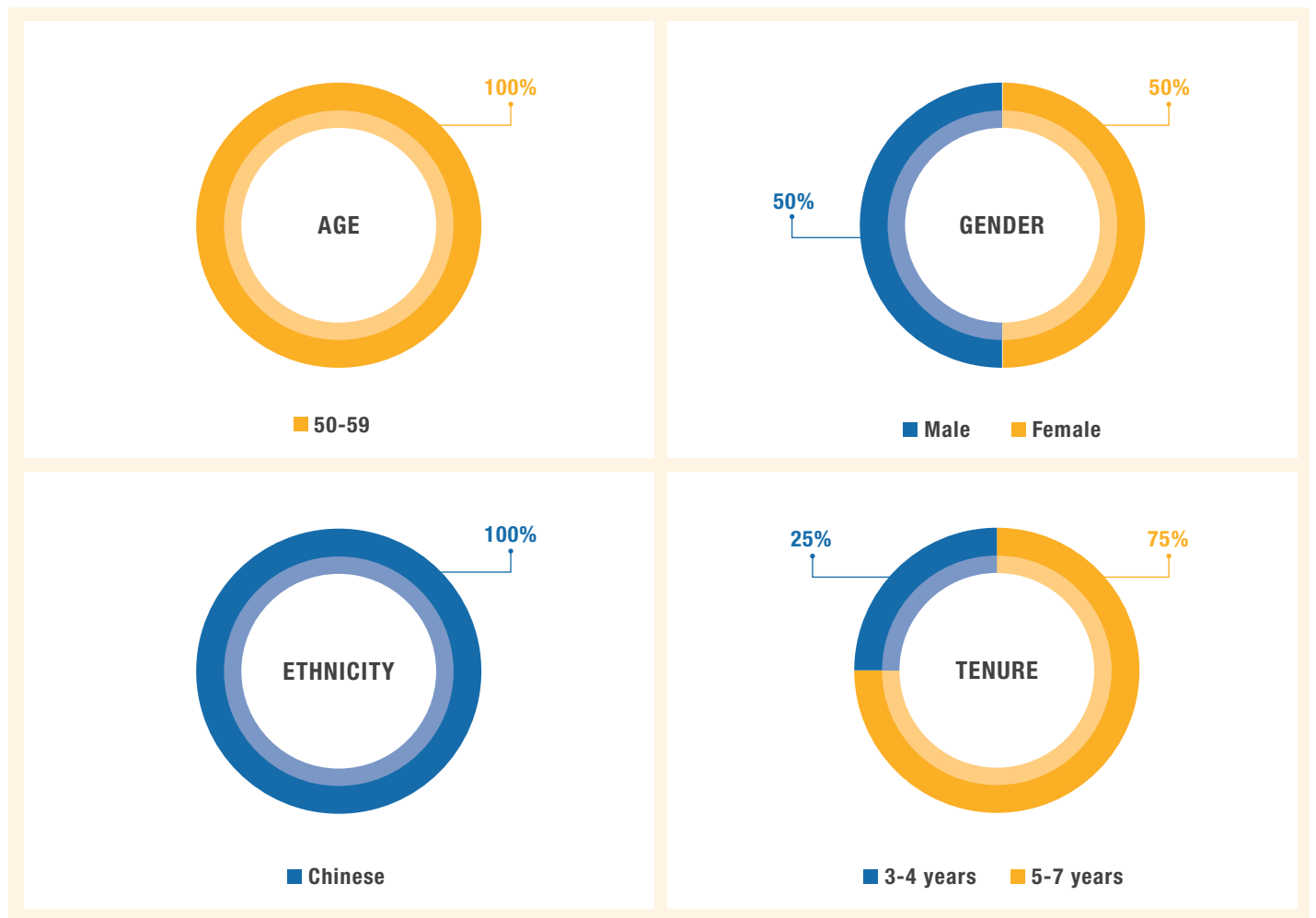
DATIN LOA BEE HA
Independent
Non-Executive Director

DIRECTORS' PROFILE

BOARD SKILL MATRIX



OUR BOARD DIVERSITY



None of the Independent Non-Executive Directors hold office for more than nine (9) years under the reporting period. The Board is well aware that the tenure of an independent director should not exceed a cumulative term of nine (9) years as recommended by the MCGG. Upon completion of the nine (9) years, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director. The NRC and the Board also noted that pursuant to the MCGG, the Board may provide justifications and seek shareholders' approval in the event there is intention to retain a Director who has served a cumulative term of nine (9) years as an Independent Director.

DIRECTORS' PROFILE



TAN SRI DATUK TER LEONG YAP

Executive Chairman

Board Committees:

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

Academic/Professional Qualifications:

- Bachelor Degree in Mechanical Engineering (Honours), University of Malaya in 1989

Tan Sri Datuk Ter's foray into the industry began with a construction and material handling equipment business back in 1989. Since then, Tan Sri Datuk Ter has diversified his business interests to include property development and education.

Armed with a wealth of experience, determination, and an impeccable track record in the property development sector, he has successfully incorporated his personal vision and mission into Sunsuria, making it the very essence of the Company. Tan Sri Datuk Ter strongly believes in running Sunsuria with upmost integrity and reliability.

Nationality
Malaysian

Age
57

Gender
Male

Appointed on
22 JAN 2014

Length of Service
(as at 22 January 2021)
7 years

Date of Last Re-election
8 MAR 2018

Board meeting attended
in the Financial Year
6/6

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

Positions and Affiliations:

- President of the National Chamber of Commerce and Industry of Malaysia (NCCIM) (2016-Present)
- President of the Associated Chinese Chamber of Commerce and Industry of Malaysia (ACCCIM) (2015-Present)
- President of the Chinese Chamber of Commerce & Industry of Kuala Lumpur & Selangor (KLSCCCI) (2012-Present)
- Member of World Chinese Entrepreneurs Convention (WCEC) Advisory Committee (2015-Present)
- Executive Member for China Overseas Friendship Association (COFA) (2019-Present)
- Advisory Committee of the 10th Council of the All China Federation of Returned Overseas Chinese (AFROC) (2018-Present)
- Founder Member of the China-ASEAN Entrepreneurs Association (2018-Present)
- Vice Chairman of Sichuan Provincial People's Government and Sichuan Overseas Exchanges Association, China (2015-Present)
- Adviser of the 6th Council of the Yunnan Overseas Exchanges Association, China (2017-Present)
- Vice Chairman of the 6th Council of the Fujian Overseas Exchanges Association, China (2018-Present)
- Oversea Adviser to the Foreign Enterprises Investment Association, Guangdong Province, China (2016-Present)
- Adviser of the 5th Council of the Chengdu Overseas Exchanges Association, China (2019-Present)
- Honorary Adviser of Belt and Road Summit, Hong Kong Trade Development Council (2019-Present)
- Adviser of Chinese Chamber of Commerce of Victoria, Australia (CCCV) (2019-Present)
- Honorary President of Jilin Province Overseas Friendship Association (2019-Present)
- Executive Vice Chairman of the Guangdong-Hong Kong-Macao Greater Bay Area Entrepreneurs Union (2017-Present)
- Member for Trade and Industry Advisory Council (TIAC) (2019-Present)
- Advisor of the Malaysia Retail Chain Association (MRCA) (2018-Present)
- Director of Xiamen University Malaysia (2012-Present)
- Vice-Chairman of Hin Hua High School
- Vice-Chairman of Pin Hwa High School
- Director of Kuen Cheng High School
- Honorary Director of Buddhist Compassion Relief Tzu Chi Foundation

Awards and Recognition:

- Panglima Setia Mahkota (PSM), 2017
- Panglima Jasa Negara (PJN), 2011
- Ahli Mangku Negara (AMN), 2001
- National Unity Ambassador - Department of National Unity and Integration (JPNIN), 2016
- The Edge Malaysia Outstanding Property Entrepreneur Award, 2017
- Business Excellence Person of the Year - Sin Chew Business Excellence Awards, 2014
- Outstanding Malaysian Hokkien Award - Federation of Hokkien Associations of Malaysia, 2008 and 2017

DIRECTORS' PROFILE



DATO' QUEK NGENG MENG

Independent Non-Executive Director

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

After commencing 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 company dealing with plywood with its operational headquarters in Singapore from 1997 to 2000. He then set up his own practice in 2000 as Halim Hong & Quek.

Having been in practice for more than 20 years, Dato' Quek has extensive legal experience in various areas notably cross border investment, real property and land, corporate and commercial. He is regularly sought by multi-national companies, major developer and financial institutions for advice and representation.

He is sought by major corporations for strategic advice on investment plans including cross-border transactions as well as review of commercial contracts and agreements. Business councils regularly seek him for advice and representation. His vast experience in strategic advice has earned him a spot in these organisations where he formerly served as the director of Malaysia-China Business Council and as the Chairman of Silk Road Business Council Malaysia Committee. Dato' Quek was also the co-chairman of Malaysia-China Commercial Law Cooperation Committee.

Dato' Quek is active in advocating social causes, in particular against Batang Kali massacre where he was appointed as the coordinator of the Action Committee condemning the Batang Kali Massacre in December 1948 to seek justice against the killings perpetrated by the British armies.

In the legal fraternity, Dato' Quek is an arbitrator of the Asian International Arbitration Centre (AIAC) and serves as 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 including the Belt & Road issues. He is empanelled as an arbitrator of Shanghai International Arbitration Centre (SIAC), and appointed as director and Vice Chairman of Asian Institute for Alternative Dispute Resolution (AiADR).

Nationality
Malaysian

Age
52

Gender
Male

Appointed on
24 NOV 2017

*Length of Service
(as at 22 January 2021)*
3 years 2 months

Date of Last Re-election
12 JUN 2020

*Board meeting attended
in the Financial Year*
6/6

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

DIRECTORS' PROFILE



TAN PEI GEOK

Senior Independent Non-Executive Director

Board Committees:

- Chairman of Audit Committee
- Chairman 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).

Ms. Tan began her career as an audit assistant with Binder Hamlyn before joining Public Bank Berhad, where she served for over 20 years in various credit-related departments. She was the Deputy Director of Corporate Banking in Public Bank Berhad before she left to join Health Scan Malaysia Sdn. Bhd., a leading medical and diagnostic centre, as its Chief Executive Officer in 2004. Her position has since been re-designated as the Director of HealthScan & Diagnostic Services when the operations of the said company were injected into Cardiac Vascular Sentral (Kuala Lumpur) Sdn. Bhd., an integrated cardiac vascular hospital in 2016.

Nationality
Malaysian

Age
59

Gender
Female

Appointed on
1 OCT 2015

Length of Service
(as at 22 January 2021)
5 years 4 months

Date of Last Re-election
8 MAR 2018

Board meeting
attended in the
Financial Year
6/6

Present
Directorship(s)

Listed entity: Nil

Other public company:
Nil



DATIN LOA BEE HA

Independent Non-Executive Director

Board Committees:

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

Academic/Professional Qualifications:

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

Datin Loa began her career with PriceWaterhouse in 1989 and later joined Team Accountants Sdn. Bhd., an investment holding company in 1994 as the Finance Manager for 12 years.

She was previously on the Board of Director of Taylor's College Sdn. Bhd., Garden International School Sdn. Bhd. and Taylor's International School (KL) Sdn. Bhd.

Nationality
Malaysian

Age
57

Gender
Female

Appointed on
21 AUG 2014

Length of Service
(as at 22 January 2021)
6 years 5 months

Date of Last Re-election
29 MAR 2019

Board meeting
attended in the
Financial Year
6/6

Present
Directorship(s)

Listed entity: Nil

Other public company:
Nil

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 except as disclosed in this Annual Report.

Conviction for Offences

None of the Directors have been convicted of any offences within the past 5 years other than traffic offences.

None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

SENIOR MANAGEMENT



CHUAH CHEW HAI
Chief Executive Officer,
Sunsuria Asas Sdn Bhd

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

**DATUK SIMON KWAN
HOONG WAI**
Chief Operating Officer

DATO' TAN TIAN MENG
Chief Executive Officer,
Citic Sunsuria Sdn Bhd

LEE SWEE KHENG
Chief Financial Officer

WONG CHIEW MENG
Chief Project Officer

SENIOR MANAGEMENT'S PROFILE



TAN SRI DATUK TER LEONG YAP
Executive Chairman

Profile

Tan Sri Datuk Ter Leong Yap's profile is available on page 18.



DATUK SIMON KWAN HOONG WAI
Chief Operating Officer

Profile

Datuk Simon Kwan Hoong Wai, male, age 48, a Malaysian. He is the Chief Operating Officer and Head of Property Division of Sunsuria Berhad. Holding a Masters in Business Administration (MBA) from the University of Southern Queensland, Australia, Datuk Simon Kwan began his career as Technical and Sales Executive in the engineering sector. He soon made strides into property development since 1993 and fast tracked his exposure into international trade market.

He has over 27 years of working experiences spanning across the fields of Sales, Project Marketing, Corporate Branding, Office Management, Customer Experience and Leasing. Currently, Datuk Simon Kwan oversees the overall operational functions of the company, leads product innovation and development, involves in planning and conceptualization of new projects, oversees other business divisions of Sunsuria Group mainly the retail division, food & beverage division and the integrated healthcare division. Recently, he was given the role to lead young innovative minds by accelerating digitalization across the organization from the front-office to the back-office operational approach that not only technological savvy future but one that is safe for employers and employees.

Positions and Affiliations

- 2000 – Present Member of Malaysia Iron and Steel Industry Federation (MISF)
- 2003 – 2008 Member of Asia Iron and Steel Industry Federation (AISIF)
- 2005 – Present Member of Kuala Lumpur/ Selangor Associated Chinese Chamber of Commerce (KLSCCCI)
- 2008 – Present Member of Federation of Malaysia Manufacturer (FMM)
- 2008 – Present Member of Malaysia Master Builders (MMB)
- 2010 – Present Member of Federation Internationaledes Administrateurs de Bien-ConselisImmobiliers (FIABCI Malaysia)
- 2020 – Present National Committee Member of FIABCI Malaysia

Profile

Lee Swee Kheng, female, age 56, a Malaysian, she is the Chief Financial Officer of the Company.

Madam Lee has more than 30 years of work experience and has held various finance positions in the property development, hotel and leisure sectors. She began her career in public accounting firms before joining various public listed company as an Accountant and later on as General Manager, Finance.

She holds a Diploma in Financial Accounting from Kolej Tunku Abdul Rahman. She is a member of the Malaysian Institute of Accountants (MIA) and Fellow of the Association of Chartered Certified Accountants (FCCA).



LEE SWEE KHENG
Chief Financial Officer

SENIOR MANAGEMENT'S PROFILE



DATO' TAN TIAN MENG
Director/Chief Executive Officer,
Citic Sunsuria Sdn Bhd

Profile

Dato' Tan Tian Meng, male, age 57, a Malaysian, he is a Director and Chief Executive Officer of Citic Sunsuria Sdn Bhd, a joint-venture company between Sunsuria Builders Sdn Bhd, a wholly-owned subsidiary of the Company, and Citicc International Investment Ltd – a wholly owned subsidiary of Citic Construction Co., Ltd, which in turn is a tier one wholly owned subsidiary of Citic Limited, a Fortune Global 500 Company. He graduated with a Bachelor of Civil Engineering (Honours) degree from the University of Malaya in 1988.

Since his graduation, he has had 32 years' experience and professional practice careers in industries related to construction and property development. He is currently a director of several private limited companies including Lintasan Remaja Sdn. Bhd., Delta Elegance Sdn. Bhd. and Grand Maluri Sdn. Bhd.

Dato' Tan Tian Meng also been actively involved and carries few key positions in National Chamber of Commerce and Industry of Malaysia (NCCIM), as Executive Committee Member; The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) as Secretary General, since 2019 and Chinese Chamber of Commerce and Industry of Kuala Lumpur & Selangor (KLSCCCI), as Vice President, since 2018.



CHUAH CHEW HAI
Director/Chief Executive Officer,
Sunsuria Asas Sdn Bhd

Profile

Chuah Chew Hai, male, age 57, a Malaysian, is a Director and Chief Executive Officer of Sunsuria Asas Sdn Bhd, an indirect 51%-owned subsidiary of the Company.

Mr Chuah has more than 30 years of experience in the construction and property development industry and he has founded Metrio group of companies in October 2002, which are principally involved in property development.

His extensive experience and knowledge in construction and development industry has driven Metrio group of companies to become a leading property development in the northern region of Peninsular Malaysia.



WONG CHIEW MENG
Chief Project Officer

Profile

Wong Chiew Meng, male, age 44 years old, a Malaysian, he is Chief Project Officer of the Company.

Mr Wong has 20 years of working experience in project development and has held various senior positions in a few property developments companies. He joined Sunsuria Group in 2017 as Senior Director-Project and was promoted to Chief Project Officer in December 2020.

Mr Wong acts as the Heads of Sunsuria Group Project Department, Sunsuria Group Quality Management System Committee and Sunsuria Group Emergency Respond Team. He is responsible for the planning and operation, supply chain, as well as project quality management of all development projects of Sunsuria Group. In addition, he is also in charge of Sunsuria City Township (such as Jasper Square, Bell Suites, The Olive, Tangerine Suites and Giverny Walk just to name a few) and other integrated projects from feasibility study, planning, implementation until completion and maintenance of the projects.

He graduated with a Bachelor of Civil Engineering from University of Malaya and Master of Business Administration from University of East London (United Kingdom), in 2012.

Other Information

- Datuk Simon Kwan Hoong Wai is the brother-in-law to Tan Sri Datuk Ter Leong Yap, a Director and major shareholder of the Company.
- Dato' Tan Tian Meng is the spouse of Datin Loa Bee Ha, an Independent Non-Executive Director of the Company.
- Except as disclosed, none of the Senior Management Team members have any family relationship with any Directors or major shareholders of the Company.

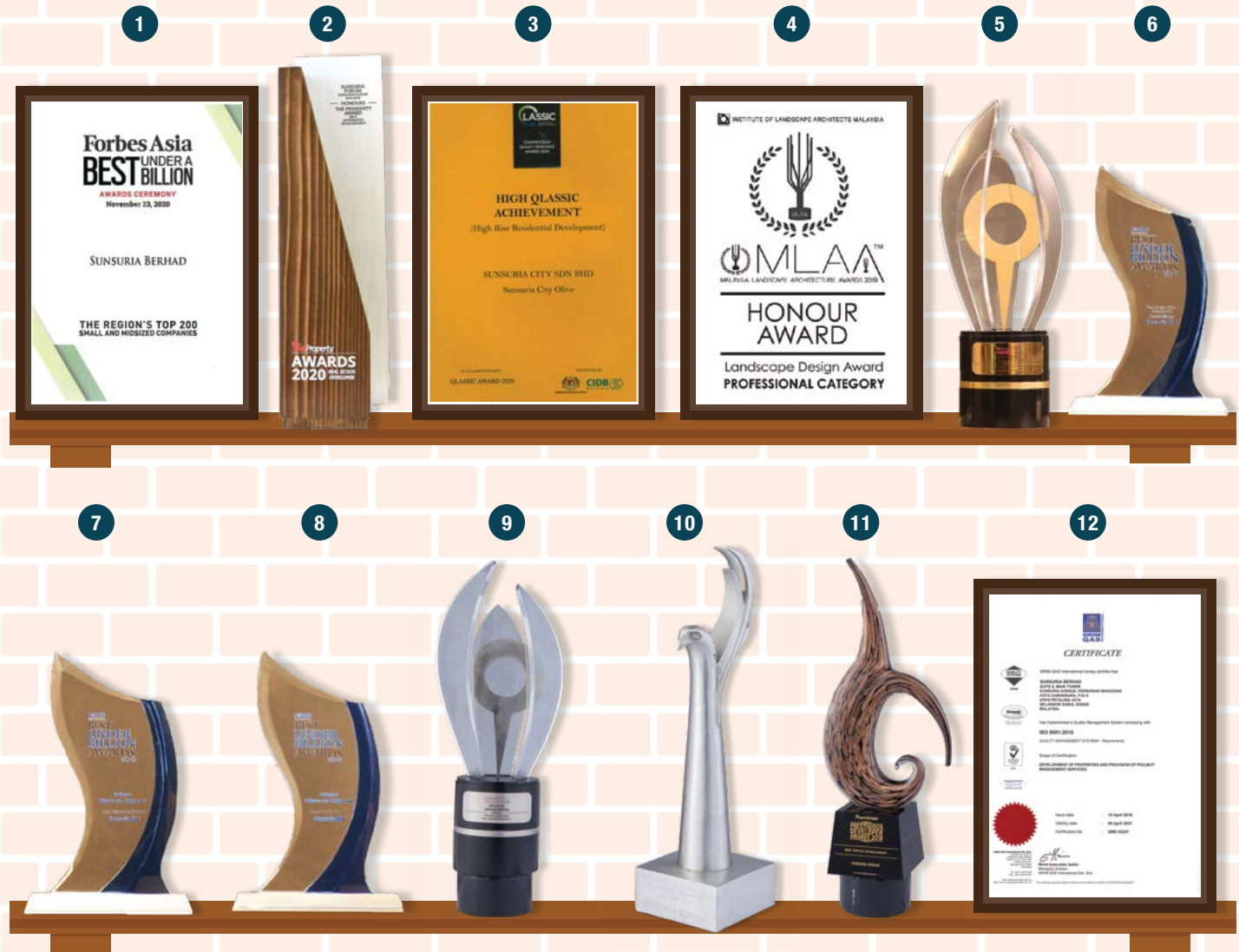
Conflict of Interest

None of the Senior Management Team members have any conflict of interest with the Company except as disclosed in this Annual Report.

Conviction for Offences

None of the Senior Management Team members have been convicted any offences within the past 5 years other than traffic offences. None of the Senior Management Team members have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

ACCOLADES



1. **FORBES ASIA – BEST UNDER A BILLION AWARDS 2020**
- Top 200 Performing Publicly Listed in Asia Pacific – Sunsuria Berhad
2. **STARPROPERTY AWARDS 2020**
- The Proximity Award on Best Integrated Development – Sunsuria Forum
3. **CONSTRUCTION QUALITY EXCELLENCE AWARDS 2020**
- High CLASSIC Achievement for High Rise Residential Development – The Olive, Sunsuria City
4. **MALAYSIA LANDSCAPE ARCHITECTURE AWARDS (MLAA) 2019**
- Honour Award for Landscape Design (Professional Category) – Suria Residence
5. **STARPROPERTY.MY AWARDS 2019**
- The Cornerstone Award (Excellence) on Best Landed Development – Monet Residences, Sunsuria City Sdn Bhd
6. **FOCUS MALAYSIA'S BEST UNDER BILLION AWARDS 2019**
- Best Under Billion Awards 2019 Overall Winner – Sunsuria Berhad
7. **FOCUS MALAYSIA'S BEST UNDER BILLION AWARDS 2019**
- Best Revenue Growth (Category: RM500mil-RM950mil) – Sunsuria Berhad
8. **FOCUS MALAYSIA'S BEST UNDER BILLION AWARDS 2019**
- Best Profit Growth (Category: RM500mil-RM950mil) – Sunsuria Berhad
9. **STARPROPERTY.MY AWARDS 2018**
- The Small is Big Award (Honours) on Best Small Home Development – Bell Suites, Sunsuria Berhad
10. **DEVELOPER PROPERTY AWARD 2018**
- CHT Pursuit of Excellence – Sunsuria Berhad
11. **PROPERTY INSIGHT – PRESTIGIOUS DEVELOPER AWARDS 2018**
- Best Office Development – Sunsuria Berhad
12. **CERTIFICATE FROM SIRIM QAS INTERNATIONAL, STANDARDS MALAYSIA & UKAS ON ISO 9001:2015**
- Development of Properties and Provision of Project Management Services – Sunsuria Berhad

ACCOLADES



13. **CERTIFICATE FROM SIRIM INDUSTRI 2018**
- Participation in Quality Management System Certification Scheme 2018 – Sunsuria Berhad
14. **CERTIFICATE FROM THE INTERNATIONAL CERTIFICATION NETWORK (IQNET) ON ISO 9001:2015**
- Development of Properties and Provision of Project Management Services – Sunsuria Berhad
15. **STARPROPERTY.MY AWARDS 2017**
- The Neighbourhood Award (Honours) on Best Boutique Township (below 500 acres) – Sunsuria City, Sunsuria City Sdn Bhd
16. **THE EDGE BILLION RINGGIT CLUB 2017**
- Property - Below RM3B Market Capitalisation – Highest Returns to Shareholders Over Three Years (Gold) – Sunsuria Berhad
17. **PROPERTY INSIGHT – PRESTIGIOUS DEVELOPER AWARDS 2016**
- Top 10 Developers – Sunsuria Berhad
18. **PROPERTY INSIGHT – PRESTIGIOUS DEVELOPER AWARDS 2016**
- Best Sustainable Township Development – Sunsuria City by Sunsuria Berhad
19. **NOBLE EXCELLENCE AWARDS 2016**
- Catalytic Developer Award – Sunsuria Berhad
20. **ASIA PACIFIC PROPERTY AWARDS ARCHITECTURE 2015-2016**
- Highly Commended Office Architecture Malaysia – Suria Residence by Sunsuria Berhad
21. **ASIA PACIFIC PROPERTY AWARDS ARCHITECTURE 2015-2016**
- Highly Commended Office Architecture Malaysia – Seventh Avenue I by Sunsuria Berhad
22. **FOCUS MALAYSIA BEST UNDER BILLION AWARDS 2015**
- Best Enterprise Value Growth (Runner-up) – Sunsuria Berhad

SUNSURIA IN THE NEWS


1. The Edge 14th September 2020
2. China Press - 19th August 2020
3. The Edge - 19th August 2020
4. Vulcan - 19th August 2020
5. Forbes - 17th August 2020
6. The Sun - 17th June 2020

1

Sunsuria to launch 20 single-key villas in Sunsuria City this month

Ching Ying W. / The Edge Malaysia
September 14, 2020 10:03 pm +08

This article first appeared at City & Country, The Edge Malaysia Weekly, on September 7, 2020 - September 16, 2020



The single key villas will have built-ups of 3,440 to 3,970 sq ft (Photo by Sunsuria)

Sunsuria Bhd plans to launch 20 single-key, 9-storey villas in the Monet Garden precinct at its Sunsuria City township in Subang Tinggi, Selangor, in the middle of this month.

Occupying an 18.7-acre freehold parcel, Monet Garden comprises 182 units of 31-storey townhouses and 184 three-storey villas – 94 dual-key and 20 single-key units – with a combined gross development value (GDV) of RM283 million. The townhouses were launched in November 2017 with 70% taken up to date while the 94 dual-key villas were launched in 2018, 12% of which have been sold.

"Inspired by the paintings of famed impressionist Claude Monet, Monet Garden will have a comfortable living environment and spaces of grandeur in nature for families to discover and

2



我国有15家企业入选福布斯2020年“亚洲200强企业”。

14家上市公司
同时，今年榜单除了C-Link Squared公司是在香港上市的大马企业外，其他14家企业都是马股上市公司。

事实上，我国上榜的企业数量较去年逐年减少，从2014年的14家，减少至2015年11家；随后在2016年和2017年锐减至5家，2018年则仅有3家。

福布斯亚洲指出，上榜的亚太区企业在销售、获利增长、债务水平、企业治理等方面的综合排名均高于同行。

不过，该榜单纳的截至今年7月7日的全年数据，并没有完全反映新冠肺炎疫情（2019冠状病毒病）导致的经济冲击。

整体而言，上榜的多为科技相关企业，共30家；其中，半导体和软件相关企业各达10家。

其他占大多数的企业主要从事建筑（11家）、医疗保健（10家）、药剂（10家）和金融（9家）行业。

3

Most stocks of M'sian companies named in Forbes Asia's Best Under A Billion 2020 list advance

Shreelal Gernathasami / Shreelal Gernathasami
August 18, 2020 12:38 pm +08



Optimizing Value Business Travel

August 18, 2020 12:38 pm +08

4

Who Are The 16 M'sian Firms That Made It To Forbes Asia's Best Under A Billion 2020 List?

Sude Deyanliku / The Edge



1. Scientex Berhad



2. Kossan Rubber Industries



Image Credit: Kossan

6

Sunsuria enters into healthcare joint-venture deal

SUNBIZ / 17 JUN 2020 / 12:43 PM




PETALING AJAYA, Sunsuria Bhd today entered into an agreement with Dr Tan Bo Ren and Sunsurata wholly owned subsidiary BRS Medicare Ventures Sdn Bhd to carry out integrated healthcare businesses on a joint venture basis.

5

12,750 views | Aug 17, 2020, 05:40pm EDT

Forbes Asia's Best Under A Billion 2020

Forbes Asia Team Forbes Staff Leadership



GETTY

This story is part of Forbes' coverage of Asia's Best Under A Billion 2020 list, which highlights 200 Asia-Pacific public companies with less than \$1 billion in revenue and consistent top- and bottom-line growth. See the full list, sorted alphabetically, here.

7 亚洲正能量运动反应热 募款行动筹逾600万



《Marketing Magazine》报道

此举获得Marketing Magazine撰文并报道。

星洲媒体集团执行董事兼董事兼首席执行官吴耀元分享系列正能量运动的新闻时指出，只要团结一致就会变得更加坚强。因此在这段时间，大家所需要的是一起面对这个危机，就是一种大家所期待的精神。

他说，星洲日报的读者对这项运动反响热烈，将近300万人通过社交平台互动，互相打气。

“我们的合作伙伴为前线医护人员等一线民众发表特别的讯息，并且促进民众留在家里一起抗疫。”

他说，这些讯息通过星洲日报及其社交媒体平台如脸书和Instagram发布，传达给广大不同阶层的读者。

“这是星洲日报动员和激励大众人对抗新冠病毒的助力之一，与合作伙伴通过每个平台传达讯息，期望作为一个媒体集团，在这种艰难时刻扮演本身的角色及发挥影响力。”

8 MYKAMPUNG JAPAN' I AINCHED TO SHOWCASE MALAYSIAN PRODUCTS IN CONJUNCTION WITH 2020 TOKYO OLYMPICS

KUALA LUMPUR, 10 Jan 2020: EYOUTH together with the Ministry of Youth and Sports has launched the "MyKampung Japan" campaign as part of its efforts to showcase and promote Malaysian products, especially halal food and agriculture products by young local entrepreneurs, in conjunction with the upcoming 2020 Tokyo Olympics.

"There are many opportunities for young entrepreneurs to penetrate into the Japanese market, especially as the nation gears up towards the 2020 Tokyo Olympics. In fact, it is expected that more than 40 million tourists including 3 million Muslim visitors will be arriving during the prestigious sporting event, increasing demand for quality halal products. With technology, young entrepreneurs are becoming increasingly innovative in marketing their products through digital platforms... and we hope to encourage and inspire more through this youth campaign," said YB Syed Saddiq, Minister of Youth and Sports, who is also the Youth Patron of EYOUTH.



"MyKampung Japan" is initiated through the parties' collaboration with the Japan Graduates Association of Malaysia (JGAM) and Malaysian Students' Association in Japan (MSAJ). One of the key initiatives include the mobilisation of Malaysian university students in Japan to actively promote the local Malaysian halal products and cultural heritage to their local clientele.

9 'potensi' pergi jauh'



Farahana Faah farahana@metro.com.my

PEMUDA yang pertama e-Sukan buat koridor negara e-Sukan Sea, Dr Yew Veng Kuan yakin Malaysia akan terus meraih lebih banyak kejayaan di kemajaan berkenaan yang bakal berlangsung di Vietnam, dua tahun lagi.

Menurutnya, dia yakin bahawa acara berkenaan akan terus dipertandingkan dan negara atlet Malaysia berkecuali untuk meraih lebih banyak pingat emas.

"Selepas pulang dari Manila, tugas saya adalah berkecuali pengalaman yang diarah sepanjang Sukan Sea. Ini sangat penting untuk pemain kita memonitori bukan saja di Sukan Sea tapi di Sukan Asia dan Olimpik," katanya pada Malis Sambutan Pemenang Pingat Emas e-Sukan di MIRA Exports Hub, Kota Vilarian semalam.

Ujra peminat Universiti Heriati Viali itu, memang dia bangga dapat membawa pulang emas pertama e-Sukan namun berharap ia bukan pingat emas terakhir malah lebih banyak lagi bakal diusahakan.

11 Look Out For Malaysia's First 'Book Tunnel' Concept At This New Bookstore



By Tonis Jayatilaka November 13, 2019

10



- 7. Sin Chew - 15th April 2020
- 8. Property Insight - 10th January 2020
- 9. Metro - 29th December 2019
- 10. Focus Malaysia - 16th November 2019
- 11. Malaysia Tatler - 13th November 2019
- 12. KL Foodie - 31st October 2019
- 13. Edge Prop - 18th October 2019

12 Malaysia's First Ever Book Tunnel Concept is Now Open At BookXcess Sunsuria Forum



13 Sustainability starts with the community

SUNSURIACITY
THE HAPPIER SIDE OF LIFE

Sustainability starts with the community

As well as creating a green and healthy living environment, Sunsuria is committed to building a sustainable community. This is achieved through the Sunsuria Smart City concept, which focuses on creating a smart, green and healthy living environment. The Sunsuria Smart City concept is a holistic approach to development, focusing on the well-being of the community and the environment. It includes a range of initiatives, such as green building, smart infrastructure, and community engagement. Sunsuria is committed to creating a sustainable future for all, and the Sunsuria Smart City concept is a key part of this commitment.

OUR SUSTAINABILITY STATEMENT

As we progress in our sustainability journey, we are pleased to present our third annual sustainability statement which provides a comprehensive overview of our approach to sustainable development. Highlight of this year's report include expanding our reporting scope to include the Landscape and Nursery division, reviewing our material matters from the previous year and reassessed them, and introducing Key Performance Indicators ("KPIs") to monitor our sustainable performance.



SUSTAINABILITY STATEMENT

SCOPE OF REPORTING [102-1, 102-3, 102-4, 102-6]

Our statement encompasses four business divisions within the Sunsuria Berhad Group (“the Group” or “Sunsuria”) including Property Development, Construction, Food and Beverages (“F&B”), Landscape & Nursery and our corporate headquarters in Kota Damansara, Selangor.

Business Division	Division	Project/Restaurant Name	Stage of Completion/ Date of Commencement
Property Development	Sunsuria City Sdn Bhd	Bell Avenue	100%
		Jasper Square	100%
		Bell Suite Retail	100%
		Bell Suite Soho	100%
		The Olive	100%
		Monet Lily	100%
		Celebration Centre (Sales Gallery)	100%
		Monet Garden	79.8%
		Monet Springtime	79.6%
		Giverny Walk	74.1%
Tangerine Suite	21.6%		
	Sunsuria Residence Sdn Bhd	Suria Residence	100%
	Sunsuria Forum Sdn Bhd	The Forum 1	100%
		Forum 2, Office Tower	7.1%
		Forum 2, Soho	9.9%
		Forum 2, Soho (Affordable)	10.2%
		Forum 2, Service Apartment	13.0%
Construction	Sunsuria Asas Sdn Bhd	-	-
F&B	Sunsuria City Amenities Sdn Bhd	Double Happiness	16/2/2019
		Artelier Café	14/4/2019
		Ming Yang	23/9/2019
Landscape & Nursery	Sunsuria Landscape & Nursery Sdn Bhd	-	-

REPORTING PERIOD [102-50, 102-52]

The reporting period for this sustainability statement is between 1 October 2019 and 30 September 2020.

REPORT FRAMEWORK

The disclosures in this statement have been prepared in accordance to the Bursa Malaysia Sustainability Reporting Guide (2nd Edition) with guidance from the Global Reporting Initiative (“GRI”) Standards.

FEEDBACK [102-53]

In reaching out to our valued stakeholders, we have uploaded an electronic version of this statement on our corporate website (www.sunsuria.com). For more information on this statement and to provide your feedback, please contact:

Lee Swee Kheng

Chief Financial Officer

 cosec@sunsuria.com

 +603-6145 7777

SUSTAINABILITY STATEMENT

OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT

Inspired by the 17 Sustainable Development Goals (“SDGs”) introduced by the United Nations under Agenda 2030, as a Group, we have identified five SDGs that are most aligned to our vision to develop a business that is economically, environmentally and socially sustainable. We have endeavoured to integrate our strategies to contribute to the aspirations and targets of these goals.

<p>3 GOOD HEALTH AND WELL-BEING</p>	<p>OUR CONTRIBUTIONS</p>	<ul style="list-style-type: none"> • Establishment of Crisis Management Committee with the support of Sunsuria’s Emergency Response Team • Establishment of Standard Operating Procedure (“SOP”) for COVID-19 (Coronavirus disease 2019) and fortnightly review of compliance to ensure health of site workers and employees
<p>4 QUALITY EDUCATION</p>		<ul style="list-style-type: none"> • In-house training applications and videos for employees • Safety & Health Awareness training attended by the Group’s QAQC personnel
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>		<ul style="list-style-type: none"> • Review of supplier’s ISO System during pre-qualification as part of our screening process • Standard safety and health training course given to every staff in construction and F&B division • All employees are given annual appraisal for job performance
<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>		<ul style="list-style-type: none"> • Installation of solar panels on the roof top of Celebration Centre Sales Gallery for electricity generation • Implementation of rainwater harvesting tanks for landscape irrigation • Numerous community programmes to raise awareness and donate to a charitable cause
<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>		<ul style="list-style-type: none"> • Whistleblowing Policy, Board Charter, Code of Conduct and Ethics, and Terms of Reference to ensure integrity in Group’s management • Implementation of Anti-Corruption Framework in FY2020 • Formation of Anti-Bribery and Anti-Corruption Working Group (“ABACWG”) with Board approval

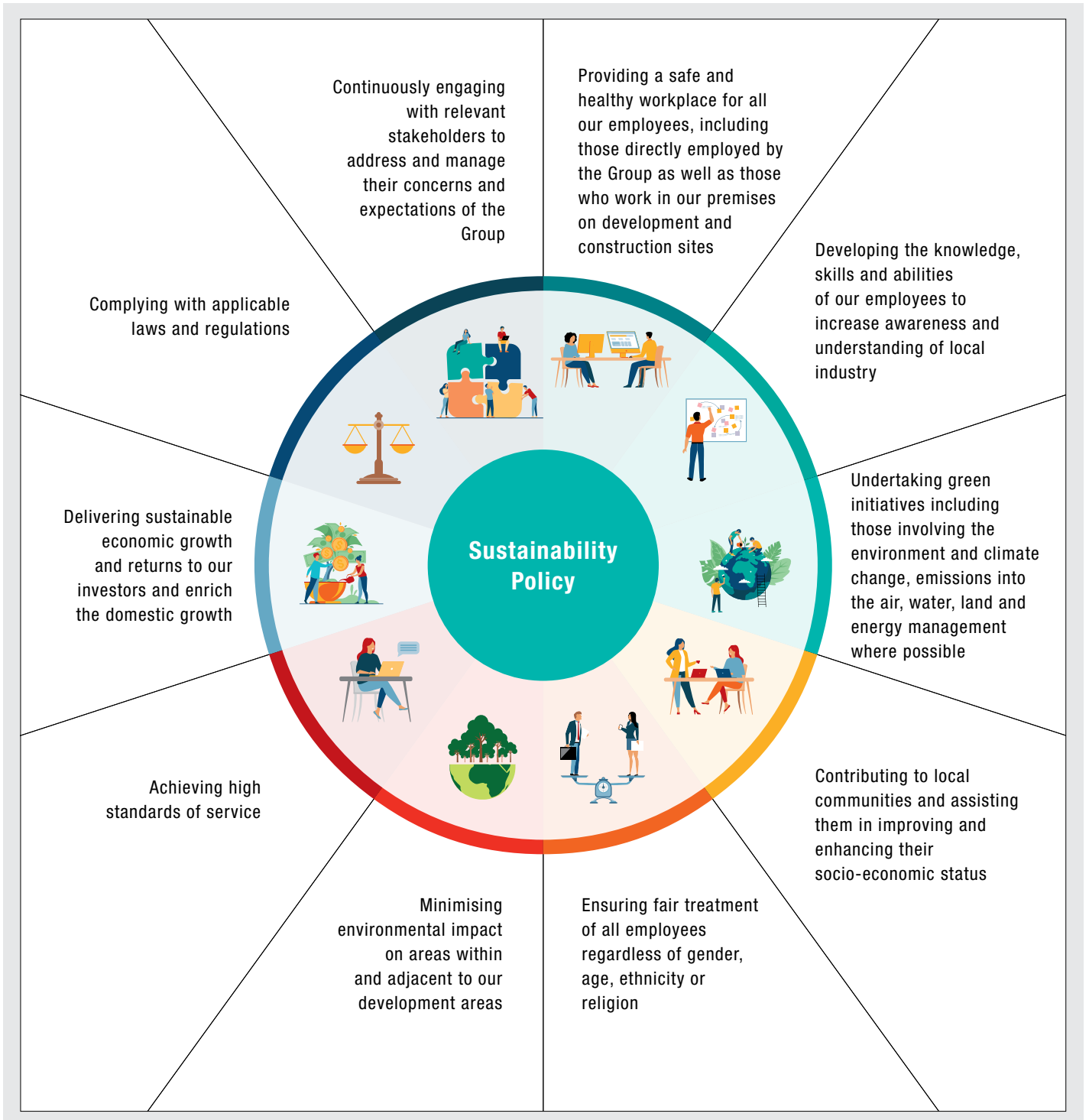
OUR SUSTAINABILITY PRINCIPLES [102-16]

The core values of Sunsuria are Integrity, Reliability, Respectful, Committed and Progressive. These values guide us in our business, define our work culture and are the tenets upon which we established the Group’s Sustainability Policy.

*Creating sustainable value today and into the future
for the benefit of our stakeholders*

SUSTAINABILITY STATEMENT

Our Sustainability Policy which was introduced last year has been instrumental in providing direction for the planning and implementation of initiatives within the Group.



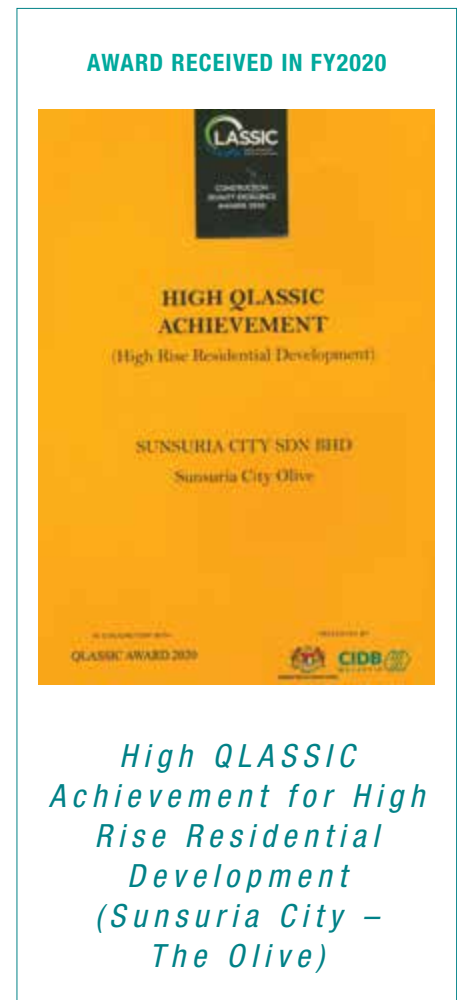
SUSTAINABILITY STATEMENT

KEY SUSTAINABILITY PERFORMANCES [102-48]

This year we introduced and implemented KPIs to track our sustainability performance in a robust manner. The KPIs represents five materials sustainability matters that are crucial to our sustainability performance and as we progress each year, it is our intent to build and increase the number of KPIs.

By the end of this financial year, we are proud to announce that four out of five KPIs, that relate to electricity consumption, customer satisfaction, project quality, and local procurement have been met.

	Target	Achievement	
Energy Efficiency	To achieve lower energy intensity at our corporate headquarters with FY2019 baseline target of 1,113.98 kWh/m² . ¹ ¹ The electricity intensity for FY2019 is amended from 11.8 kWh/m ² to 113.98 kWh/m ² due to changes in calculation methodology.	Achieved energy intensity of 104.71 kWh/m² at our corporate headquarters in FY2020.	■
Customer Satisfaction	To achieve a customer satisfaction score of 75% for all stages (Pre-sales, Post-sales and Post-project handover) in our development projects.	Achieved overall customer satisfaction score for the following stages: 1. Pre-sales score: 86.84% 2. Post-sales score: 89.70% 3. Post-project score: 83.97%	■
Occupational Health and Safety	Zero Lost Time Injury Frequency Rate (“LTIFR”) as per industry benchmark.	Achieved Zero LTIFR for 1,267,641 man-hours worked since projects commencement. LTIFR: Number of lost time injuries occurring in a workplace per 1 million hours worked.	■
Supply Chain Management	Minimum 80% procurement spending on local suppliers.	80% procurement spending on local suppliers in FY2020.	■
Products and Service Quality	Achieve QCLASSIC Score of 80% for all projects.	Achieved QCLASSIC Score for the following projects in FY2020: 1. The Olive: 83% 2. Monet Lily: 78% 3. Bell Suites: 74%	■

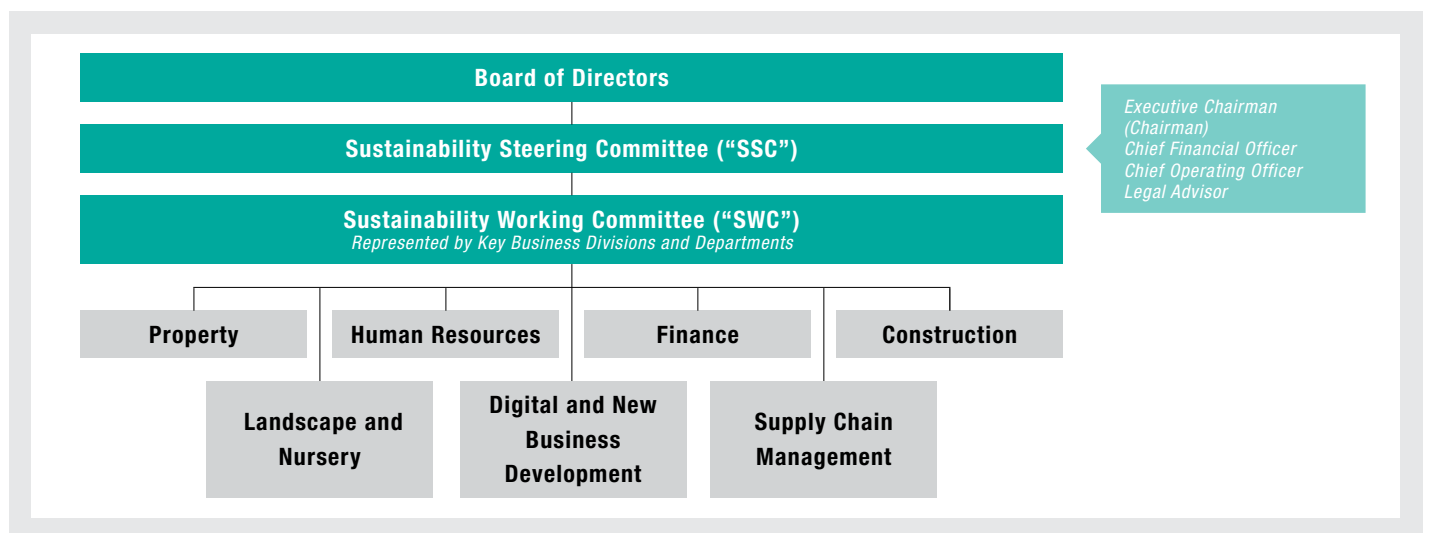


SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE STRUCTURE [102-18, 102-20, 102-32]

Sustainability requires a top-down approach where the Board of Director (“Board”) play a pivotal role in leading the Group towards achieving its goals and targets. We have established a four-tiered governance structure for effective oversight and implementation of sustainability initiatives.

Our Sustainability Steering Committee (“SSC”) which is headed by the Group’s Executive Chairman reports directly to the Board. The Sustainable Working Committee (“SWC”) comprises representatives from key business divisions and departments as well as assists the SSC to operationalise Sunsuria’s sustainability agenda. The SSC and SWC convene annually to discuss progress made in the implementation of sustainability strategies, with additional meetings upon the request of the Committee Chairman.



In FY2020, the roles and responsibilities of the SSC and SWC retained since FY2019 (illustrated in the structure below) were established by the Board in the Terms of Reference.



SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT TABLE [102-40, 102-43, 102-44]

We recognise the importance of stakeholders and engagement with our stakeholders using multiple platforms to understand their interests and concerns. This helps improve our business decision-making and informs us of our stakeholders' expectations.

Stakeholder	Areas of Interest	Sunsuria's Response
Customer	<ul style="list-style-type: none"> Efficient complaint resolution Customer-company relations Safety and security Personal Data Protection Act ("PDPA") compliance 	<ol style="list-style-type: none"> Sunsuria conducts regular client meetings whenever it is required Customers are required to fill up a Customer Satisfaction Survey form upon signing the sales and purchase agreement ("SPA") We hold community and networking event annually Online enquiries on Sunsuria's corporate website/Facebook are directed to our Sales staff to reply within 24 hours Customers are required to sign a PDPA consent form upon signing the SPA
Employee	<ul style="list-style-type: none"> Performance management Learning and development Ethics and integrity Transparency and communication Safety and hygienic working conditions 	<ol style="list-style-type: none"> Annual staff KPI and performance appraisal in October and November Internal policies are circulated when necessary Team building exercises are regularly conducted, with training programmes held regularly Employee surveys are conducted every September The Sunsuria Live Portal was launched as an online platform for communication and between all department Sunsuria conducts onboarding for new employees Town Hall Meetings are conducted whenever necessary to make important announcements to all staff members Sunsuria Recreational Club ("SRC") have kick-started staff bonding breakfast in February 2020. It is supposed to be a monthly event but unfortunately it was put on hold due to COVID-19 MCO SRC have regularly organized Health & Wellness programmes for all staff such as 21+4 health challenge + workout, Online Zumba Class, Health talk, Plank Challenge and Dalgona Coffee contest during the period from March 2020 to May 2020. Upcoming program such as Jogotong royong, charity drive and year-end makan-makan festival are in the planning SRC celebrates staff birthday with personalised wishes and given RM50 TnG digital birthday voucher each Run the Great Sunsuria Corporate Culture exercise through the creation of GEMSmoji Whatsapp stickers, photo frames to be used in Sunsurians' day-to-day conversation and instilling these cultures through internal display ads, desktop wallpapers and screen savers Group Corporate Culture - introduction of 'Knowledge Management' to gather best practices and to implement the practices accordingly Formed GSC Champion to lead and execute activities with their team members Conducted bi-weekly meeting among SRC committee members to discuss Knowledge Management task since July 2020

SUSTAINABILITY STATEMENT

Stakeholder	Areas of Interest	Sunsuria's Response
Regulatory Bodies	<ul style="list-style-type: none"> Regulatory compliance Labour practices Environmental management and compliance Occupational health and safety 	<ol style="list-style-type: none"> Local authority conducts regular inspection to ensure Sunsuria complies with local regulatory requirements We issue notification cards to shareholders of the company informing them of the availability of the Annual Report instead of distributing printed copies Sunsuria Asas Sdn Bhd achieved ISO 45001:2018 and ISO 14001:2015 in 2020
Shareholders & Investors	<ul style="list-style-type: none"> Financial Performance Business Strategy Sustainable and stable income distribution Degree of control and influence 	<ol style="list-style-type: none"> We issue media releases in addition to Bursa Announcements to keep shareholders and all stakeholders abreast of our financial performance and corporate development All media releases and Bursa Announcements are uploaded to the company's website
Fund Providers	<ul style="list-style-type: none"> Company performance and cash flows Project launches Project Sales 	<ol style="list-style-type: none"> Release of quarterly results and annual report to disclose the financial status of the Group Frequent dialogue and discussions with fund providers to discuss the status of projects when necessary
Service Providers	<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 	<ol style="list-style-type: none"> Regular sessions between senior management and service providers to identify areas of concern for improvements Tenders are conducted in compliance with Limits of Authority ("LoA") and Standard Operating Procedures and Policies ("SOPP") requirements Independent monitoring and verification of product quality and site safety by QAQC team All completed projects are QLASSIC certified by CIDB. Sunsuria City – The Olive has been awarded with High QLASSIC Achievement for High Rise Residential Development by CIDB and Ministry of Works in conjunction with QLASSIC AWARD 2020 All service providers and suppliers for Sunsuria are required to declare and comply with Anti-Bribery and Corruption ("ABAC") Policies via the Declaration Form Internal & external audits are conducted annually as per ISO 9001:2015 standards for Quality Management System ("QMS"). All contracts above RM200,000 requires Tender & Procurement Committee ("TPC") approval. The company also practice transaction clearance by legal, finance and company secretarial clearance.

SUSTAINABILITY STATEMENT

Stakeholder	Areas of Interest	Sunsuria's Response
Local Communities	<ul style="list-style-type: none"> Impact of business operations Transparency and accountability Environment impact Place making activities 	<ol style="list-style-type: none"> 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 data regarding sustainability are compiled annually in a sustainability statement within the annual report Community surveys are held to identify customer preference for future development Periodic community engagement activities and CSR initiatives at Sunsuria Forum
Media	<ul style="list-style-type: none"> Financial performance New product launch Major events pre- and post-launch Crisis management 	<ol style="list-style-type: none"> We released our quarterly results to the media upon announcement by Bursa Malaysia Sunsuria has conducted exclusive media interviews with the EdgeProp (real estate and property news outlet) on 14 September 2020 Sunsuria has conducted annual media appreciation events. We also won awards like the Focus Malaysia Best Under Billion Award 2019 for Best Revenue Growth & Best Profit Growth as well as named in Forbes Asia's Best Under A Billion 2020 list



SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT PROCESS

Identifying our economic, environmental and social matters that have material impact is key to formulate and implementing sustainability strategies in Sunsuria. We reviewed and retained all 18 material sustainability matters that were identified in FY2019 as they continue to be relevant to our stakeholders and have significant impact on our business operations. However, as the COVID-19 pandemic has impacted businesses in many ways, we re-evaluated the material matters using a weighted ranking method to ascertain if there are changes in their prioritisation.



Having completed the assessment of the 18 material matters, we identified eight (8) material matters - Product and Service Quality, Governance & Ethics, Customer Satisfaction, Financial Performance, Occupational Health and Safety, Risk Management, Market Presence and Effluent & Waste Management – to be critical. The remaining 10 are high priority.






SUSTAINABILITY STATEMENT

MAPPING OUR MATERIAL MATTERS

Our sustainability themes are relevant and linked to our material matters and, in the table below we show how they relate with our stakeholders.

Sustainability Themes	Material Matters	Stakeholders
Elevating Standards of Services  Maintaining and improving services to our customers	Product and Service Quality Why is this material matter important? <i>Property development is a competitive industry and we recognise the true value of creating a brand focused on quality to retain/attract customers.</i>	Customers Service Providers
	Customer Satisfaction Why is this material matter important? <i>Seeking customer feedback allows us to identify and address areas within our business operations for improvement.</i>	Customers Service Providers
	Food Safety Why is this material matter important? <i>Maintaining standards and regulations for food safety protects the well-being of our customer and those involved in food production.</i>	Customers Service Providers
Robust Governance Framework  Cultivate ethical business culture and transparent business dealings	Governance and Ethics Why is this material matter important? <i>Values and ethical standards are vital for Sunsuria's business sustainability to promote upstanding business practices.</i>	Shareholders & Investors Fund Providers Service Providers
	Risk Management Why is this material matter important? <i>Sunsuria maintains a precautionary principle by evaluating risk and opportunities in our business ventures.</i>	Shareholders & Investors Fund Providers Service Providers
Sustainable Value Creation  Maintaining long term value creation in company with innovative and sustainable methods	Financial Performance Why is this material matter important? <i>The obligation of the Group to stakeholders especially investors, to maintain financial resilience during challenging times.</i>	Shareholders & Investors Customers Media
	Market Presence Why is this material matter important? <i>To ensure Sunsuria's business activities can promote growth in the local economy and community.</i>	Customers Shareholders & Investors Employees Media
	Supply Chain Management Why is this material matter important? <i>We strive to ensure our suppliers responsibly source their materials for Sunsuria's business operations.</i>	Service Providers
	Business Digitalisation Why is this material matter important? <i>Going online facilitates the 'working from home' scenario, expands advertising and marketizing options, improve stakeholder communication and encourages an environmental consciousness.</i>	Customers Employees

SUSTAINABILITY STATEMENT

Sustainability Themes	Material Matters	Stakeholders
<p>Environmental Stewardship</p>  <p>Ensuring that our business operations have no adverse impact on the environment</p>	<p>Environmental Regulatory Compliance</p> <p>Why is this material matter important? <i>Complying with regulation ensures that our impact is within the limits that are considered safe for the surrounding environment.</i></p>	Regulatory Bodies
	<p>Energy Efficiency</p> <p>Why is this material matter important? <i>Reducing energy consumption allows Sunsuria to reduce operational costs and lowers our carbon emissions.</i></p>	Customers
	<p>Green Building Initiative</p> <p>Why is this material matter important? <i>Such amenities and features help reduce the environmental impacts of our projects.</i></p>	Customers Service Providers Regulatory Bodies
	<p>Effluent and Waste Management</p> <p>Why is this material matter important? <i>Improper management of waste, especially hazardous waste, can lead to environmental contamination.</i></p>	Regulatory Bodies
	<p>Water Conservation</p> <p>Why is this material matter important? <i>Monitoring water usage encourages Sunsuria to make full use of the limited water sources that is available.</i></p>	Customers
<p>Empowering Employees</p>  <p>Creating a safe and engaging workplace that promotes worker productivity</p>	<p>Occupational Health and Safety</p> <p>Why is this material matter important? <i>We fulfil our pledge to maintain high health and safety standards at the workplace to protect the well-being of our employees.</i></p>	Employees
	<p>Capacity Building</p> <p>Why is this material matter important? <i>We are committed to providing regular training to further develop our talent.</i></p>	Employees
	<p>Diversity and Inclusiveness</p> <p>Why is this material matter important? <i>We encourage and benefit from the varying perspectives and ideas that only a diverse team can bring forward.</i></p>	Employees
<p>Serving Community Needs</p>  <p>Interacting with the local community to maintain social license to operate</p>	<p>Community Engagement</p> <p>Why is this material matter important? <i>To ensure community members have access to our public resources and build a stronger relation with Sunsuria to fulfil our corporate social responsibilities.</i></p>	Local Communities

ROBUST GOVERNANCE FRAMEWORK



Governance and Ethics

Risk Management



SUSTAINABILITY STARTS FROM THE TOP

Sunsuria has been in property development for over three decades. We are currently involved in over 24 projects, ranging from homes and shopping malls to retail offices. By prioritising ethical business practices, our top management seeks to set an example within the property development industry.

SUSTAINABILITY STATEMENT

GOVERNANCE AND ETHICS [205-2]

We hold ourselves to high standards of integrity and accountability in business. Our Board Charter clearly outlines the roles and responsibilities of Board members, wherein every member is expected to conduct themselves professionally and in the interest of stakeholders. Sunsuria has also implemented a robust Code of Conduct and Business Ethics as well as a Whistleblowing Policy to promote transparency and ethical practices. Any amendments or new policies are internally circulated by email within the Group.

Sunsuria has zero-tolerance for bribery and corruption, and has a “No Gift No Entertainment policy” to discourage Sunsurians across all employment levels to engage in such practices. Training on Corporate Liability, Adequate Procedure and ISO 37001 (Anti-bribery management system) was held in FY2019, with a refresher briefing for all Heads of Departments in FY2020. This training served to remind us of the consequences of corruption. We are pleased to announce that zero cases of misconduct were recorded in FY2020.

As part of our renewed commitment in FY2020, the Board has approved the adoption of an Anti-Corruption Framework and the formation of the Anti-Bribery and Anti-Corruption Working Group (“ABACWG”). The primary objective of the ABACWG is to assist the Board in establishing anti-bribery and corruption preventive measures and maintaining the Group’s Anti-Bribery and Corruption Policy & Procedures.

All policy relating to corporate governance are reviewed periodically and available on Sunsuria’s corporate website.

RISK MANAGEMENT [102-30]

This reporting period, the Risk Assessment (“RA”) Committee implemented a two-level approach for any risk assessment process based on the ISO 31000:2009 Risk Management – Principles and Guidelines, an internationally recognised standard by the Australian-New Zealand ISO Committee. This allows Sunsuria to allocate the appropriate amount of attention and resources depending on risk level and types of risk identified. The assessment approach can be segregated into the following categories:

- | | |
|----|--|
| A. | Group risk assessment for matters that affect Sunsuria as a Group |
| B. | Divisional and operational level risk assessment for matters that affect a specific business division of the Sunsuria Group (excluding property development) |

As part of the risk assessment, Sunsuria management has proposed the initiative be called “risk response” with the following actions.



So far, we have identified four (4) critical risks that requires constant monitoring from the Group’s RA for FY2020.

- | | |
|--|---|
| i. Regulatory and compliance risk | The Group’s operations are subject to guidelines, laws and regulations of local authorities, government bodies and ministries, securities commission and listing requirements. |
| ii. Operational risk | The Group’s operations are exposed to sales, project management and construction related risks. |
| iii. Competition risk | The Group’s revenue and profitability are exposed to the risk of uncertainty arising from global and local economic conditions and the challenging property market sector affected by the COVID-19 pandemic. |
| iv. Feasibility risk | The Group strives to balance between achieving customers’ demands over designs and pricing, quality and practicality of its development products while emphasizing on cost optimisation to deliver positive growth to the Group’s earnings. |

Such risks are due to the business environment the Group operates in and may not be completely resolved. Therefore, it is important for Sunsuria to conduct periodical review of risks and mitigate any impacts that may arise.

SUSTAINABLE VALUE CREATION



Financial Performance

Market Presence

Supply Chain Management

Business Digitalisation



BUILDING BUSINESS OPPORTUNITIES

Sunsuria is committed to conducting business beyond ensuring profitability. We support the local economy by providing opportunities to the local population and elevating their living standards.

SUSTAINABILITY STATEMENT

FINANCIAL PERFORMANCE [201-1, 201-2]

FY2020 has been a challenging year for Sunsuria due to the COVID-19 pandemic and the Movement Control Order (“MCO”) which led to a slowdown in economic activities. Nevertheless, the Group has managed to generate RM197.1 million in total revenue in FY2020, which was a 63.1% drop from FY2019’s total revenue of RM534.3 million.

RM15.9 million was distributed for employee wages and benefits, and RM25.4 million was the amount taxed by the government. Full details of our financial performance can be viewed on page 15 of this annual report.

MARKET PRESENCE [202-2]

Over the years, Sunsuria has established a strong market presence within the property development industry and local economy. We recruit and promote employees based on merit and their contribution to the success of the Group. Discrimination is not tolerated at Sunsuria.

We recognise our role in supporting the local economy and provide career opportunities to local talent. By the end of the reporting period, 100% of our senior management level was Malaysian.

SUPPLY CHAIN MANAGEMENT [204-1]

To carry out our construction operations, we source materials from many suppliers/contractors. For our supply chain to run smoothly and for the punctual delivery of products, we have an efficient management system. The Group’s Tender Procurement Committee performs biannual assessments of suppliers based on criteria covering quality and reliability.

We record the ISO systems of potential suppliers as a pre-qualification and suppliers with a robust ISO system are considered more favourably when awarding contracts.

We are pleased to report that in FY2020, our procurement budget met our KPI of 80% procurement spending on local suppliers.

BUSINESS DIGITALISATION

The digitalisation of business operations has become increasingly important due to the impact of COVID-19, where social distancing is the new normal and employees were required to work from home during the MCO. Sunsuria introduced several initiatives during the reporting period to facilitate this transition to digitalisation.

Initiatives	Objectives	Relevant users
e-Inspection	Online application for contractors to submit “Request for Inspection” to Sunsuria	Suppliers/ Contractors
VP Key Management module	Allow the Customer Experience Officer to keep track of key handling status	Employees
Microsoft Teams	Enable Sunsuria employees to maintain communication via online chatting and video conference in Microsoft Teams during the COVID-19 MCO	Employees
VPN Access company-wide	Enable Sunsuria employees to access shared folder and continue working from home during the COVID-19 MCO	Employees
Chatbot	An auto-answering tool in Sunsuria’s website to provide sales/leasing information to the public	Customers, Suppliers, Local Communities
Body Temperature Tracking System	Allows receptionists to record employees’ body temperature and health condition	Employees



Tangerine Suite @ Sunsuria City

ENVIRONMENTAL STEWARDSHIP



Environmental Regulatory Compliance

Energy Efficiency

Effluent and Waste Management

Water Conservation

Green Building Initiatives

LARGE DEVELOPMENT WITH SMALL FOOTPRINT

Sunsuria endeavours to continuously reduce its environmental footprint without compromising on product quality and customer expectations.

SUSTAINABILITY STATEMENT

ENVIRONMENTAL REGULATORY COMPLIANCE ^[307-1]

The Group complies with relevant environmental regulations to maintain its license to operate. Noise and air emissions quality monitoring were conducted for Tangerine Suites in FY2020 in order to gauge its environmental impact and possible mitigation measures. The Group recorded zero incidences of environmental non-compliance in FY2020.

Environmental Regulations	
Environmental Quality Act 1974	Street, Drainage and Building Act 1974
Land Conservation Act 1960	Scheduled Waste Regulation 2005
Industrial Effluent Regulation 2009	Sewerage Services Act 1993
Sewage Regulations 2009	Protection of Wildlife Act 1972
Clean Air Regulations 2014	Drainage Work Ordinance 1954
Environmental Impact Assessment (Prescribed Activities) Order 2015	Water Enactment (1935)

We made it mandatory for contractors who were awarded projects in FY2020 to submit a Safety, Health and Environmental (“SHE”) Plan prior to the commencement of work. The SHE Plan must contain the project plans and preventive measures, such as waste segregation and storage or COVID-19 related procedures, during the construction phase.

ENERGY EFFICIENCY ^[102-48, 302-1, 302-3, 302-4]

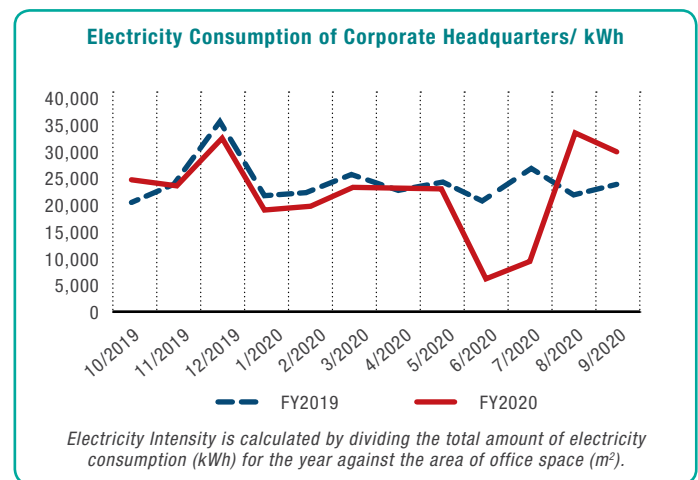
Our focus on energy efficiency is towards managing electricity consumption, especially in our corporate headquarters and sales galleries. The Group have taken the following approach:

1. Regularly send out email reminders on electricity conservation at the office, especially before a long holiday period.
2. Notifications regarding electricity saving measures have been distributed around the office to encourage environmental-friendly behaviour among employees.

Electricity Consumption

Since FY2019, Sunsuria has taken the initiative to monitor electricity consumption at our corporate headquarters and the Celebration Centre Sales Gallery. We have extended our electricity monitoring efforts in FY2020 to include Sunsuria Forum.

The electricity intensity at Sunsuria’s corporate headquarters in FY2019 (the baseline year) was 113.98 kWh/m².² The electricity intensity for FY2020 was approximately 104.71 kWh/m². The reduction in electricity intensity is due to the effectiveness of our effort to save electricity and reduced operations during the MCO.



We also monitored the electricity consumption of our sales gallery, the Celebration Centre which recorded 216,897 kWh, a reduction of approximately 42% from FY2019 (372,426 kWh). As part of our energy reduction initiatives, we have installed solar panels on the roofs of the Celebration Centre sales gallery. Since its installation in October 2019, we produced 123,476 kWh of renewable energy in total from solar energy.

² The electricity intensity for FY2019 is amended from 11.8 kWh/m² to 113.98 kWh/m² due to changes in calculation methodology.

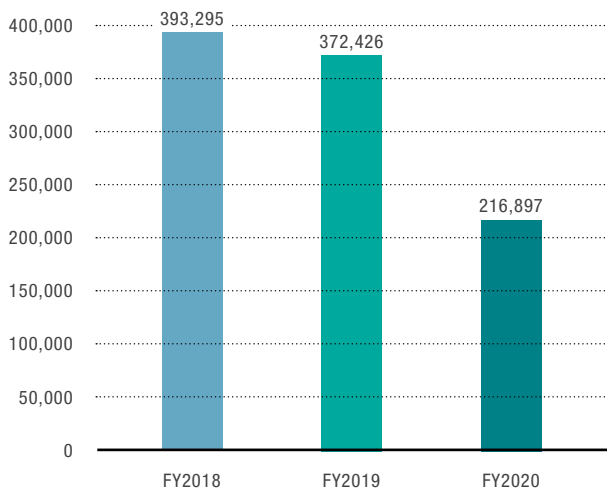
SUSTAINABILITY STATEMENT



Monet Garden @ Sunsuria City

Sunsuria has plans to increase its reliance on renewable energy by expanding the existing solar panels progressively so that eventually Celebration Centre will utilise only solar energy for its operations.

Electricity Use in Celebration Centre (kWh)

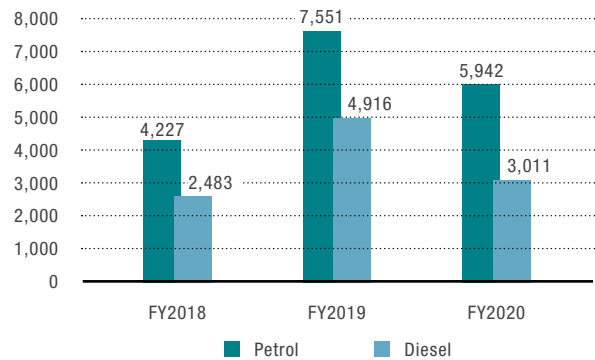


We recorded the electricity intensity of Sunsuria Forum for this reporting period and it was 219.52kWh/m². We will continue monitoring the electricity consumption for future reference.

Fuel Consumption

The Group has recorded the petrol and diesel consumption of the Landscape and Nursery division's business operations to transport the materials required for greenery maintenance around our projects. We will continue our monitoring efforts to understand our environmental footprint within this division.

Fuel Consumption in Landscape Division (Litre)



EFFLUENT AND WASTE MANAGEMENT [306-3, 306-4, 306-5]

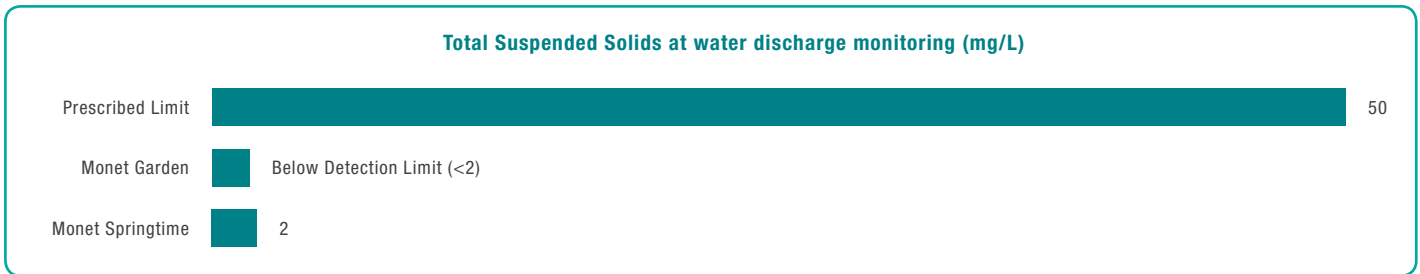
The proper disposal of construction waste is important to regulate the environmental impact of our operations. Solid waste generated is categorised into scheduled waste and non-scheduled waste. In compliance with the Environmental Quality Regulation 2005, scheduled waste is collected by a licensed contractor and transported to a certified facility for disposal. In FY2020, the non-scheduled waste collected from construction sites weighed 83 tons, of which 80 was construction waste and the remaining 3 was domestic waste. These wastes are also collected by appointed licensed collectors for proper disposal.

The Group also strives to reuse and recycle waste, especially from construction sites. Sunsuria sent approximately 40 tons of rebar waste to scrap metal collectors for recycling in this reporting period. This marked an increase of 2.5 tons since FY2019.

Waste reduction is practised at the three (3) restaurants by avoiding overstocking of ingredients and proper storage facilities to prevent spoilage.

SUSTAINABILITY STATEMENT

We conducted silt trap monitoring for our water discharges at two of our project sites: Monet Springtime and Monet Garden in FY2020. The total suspended solids (“TSS”) were monitored in accordance with Environmental Quality (Industrial Effluent) Regulations 2009. Results from the analysis showed that TSS was below the prescribed limit stipulated by the regulations.



In the reporting period we have had zero incidents of non-compliance in matters relating to solid waste and effluent.

WATER CONSERVATION ^[303-5]

Sunsuria has taken the following measures to reduce water consumption across the different business divisions in FY2020.



Landscape and Nursery

Landscape irrigation in Giverny Park utilises alternative water sources from nearby lake.



Property Development

Auto sensors in the washrooms of Celebration Centre during business hours.

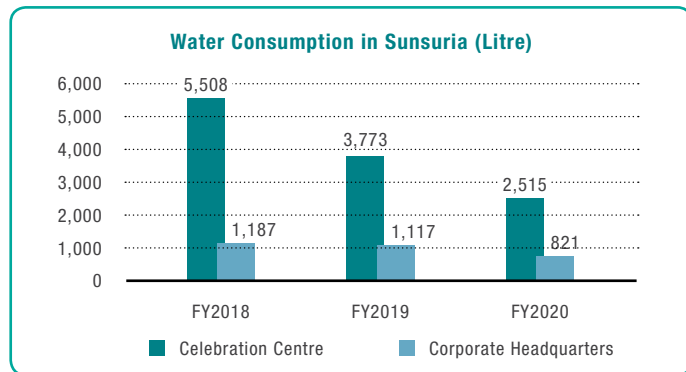


Food and Beverage

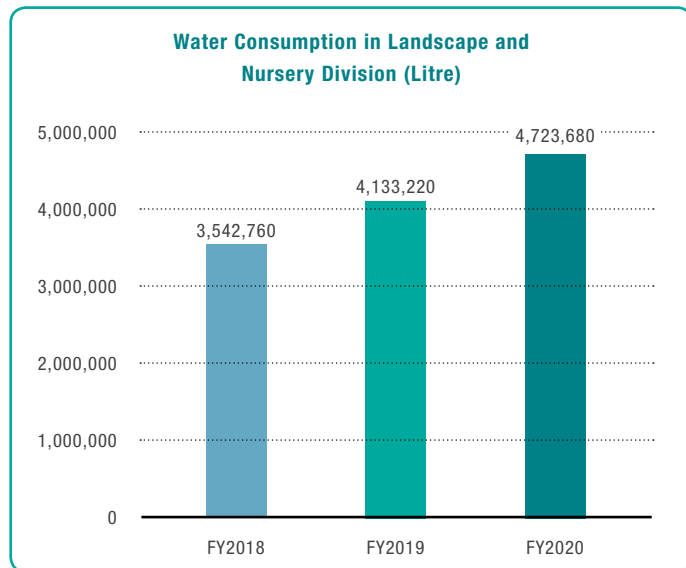
Low flow pre-rinse spray nozzle and regular maintenance on restaurant equipment to avoid leakages.

SUSTAINABILITY STATEMENT

At our corporate headquarters and the Celebration Centre sales gallery, the water consumption pattern indicates a downward trend since FY2018 partly due to water saving measures and partly due to reduced operations during the MCO. The higher consumption in Celebration Centre is due to more water intensive business operations i.e. maintaining greenery and water features.



However, among our divisions, the Landscape and Nursery division has shown consistent increase in water consumption since FY2018. This reflects an increase in green landscaping within the projects, especially Sunsuria City.



GREEN BUILDING INITIATIVES

Green buildings with eco-friendly features have become increasingly prominent in our property portfolio. In FY2020, the Group implemented the following 'green' features in respective projects in order to reduce the projects' overall environmental footprint.

1. Monet Springtime & Garden: using starker block and panel with eco-friendly product labelling.
2. Bell Suites: Natural ventilation and lighting using concrete vent block wall in the lobby area.
3. Terrace Houses: North-South orientation to avoid direct sunlight and reduce room temperature inside the unit.
4. Tangerine Suites: North-South orientation to avoid direct sunlight and reduce room temperature inside the unit and eco-friendly waterproof & adhesives during construction.
5. Forum 2: Rainwater harvesting tanks for landscape irrigation.



ELEVATING STANDARDS OF SERVICES



Product and Service Quality

Customer Satisfaction

Food Safety

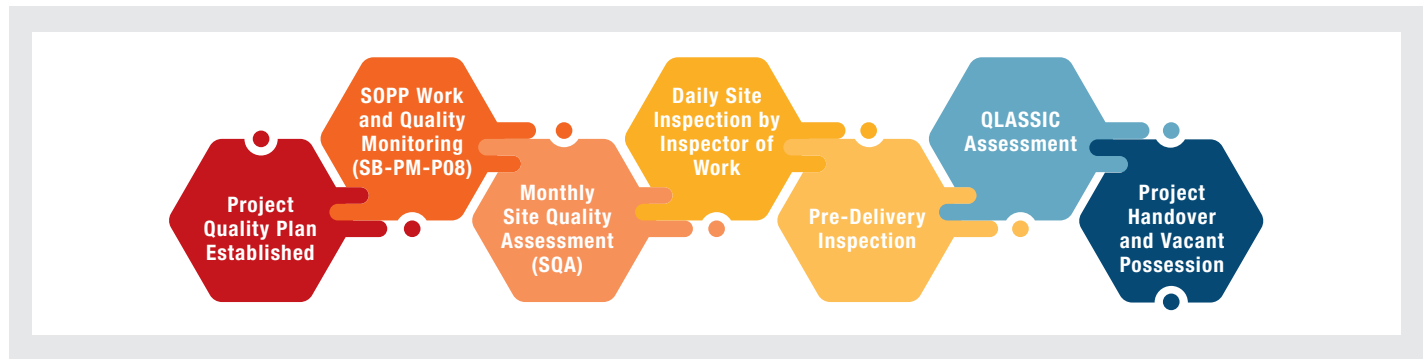
KEEPING OUR CUSTOMERS SATISFIED

Serving the needs of our customer is our highest priority and maintaining the highest level of professional service is a must for business divisions within the Group.

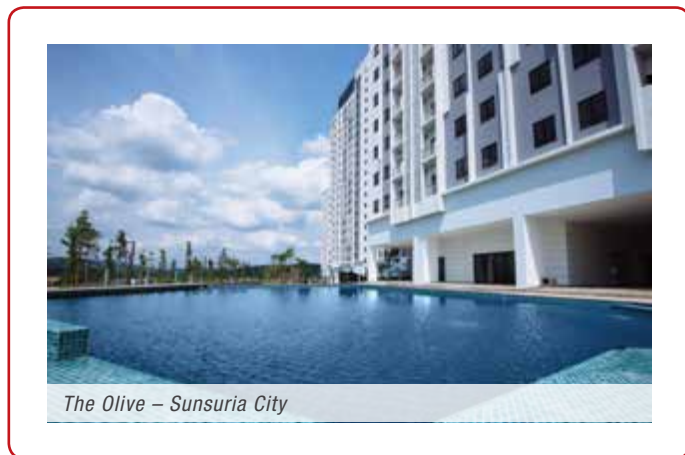
SUSTAINABILITY STATEMENT

PRODUCT AND SERVICE QUALITY ^[416-1]

The Group has a Standard Manual for Physical Product Quality Workmanship that guides employees on quality excellence. As per the Manual, we perform rigorous quality assessments across all project stages, from planning to project handover. This allows our inspection team to ensure projects are built according to specifications. With the implementation of the e-Inspection System in FY2020, our Site Inspectors utilise a web-based application to perform their duties efficiently.



The Construction Industry Development Board (“CIDB”) requires an evaluation of our workmanship by an independent assessor to ensure the delivery of quality products to our customer using QLASSIC (Quality Assessment System in Construction). For the reporting period, Sunsuria’s Bell Suites received a QLASSIC score of 74%, 6 points short of the KPI (80%). The Olive project however, received 83% in our QLASSIC score and was awarded the High QLASSIC Achievement for High Rise Residential Development by CIDB Malaysia.



CUSTOMER SATISFACTION

The Group strives to meet the expectations of its customers through the provision of quality products and services. Gathering customer feedback is critical to understand the areas we need to focus on for improvement.

We collect information at three stages of a project:



Pre-Sales Survey

Conducted before a sale is finalised to understand the needs of potential customers and what Sunsuria can offer to fulfil those needs.

Key criteria: sales experience and marketing support.

Post-Sales Survey

Conducted after the sale of properties to assess the handover experience for the customer.

Key criteria: customer service, quality of facilities and personnel, product designs.

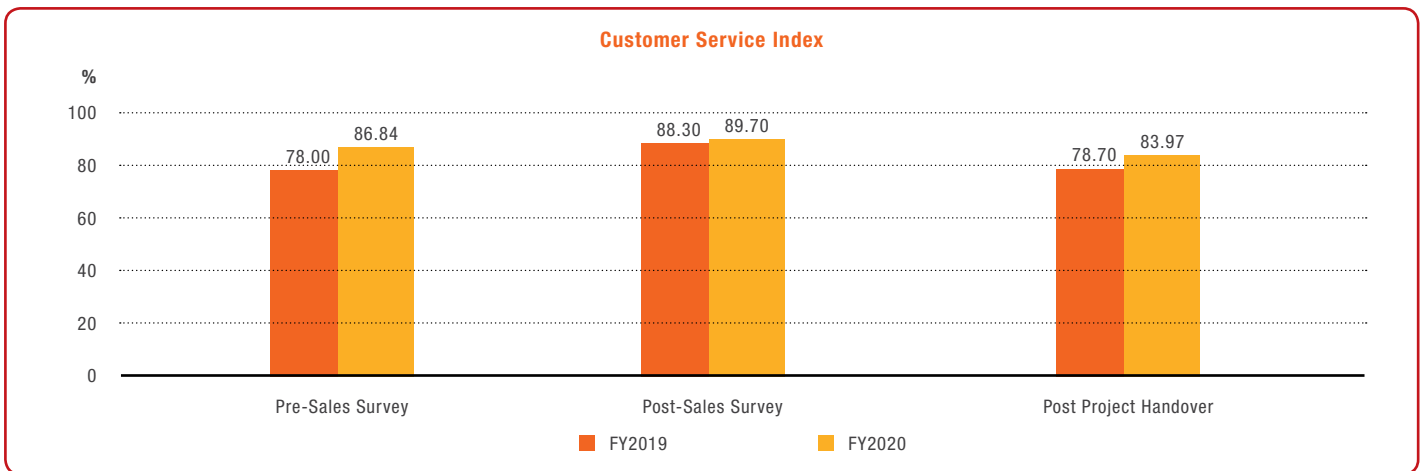
Post Project Handover

Conducted after the completion of project construction and after project management is handed over to another division.

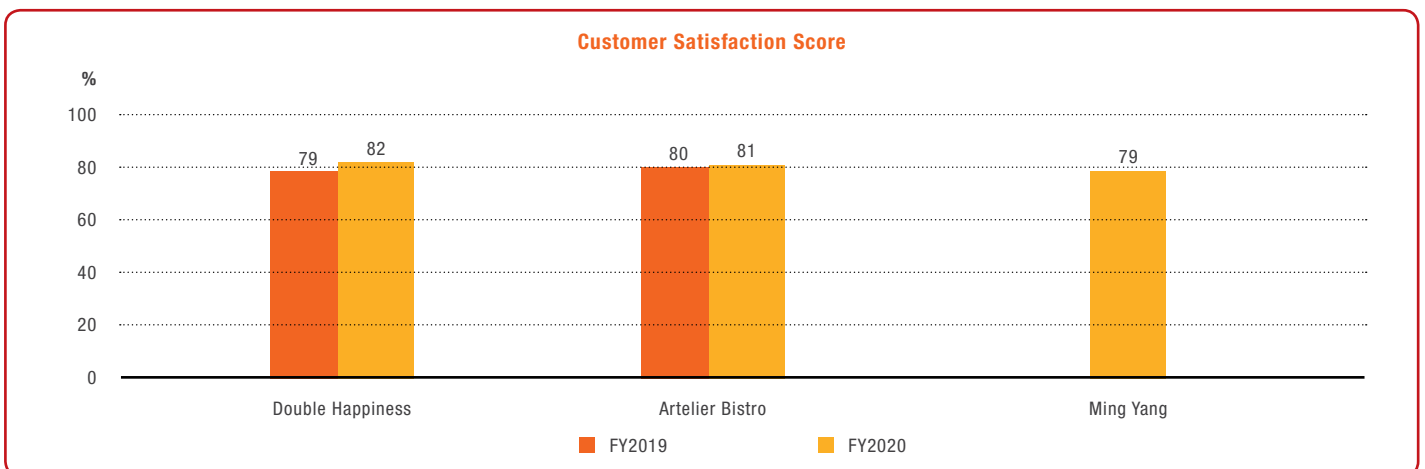
Key criteria: customer service, quality of facilities, and product design.

SUSTAINABILITY STATEMENT

Our KPI for the customer service index is 75% across all three stages. In FY2020, Sunsuria achieved index scores of 86.84%, 89.7% and 83.97% for the pre-sales (FY2020 average), post-sales (Monet Springtime, Tangerine and Forum Soho) and post-project (Bell Suites) stages respectively, effectively surpassing our target. Our pre-delivery inspection team and customer experience team combined forces to further increase the awareness and the effectiveness of quality control and this has notably increased customer satisfaction.



Across our F&B division, we have measures to gauge customer satisfaction. We conducted surveys at the restaurants and received feedback on our online platform (Facebook and Grab). We improved our performance compared to FY2019 and maintained a consistent satisfaction of approximately 80% for our three (3) restaurants, Double Happiness, Artelier Bistro and Ming Yang, in FY2020.



FOOD SAFETY [416-1, 416-2]

Our F&B division maintains high standards in restaurant and food hygiene, and complies with the Food Hygiene Regulation 2009. Our restaurants have maintained a Grade A rating in Restaurant Hygiene Standards, by demonstrating proper food handling and cleanliness. Every staff member of the F&B division is required to attend training on food handling standards in accordance to the HACCP (Hazard Analysis and Critical Control Point) Standard. There were no incidents relating to food safety reported in FY2020.

EMPOWERING EMPLOYEES



Occupational Health and Safety

Capacity Building

Diversity and Inclusiveness

BEING A RESPONSIBLE EMPLOYER

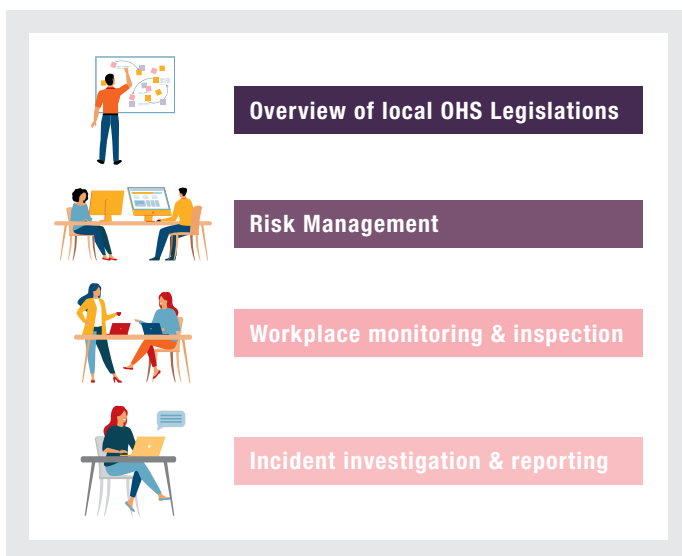
In line with our business motto “Building Today Creating Tomorrow”, we seek to create a conducive work space that strengthens the team and pushes them to excel in their line of work.

SUSTAINABILITY STATEMENT

OCCUPATIONAL HEALTH AND SAFETY (“OHS”) [403-1, 403-5, 403-9]

We are looking to continuously improve our OHS management system and assess its effectiveness to reduce any potential hazards at the work site. The Group continues to comply with OHS-related standards and regulations with no changes were made to the OHS committee in FY2020.

Quality Assurance & Quality Control (“QAQC”) personnel monitoring OHS implementation within Sunsuria attended the ‘OHS Management in Construction’ training conducted by an external training provider (ICM Training and Consultant). The training covered the following topics:

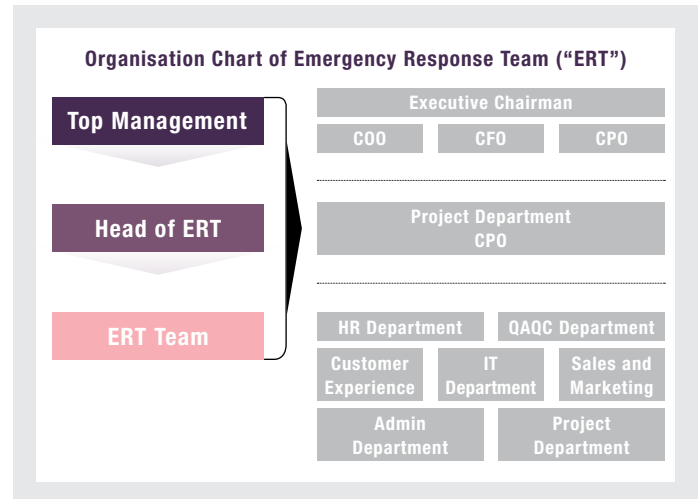


Sunsuria Asas Sdn Bhd, our construction division, updated its Safety, Health & Environment (“SHE”) Plan to include a Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) in FY2020 to better manage construction hazards. Due to our efforts which include updating the SHE Plan and mandating safety training, we achieved zero lost time injuries in approximately 1.27 million man-hours on site, resulting in zero LTIFR.

COVID-19 RESPONSE [403-2, 403-4, 403-6]

Sunsuria established the Crisis Management Committee comprising Sunsuria’s Executive Chairman, Chief Operating Officer (“COO”), Chief Project Officer (“CPO”) and Chief Financial Officer (“CFO”) in December 2019 to identify incidents with serious repercussions to business operations and propose a corresponding action plan.

In light of the COVID-19 pandemic, the Committee set up the Emergency Response Team (“ERT”) in March 2020 to address any critical issue caused by the pandemic.



The pandemic has profoundly changed Sunsuria’s OHS management approach across the organisation. New Standard Operating Procedures were put in place as instructed by the Ministry of Health. COVID-19 testing was mandatory for all site workers before being allowed to resume work. We also conduct fortnightly review of COVID-19 compliance for all our project sites.

Sunsuria circulated the Safety Prevention Handling Flowchart Rev.1 and Sunsuria RMCO SOP Rev.3 as guidelines for employee’s conduct in the ‘new normal’. New RMCO procedures have also been implemented across our F&B division which we strictly adhere to. Restaurant furniture and utensils are regularly disinfected and all dine-in customers must have their temperature measured below 37.3°C before being allowed into the restaurant. They must also register on the MySejahtera application to facilitate potential contact tracing.

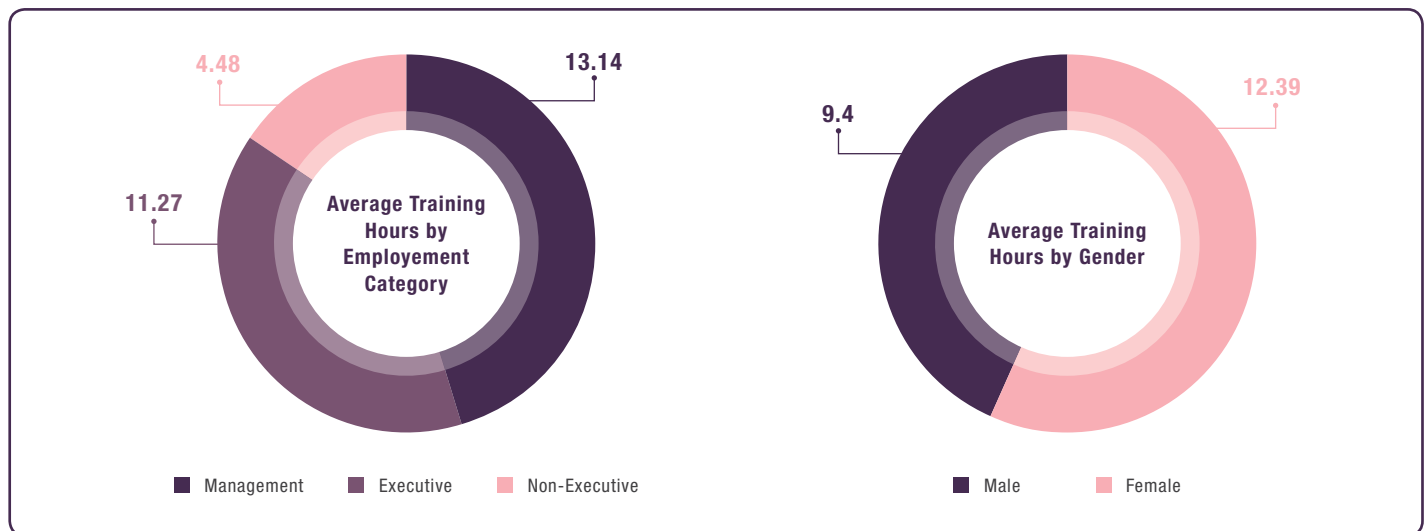
CAPACITY BUILDING [404-1, 404-2, 404-3]

Our employees are the strength of the organisation. We provide them with career development opportunities, as well as organise employee engagement programmes to promote healthy work relations. We also provide annual performance appraisal for all employees in FY2020.

SUSTAINABILITY STATEMENT

EMPLOYEE TRAINING

The total training hours for all Sunsuria employees was recorded at 1,610.5 hours, averaging approximately 11.18 hours per employee in this reporting period. The graphs below illustrate the distribution in training hours by gender and employment category in FY2020. Lower average training hours were recorded in FY2020 due to cancellation of public events during the MCO as well as social distance practices.



During the MCO, we promoted online educational videos and simple health tips throughout the organisation. A series of external training programmes were also conducted on a wide range of topics, including management in the post-pandemic world. We invest in our employees' professional development as it is vital for talent retention and for business sustainability.

Types of Training (FY2020)	
<p>Leadership Development</p> <ol style="list-style-type: none"> 1. Communicating across your organisation 2. Leading change in a complex World 3. Managing remote and virtual teams 4. Mastering positive assertiveness 5. The art of influence – An essential workplace competency 6. Governance Risk – Uncertain World, a Riskier Landscape 7. Enterprise Risk Management 	<p>COVID-19 related training</p> <ol style="list-style-type: none"> 1. COVID-19 & its impact – Managing Tax Concerns for property developers 2. COVID-19 – “3 No’s of Impairment Assessment” 3. COVID-19 impact on financial reporting: Not business as usual 4. Employment Law – Employers’ Issues and Challenges in the Recovery of MCO and COVID-19 5. Human Capital of Post COVID-19: Challenges and Opportunities on Work, Workforce and Workplace 6. Impact of MCO on Vacant Possessions Handover and Strata Management Issues 7. Impact on Valuation Assessment and Deal Restructuring due to COVID-19 8. Internal Audit during COVID-19 9. Malaysia Labour Law on Retrenchment, Pay Cut, and Downsizing 10. PwC COVID-19 Special Edition on Economic Stimulus Package and MCO
<p>Financial Reporting/Planning</p> <ol style="list-style-type: none"> 1. 2020 Budget Proposals & Tax Updates 2. Cash Conservation and Management, Keep the Cash Flowing 3. Enterprise Risk Management 4. Thematic Workshop on Corporate Liability Provision 5. Redefining Business Continuity to Strive 6. Rethinking workforce strategy: What needs to change to safeguard productivity 7. Malaysia Tax Budget 2020 8. Tax Seminar On Budget 2020 	

SUSTAINABILITY STATEMENT



Program Kerjaya & Jati Diri Anak Harapan Sepang

EMPLOYEE ENGAGEMENT

Our employee engagement programmes are organised by the Sunsuria Recreational Club with the support of the Human Resources Department. Most of the engagement programmes were conducted online during the MCO period to ensure our employees were leading a healthy lifestyle while being confined in their homes. Some of the programmes organised were:

1. Plank exercise challenge	4. SRC 21+4 Health Challenge (21 Days of Healthy Meals + 4 days of workout completion)
2. Zumba Session	5. Breakfast Bonding
3. Dalgona Coffee Contest	6. Valentines Celebration



Online Zumba Session

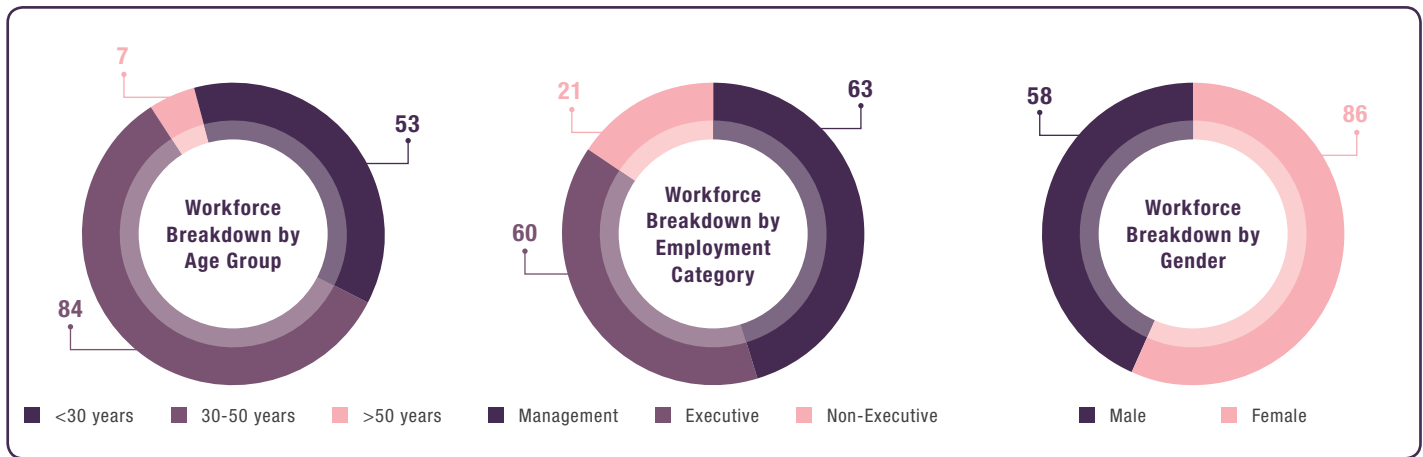


Breakfast Bonding

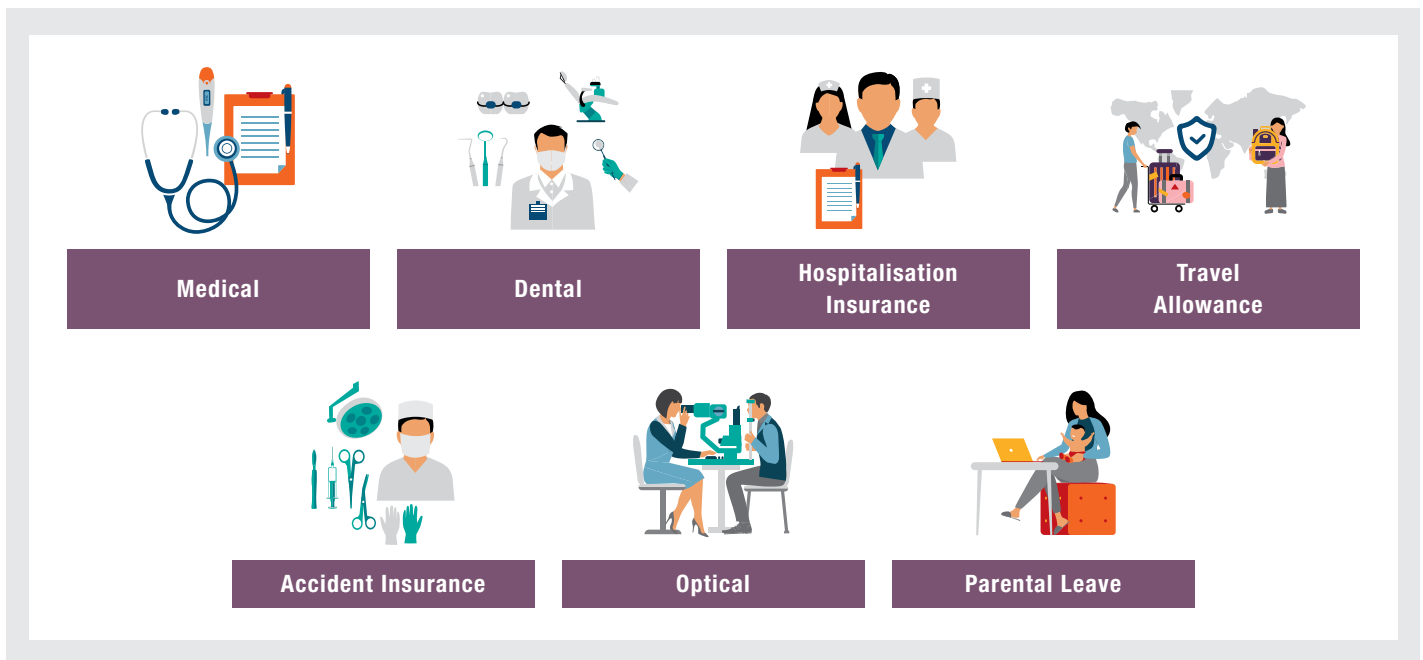
SUSTAINABILITY STATEMENT

DIVERSITY AND INCLUSIVENESS [401-1, 401-2, 401-3, 405-1]

Our recruitment and selection processes are fair, objective and without discrimination. Bringing in people with a variety of skills and experiences from different cultural background meets our vision of being a progressive company. The graphs below highlight the breakdown of Sunsuria's total workforce of 144 employees in FY2020.



The benefits that we provide to Sunsuria employees in FY2020 are the illustrated below.



Every employee who is entitled to parental leave (Total 8 female employees and 6 male employees) during the reporting period remained employed with the Group 12 months after their return to work. The Group's turnover and new hires rate for FY2020 were 29.17% and 22.92% respectively, as compared to 21.0% and 24.0% respectively in FY2019. The higher turnover rates and lower new hire rates are attributed to the slowdown in the Malaysian economy due to the pandemic.

SERVING COMMUNITY NEEDS



Community Engagement



IMPROVING THE COMMUNITY'S QUALITY OF LIFE

Creating a vibrant and healthy community is part of Sunsuria's legacy. We have organised numerous community engagement and champion many events for the betterment of the society.

SUSTAINABILITY STATEMENT

COMMUNITY ENGAGEMENT ^[413-1]

The local communities where our projects are located remain the Group's key stakeholders. It is the aim of our leadership team to actively engage these communities to create a culture that is driven by social responsibility.

Date	Event	Description
April 2019 - Present	Circle of Life <i>Designated outlet at Sunsuria Forum catering to the community to donate clothes and apparel.</i>	<ul style="list-style-type: none"> All revenue collected was donated Circle of Life donated RM2,000.00 to Yayasan Chow Kit for Leukaemia patients (Madhya) who badly needed a bone marrow transplant
October 2019	World Food Day – Kid's Carnival <i>Collaborate with The Mustard Seed pre-school to create awareness about world hunger.</i>	<ul style="list-style-type: none"> Children set up stalls to sell items to generate sales. The money raised was donated to many foundations to end world hunger Attendance by minor celebrity chef such as Samantha Lee to draw the crowd Amount sponsored: RM6,712.50 Sunsuria's contribution: Backdrop printing and installation, flyer printing and distribution, digital awareness through social media
November 2019	Charity Book Launch <i>Event aimed at raising money for the PureLove Charity foundation.</i>	<ul style="list-style-type: none"> Launch and selling of featured books Amount sponsored: RM5,456.12 Sunsuria's contribution: Cash sponsor, set up and dismantling of facility
November 2019	Program Kerjaya & Jati diri Anak Harapan Sepang <i>Event organised by MP Sepang & Pejabat Pendidikan Daerah Sepang to nurture positive mindset and mental health among students.</i>	<ul style="list-style-type: none"> Sunsuria's booth was setup to engage with school Parent-Teachers Association Event featured fire rescue presentation, cultural defence demonstration and 'm8hexa' eSports presentation Amount sponsored: RM18,276.00 Sunsuria's contribution: Venue, catering, button badges with Sunsuria branding
November 2019	Christmas Baking Competition <i>Competition held by the Klang Youth Association to promote parent and child bonding during the season of giving.</i>	<ul style="list-style-type: none"> Family baking competition with prize sponsors Amount sponsored by Sunsuria: RM4,840.00 Sunsuria's contribution: Venue, furniture rental and electricity
December 2019	Loot in the Car Boot <i>Community event by Setia Alam residents to sell unwanted items and home-cooked meals for charity.</i>	<ul style="list-style-type: none"> Amount sponsored: RM2,900.00 Sunsuria's contribution: Digital awareness, venue sponsorship, voucher sponsorship, set up and installation of facilities
January 2020	MyKampung Malaysia Japan Festival Soft Launch Private Event <i>Collaborate with the Japan Graduates Association of Malaysia ("JAGAM") and Malaysian Students' Association in Japan ("MSAJ") to launch "MyKampung" campaign, as well as introducing local Malaysian goods especially in the area of agriculture in supporting local entrepreneurs.</i>	<ul style="list-style-type: none"> Soft launch of their #MyKampung Japan Campaign - Showcasing the Best of Malaysia To the World for Tokyo Olympics 2020 Through Youth Local SME booth displays Keynote dialogue session by YAB Tun Dr. Daim Zainuddin, former Finance Minister and Economic Advisor Amount sponsored: RM8,670.00 Sunsuria's contribution: Venue, furniture rental, rostrum and sound system

* The lack of events after February 2020 is due to the COVID-19 pandemic and social distancing practices.

SUSTAINABILITY STATEMENT



Christmas Baking Competition @ Sunsuria Forum



Holi Jolly Christmas @ Sunsuria Forum

In addition to the community events above, Sunsuria have also made donations throughout FY2020 for charitable causes.

Type of donations	Amount (RM)
Education Sponsorship	53,335.05
Kasih Hospice Foundation	5,000.00
Pertubuhan Kebajikan Kanak-Kanak Selangor	1,500.00
ACCIM's Donation of Medical Gloves to China – 500 Ctn @ 500,000 pieces	58,000.00
Kuala Lumpur Eng Choon Hoey Kuan	20,000.00
Being Sponsorship for MRCA 27 th Anniversary Banquet	60,000.00
Pertubuhan Perancang Malaysia – Pledge and Plant a Tree Program 2019	3,000.00
Being Sponsorship Fee for National Economic Forum 2019	10,000.00
Sponsorship for Pin Hwa High School	300,000.00
Being Sponsorship 100 Books of Yearly Culture 2020 to School	5,000.00
KLSCCCI – Donation to Welfare Fund	20,000.00
The Associated Chinese Chambers of Commerce and Industry of Malaysia – The Edge COVID-19 Fund	200,000.00
KLSCCCI – My Hero Award 3.0	50,000.00
Total donations in FY2020	785,835.05

CONCLUSION

At Sunsuria, our properties and other businesses contribute to the larger vision of building sustainable cities and communities. Setting KPIs to monitor our performance in areas relating to sustainability marks a deeper commitment to strengthen the business on this front. We aspire to embed sustainability throughout our operations so that we are better prepared to face unforeseen challenges and to build resilience within our team.

SUSTAINABILITY STATEMENT

GRI CONTENT INDEX [102-55]

GRI Standard	Disclosure Number	Description	Reference	Page
GRI 102: General Disclosure 2016	102-1	Name of the organisation	Scope of Reporting	29
	102-3	Location of headquarter		
	102-4	Location of operations		
	102-6	Markets served		
	102-16	Values, principles, standards and norms of behaviour	Sustainability Policy	30
	102-18	Governance structure	Sustainability Governance Structure	33
	102-20	Executive-level responsibility for economic, environmental and social topics	Sustainability Governance Structure	33
	102-30	Effectiveness of risk management processes	Risk Management	41
	102-32	Highest governance body's role in sustainability reporting	Sustainability governance Structure	33
	102-40	List of stakeholder groups	Stakeholder Engagement Table	34
	102-43	Approach to stakeholder engagement		
	102-44	Key topics and concerns raised		
	102-48	Restatement of information	Key Sustainability Performances	45
			Electricity Efficiency	
	102-50	Reporting Period	Reporting Period	29
	102-52	Reporting Cycle		
102-53	Contact point for questions regarding the report	Feedback	29	
102-55	GRI Content Index	GRI Content Index	60	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Financial Performance	43
	201-2	Financial implications and other risks and opportunities due to climate change		
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	Market Presence	43
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Supply Chain Management	43
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Governance and Ethics	41
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy Efficiency	45
	302-3	Energy intensity		
	302-4	Reduction of energy consumption		

SUSTAINABILITY STATEMENT

GRI Standard	Disclosure Number	Description	Reference	Page
GRI 303: Water and Effluents 2018	303-5	Water consumption	Water Consumption	47
GRI 306: Waste 2020	306-3	Waste generated	Effluent and Waste Management	46
	306-4	Waste diverted from disposal		
	306-5	Waste directed to disposal		
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Environmental Regulatory Compliance	45
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Diversity and inclusiveness	56
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		
	401-3	Parental leave		
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety	53
	403-2	Hazard identification, risk assessment and incident investigation	COVID-19 Response	53
	403-4	Worker participation, consultation and communication on occupational health and safety		
	403-5	Worker training on occupational health and safety	Occupational Health and Safety	53
	403-6	Promotion of worker health	COVID-19 Response	53
	403-9	Work-related injuries	Occupational Health and Safety	53
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Capacity building	53
	404-2	Programs for upgrading employee skills and transition assistance programs		
	404-3	Percentage of employees receiving regular performance career development reviews		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Diversity and Inclusiveness	56
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programs	Community engagement	58
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Product and Service Quality Food Safety	50
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Food Safety	51

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.

Board of Directors B

TAN SRI DATUK TER LEONG YAP

Executive Chairman

Attendance: 6/6

AGM attendance: 1/1

The Executive Chairman, Tan Sri Datuk Ter Leong Yap is primarily responsible for the leadership and management of the Board, ensuring the Board and Board Committees carry out their responsibilities in the best interest of the Company. Presently, Tan Sri Ter also helps the role of Chief Executive Officer, responsible for providing the vision and strategic direction of the Group and to formulate appropriate corporate strategies and develop the business.

Tan Sri Ter oversees and evaluates the conduct and performance of the Group and undertakes to ensure efficient functioning of the Board and that procedural rules are followed and quality information to facilitate decision-making is delivered to Board members on a timely basis. The Chairman is also tasked to lead the Board in establishing and monitoring good corporate governance practices in the Company.

DATO' QUEK NGEE MENG

Independent Non-Executive Director

Attendance: 6/6

AGM attendance: 1/1

TAN PEI GEOK

Senior Independent Non-Executive Director

Attendance: 6/6

AGM attendance: 1/1

DATIN LOA BEE HA

Independent Non-Executive Director

Attendance: 6/6

AGM attendance: 1/1

Audit Committee AC

TAN PEI GEOK

Chairman

Attendance: 5/5

DATIN LOA BEE HA

Member

Attendance: 5/5

DATO' QUEK NGEE MENG

Member

Attendance: 5/5

Risk Management Committee RMC

DATO' QUEK NGEE MENG

Chairman

Attendance: 3/3

TAN PEI GEOK

Member

Attendance: 3/3

TAN SRI DATUK TER LEONG YAP

Member

Attendance: 3/3

Nomination and Remuneration Committee NRC

TAN PEI GEOK

Chairman

Attendance: 2/2

DATIN LOA BEE HA

Member

Attendance: 2/2

DATO' QUEK NGEE MENG

Member

Attendance: 2/2

Employees' Share Option Scheme Committee

DATIN LOA BEE HA

Chairman

Attendance: 0/0

TAN SRI DATUK TER LEONG YAP

Member

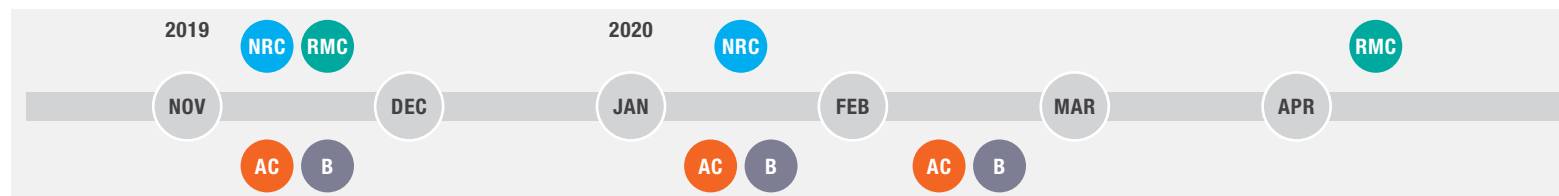
Attendance: 0/0

DATO' QUEK NGEE MENG

Member

Attendance: 0/0

The Committee was formed on 28 August 2019 and no meeting was held since then.



The Board is guided by the principles and recommendations of the Malaysian Code on Corporate Governance (“MCCG”), which was released on 26 April 2017, in implementing its governance system and ensuring compliance with the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This 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.



Scan this to link
to CG Report

Oversees the Group’s financial reporting process and practices, reviews the Group’s business processes and system of internal controls, monitors compliance with established policies and procedures and assesses the suitability, objectivity and the independence of both external auditors and internal audit function.

Oversees the risk management framework of the Group. The Committee supports the Board in fulfilling its responsibility in identifying significant risks and ensuring the implementation of appropriate systems to manage the overall risk exposure of the Group.

Assists the Board in fulfilling its responsibilities with regard to the appropriate size and balance of the Board, the required mix of skills, experience, knowledge and diversity of the Directors.

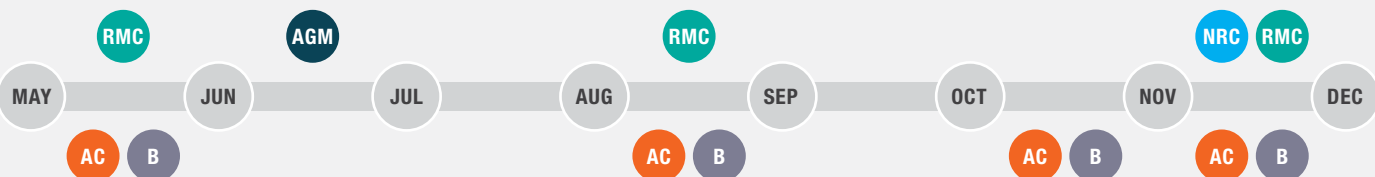
Assists the Board in determining the policy and structure for the remuneration of Directors and senior management of Sunsuria Group.

Primarily assists in administering the ESOS Scheme established by the Company.

DATUK SIMON KWAN HOONG WAI
Chief Operating Officer

LEE SWEE KHENG
Chief Financial Officer

Tan Sri Ter is assisted by the Chief Operating Officer and the Chief Financial Officer for implementing the policies and decisions of the Board and overseeing the day-to-day operations of the Group. The Management’s performance under the leadership of the Executive Chairman is monitored by the Board through quarterly status report which is tabled to the Board and includes a comprehensive summary of the Group’s operating drivers and financial performance during each reporting period.



As a testament to the Board’s commitment, Sunsuria garnered the following awards in year 2020:

Forbes Asia’s 2020 ‘Best Under A Billion’ list of the 200 top-performing small and mid-sized listed companies in the Asia-Pacific region with sales under US\$1 billion in year 2020

CORPORATE GOVERNANCE OVERVIEW STATEMENT

LEADERSHIP AND EFFECTIVENESS

ROLES AND RESPONSIBILITIES

The Board is responsible for the effective leadership and long-term success of the Group. The Board has formally adopted a Board Charter, which outlines the roles and responsibilities of the Board and those which it delegates to the various Board Committees. The Board Charter 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 an 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 to ensure that the Group operates with integrity and in compliance with the rules and regulations.

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.

For the financial year ended 30 September 2020, the Board met six (6) 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.

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 2020 well exceeding the threshold of Paragraph 15.05 of the MMLR which requires none of the Directors to be absent for more than 50% of the total Board Meetings held during the financial year.

All Directors are given ample notice together with the formal agendas for each Board and Committee meeting prior to each meeting so that the Directors are accorded sufficient time to appraise the proposals or information. While the comprehensive set of meeting papers, consisting of the minutes of the previous meeting, management reports and proposals are forwarded to the Directors in sufficient time, prior to the meetings.

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.

BOARD FOCUS AREAS

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

BOARD COMMITTEES

In order to ensure the effective discharge of its functions and responsibilities, the Board has delegated certain responsibilities of the Board to the Board Committees and the Executive Chairman to assist it in carrying out its responsibilities and functions. These Committees operate within their own defined Terms of Reference ("TOR") 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.

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.

ACCESS TO INFORMATION

All Directors have unrestricted direct access to the advices 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

COMMITMENT TO INTEGRITY

CODE OF CONDUCT AND ETHICS

In an effort to promote and maintain high ethical standards at all times, the Board had on 28 August 2019 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.

WHISTLEBLOWING

The Company had since 2018 in place a 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.

Details of the Whistleblowing 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

In compliance with the recent amendment of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 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 approved on 30 September 2019 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.

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:

- to oversee the selection and assessment of directors and to ensure that Board composition meets the needs of Sunsuria Berhad;
- to propose new nominees to the Board of Directors of Sunsuria and any Committee of the Board;
- to assess Directors on an ongoing basis;
- to recommend to the Board the remuneration of the Executive Directors in all its forms, drawing from outside advice as necessary; and
- to assist the Board in determining the policy and structure for the remuneration of Directors and senior management of Sunsuria Group.

Committee Focus Area

- The effectiveness of the size, mix and the composition of the Board and Board Committees;
- The contribution of individual Director in relation to the effective decision-making of the Board;
- The independence of Independent Directors;
- The re-nomination of the Director who was due for retirement at the Company's Annual General Meeting;
- The salary increment, performance bonus KPIs for Executive Director;
- The Directors' fees for Non-Executive Directors payable from 12 June 2020 to the next Annual General Meeting in March 2021, on a monthly basis, subject to the shareholders' approval; and
- Assessed and evaluated the training needs of the Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

LEADERSHIP AND EFFECTIVENESS (CONT'D)

FAIR 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. 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, duty and responsibility, and contribution required from a Director in view of the Group's complexity, and also the market rate among the industry.

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 52nd AGM until the next AGM in year 2022. The Proposed fees remain unchanged and would continue paying 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.

The Non-Executive Directors who are shareholders of the Company will abstain from voting the Resolution concerning the Proposed Directors' Fees payment during the 52nd AGM.

The details of the Remuneration of the Directors of the Company comprising remuneration received from the Company during the FY2020 are as follows and none of the remuneration was paid by the subsidiaries of Sunsuria:

Directors	Company					
	Fees (RM)	Salary (RM)	Other Emoluments (RM)	Benefits-in-kind (RM)	Bonus (RM)	Total (RM)
Executive Directors						
Tan Sri Datuk Ter Leong Yap	-	2,279,210.00	436,785.40	49,237.83	1,254,955.00	4,020,188.23
Non-Executive Directors						
Tan Pei Geok	72,000	-	-	-	-	72,000
Dato' Quek Ngee Meng	60,000	-	-	-	-	60,000
Datin Loa Bee Ha	60,000	-	-	-	-	60,000
Total	192,000	-	-	-	-	192,000

BOARD EVALUATION

The Board, through the NRC, conducts an annual review of the structure and composition of the Board, competency and time commitment of the Board 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 Board was satisfied with the Board effectiveness, the performance of the board committees and individual directors. The evaluation is especially important in deciding whether a Director who is subject to re-election can be recommended accordingly at the next AGM.

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. They opined that the Independent Directors continue to remain objective and independent in expressing their respective views and in participating in deliberations and decision-making of the Board and Board Committees.

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 of the Board and Board Committees meetings as shown in the details of attendance of Directors at the meetings held during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 Directors	Seminars/Forums/Conferences/Trainings	Date
Tan Sri Datuk Ter Leong Yap	• CEO SERIES 2019	19.11.2019
	• Webinar - Cyber and economic crime: Fraudsters and cyber criminals, too, can work from home	23.04.2020
	• Webinar - Impact of MCO on Vacant Possessions Handover and Strata Management Issues - The Practical Solution by Pemudah	24.04.2020
	• Cash Conservation and Management. Keep the Cash Flowing by PwC	29.04.2020
	• Governance and Risk - An Uncertain World, a Riskier Landscape by PwC	30.04.2020
	• Webinar - Optimising operations: 'Supply' your supply chain with resilience	04.05.2020
	• Webinar - COVID-19 impact on financial reporting: Not business as usual	05.05.2020
	• Webinar - Rethinking workforce strategy: What needs to change to safeguard productivity	12.05.2020
	• Webinar - Resource planning: Taking care of your people amid challenging business conditions	19.05.2020
	• Webinar - Economic crime: Fraudsters, too, can work from home	28.05.2020
	• ACCCIM YEC Facebook Live Sharing Sessions by Young Generation Entrepreneurs – The New Normal: Challenges and Opportunities in Business	12.06.2020
	• ACCCIM YEC Facebook Live Sharing Sessions by Young Generation Entrepreneurs – Embedding Personal Values into Sustainable Business Mode	12.06.2020
	• ACCCIM YEC Facebook Live Sharing Sessions by Young Generation Entrepreneurs – Unlocking New Growth for Established Brand	25.06.2020
	• Sharing Session by Dato' Pretam Singh on Housing Development Legal Issues Part 1	10.07.2020
	• Sharing Session by Dato' Pretam Singh on Housing Development Legal Issues Part 2	24.07.2020
	• ACCCIM 9 th Young Entrepreneurs Conference 2020	25.07.2020
• NCCIM - Webinar for SMEs-Loan/Financing Repayment Assistance	19.08.2020	
Ms Tan Pei Geok	• Session on Corporate Governance and Anti-Corruption by Bursa Malaysia & Securities Commission Malaysia	31.10.2019
	• Webinar - Crisis Management	21.06.2020
	• Webinar - From Sustainability Reporting to Integrated Reporting	22.06.2020

CORPORATE GOVERNANCE OVERVIEW STATEMENT

LEADERSHIP AND EFFECTIVENESS (CONT'D)

Name of Directors	Seminars/Forums/Conferences/Trainings	Date
Dato' Quek Ngee Meng	<ul style="list-style-type: none"> International Mediation Summit 2019 Judge for Supernova Hackathon Talk on Restraint on Land Dealings: Malay Reserve Land & Bumi Lots/ Units Cross-border Trade Investment: Protection of International Commercial Rules for SMEs in ASEAN Labuan IBFC-Talk on Ideas Regional Hub for Chinese Business Expansion and Wealth Management Strategies CCPIT & Tricor - Malaysia-Gateway to Explore International Market HHQ - Webinar on Practical Aspects of Mergers & Acquisition Country Garden - Webinar on Latest Issue Relating to Strata Management from Developers' Viewpoint Unilifesity - Sharing on Batang Kali Massacre Sime Darby Property - Strata Management: Passing the Baton from Developer to JMB/MC & Dealing with Disputes Safeguarding the Business: Section 17A by Institute of Corporate Directors Malaysia (ICDM) Webinar: Malaysia As an Ideal FDI Host Amidst COVID-19 	<p>17.10.2019</p> <p>19 & 20.10.2019</p> <p>21.10.2019</p> <p>06.11.2019</p> <p>15.11.2019</p> <p>19.11.2019</p> <p>25.03.2020</p> <p>24.04.2020</p> <p>20.06.2020</p> <p>23.06.2020</p> <p>09.07.2020</p> <p>03.09.2020</p>
Datin Loa Bee Ha	<ul style="list-style-type: none"> Securities Commission Malaysia's (SC) Audit Oversight Board (AOB) Unclaimed Money Act 1965 by MIA 	<p>08.11.2019</p> <p>10.09.2020</p>

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 Annual General Meeting. 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 Profile 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

EFFECTIVE AUDIT & RISK MANAGEMENT

AUDIT COMMITTEE

The AC comprises three (3) members, all of whom are Independent Non-Executive Director. The members of the AC are Ms Tan Pei Geok as Chairman, Dato' Quek Ngee Meng and Datin Loa Bee Ha. The Chairman 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 8.1 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 Chairman, Ms 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 TOR approved by the Board.

The performance of the AC for the FY2020 was evaluated and based on the results of the evaluation, the Board was generally satisfied that the AC collectively and its members individually, had discharged their functions, duties and responsibilities effectively in accordance with the 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.

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. 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 external consultants, which reports directly to the Committee. The Internal Auditors are able to undertake independent and systematic reviews of the systems of internal controls and procedures of operating units 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.

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 regularly to the RMC and the AC, which in turn report to the Board regarding the adequacy and integrity of the system of internal control. 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 76 to 82 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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:

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

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 2020, the Company served notice of its Fifty-First Annual General Meeting held on 19 March 2020 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 2019 and to make necessary arrangements to attend the meeting. The Company also distributed together with the Notice of Annual General Meeting, 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.

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government had imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel and movement restriction, lockdown and other precautionary measures imposed in various countries. Hence, the 51st AGM scheduled on 19 March 2020 was postponed to 12 June 2020 and was conducted fully virtual through live streaming and online remote voting via Remote Participation and Voting facilities.

All Board members had ensured their attendance in the 51st 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 51st 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 12 June 2020, all resolutions were decided by a poll and the votes received in respect of each resolution were notified to the 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 30 November 2020.

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 2020 (“FY2020”).

COMPOSITION AND ATTENDANCE

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

During the FY2020, the AC held five (5) meetings. The details of attendance of the AC members are set out below:

Members	Membership/Designation	Meeting Attendance
Ms Tan Pei Geok	Chairman/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 members with the Chairman and a majority of the members being Independent Non-Executive Directors.

As a whole, the AC are 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 Chairman 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 Committee. Other Board members and the representatives of the external auditors shall also have the right of attendance upon the invitation of the Committee, as and when necessary, to brief the AC on specific issues.

For FY2020, the Executive Chairman and Chief Financial Officer have attended the meeting by invitation.

The External Auditors were invited to brief the AC on audit related matters during the financial year and provide 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 FY2020, the AC had met the External Auditors twice and the meetings were held without the presence of Management.

During FY2020, the Internal Auditors have attended four (4) out of five (5) AC meetings held to table the respective internal audit reports and presented their recommendations as the actions and steps taken by management in response to any audit findings for the AC’s deliberation and approval.

Annually, the term of office and performance of the AC and each of its members are being assessed by the Nomination and Remuneration Committee prior to recommending to the Board for notation. During the FY2020, the Board is satisfied that the AC has discharged its function, duties and responsibilities in accordance to the 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 (“TOR”)

The TOR of the AC was reviewed annually and updated on 24 May 2018 to reflect the requirements of the applicable practices and guidance of the Malaysian Code on Corporate Governance (“MCCG”). The TOR of the AC is made available on the Company’s corporate website at www.sunsuria.com.

The TOR prescribes the AC’s oversight of financial compliance matters in addition to a number of other responsibilities that the AC performs. Amongst others, the main responsibilities include:

- Oversee the financial reporting process the Group’s financial statements.
- Review and evaluate the operation and effectiveness of the Company’s internal audit function and external auditors.
- Review the appropriateness of adoption of the accounting policies and significant financial reporting issues or significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed.
- Oversee the Group’s system of disclosure controls and system of internal controls established by management.
- Evaluate the independence of external auditors.
- Review conflict of interest situations and related party transactions of the Group.

SUMMARY OF WORK OF THE AC DURING FY2020

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 2019 (“FY2019”) at the AC meeting held on 27 November 2019; and
 - (ii) First, second and third quarters of the quarterly results for FY2020 at the AC meetings held on 25 February 2020, 22 May 2020 and 26 August 2020, respectively.
- (b) Reviewed the consolidated audited financial statements of the Company and the Group for FY2019 at the AC meeting held on 22 January 2020 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 FY2020, 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 FY2020.

For FY2020, Messrs Deloitte PLT (“Deloitte”) identified one (1) Key Audit Matter (“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 judgements by management were involved in developing and monitoring the total budgeted property development costs, for which inherent uncertainties may arise.

AUDIT COMMITTEE REPORT

- (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 assessment on the impact of COVID-19 on the Group's and the Company's financial statements, including management's strategies and measures in managing the impact on COVID-19, monthly cash flow forecast for at least one year subsequent to FY2020.
- (h) 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, Messrs Deloitte PLT ("Deloitte"), the Audit Review Memorandum on the audit of the financial statements for FY2019 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 FY2020 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 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 30 November 2020 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; and

AUDIT COMMITTEE REPORT

- (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 agreed to the change of engagement of the outsourced internal audit function for a broader range of internal audit, governance and business advisory services to the Group.

The newly appointed Internal Auditors, Resolve IR Sdn Bhd is a member of the Institute of Internal Auditors, Malaysia ("IIAM") and its personnels are individual members of IIAM or Malaysian Institute of Accountants or both.

- (b) Reviewed with the Internal Auditors the internal audit reports (including follow-up review reports) on the audit findings and recommendations, management's responses and/or actions taken thereto, and ensured that material findings were satisfactorily addressed by management.
- (c) Reviewed and adopted the risk-based internal audit plan for FY2020 to ensure sufficient scope and coverage of activities of the Company and Group.
- (d) Reviewed the internal audit reports, audit recommendations and Management's responses to these recommendations and actions taken to improve the system of internal control and procedures. Enquiries were made to both internal auditors and Management over details of issues raised, root causes and the proposed corrective actions. The AC also provided additional advisory on issues raised through the discussions with Internal Auditors and Management.
- (e) Monitored and deliberated the implementation of audit recommendations arising from internal audit activities as well as the follow-up audits conducted by Internal Auditors to ensure that all key risks and controls have been addressed. The AC also considered the timeliness of completion of the proposed actions and whether such actions effectively resolved the issues raised.
- (f) Reviewed the status of audit assignments reported by the Internal Auditors to ensure that the progress was in line with the approved Annual Audit Plan.
- (g) Reviewed the whistle-blowing reports received via the whistle blowing channels managed by Human Resources 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.
- (h) Reviewed the Statement on Risk Management and Internal Control to ensure that it is consistent with their understanding of the state of internal control of the Group and recommended the same to the Board for inclusion in the Annual Report.
- (i) Reviewed, assessed and monitored the performance and suitability of the Internal Auditors. An annual performance assessment was carried out by AC, as part of the 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 management and the internal audit team.
 - Performance evaluation and review by management.

Following the outcome of the assessment and having satisfied with the Internal Auditors' performance and suitability, the AC at its meeting held on 30 November 2020 agreed to continue with the present appointment of the internal auditors.

AUDIT COMMITTEE REPORT

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 role of the Internal Auditors are to assist the AC in evaluating the adequacy and effectiveness of the governance, risk management and internal control systems and recommending improvements to the systems.

The Group has outsourced its internal audit function to external consultants, which reports directly to the AC. The Internal Auditors are able to undertake independent and systematic reviews of the systems of internal controls and procedures of operating units 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 work of the internal audit function during the year under review include:

- (a) Developed the annual internal audit plan and proposed the plan to the Committee.
- (b) Conducted follow-up reviews to assess if appropriate action has been taken to address issues highlighted in previous audit reports.
- (c) Presented significant audit findings and areas for improvements raised by the Internal Auditors to the Committee for consideration on the recommended corrective measures together with the management’s responses.
- (d) Conducted RRPT reviews to assess accuracy and completeness of reporting and ensure compliance with the MMLR.
- (e) Conducted discussions with management in identifying significant concerns and risk areas perceived by management for inclusion in the internal audit plan.
- (f) Reviewed the adequacy of internal controls in the various auditable areas such as the four (4) key risks deliberated by the RMC in FY2020 including regulatory & compliance risk, competition risk, feasibility risk and operation risk.
- (g) Incorporated suggestions made by the AC and management on concerns over operations or controls and significant issues pertinent to the Company and the Group into the pre-audit planning.

The cost incurred for the Internal Audit function of the Group in respect of the FY2020 was RM82,233 (2019: RM105,000).

This Audit Committee Report is made in accordance with the resolution of the Board of Directors dated 30 November 2020.

STATEMENT ON RISK MANAGEMENT AND 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 2020. This statement is made pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (the "Listing Requirement") and in accordance with the Principles as stipulated in the Malaysian Code on Corporate Governance 2017 ("the Code") and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"). 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 key aspects of the Group's activities, and its alignment with the Group's 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 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 of financial information and records or against financial losses or fraud.

The Board appointed 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 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 Chairman of the Audit Committee.

Roles and responsibilities of the RMC include the following:

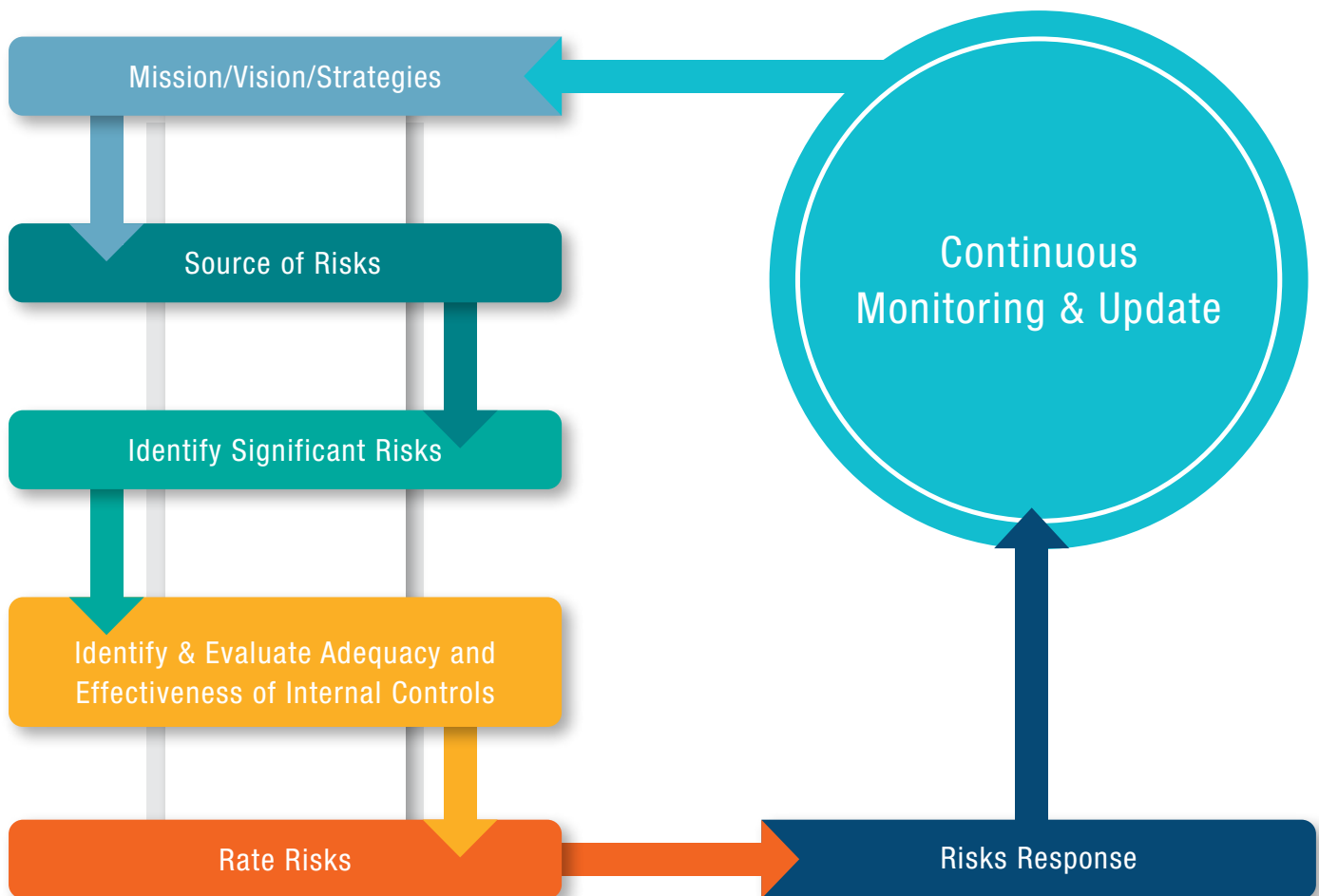
- a. Develop and recommend the Group's risk framework and policies that are aligned with its strategic business objectives;
- b. Communicate the Board's risk policies, objectives, responsibilities, and reporting lines to all employees across the Group;
- c. Identify and communicate to the Board on significant risks that are critical and of high risks both present and potential that the Group may face, their impact and consequences and the management action plans to manage and mitigate these risks;
- d. Perform risk oversight and review risk profiles of the Company and the Group as well as 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 upwards 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; and
- g. All other risk management matters delegated by the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

3. RISK MANAGEMENT FRAMEWORK

The Group has adopted a Risk Management Framework (“Framework”) that outlines policies and on-going processes for identifying, evaluating, managing, monitoring and communicating the risks faced by the Group throughout the period under review. It places importance of balancing between risk and reward in making strategic business decisions, managing both existing and potential risks with the objective of protecting key stakeholders’ interest, and ensuring 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. International Risk Management Standard ISO 31000:2018 is outlined as follows:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Identification and Evaluation Process

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 the severity and probability of its 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, venturing into new businesses or joint ventures, introduction and implementation of new or revision of existing policies and procedures.

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 insignificant impact and 5 being very significant. The rating takes into consideration the effectiveness of existing controls put in place to manage risks. After the risk assessment has been carried out, the Group will continue to closely monitor the significant risks identified and are rated as critical or high.

Amid the backdrops of the COVID-19 pandemic, the four (4) key risk areas identified in the financial year ended 30 September 2020 in accordance to their potential impact to the Group are:

- **Regulatory and compliance risk**

The Group's operations are subject to guidelines, laws and regulations of local authorities, government bodies and ministries, securities commission and listing requirements.

The changes in laws and regulations may directly and indirectly affect the Group. The Group in keeping abreast with the latest rulings, regulations and guidelines changes need to assess the impact of such changes to on the operations of the Group to ensure its continued compliance.

- **Operational risk**

The Group's operations are exposed to sales, project management and construction related risks.

The Group recognised the importance of delivering quality products and services. 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 addition to the above, the Group also emphasizes on the importance of safety requirements and well-being of its stakeholders.

- **Competition risk**

The Group's revenue and profitability are exposed to the risk of uncertainty arising from global and local economic conditions and the challenging property market sector affected by the COVID-19 pandemic.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- **Feasibility risk**

The Group strives to balance between achieving customers' demands over designs and pricing, quality and practicality of its development products while emphasizing on cost optimisation to deliver positive growth to the Group's earnings.

Recognising this, the Group acts with caution in any new business ventures and new launches to deliver long-term value to its stakeholders.

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

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. These reports have been tabled to the RMC on 16 April 2020 and 26 August 2020, respectively. Risk assessment of the Group has been structured on a two-level assessment approach 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 divisions or business units. 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 recognises opportunities that may come from certain significant risks and take appropriate actions to capitalise on such opportunities arising from such events.

The internal audit function, on a regular basis, facilitate the identification and assessment of significant risks and the controls put into effect by the management to mitigate the identified significant risks. Together with the management team, the internal audit function shall ascertain if controls are sufficient and effective in mitigating the identified risks.

After due analysis and discussions with the Management Team, the internal audit function may facilitate the revision in risk ratings where applicable, after taking into account the adequacy and effectiveness of internal controls. Through these mechanisms, the Audit Committee can be assured that the significant risks of the Group are regularly reviewed and appropriately managed to an acceptable level.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

4. INTERNAL CONTROLS

Key elements of the Group's internal control environment for the financial year ended 30 September 2020 are as follows:

Areas	Control Elements
<p>People Management</p>	<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 matters on anti-bribery and corruption. 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 ("ABAC") 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. • Policy on "no gift and entertainment" has also been adopted whereby, subject only to certain narrow exceptions, Sunsuria employees, directors or agents (executive and non-executive) and family members are prohibited from, directly or indirectly involving in receiving or providing gifts & entertainment. • Whistleblowing policy has been established to provide an avenue for employees, associates of the Group and third parties to disclose any concerns about misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse in accordance with the procedures as provided under this policy and to provide protection for its employees, associates or third parties who report such allegations.
<p>Process Management</p>	<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 review before being escalated to the Board for approval. • Limits of Authority ("LoA") has been established for the Group and its subsidiaries to follow, in their day-to-day operations. The relevance of the LoA is reviewed periodically and as and when necessary. <p>The most recent revision of the LoA was carried out in May 2020.</p> <p>Business/Project Management</p> <ul style="list-style-type: none"> • Weekly operational and sales meetings are held to review and update on performance of every business divisions. <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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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.
Crisis Management	<ul style="list-style-type: none"> Crisis management team headed by the Group's Senior Management was formed to address any critical issues and operational matters effectively and efficiently and on a timely manner. The Emergency Response Team was formed in response to the COVID-19 pandemic to provide clear guidelines and Standard Operating Policies and Procedures ("SOPPs") to realign business operation with the new normal ways of operations, ensuring safety, productivity and compliance.

Other key elements of the Group's system of internal control include:

- An appropriate organisation structure for planning, executing, controlling and monitoring business operations with clear lines of reporting and responsibility, and defined delegations of authority.
- Uniform and consistent protocols and controls within the Group, whereby key processes in the Group's management and operations have been formalised and documented in the form of SOPPs. These SOPPs are subject to review and improvements, particularly through periodic reviews.
- Annual budgets for business units and the Group which requires the Board's approval. Variances arising between actual performances against budget are monitored and reported regularly. Such results are consolidated and presented to the Board on a regular basis.
- Clear authorisation levels for all aspects of the business, which are formalised via the Group's LoA.
- Occupational safety and health ("OSH") guidelines, which include the formation of a safety committee to enhance OSH procedures and address OSH issues that may arise from time to time.
- Periodic review of Related Party Transactions by the Audit Committee and the Board to ensure compliance with the Listing Requirements.

Independent Assurance Mechanism

Regular assessments on the adequacy and integrity of the internal control system are carried out through internal audits. The Group's internal audit function has been outsourced to an independent professional services firm since 24 July 2015 to assist the Board and the Audit Committee in undertaking independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system.

During the financial year ended 30 September 2020, internal audit reviews were carried out in accordance with a risk-based internal audit plan that is approved by the Audit Committee. The internal audit methodology applied is risk based and in with the International Professional Practices Framework as promulgated by the Institute of Internal Auditors.

Results of the internal audit reviews including recommendations for improvements as well as corrective measures implemented or planned were presented to the Audit Committee for their deliberation on a quarterly basis. 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.

5. MATERIAL ASSOCIATES

The disclosures in this statement do not include the risk management and internal control practices of the Company's material associates. 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 Committees of these entities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 risk management and internal controls 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 2020 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 22 January 2021.

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:

- applied appropriate and consistent accounting policies;
- made judgements and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and
- 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.

Audit Fees and Non-Audit Fees

During the financial year, the amount of audit-related and non-audit fees paid to the External Auditors and/or affiliates by the Company and the Group respectively for the financial year ended 30 September 2020 are set out below:

	Group		Company	
	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)
Statutory audit fees	356	341	72	67
Total (a)	356	341	72	67
Non-audit fees:				
- Other Services	137	44	110	14
Total (b)	137	44	110	14
% of non-audit fees (b/a)	38.5%	12.9%	152.8%	20.9%

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 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.

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 grant ESOS options to the eligible persons under the scheme.

Recurrent Related Party Transactions

At the last Annual General Meeting held on 12 June 2020, 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 revenue nature incurred by the Group pursuant to the RRPT mandate for the financial year ended 30 September 2020 did not exceed the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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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 2020.

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/(Loss) after taxation	25,590	(10,718)
Attributable to:		
Owners of the Company	29,096	(10,718)
Non-controlling interests	(3,506)	-
	25,590	(10,718)

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, other than the significant event during the year as disclosed in Note 51 to the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend any dividend payment 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.

ISSUES 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.

DIRECTORS' REPORT

TREASURY SHARES

The shareholders of the Company had on 12 June 2020 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 45 to the financial statements.

WARRANTS

The Warrants 2015/2020 with 158,358,462 warrants outstanding have expired on 22 July 2020 and had then been delisted from Bursa Malaysia on 23 July 2020. The details of the warrants are disclosed in Note 35.1 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 there were 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.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONTINUED)

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

- (a) which would render it necessary to write off any bad debts or 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
- (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 twelve months after the end of the financial year, which in the opinion of the directors, will or may substantially affect the ability of the Group and 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
Tan Pei Geok
Datin Loa Bee Ha
Dato' Quek Ngee Meng

The names of directors of subsidiaries, are set out in the respective subsidiaries' statutory accounts and the said information is deemed incorporated herein by such reference and made a part hereof.

DIRECTORS' REPORT

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				At 30.09.2020
	At 1.10.2019	Bought	Sold		
<i>Direct Interests</i>					
Tan Sri Datuk Ter Leong Yap	168,639,872	200,000	-		168,839,872
Tan Pei Geok	1,830,000	-	-		1,830,000
Dato' Quek Ngee Meng	50,000	-	-		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

	Number of Warrants				At 30.09.2020
	At 1.10.2019	Bought	Sold	Expired*	
<i>Direct Interests</i>					
Tan Sri Datuk Ter Leong Yap	37,300,106	-	-	(37,300,106)	-
Tan Pei Geok	210,000	-	-	(210,000)	-
<i>Indirect Interests</i>					
Tan Sri Datuk Ter Leong Yap [#]	51,271,810	-	-	(51,271,810)	-
Datin Loa Bee Ha [^]	5,547,900	-	-	(5,547,900)	-

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.

* Expiry of Warrants 2015/2020 on 22 July 2020.

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' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit 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 46 to the financial statements.

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

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are disclosed in Note 44 to the financial statements.

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 Group and of the Company were RM10,000,000 and RM18,000 respectively. No indemnity was given to or insurance effected for auditors of the Company.

SIGNIFICANT EVENT DURING THE YEAR

The details of significant event during the year are disclosed in Note 51 to the financial statements.

DIRECTORS' REPORT

SUBSEQUENT EVENTS

Significant non-adjusting events subsequent to the end of the financial year are disclosed in Note 52 to the financial statements.

AUDITORS' REMUNERATION

The auditors' remuneration are disclosed in Note 9 to the financial statements.

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
22 January 2021

STATEMENT BY DIRECTORS

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 2020 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
22 January 2021

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

I, **LEE SWEE KHENG**, 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.

LEE SWEE KHENG
MIA No. 12754

Subscribed and solemnly declared by the abovenamed **LEE SWEE KHENG** at Petaling Jaya in the state of Selangor Darul Ehsan this 22nd day of January, 2021.

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNSURIA BERHAD

(Incorporated in Malaysia)

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 2020, 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 96 to 195.

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 2020, 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.

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 2020, property development revenue amounted to RM194 million, representing 98% of the Group's total revenue while its related cost of sales amounted to RM114 million, representing 99% 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>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: <ol 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 property development projects and computation of percentage of completion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNSURIA BERHAD

(Incorporated in Malaysia)

Revenue and Cost of Sales Recognition for Property Development Activities (Continued)	
Key Audit Matter	How our audit addressed the Key Audit Matter
<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 4.26 (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>	<ol style="list-style-type: none"> Evaluated the terms and conditions of major sales transactions to ensure that revenue recognised conforms to the Group policy and the requirements of MFRS 15. Assessed the Sale & Purchase agreements ("SPA") entered into between the purchasers and the Group and test checked for subsequent cancellation of SPA. Performed test of details on actual development costs incurred to date to the relevant supporting documentation such as contractor's progress claims, surveyor certificates and architect certificates. 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. Interviewed management's project team on the achievability of the budgeted costs to the completion of individually significant projects. Performed site visits for individually significant on-going projects to arrive at an overall assessment as to whether information provided by management is reasonable. Performed search for unrecorded liabilities and cut off tests for actual cost incurred. Evaluated accruals made in respect of work performed by contractors and consultants of which progress claims have yet to be received through review the basis of estimation of the amount accrued and subsequent progress claims received after year end. Obtained confirmation of material amounts payable to contractors and consultants and tested details of progress claims for construction costs incurred and payables reconciliation, if any. Assessed the stage of completion of individually significant on-going development projects to the expected handover date, obtained an understanding on the cause of the delays as well as corroborated key judgement applied by management in regards to the projects whereby actual progress is behind planned progress in assessing adequacy of liquidated ascertained damages.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNSURIA BERHAD

(Incorporated in Malaysia)

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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNSURIA BERHAD

(Incorporated in Malaysia)

- 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.

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.

Other Matter

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

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

TAN YU MIN
Partner - 03503/07/2022 J
Chartered Accountant

22 January 2021

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	5	197,083	534,257	24,285	127,188
Cost of sales	6	(115,436)	(273,951)	-	-
Gross profit		81,647	260,306	24,285	127,188
Investment income	7	6,553	4,146	4,040	2,648
Other income		4,236	6,423	39	15,591
Administrative and other expenses		(34,974)	(60,603)	(38,232)	(44,931)
Finance costs	8	(9,345)	(6,506)	(429)	(196)
Share of results in associates, net of tax	13	(40)	(467)	-	-
Profit/(loss) before taxation	9	48,077	203,299	(10,297)	100,300
Income tax expense	10	(22,487)	(62,721)	(421)	(529)
Profit/(loss) after taxation, representing total comprehensive income/(loss) for the financial year		25,590	140,578	(10,718)	99,771
Profit/(Loss) after taxation attributable to:					
Owners of the Company		29,096	135,465	(10,718)	99,771
Non-controlling interests		(3,506)	5,113	-	-
		25,590	140,578	(10,718)	99,771
Earnings per share (sen)	11				
- Basic		3.25	16.08	-	-
- Diluted		N/A	N/A	-	-

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

STATEMENTS OF FINANCIAL POSITION

AT 30 SEPTEMBER 2020

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	12	-	-	229,726	232,680
Investment in associates	13	576	616	594	594
Other investment	14	184	184	159	159
Property, plant and equipment	15	30,558	33,796	14,837	5,746
Investment properties	16	181,507	140,280	3,144	5,778
Goodwill	17	11,453	11,453	-	-
Inventories - land held for property development	18	533,497	549,721	-	-
Deferred tax assets	19	9,286	10,349	-	-
Right-of-use assets	20	1,425	1,462	79	143
Amount owing by subsidiaries	27	-	-	44,153	-
		768,486	747,861	292,692	245,100
CURRENT ASSETS					
Inventories - completed units and others	18	63,842	61,721	-	-
Inventories - property development costs	18	241,939	259,191	-	-
Biological assets	21	111	73	-	-
Contract assets	22	116,975	228,035	-	-
Contract costs	23	16,540	4,642	-	-
Trade receivables	24	48,781	46,336	-	-
Other receivables, deposits and prepayments	25	25,962	23,905	590	2,461
Lease receivables	26	204	-	-	-
Amount owing by subsidiaries	27	-	-	351,632	478,215
Amount owing by related parties	28	1,763	1,904	178	-
Amount owing by associates	29	4,270	1,867	-	-
Current tax assets		14,501	9,751	1,207	225
Short-term investment	30	92,264	7,063	71,828	7,063
Fixed deposits with licensed banks	31	34,908	31,353	29,307	25,797
Cash and bank balances	32	140,606	87,093	21,221	17,552
		802,666	762,934	475,963	531,313
Asset classified as held for sale	33	3,013	407	3,013	-
		805,679	763,341	478,976	531,313
TOTAL ASSETS		1,574,165	1,511,202	771,668	776,413

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

STATEMENTS OF FINANCIAL POSITION

AT 30 SEPTEMBER 2020

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Ordinary share capital	34	640,288	640,288	640,288	640,288
Reserves	35	388,378	359,282	114,517	125,235
Equity attributable to owners of the Company		1,028,666	999,570	754,805	765,523
Non-controlling interests	12	7,335	16,304	-	-
TOTAL EQUITY		1,036,001	1,015,874	754,805	765,523
NON-CURRENT LIABILITIES					
Deferred tax liabilities	19	94,773	91,967	-	-
Long-term borrowings	36	227,207	171,359	7,920	379
Lease liabilities	39	2,558	1,502	40	82
		324,538	264,828	7,960	461
CURRENT LIABILITIES					
Trade payables	40	52,070	78,456	-	-
Other payables, deposits received and accruals	41	111,831	112,983	2,677	6,131
Contract liabilities	22	13,960	15,048	-	-
Amount owing to subsidiaries	27	-	-	6,007	4,041
Amount owing to related parties	28	-	1,249	-	-
Amount owing to associate	29	2,158	1,706	-	-
Dividend payable		-	22	-	-
Short-term borrowings	42	24,069	12,039	177	193
Lease liabilities	39	2,238	1,840	42	64
Current tax liabilities		7,300	7,157	-	-
		213,626	230,500	8,903	10,429
TOTAL LIABILITIES		538,164	495,328	16,863	10,890
TOTAL EQUITY AND LIABILITIES		1,574,165	1,511,202	771,668	776,413

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

The Group	Note	← Non-distributable →					→ Distributable			
		Ordinary Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Capital Reserve RM'000	Capital Redemption Reserve RM'000	Retained Earnings RM'000	Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
As at 1 October 2018		399,421	175,838	48,299	815	168	178,691	803,232	54,711	857,943
Total comprehensive income for the financial year		-	-	-	-	-	135,465	135,465	5,113	140,578
Issuance of shares by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	4	4
Issuance of shares by issue of new shares		42,629	-	-	-	-	-	42,629	-	42,629
Issuance of shares by private placement exercise		22,400	-	-	-	-	-	22,400	-	22,400
Dividend paid by subsidiary to non-controlling interest		-	-	-	-	-	-	-	(47,680)	(47,680)
Adjustment from changes in non-controlling interest		-	-	-	-	-	(4,156)	(4,156)	4,156	-
Transfer arising from "no par value" regime		175,838	(175,838)	-	-	(168)	168	-	-	-
As at 30 September 2019/ 1 October 2019		640,288	-	48,299	815	-	310,168	999,570	16,304	1,015,874
Total comprehensive income for the financial year		-	-	-	-	-	29,096	29,096	(3,506)	25,590
Dividend paid by subsidiaries to non-controlling interest		-	-	-	-	-	-	-	(2,964)	(2,964)
Redemption of non-convertible non-cumulative preference shares by subsidiary to non-controlling interest		-	-	-	-	-	-	-	(2,499)	(2,499)
Arising from expiry of warrants	35.1	-	-	(48,299)	-	-	48,299	-	-	-
As at 30 September 2020		640,288	-	-	815	-	387,563	1,028,666	7,335	1,036,001

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	Note	← Non-distributable →				Distributable	
		Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Capital Reserve RM'000	(Accumulated Losses)/ Retained Earnings RM'000	Total Equity RM'000
The Company							
As at 1 October 2018		399,421	175,838	48,299	1,800	(24,635)	600,723
Total comprehensive income for the financial year		-	-	-	-	99,771	99,771
Issuance of shares by issue of new shares		42,629	-	-	-	-	42,629
Issuance of shares by private placement exercise		22,400	-	-	-	-	22,400
Transfer arising from "no par value" regime		175,838	(175,838)	-	-	-	-
As at 30 September 2019/1 October 2019		640,288	-	48,299	1,800	75,136	765,523
Total comprehensive income for the financial year		-	-	-	-	(10,718)	(10,718)
Arising from expiry of warrants	35.1	-	-	(48,299)	-	48,299	-
As at 30 September 2020		640,288	-	-	1,800	112,717	754,805

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before taxation	48,077	203,299	(10,297)	100,300
Adjustments for:				
Depreciation of:				
- property, plant and equipment	5,649	4,781	998	1,145
- investment properties	478	499	138	122
- right-of-use assets	953	973	67	325
Dividend income	-	-	(3,060)	(107,270)
Fair value gain on biological assets	(38)	(53)	-	-
Impairment loss on:				
- investment in subsidiaries	-	-	2,955	122
- property, plant and equipment	1,751	-	-	-
- investment properties	602	-	408	-
- right-of-use assets	1,874	-	-	-
Allowance for impairment losses on:				
- trade receivables	1	8	-	-
- other receivables	1,071	91	1,071	-
- amount owing by subsidiaries	-	-	8,107	11,692
Finance costs	9,345	6,506	429	196
Investment income	(6,553)	(4,146)	(4,040)	(2,648)
Inventories write down to net realisable value:				
- land held for property development	1,238	1,395	-	-
- completed units	404	-	-	-
Gain on disposal of:				
- investment properties	-	(5,438)	-	(5,438)
- assets classified as held for sale	(1,893)	-	-	-
Gain on recognition of lease receivables	(97)	-	-	-
Property, plant and equipment written-offs/adjustments	476	-	316	-
Reversal of impairment on investment in subsidiaries	-	-	-	(10,142)
Reversal of allowance for impairment losses on trade receivables	(694)	-	-	-
Share of results in associates	40	467	-	-
Operating profit/(loss) before working capital changes carried forward	62,684	208,382	(2,908)	(11,596)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Operating profit/(loss) before working capital changes brought forward	62,684	208,382	(2,908)	(11,596)
Changes in working capital:				
(Increase)/Decrease in inventories - completed units and others	(2,525)	5,689	-	-
Decrease in inventories - property development costs	13,524	66,675	-	-
Decrease/(Increase) in contract assets	110,856	(97,878)	-	-
(Increase)/Decrease in contract cost	(11,898)	7,693	-	-
(Increase)/Decrease in trade and other receivables	(4,880)	10,058	800	(1,076)
Decrease/(Increase) in amount owing by subsidiaries	-	-	84,461	(50,607)
Decrease/(Increase) in amount owing by related parties	141	(779)	(178)	(126)
Increase in amount owing by associates	(2,083)	-	-	-
(Decrease)/Increase in trade and other payables	(27,538)	17,182	(3,454)	2,627
Increase/(Decrease) in contract liabilities	250	(131,124)	-	-
Decrease in amount owing to related parties	(1,249)	(269)	-	-
Increase in amount owing to associate	452	1,706	-	-
CASH FROM/(FOR) OPERATIONS	137,734	87,335	78,721	(60,778)
Income tax paid	(25,397)	(47,512)	(1,312)	(514)
Income tax refunded	2,488	1,206	41	1,075
Finance costs paid	(14,223)	(13,670)	(483)	(196)
Real property gains tax paid	(316)	(243)	(132)	(243)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	100,286	27,116	76,835	(60,656)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Advances to subsidiaries		-	-	(12,742)	(120,934)
Advances to associate		(320)	-	-	-
Dividend received		-	-	5,560	59,840
Expenditure incurred on land held for property development		(4,335)	(4,348)	-	-
Placement of deposits pledged with licensed banks		(9,979)	(577)	(9,903)	(1,035)
Investment income received		6,553	4,146	4,040	2,648
Investment in subsidiaries		-	-	(1)	(787)
Acquisition of:					
- property, plant and equipment	i	(2,293)	(7,415)	(10,351)	(324)
- investment properties		(19,738)	(9,292)	(925)	-
Proceeds from disposal of:					
- investment properties		-	6,500	-	6,500
- assets classified as held for sale		2,300	-	-	-
Redemption of preference shares		-	-	-	64,210
Repayment from associate		-	45	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(27,812)	(10,941)	(24,322)	10,118

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Advances from subsidiaries		-	-	2,070	5,070
Dividends to non-controlling interest		(2,986)	(47,680)	-	-
Drawdown of loans and borrowings		157,708	30,332	37,718	-
Payments for the principal portion of lease liabilities		(2,577)	(2,239)	(67)	(331)
Proceeds from issuance of:					
- ordinary shares		-	65,029	-	65,029
- ordinary shares to non-controlling interest in subsidiaries		-	4	-	-
Redemption of of non-convertible non-cumulative preference shares by subsidiary to non-controlling interest		(2,499)	-	-	-
Repayment of hire purchase obligations		(193)	(324)	(193)	(324)
Repayment of loans and borrowings		(89,637)	(86,584)	(30,000)	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		59,816	(41,462)	9,528	69,444
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		132,290	(25,287)	62,041	18,906
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		103,133	128,420	31,008	12,102
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	43	235,423	103,133	93,049	31,008

Note i

During the current financial year, the Group and the Company acquired property, plant and equipment through cash payments:

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Total additions of property, plant and equipment (Note 15)	2,347	7,415	10,405	324
Less: interest capitalised	(54)	-	(54)	-
Total costs of property, plant and equipment acquired via cash payments	2,293	7,415	10,351	324

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 22 January 2021.

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 and Issues Committee (IC) Interpretations

In the current financial year, the Group and the Company have adopted all the Amendments to MFRSs and IC Interpretation 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 2019 as follows:

Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interest in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRSs 2015 - 2017 Cycle	

The adoption of these Amendments to MFRSs and IC Interpretation 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 2020

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

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:

MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards ¹
MFRS 17/Amendments to MFRS17	Insurance contracts ⁴
Amendments to MFRS 3	Definition of a Business ¹
Amendments to MFRS 3	Reference to the Conceptual Framework ³
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9 ⁴
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform ¹
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current ⁴
Amendments to MFRS 101 and MFRS 108	Definition of Material ¹
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2 ²
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use ³
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract ³
Annual Improvements to MFRS 2018 - 2020 Cycle ³	

¹ Effective for annual periods beginning on or after 1 January 2020, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.

⁴ Effective for annual periods beginning on or after 1 January 2023, with earlier application permitted.

⁵ Effective date deferred to a date to be determined and announced.

The abovementioned 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 2020

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

3.3 New accounting pronouncement that has yet to be effective but has been early adopted:

Amendments to MFRS 16 COVID-19 - Related Rent Concessions

The Group and the Company have on 1 October 2019, elected to early adopt amendments to MFRS 16 COVID-19 - Related Rent Concessions which will take effect on or after annual periods beginning on or after 1 June 2020.

The amendments provide lessee option elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying MFRS 16 if the change were not a lease modification.

The practical expedient would apply only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- (a) The change in lease payments results in a revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- (c) There is no substantive change to other terms and conditions of the lease.

The amount recognised in profit or loss to reflect changes in lease payments that arise from rent concessions to which the Group has applied the practical expedient are amounted to RM142,000.

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.

(b) Key Sources of Estimation Uncertainties

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key Sources of Estimation Uncertainties (continued)

(ii) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences, unused 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, unused 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.

(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 judgement 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key Sources of Estimation Uncertainties (continued)

(vi) Impairment of Non-Financial Assets (continued)

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.

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 Note 12, 15, 16 and 20 respectively.

4.2 BASIS OF CONSOLIDATION

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

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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

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

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

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:

- (a) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (b) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 BASIS OF CONSOLIDATION (CONTINUED)

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investments 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 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

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. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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 equity 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's 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Classification and Subsequent Measurement (continued)

Financial Assets (continued)

(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 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Classification and Subsequent Measurement (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Impairment of financial assets and contract assets (continued)

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 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 FINANCIAL INSTRUMENTS (CONTINUED)

(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. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amount initially recognised less cumulative amortisation.

(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.

4.6 WARRANTS

Amount allocated in relation to the issuance of warrants are credited to the warrant reserve which is non-distributable. The warrant reserve is transferred to the share capital upon exercise of the warrants and the warrant reserve in relation to the unexercised at the expiry of the warrants period will be transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 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.

4.8 INVESTMENT IN ASSOCIATES

An associate is an entity in which the Group and the Company have a long-term equity 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 2020. 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 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 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%
Sculpture	20%
Signboard	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 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 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.

4.11 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 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.

4.13 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.14 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 incurred 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.

4.15 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of the carrying amount and fair value less costs to sell.

4.16 IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL

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 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.17 LEASE

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment as follows:

Buildings	20 to 50 years, or over the lease term, if shorter
Plant and equipment	5 to 40 years, or over the lease term, if shorter

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the Group's and the Company's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company change its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets are those assets valued at less than RM2,000 each when purchased new.

(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. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.17 LEASE (CONTINUED)

(a) The Group and the Company as lessee (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.17 LEASE (CONTINUED)

(a) The Group and the Company as lessee (continued)

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 excluding goodwill' policy.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.18 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).

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

4.19 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.20 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.

4.21 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.

4.22 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.

(b) Defined Contribution Plans

The Group'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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.23 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.

4.24 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.

4.25 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.

4.26 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 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.26 REVENUE AND OTHER INCOME (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.26 REVENUE AND OTHER INCOME (CONTINUED)

(b) Property Development (continued)

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 takes 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.26 REVENUE AND OTHER INCOME (CONTINUED)

(c) Construction Contracts (continued)

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.

(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.

4.27 PROVISIONS

Provisions are recognised when the Group and the Company have 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

5. REVENUE

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue from contract with customers:				
Property development	192,121	520,045	-	-
Sale of completed properties	1,677	12,394	-	-
Construction	949	245	-	-
Management fee	417	249	20,593	19,240
Food & beverage	997	582	-	-
Others	92	-	-	-
	196,253	533,515	20,593	19,240
Revenue from other sources:				
Dividend income	-	-	3,060	107,270
Rental income	830	742	632	678
	830	742	3,692	107,948
	197,083	534,257	24,285	127,188
Timing of revenue recognition for revenue from contract with customers:				
- At a point in time	26,785	165,656	-	-
- Over time	169,468	367,859	20,593	19,240
	196,253	533,515	20,593	19,240

6. COST OF SALES

	The Group	
	2020 RM'000	2019 RM'000
Property development costs (Note18(b))	107,088	250,947
Cost of completed properties sold	1,596	5,827
Cost to obtain contracts (Note 23)	5,251	16,820
Construction costs	1,152	121
Other direct costs	349	236
	115,436	273,951

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

7. INVESTMENT INCOME

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest income from:				
Deposits with licensed financial institutions	3,872	2,734	2,948	1,640
Fair value gain on short term investment	337	61	266	61
Housing development accounts	1,487	758	-	-
Overdue balances of house purchasers	332	24	-	-
Amount owing by subsidiaries	-	-	826	947
Amount owing by associates	36	107	-	-
Reversal of accretion of interest on trade payable	(84)	-	-	-
Finance lease receivables (Note 26)	13	-	-	-
Stakeholder sum	560	462	-	-
	6,553	4,146	4,040	2,648

8. FINANCE COSTS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest expense on:				
Bank guarantee	17	583	-	-
Commitment fee	154	(116)	151	149
Revolving credit	249	-	249	-
Hire purchase	23	35	23	35
Term loans	11,058	12,361	54	-
Amount owing to a related party	402	83	-	-
Reversal of fair value adjustment	-	646	-	-
Lease liabilities (Note 20)	253	78	6	12
Finance charges on deferred payment arrangement with contractor	2,067	-	-	-
	14,223	13,670	483	196
Less: Finance charges capitalised in				
Property, plant and equipment	(54)	-	(54)	-
Investment properties (Note 16)	(1,136)	(2,207)	-	-
Inventories - land held for property development (Note 18(a))	(3,688)	(4,429)	-	-
Inventories - property development costs (Note 18(b))	-	(528)	-	-
	(4,878)	(7,164)	(54)	-
	9,345	6,506	429	196

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

9. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is arrived at after charging/(crediting):

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Auditors' remuneration:				
- auditors of the Company:				
- audit fee:				
- for the financial year	356	341	72	67
- underprovision in the previous financial year	-	1	-	-
- non-audit fee	137	44	110	14
Depreciation of:				
- property, plant and equipment (Note 15)	5,649	4,781	998	1,145
- investment properties (Note 16)	478	499	138	122
- right-of-use assets (Note 20)	953	973	67	325
Directors' remuneration (Note 44(a))	3,858	6,899	3,858	6,899
Impairment loss on:				
- investment in subsidiaries (Note 12)	-	-	2,955	122
- property, plant and equipment (Note 15)	1,751	-	-	-
- investment properties (Note 16)	602	-	408	-
- right-of-use assets (Note 20)	1,874	-	-	-
Allowance for impairment losses on:				
- trade receivables (Note 24)	1	8	-	-
- other receivables (Note 25)	1,071	91	1,071	-
- amount owing by subsidiaries (Note 27)	-	-	8,107	11,692
Inventories write down to net realisable value:				
- land held for property development (Note 18(a))	1,238	1,395	-	-
- completed units (Note 18)	404	-	-	-
Preliminary expenses	-	8	-	-
Property, plant and equipment written-offs/adjustments (Note 15)	476	-	316	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

9. PROFIT/(LOSS) BEFORE TAXATION (CONTINUED)

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Gain on disposal of:				
- investment properties	-	(5,438)	-	(5,438)
- assets classified as held for sale	(1,893)	-	-	-
Gain on recognition of lease receivables	(97)	-	-	-
Staff costs (including other key management personnel as disclosed in Note 44(b)):				
- salaries, overtime, bonus, allowances and other benefits	14,304	17,263	12,938	16,879
- defined contribution plan	1,624	1,930	1,466	1,874
Fair value gain on biological assets (Note 21)	(38)	(53)	-	-
Bad debt recovered	-	(2)	-	-
Reversal of allowance for impairment losses on trade receivables (Note 24)	(694)	-	-	-
Reversal of impairment in investment in subsidiaries (Note 12)	-	-	-	(10,142)

10. INCOME TAX EXPENSE

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current tax:				
- for the financial year	(13,797)	(38,758)	-	(286)
- underprovision in the previous financial year	(4,505)	(1,058)	(289)	-
	(18,302)	(39,816)	(289)	(286)
Deferred tax (Note 19):				
- relating to originating and recognition of temporary differences	(128)	(17,025)	-	-
- underprovision in the previous financial year	(3,741)	(5,637)	-	-
	(3,869)	(22,662)	-	-
Real property gains tax	(316)	(243)	(132)	(243)
Total income tax expense	(22,487)	(62,721)	(421)	(529)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

10. INCOME TAX EXPENSE (CONTINUED)

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

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit/(Loss) before tax	48,077	203,299	(10,297)	100,300
Tax at the statutory tax rate of 24% (2019: 24%)	(11,538)	(48,792)	2,471	(24,072)
Tax effects of:				
Non-taxable income	3,022	210	1,158	25,744
Non-deductible expenses	(5,295)	(6,862)	(4,323)	(1,923)
Share of results in associates	(10)	(112)	-	-
Deferred tax assets not recognised during the financial year	(929)	(479)	-	(35)
Utilisation of deferred tax assets not recognised	825	-	694	-
Real property gains tax	(316)	(243)	(132)	(243)
(Under)/Overprovision in the previous financial year				
- current tax	(4,505)	(1,058)	(289)	-
- deferred tax	(3,741)	(5,637)	-	-
Others	-	252	-	-
Income tax expense for the financial year	(22,487)	(62,721)	(421)	(529)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the financial year.

11. EARNINGS PER SHARE

(a) Basic earnings per share

	The Group	
	2020	2019
Profit after taxation attributable to owners of the Company (RM'000)	29,096	135,465
Weighted average number of ordinary shares in issue at 30 September ('000)	895,917	842,317
Basic earnings per share (Sen)	3.25	16.08

(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 2020 and 30 September 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

12. INVESTMENT IN SUBSIDIARIES

	The Company	
	2020 RM'000	2019 RM'000
Unquoted ordinary shares, at cost:		
At 1 October 2019/2018	97,891	52,734
Addition during the financial year	1	45,157
At 30 September	97,892	97,891
Accumulated impairment losses:		
At 1 October 2019/2018	(19,586)	(19,464)
Charge for the year (Note 9) [#]	(2,955)	(122)
At 30 September	(22,541)	(19,586)
	75,351	78,305
Unquoted preference shares, at cost:		
At 1 October 2019/2018	154,375	328,090
Redemption of preference shares	-	(173,715)
At 30 September	154,375	154,375
Accumulated impairment losses:		
At 1 October 2019/2018	-	(10,142)
Reversal during the financial year (Note 9)	-	10,142
At 30 September	-	-
	154,375	154,375
Total	229,726	232,680

Note:

[#] A total impairment loss of RM2,955,000 (2019: RM122,000) representing the write-down of the investments to their recoverable amounts, was recognised in "Administrative and Other Expenses" line item of the Company's statement of profit or loss and other comprehensive income. The recoverable amounts were determined based on their fair value less costs to sell approach using the net asset position attributable to ordinary shareholders at the end of the financial year.

These investment in subsidiaries mainly belonged to the Group's "Property Development" and "Investment Holding and Others" reportable segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries, which the principal place of business and country of incorporation are all in Malaysia, are as follows:

Name of Subsidiaries	Proportion of ownership interest and voting power		Principal Activities
	2020 %	2019 %	
Maica Wood Industries Sdn. Bhd. ("MWISB")	99.78	99.78	Investment holding.
Sunsuria North Sdn. Bhd. ("SNSB")	100	100	Investment holding and property investment.
Sunsuria Residence Sdn. Bhd.	100	100	Property development.
Sunsuria Arena Sdn. Bhd. ("Arena")	100	100	Investment holding.
Sunsuria Symphony Sdn. Bhd. ("SSSB")	100	100	Investment holding.
Sunsuria Facility Management Sdn. Bhd.	100	100	Service management and investment holding.
Sunsuria Nusantara Sdn. Bhd. ("SNTSB")	99.02	99.02	Property development.
Sunsuria Gateway Sdn. Bhd. ("SGSB")	99.99	99.99	Investment holding.
Sunsuria Forum Sdn. Bhd. ("SFSB")	95.63	95.63	Property development.
Sunsuria Builders Sdn. Bhd. ("SBSB")	100	100	Investment holding.
Sunsuria Education Sdn. Bhd. ("SEDSB")	100	100	Education.
Library Mall Development Sdn. Bhd. ("LMDSB")	100	100	Investment holding.
BRS Medicare Ventures Sdn. Bhd. ("BMVSB")	70	-	Integrated healthcare centre.
Subsidiary of SSSB			
Sunsuria City Sdn. Bhd. ("SCSB")	99.99	99.99	Property development.
Subsidiary of SGSB			
Sunsuria Genlin Development Sdn. Bhd. ("SGDSB")	69.99	69.99	Property development.
Subsidiary of SNSB			
Consolidated Factoring (M) Sdn. Bhd.	95.94	95.94	Dormant.
Subsidiary of SCSB			
Sunsuria Everrich Sdn. Bhd. ("SESB")	59.98	59.98	Investment holding and property development.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Subsidiaries	Proportion of ownership interest and voting power		Principal Activities
	2020 %	2019 %	
Subsidiaries of Arena			
Sunsuria Landscape & Nursery Sdn. Bhd.	69.99	69.99	Landscape and nursery.
Sunsuria City Amenities Sdn. Bhd. ("SCASB")**	100	85	Proprietors of restaurants, food and beverage businesses.
Sunsuria Esports Sdn. Bhd. ("SEPSB")	80	80	Electronic sports and commerce.
Rentas Majestik Sdn. Bhd. ("RMSB")	100	100	Investment holding.
Subsidiary of LMDSB			
Dreamsphere Sdn. Bhd. ("DSB")	100	100	Investment holding.
Subsidiary of SFSB			
Greenworth Sdn. Bhd. ("GSB")	95.63	95.63	Parking and services.
Subsidiary of SBSB			
Sunsuria Asas Sdn. Bhd. ("SASB")	51	51	Construction.
Subsidiaries of SCASB			
Cloudcubes Sdn. Bhd. ("CSB")	80	68	Food and beverage.
Aspen Esplanade Sdn. Bhd. ("AESB")	100	85	Investment holding.
Kemudi Semarak Sdn. Bhd. ("KSSB")	100	85	Food and beverage.
Aspire Century Sdn. Bhd. ("ACSB")	100	85	Investment holding.
Vibrant Blossom Sdn. Bhd. ("VBSB")	80	68	Food and beverage.

Notes:

* On 6 May 2020, the Company had incorporated a new subsidiary, BMVSB, comprises of one (1) ordinary share of RM1.00. Further to the signing of a Shares Subscription and Shareholders' Agreement between the Company, Dr Tan Bo Ren and BMVSB on 17 June 2020, the Company had further subscribed additional 699 of new ordinary shares at the issue share price of RM1.00 each with a purchase consideration settle through cash amounted to RM699. In consequence thereof, BMVSB is now a 70%-owned direct subsidiary of the Company after the new shares issuance to the Company and Dr Tan Bo Ren.

** Arena, a wholly-owned subsidiary of the Company, had on 21 February 2020, acquired 10% interest in SCASB from Deluxe Indulgence Sdn. Bhd., comprising of one thousand (1,000) ordinary share of RM1.00 each and on 29 June 2020 acquired 5% interest in SCASB from Yap Soon Han, comprising of five hundred (500) ordinary share of RM1.00 each. The total purchase consideration of RM1,000 was settled by way of cash. In consequence thereof, SCASB is now a 100%-owned indirect subsidiary of the Company.

In the previous financial year, the Company:

- (i) subscribed 2,550,000 new ordinary shares in SFSB ("SFSB Share(s)"), through the rights issue of 5,000,000 new SFSB Shares on the basis of twenty (20) new SFSB Shares for every one (1) existing SFSB Share ("SFSB Rights Share(s)") at an issue price of RM17.40 per SFSB Rights Share. SFSB became 95.625% owned subsidiary of the Company upon the completion of the subscription of right issue by SFSB. The subscription were settled by way of offsetting the interim dividend made by SFSB to the Company amounted to RM44,370,000.
- (ii) subscribed for an additional 787,295 ordinary shares in SEDSB at the issue share price of RM1.00 each with a purchase consideration settle through cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The non-controlling interests at the end of the reporting period comprise the following:

Name of Subsidiaries	Proportion of ownership interest and voting power held by non-controlling interests		The Group	
	2020 %	2019 %	2020 RM'000	2019 RM'000
SFSB	4.37	4.37	(970)	(559)
SESB	40	40	(228)	6,297
SASB	49	49	10,888	10,124
Other individually immaterial subsidiaries			(2,355)	442
			7,335	16,304

(b) 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:

2020	SFSB RM'000	SESB RM'000	SASB RM'000
<u>At 30 September</u>			
Non-current assets	76,296	-	7,515
Current assets	208,289	9,285	50,176
Non-current liabilities	(53,368)	-	(62)
Current liabilities	(202,520)	(9,855)	(35,410)
Net assets/(liabilities)	28,697	(570)	22,219
<u>Financial Year Ended 30 September</u>			
Revenue	16,339	-	97,429
(Loss)/Profit after taxation for the financial year	(10,286)	(10,066)	7,643
Total comprehensive (loss)/income	(10,286)	(10,066)	7,643
Total comprehensive (loss)/income attributable to non-controlling interests	(450)	(4,026)	3,745
Net cash flows from/(for) operating activities	9,465	(3,773)	4,972
Net cash flows (for)/from investing activities	(17,648)	43	(6,463)
Net cash flows from/(for) financing activities	21,771	4,049	(11,566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

- (b) 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 (continued):

2019	SFSB RM'000	SES RM'000	SASB RM'000
<u>At 30 September</u>			
Non-current assets	58,329	114,430	980
Current assets	186,411	1,480	62,372
Non-current liabilities	(51,693)	-	(159)
Current liabilities	(154,064)	(103,916)	(42,532)
Net assets	38,983	11,994	20,661
<u>Financial Year Ended 30 September</u>			
Revenue	21,019	-	170,014
(Loss)/Profit after taxation for the financial year	(7,282)	362	16,630
Total comprehensive (loss)/income	(7,282)	362	16,630
Total comprehensive (loss)/income attributable to non-controlling interests	(319)	145	8,149
Net cash flows (for)/from operating activities	(6,928)	(448)	26,521
Net cash flows (for)/from investing activities	(9,895)	44	(168)
Net cash flows from/(for) financing activities	5,261	418	(10,691)

13. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unquoted shares in Malaysia, at cost:				
At 30 September	1,162	1,162	672	672
Share of post-acquisition profits/(losses):				
At 1 October 2019/2018	30	497	-	-
For the financial year	(40)	(467)	-	-
At 30 September	(10)	30	-	-
Accumulated impairment losses:				
At 30 September	(576)	(576)	(78)	(78)
	576	616	594	594

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

13. INVESTMENT IN ASSOCIATES (CONTINUED)

The details of the associates are as follows:

Name of Associates	Principal Place of Business	Effective Equity Interest		Principal Activities
		2020 %	2019 %	
Citic Sunsuria Sdn. Bhd. ("Citic")*	Malaysia	49	49	Construction.
Mahakota Sdn. Bhd.* ¹	Malaysia	25.4	25.4	Woodworks manufacturer and dealer in timber and wood.

* 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.

¹ The financial statements of this associate are audited by auditors other than the auditors of the Company.

Summarised financial information of Citic is as follows:

	2020 RM'000	2019 RM'000
At 30 September		
Non-current assets	118	217
Current assets	8,560	1,548
Current liabilities	(13,921)	(5,585)
Net liabilities	(5,243)	(3,820)
Financial Year Ended 30 September		
Revenue	19,822	-
Loss after taxation for the financial year	(1,423)	(2,796)
Total comprehensive loss	(1,423)	(2,796)
Total comprehensive loss attributable to owners of associate*	-	(395)

* Share of losses of the associate has been recognised to the extent of the Group's investment.

14. OTHER INVESTMENT

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Investment in golf club memberships	184	184	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 50.4.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

15. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.10.2019 RM'000	Additions RM'000	Transfer to Investment Properties (Note 16) RM'000	Transfer from Property Development Costs (Note 18(b)) RM'000	Written- offs/ Adjustments (Note 9) RM'000	Impairment loss (Note 9) RM'000	Depreciation Charges (Note 9) RM'000	At 30.09.2020 RM'000
2020								
<i>Carrying Amount</i>								
Freehold land	1,331	-	-	-	-	-	-	1,331
Buildings	17,876	-	(90)	-	(158)	-	(2,017)	15,611
Plant and machinery	191	44	-	-	-	-	(53)	182
Furniture, fittings and equipment	7,791	1,434	-	-	(318)	(633)	(1,839)	6,435
Motor vehicles	1,522	10	-	-	-	-	(496)	1,036
Renovation	3,417	694	-	-	-	(1,093)	(740)	2,278
Signboard	1,562	17	-	-	-	(25)	(457)	1,097
Sculpture	-	65	-	-	-	-	(13)	52
Virtual show unit	106	-	-	-	-	-	(34)	72
Capital work in progress	-	83	-	2,381	-	-	-	2,464
	33,796	2,347	(90)	2,381	(476)	(1,751)	(5,649)	30,558

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group	At 1.10.2018 RM'000	Additions RM'000	Transfer to Investment Properties (Note 16) RM'000	Transfer from Property Development Costs (Note 18(b)) RM'000	Written- offs/ Adjustments (Note 9) RM'000	Impairment loss (Note 9) RM'000	Depreciation Charges (Note 9) RM'000	At 30.09.2019 RM'000
2019								
<i>Carrying Amount</i>								
Freehold land	1,331	-	-	-	-	-	-	1,331
Buildings	15,522	2,775	1,584	-	-	-	(2,005)	17,876
Plant and machinery	143	92	-	-	-	-	(44)	191
Furniture, fittings and equipment	7,929	1,431	-	-	-	-	(1,569)	7,791
Motor vehicles	2,108	5	-	-	-	-	(591)	1,522
Renovation	1,294	2,325	-	-	-	-	(202)	3,417
Signboard	1,110	787	-	-	-	-	(335)	1,562
Virtual show unit	141	-	-	-	-	-	(35)	106
	29,578	7,415	1,584	-	-	-	(4,781)	33,796

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment RM'000	Carrying Amount RM'000
2020				
Freehold land	1,331	-	-	1,331
Buildings	21,642	(6,031)	-	15,611
Plant and machinery	298	(116)	-	182
Furniture, fittings and equipment	13,485	(6,417)	(633)	6,435
Motor vehicles	3,121	(2,085)	-	1,036
Renovation	4,501	(1,130)	(1,093)	2,278
Signboard	2,281	(1,159)	(25)	1,097
Sculpture	65	(13)	-	52
Virtual show unit	172	(100)	-	72
Capital work in progress	2,464	-	-	2,464
	49,360	(17,051)	(1,751)	30,558

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment RM'000	Carrying Amount RM'000
2019				
Freehold land	1,331	-	-	1,331
Buildings	21,890	(4,014)	-	17,876
Plant and machinery	254	(63)	-	191
Furniture, fittings and equipment	12,373	(4,582)	-	7,791
Motor vehicles	3,111	(1,589)	-	1,522
Renovation	3,807	(390)	-	3,417
Signboard	2,264	(702)	-	1,562
Virtual show unit	172	(66)	-	106
	45,202	(11,406)	-	33,796

The Company	At 1.10.2019 RM'000	Additions RM'000	Written-offs/ Adjustments (Note 9) RM'000	Depreciation Charges (Note 9) RM'000	At 30.09.2020 RM'000
2020					
<i>Carrying Amount</i>					
Furniture, fittings and equipment	3,350	202	(316)	(451)	2,785
Motor vehicles	1,187	-	-	(388)	799
Renovation	1,209	28	-	(159)	1,078
Capital work in progress	-	10,175	-	-	10,175
	5,746	10,405	(316)	(998)	14,837

2019

Carrying Amount

Furniture, fittings and equipment	3,569	286	-	(505)	3,350
Motor vehicles	1,673	-	-	(486)	1,187
Renovation	1,325	38	-	(154)	1,209
	6,567	324	-	(1,145)	5,746

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Company	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
2020			
Furniture, fittings and equipment	5,605	(2,820)	2,785
Motor vehicles	2,579	(1,780)	799
Renovation	1,581	(503)	1,078
Capital work in progress	10,175	-	10,175
	19,940	(5,103)	14,837
2019			
Furniture, fittings and equipment	5,719	(2,369)	3,350
Motor vehicles	2,579	(1,392)	1,187
Renovation	1,553	(344)	1,209
	9,851	(4,105)	5,746

- (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 RM392,000 (2019: RM596,000), which were acquired under hire purchase terms. The leased assets have been pledged as security for the related hire purchase borrowings of the Group and of the Company as disclosed in Note 37.
- (b) Included in property, plant and equipment were freehold land and capital work in progress of the Group and the Company with carrying amount of RM3,766,000 (2019: RM1,331,000) and RM 10,175,000 (2019: RMNil) respectively which have been pledged to licensed banks as security for banking facilities as disclosed in Note 38.
- (c) During the year, the Group has made an impairment assessment in relation to the property, plant and equipment under food and beverages and e-sports hub businesses due to unexpected poor performance resulted from movement control order imposed by Malaysian Government to curb the spreading of COVID-19 as disclosed in Note 51.

These assets are used in the Group's "investment holding and others" reportable segment. The review led to the recognition of an impairment loss of RM1,751,000, which has been recognised in "Administrative and Other Expenses" line item of the statements of profit or loss and other comprehensive income.

The recoverable amounts were determined based on their value in use. The discount rate used in measuring value in use was 11% per annum. No impairment assessment was performed in 2019 as there was no indication of impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

16. INVESTMENT PROPERTIES

The Group	Freehold Land RM'000	Long-term Leasehold Land RM'000	Buildings RM'000	Freehold Properties RM'000	Carpark RM'000	Total RM'000
At cost:						
At 1 October 2019	68,290	2,775	3,498	72,400	23,756	170,719
Additions during the financial year	-	-	925	19,949	-	20,874
Transfer from property, plant and equipment (Note 15)	-	-	90	-	-	90
Adjustment on land costs (Note 18(a)) [#]	23,009	-	-	-	-	23,009
Transfer from property development costs (Note 18(b))	-	-	-	1,347	-	1,347
Transfer to assets classified as held for sale (Note 33)	-	(1,900)	(1,400)	-	-	(3,300)
At 30 September 2020	91,299	875	3,113	93,696	23,756	212,739

The Group	Freehold Land RM'000	Long-term Leasehold Land RM'000	Buildings RM'000	Freehold Properties RM'000	Carpark RM'000	Total RM'000
At cost:						
At 1 October 2018	90,548	2,775	6,973	60,284	23,756	184,336
Additions during the financial year	-	-	-	11,499	-	11,499
Adjustment on land costs (Note 18(a) and (b)) [#]	(21,381)	-	(1)	617	-	(20,765)
Transfer to property, plant and equipment (Note 15)	-	-	(1,915)	-	-	(1,915)
Transfer to assets classified as held for sale (Note 33)	(350)	-	(250)	-	-	(600)
Disposal during the financial year	(527)	-	(1,309)	-	-	(1,836)
At 30 September 2019	68,290	2,775	3,498	72,400	23,756	170,719

[#] Arose from the adjustments in land area due to the change in the business plan.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

16. INVESTMENT PROPERTIES (CONTINUED)

The Group	Freehold Land RM'000	Long-term Leasehold Land RM'000	Buildings RM'000	Freehold Properties RM'000	Carpark RM'000	Total RM'000
Accumulated depreciation:						
At 1 October 2018	-	434	1,258	38	-	1,730
Depreciation during the financial year (Note 9)	-	44	115	112	228	499
Transfer to property, plant and equipment (Note 15)	-	-	(331)	-	-	(331)
Transfer to assets classified as held for sale (Note 33)	-	-	(193)	-	-	(193)
Disposal during the financial year	-	-	(774)	-	-	(774)
At 30 September 2019/1 October 2019	-	478	75	150	228	931
Depreciation during the financial year (Note 9)	-	44	94	112	228	478
Transfer to assets classified as held for sale (Note 33)	-	(158)	(129)	-	-	(287)
At 30 September 2020	-	364	40	262	456	1,122
Accumulated impairment losses:						
At 1 October 2018/30 September 2019/ 1 October 2019	-	-	-	17,152	12,356	29,508
Charge for the year* (Note 9)	-	-	450	-	152	602
At 30 September 2020	-	-	450	17,152	12,508	30,110
Carrying amount:						
2019	68,290	2,297	3,423	55,098	11,172	140,280
2020	91,299	511	2,623	76,282	10,792	181,507

* A total impairment loss of RM602,000 (2019: RMNil) representing the write-down of the investment properties to their recoverable amount, was recognised in "Administrative and Other Expenses" line item of the statements of profit or loss and other comprehensive income. The recoverable amounts were determined based on their fair value less costs of disposal approach.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

16. INVESTMENT PROPERTIES (CONTINUED)

The Company	Freehold Land RM'000	Long-term Leasehold Land RM'000	Buildings RM'000	Total RM'000
At cost:				
At 1 October 2018	527	2,773	5,059	8,359
Disposal during the financial year	(527)	-	(1,309)	(1,836)
At 30 September 2019/1 October 2019	-	2,773	3,750	6,523
Additions during the financial year	-	-	925	925
Transfer to assets held for sale (Note 33)	-	(1,900)	(1,400)	(3,300)
At 30 September 2020	-	873	3,275	4,148
Accumulated depreciation:				
At 1 October 2018	-	433	964	1,397
Depreciation during the financial year (Note 9)	-	43	79	122
Disposal during the financial year	-	-	(774)	(774)
At 30 September 2019/1 October 2019	-	476	269	745
Depreciation during the financial year (Note 9)	-	44	94	138
Transfer to assets held for sale (Note 33)	-	(158)	(129)	(287)
At 30 September 2020	-	362	234	596
Accumulated impairment losses:				
At 30 September 2019/1 October 2019	-	-	-	-
Charge for the year* (Note 9)	-	-	408	408
At 30 September 2020	-	-	408	408
Carrying amount:				
2019	-	2,297	3,481	5,778
2020	-	511	2,633	3,144

* A total impairment loss of RM408,000 (2019: RMNil) representing the write-down of the investment properties to their recoverable amount, was recognised in "Administrative and Other Expenses" line item of the statements of profit or loss and other comprehensive income. The recoverable amounts were determined based on their fair value less costs of disposal approach.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

16. INVESTMENT PROPERTIES (CONTINUED)

- (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 38. Details are as follows:

	The Group	
	2020 RM'000	2019 RM'000
Freehold land	91,299	68,290
Freehold properties	68,709	48,279
	160,008	116,569

- (b) Included in investment properties of the Group is interest expenses capitalised during the financial year amounted to RM1,136,000 (2019: RM2,207,000).
- (c) Rental income generated from the rental of investment properties of the Group and the Company during the financial year amounted to RM875,000 (2019: RM636,000) and RM491,000 (2019: RM524,000) respectively.
- (d) Direct operating expenses from investment properties which generated rental income to the Group and the Company during the financial year amounted to RM1,013,000 (2019: RM601,000) and RM230,000 (2019: RM220,000) respectively.
- (e) The fair value of investment properties are analysed as follows:

The Group	2020	2019
	Level 3 RM'000	Level 3 RM'000
Freehold land	110,591	83,849
Long-term leasehold land	4,100	6,350
Buildings	3,010	5,710
Freehold properties (exclude under construction**)	13,500	15,000
Carpark	11,000	11,400
The Company		
Long-term leasehold land	4,100	6,350
Buildings	3,010	4,050

** Fair value of the freehold properties under construction with carrying amount of RM71,698,000 (2019: RM48,279,000) are unable to be determined reliably as there are uncertainties in estimating their fair value at this juncture.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

16. INVESTMENT PROPERTIES (CONTINUED)

The fair values of the investment properties are classified as a Level 3 fair value for the purposes of fair value hierarchy disclosure.

The following table shows the significant unobservable input used in the valuation model:

Valuation Technique	Significant Unobservable inputs	Relationship of Unobservable Inputs and Fair Value
2020		
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.
2019		
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 2020

17. GOODWILL

	The Group	
	2020 RM'000	2019 RM'000
At cost:		
At 30 September	18,230	18,230
Accumulated impairment losses:		
At 30 September	(6,777)	(6,777)
Carrying amount	11,453	11,453

(a) The carrying amounts of goodwill allocated to each cash-generating unit are as follows:

	The Group	
	2020 RM'000	2019 RM'000
Property development - SFBSB	11,453	11,453

(b) The key assumptions used in the determination of the recoverable amounts are as follows:

	Average Gross Margin		Growth Rate		Discount Rate	
	2020	2019	2020	2019	2020	2019
	%	%	%	%	%	%
SFBSB	25	34	Refer (ii)		17.43	20.07

- (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 : Based on the expected projection of sales generated from Forum I and II projects.
- (iii) Discount rate (pre-tax) : The discount rate used is computed based on the unlevered weighted average cost of capital of the Company.

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

SFBSB

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 amount to be exceeded its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

18. INVENTORIES

	Note	The Group	
		2020 RM'000	2019 RM'000
<u>Non-current</u>			
Land held for property development	(a)	533,497	549,721
<u>Current</u>			
Property development costs	(b)	241,939	259,191
Others:			
Completed units		62,430	59,296
Raw materials		1,412	2,425
		63,842	61,721
		305,781	320,912
		839,278	870,633

Included in inventories are completed units with a carrying amount of RM7,758,000 (2019: RM1,865,000) pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 38.

The Group recognised an expense of RM404,000 (2019: RMNil) in respect of completed units write down to its net realisable value as disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

18. INVENTORIES (CONTINUED)

(a) Land held for property development

	The Group	
	2020 RM'000	2019 RM'000
At cost:		
At 1 October 2019/2018	549,721	482,521
Additions during the financial year	8,023	8,777
Adjustments on land cost (Note 16 and 18(b)) [#]	(23,009)	27,453
Transfer from property development costs (Note 18(b))	-	32,365
Write down to net realisable value (Note 9)	(1,238)	(1,395)
At 30 September	533,497	549,721
Represented by:		
Freehold land	482,298	504,864
Property development costs	51,199	44,857
	533,497	549,721

Note:

[#] Arose from the adjustments on land area due to the change in the business plan.

- (i) Included in land held for property development of the Group is interest expense capitalised during the financial year amounted to RM3,688,000 (2019: RM4,429,000).
- (ii) The land held for property development of the Group with total carrying amount RM488,861,000 (2019: RM520,721,000) have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 38.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

18. INVENTORIES (CONTINUED)

(b) Property development costs

	The Group	
	2020 RM'000	2019 RM'000
At 1 October 2019/2018		
- land	123,576	233,006
- development costs	231,088	261,443
	354,664	494,449
Development cost incurred during the financial year	98,698	187,151
Transfer to land held for property development (Note 18(a)):		
- land	-	(28,828)
- development costs	-	(3,537)
	-	(32,365)
Adjustment on land costs (Note 16 & 18(a)):#		
- land	-	(11,198)
- development costs	-	4,510
	-	(6,688)
Reversal of completed projects:		
- land	(3,720)	(69,404)
- development costs	(98,306)	(218,479)
	(102,026)	(287,883)
At 30 September		
- land	119,856	123,576
- development costs	231,480	231,088
	351,336	354,664

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

18. INVENTORIES (CONTINUED)

(b) Property development costs (continued)

	The Group	
	2020 RM'000	2019 RM'000
Costs recognised in profit or loss:		
Cumulative costs recognised at 1 October 2019/2018	(95,473)	(124,141)
Transfer to property, plant and equipment (Note 15)	(2,381)	-
Transfer to investment properties (Note 16)	(1,347)	-
Transfer to inventories	(5,134)	(5,917)
Reversal of completed properties	102,026	287,883
Cost recognised during the financial year (Note 6)	(107,088)	(253,298)
Cumulative costs recognised at 30 September	(109,397)	(95,473)
Property development costs at 30 September	241,939	259,191

Arose from the adjustments on land area due to the change in the business plan.

- (i) The land under development of the Group with a carrying amount of 130,397,000 (2019: RM259,191,000) has been pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 38.
- (ii) In previous financial year, included in property development costs of the Group is interest expense capitalised during the financial year amounted to RM528,000.

19. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2020 RM'000	2019 RM'000
Deferred tax assets	9,286	10,349
Deferred tax liabilities	(94,773)	(91,967)
	(85,487)	(81,618)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The components of deferred tax assets and deferred tax liabilities prior to offsetting are as follows:

	At 1.10.2019 RM'000	The Group Recognised in Profit or Loss (Note 10) RM'000	At 30.9.2020 RM'000
<i>Deferred Tax Assets</i>			
Provision for costs	7,325	(1,692)	5,633
Temporary difference on property development costs	10,299	(1,063)	9,236
Unabsorbed capital allowance	31	49	80
Unabsorbed tax losses	2,100	2,595	4,695
Lease liabilities	-	559	559
Others	12	84	96
	19,767	532	20,299
<i>Deferred Tax Liabilities</i>			
Temporary difference on property development costs	(101,268)	(4,065)	(105,333)
Accelerated of capital allowance over depreciation of property, plant and equipment	-	(84)	(84)
Right-of-use assets	-	(222)	(222)
Others	(117)	(30)	(147)
	(101,385)	(4,401)	(105,786)
	(81,618)	(3,869)	(85,487)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

	At 1.10.2018 RM'000	The Group Recognised in Profit or Loss (Note 10) RM'000	At 30.9.2019 RM'000
<i>Deferred Tax Assets</i>			
Provision for costs	8,695	(1,370)	7,325
Temporary difference on property development costs	28,338	(18,039)	10,299
Unabsorbed capital allowance	-	31	31
Unabsorbed tax losses	-	2,100	2,100
Others	-	12	12
	37,033	(17,266)	19,767
<i>Deferred Tax Liabilities</i>			
Temporary difference on property development costs	(95,760)	(5,508)	(101,268)
Accelerated of capital allowance over depreciation of:			
- property, plant and equipment	(223)	223	-
- investment properties	(6)	6	-
Others	-	(117)	(117)
	(95,989)	(5,396)	(101,385)
	(58,956)	(22,662)	(81,618)

The deferred tax assets have been recognised on the basis of a subsidiary'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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

No deferred tax assets are recognised in the statements of financial position on the following items:

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Deductible temporary differences of:				
- impairment loss on trade receivables	28	27	-	-
- provision for costs	374	5,746	-	4,592
- accelerated capital allowance over depreciation	(1,471)	(1,623)	(1,471)	(1,623)
- others	5	(60)	4	3
Unabsorbed capital allowances	6,819	6,212	336	-
Unutilised tax losses	32,907	27,926	2,883	1,673
	38,662	38,228	1,752	4,645

The comparative figures of the Group and of the Company have 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 and of the Company will be available against which the deductible temporary differences can be utilised. The unused tax losses could be carried forward for a maximum of seven consecutive years of assessment. However, the availability of unused tax losses for offsetting against future taxable profits of the Group and of the Company in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act 1967 and guidelines issued by the tax authority.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

20. RIGHT-OF-USE ASSETS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Carrying amount				
At 1 October 2019/2018				
Equipment	69	3	69	3
Buildings	1,393	286	74	286
	1,462	289	143	289
Additions				
Equipment	46	81	2	81
Buildings	2,970	2,065	1	98
	3,016	2,146	3	179
Disposal				
Equipment	-	-	-	-
Buildings	(226)	-	-	-
	(226)	-	-	-
Depreciation charges (Note 9)				
Equipment	(29)	(15)	(17)	(15)
Buildings	(924)	(958)	(50)	(310)
	(953)	(973)	(67)	(325)
Impairment loss (Note 9)				
Equipment	(15)	-	-	-
Buildings	(1,859)	-	-	-
	(1,874)	-	-	-
At 30 September				
Equipment	71	69	54	69
Buildings	1,354	1,393	25	74
	1,425	1,462	79	143

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

20. RIGHT-OF-USE ASSETS (CONTINUED)

During the year, the Group has made an impairment assessment in relation to the right-of-use-assets under food and beverages and e-sports hub business due to unexpected poor performance resulted from movement control order imposed by Malaysian Government to curb the spreading of COVID-19 as disclosed in Note 51.

These assets are used in the Group's "investment holding and others" reportable segment. The review led to the recognition of an impairment loss of RM1,874,000, which has been recognised in "Administrative and Other Expenses" line item of the statements of profit or loss and other comprehensive income.

The recoverable amounts were determined based on their value in use. The discount rate used in measuring value in use was 11% per annum. No impairment assessment was performed in 2019 as there was no indication of impairment.

The following table shows the breakdown of the lease expense between amounts charged to operating profit and amounts charged to finance costs:

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Depreciation of right-of-use assets	953	973	67	325
Short term lease expense	1,086	1,236	1,086	1,110
Low-value assets lease expense	7	10	4	1
Gain on recognition of lease receivables	(97)	-	-	-
Charge to operating profit	1,949	2,219	1,157	1,436
Interest expense related to lease liabilities (Note 8)	253	78	6	12
Charge to profit before taxation for leases	2,202	2,297	1,163	1,448

21. BIOLOGICAL ASSETS

	The Group			
	Grass RM'000	Shrub RM'000	Tree RM'000	Total RM'000
At 1 October 2018	20	-	-	20
Fair value gain (Note 9)	35	18	-	53
At 30 September 2018/1 October 2019	55	18	-	73
Fair value (loss)/gain (Note 9)	(4)	12	30	38
At 30 September 2020	51	30	30	111

The biological assets of the Group comprise of grass, 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 grass, 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 (3) levels of the fair value hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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. 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	
	2020 RM'000	2019 RM'000
Contract assets	116,975	228,035
Contract liabilities	(13,960)	(15,048)
	103,015	212,987

	The Group	
	2020 RM'000	2019 RM'000
At 1 October 2019/2018	212,987	(19,152)
Revenue recognised during the year (Note 5)	194,533	532,439
Progress billings during the year	(306,453)	(309,471)
Consideration payable to customer	1,948	9,171
At 30 September	103,015	212,987

The transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) as at 30 September 2020 is RM401,533,000 (2019: RM319,951,000) where the Group expects to recognise it as revenue over the next 2 (2019: 3) years.

There is no allowance for impairment losses recognised on contract assets in the reporting period.

23. CONTRACT COSTS

	The Group	
	2020 RM'000	2019 RM'000
Costs to obtain contracts	16,540	4,642

Costs 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 costs to obtain contracts recognised by the Group as cost of sales in profit or loss amounted to RM5,251,000 (2019: RM16,820,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

23. CONTRACT COSTS (CONTINUED)

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	
	2020 RM'000	2019 RM'000
Retention sum held by contract customer	77	-
Stakeholders' sum	23,866	7,927
Trade receivables	24,867	39,131
Allowance for impairment losses	(29)	(722)
	24,838	38,409
	48,781	46,336

- (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 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 (2019: 14 to 30) days. Other credit terms are assessed and approved on a case-by-case basis.
- (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. Amount due from tenants are secured with deposits paid by tenants prior to occupancy of premises and rentals paid in advance.
- (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, ranging from the financial years ending 30 September 2021 to 2022 (2019: Nil)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

24. TRADE RECEIVABLES (CONTINUED)

Movement in the allowance for impairment losses:

	The Group	
	2020 RM'000	2019 RM'000
Allowance for impairment losses:		
At 1 October 2019/2018	(722)	(714)
Charge for the year (Note 9)	(1)	(8)
Reversal (Note 9)	694	-
At 30 September	(29)	(722)

The aging analysis of trade receivables past due but not impaired is as follows:

	The Group	
	2020 RM'000	2019 RM'000
Not past due	6,519	13,328
Past due:		
- less than 30 days [^]	5,411	861
- 31 to 60 days	2,833	7,740
- 61 to 150 days	2,694	9,349
- more than 151 days	7,381	7,131
Total	24,838	38,409

Note:

[^] Represents debts fall within the month of September.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

25. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Other receivables:				
Non-interest bearing	2,820	1,541	1,128	69
Allowance for impairment losses	(1,390)	(319)	(1,071)	-
	1,430	1,222	57	69
Other assets	5,372	3,947	-	-
Goods and services tax recoverable	482	1,663	-	12
Advances to payables	6,866	4,912	-	-
Deposits	11,305	7,625	438	498
Prepayments	507	4,536	95	1,882
	25,962	23,905	590	2,461

Movement in the allowance for impairment losses:

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Allowance for impairment losses:				
At 1 October 2019/2018	(319)	(228)	-	-
Charge for the year (Note 9)	(1,071)	(91)	(1,071)	-
At 30 September	(1,390)	(319)	(1,071)	-

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

26. LEASE RECEIVABLES

	The Group
	2020
	RM'000
As at 1 October 2019	-
New leases entered into during the financial year	313
Lease payments received during the financial year	(122)
Finance income (Note 7)	13
At 30 September	204
Current	204
Total undiscounted lease payments receivable	207
Less : Unearned finance income	(3)
Net investment in the lease	204
Finance income on net investment in finance lease	(13)

27. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company					
	2020			2019		
	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 balances	-	19,360	19,360	-	18,885	18,885
- Non-trade balances						
Principal	18,967	374,670	393,637	19,133	450,116	469,249
Interest	2,587	-	2,587	1,773	-	1,773
Impairment	-	(19,799)	(19,799)	-	(11,692)	(11,692)
	21,554	354,871	376,425	20,906	438,424	459,330
	21,554	374,231	395,785	20,906	457,309	478,215
Amount owing to:						
- Trade balances	-	(33)	(33)	-	(32)	(32)
- Non-trade balances	-	(5,974)	(5,974)	-	(4,009)	(4,009)
	-	(6,007)	(6,007)	-	(4,041)	(4,041)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

27. AMOUNTS OWING BY/(TO) SUBSIDIARIES (CONTINUED)

Movement in the allowance for impairment losses:

	The Company	
	2020 RM'000	2019 RM'000
Allowance for impairment losses:		
At 1 October 2019/2018	11,692	-
Charge for the year (Note 9)	8,107	11,692
At 30 September	19,799	11,692

(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:

	2020 %	2019 %
Interest rate per annum	3.64 to 4.76	4.82 to 5.04

28. AMOUNT OWING BY/(TO) RELATED PARTIES

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Amount owing by:				
- Trade balances	1,761	1,904	176	-
- Non-trade balances	2	-	2	-
	1,763	1,904	178	-
Amount owing to:				
- Trade balances	-	(1,249)	-	-

(a) The trade balances 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

29. AMOUNT OWING BY/(TO) ASSOCIATE

The balance is unsecured and repayable on demand. The amount owing is to be settled in cash.

The balance for amount owing by associate bore the following interest rate:

	2020 %	2019 %
Interest rate per annum	4.3	4.9

30. SHORT-TERM INVESTMENT

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Financial assets at fair value through profit or loss:				
- Money market fund	92,264	7,063	71,828	7,063

Investment in money market fund represent 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

- (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 1.70% to 3.35% (2019: 2.90% to 3.45%) per annum and 1.85% to 3.35% (2019: 2.90% to 3.45%) per annum respectively. The fixed deposits have maturity periods ranging from 1 day to 12 months (2019: 1 day to 12 months) and 1 to 12 months (2019: 1 to 12 months) for the Group and for the Company respectively.
- (b) The amount of fixed deposits pledged with licensed banks as security for banking facilities granted to the Group as disclosed in Note 38 is as follows:

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Fixed deposits pledged for:				
- revolving credit	19,572	10,233	19,572	10,233
- bank guarantee	9,735	9,171	9,735	9,171
- term loan	3,048	2,972	-	-
	32,355	22,376	29,307	19,404

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

32. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group is an amount of RM71,468,000 (2019: RM43,340,000) held 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.

33. ASSETS CLASSIFIED AS HELD FOR SALE

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Freehold land (Note 16)	-	350	-	-
Leasehold land (Note 16)	1,742	-	1,742	-
Building (Note 16)	1,271	57	1,271	-
	3,013	407	3,013	-

On 30 June 2020, the Company entered into a Sale and Purchase Agreement (“SPA”) with a third party for the disposal of leasehold land and building (“Property”) for a total disposal consideration RM4,500,000. Completion period is upon full payment of the balance purchase price, late payment interest, if any and apportionment of the outgoings. As at 30 September 2020, the Property is classified as assets held for sale in the statements of financial position of the Group and the Company.

34. ORDINARY SHARE CAPITAL

	The Group and The Company			
	2020 Number of Shares '000	2019 Number of Shares '000	2020 RM'000	2019 RM'000
Ordinary Shares:				
At 1 October	895,917	798,834	640,288	399,421
Issuance of shares pursuant to:				
- issuance of shares	-	65,083	-	42,629
- private placement	-	32,000	-	22,400
- transfer from reserve [#]	-	-	-	175,838
At 30 September	895,917	895,917	640,288	640,288

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

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.

Note:

[#] In prior year, pursuant to the Companies Act, 2016 ('Act') which came into effect on 31 January 2017, the concept of authorised capital has been abolished and all shares issued before or upon the commencement of the Act shall have no par or nominal value. Consequently, the amount standing to the credit of the Company's share premium account becomes part of the Company's share capital. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result thereof.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. RESERVES

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Warrant reserve	35.1	-	48,299	-	48,299
Capital reserve	35.2	815	815	1,800	1,800
Retained earnings		387,563	310,168	112,717	75,136
		388,378	359,282	114,517	125,235

35.1 WARRANT RESERVE

	The Group and The Company	
	2020 RM'000	2019 RM'000
At 1 October 2019/2018	48,299	48,299
Transfer to retained earnings	(48,299)	-
At 30 September	-	48,299

- (a) The warrant reserve arose from the allocation of the proceeds received from the renounceable rights issue of 475,084,416 new ordinary shares of RM0.50 each together with 158,361,472 free detachable warrants issued on 23 July 2015.

The reserve is determined by reference to the fair value of the warrants of RM0.305 each amounted to RM48,300,249 immediately upon the listing and quotation of the rights issue on the Main Market of Bursa Malaysia Securities Berhad on 27 July 2015.

- (b) The warrant reserve relates to the portion of proceeds from the rights shares issue ascribed to the attached warrants. As and when the warrants are exercised, the related balance in the warrant reserve will be transferred to the share capital account. Each warrant carries the right to subscribe for 1 new ordinary share in the capital of the Company at an exercise price of RM1.50.
- (c) The warrants constituted by the Deed Poll dated 11 June 2015. The salient features of the warrants are as follows:
- Each warrant entitled the registered holder to subscribe for 1 new ordinary share of the Company at any time during the 5 years period commencing on and including 23 July 2015 to 22 July 2020 ("Exercise Period") at RM1.50 per new ordinary share of the Company;
 - Any warrants not exercised during Exercise Period will thereafter lapse and cease to be valid; and
 - The new ordinary shares allotted and issued pursuant to the exercise of the warrants shall rank pari passu in all aspects with the existing ordinary shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

The warrants have expired on 22 July 2020 and had then been delisted on 23 July 2020. At the expiry of the warrants, the balance in the warrant reserve has been transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. RESERVES (CONTINUED)

35.2 CAPITAL RESERVE

Capital reserves arose from the profit on disposal of investment in a subsidiary.

36. LONG-TERM BORROWINGS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Hire purchase payables (Note 37)	202	379	202	379
Term loans (Note 38)	227,005	170,980	7,718	-
	227,207	171,359	7,920	379

37. HIRE PURCHASE PAYABLES

	The Group and The Company	
	2020 RM'000	2019 RM'000
Minimum hire purchase payments:		
- not later than 1 year	191	216
- later than 1 year and not later than 5 years	207	398
	398	614
Less: Future finance charges	(19)	(42)
Present value of hire purchase payables	379	572
<u>Analysed by:</u>		
Current liabilities (Note 42)	177	193
Non-current liabilities (Note 36)	202	379
	379	572

- (a) 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.
- (b) The hire purchase payables of the Group and of the Company bore effective interest rates ranging from 4.15% to 4.52% (2019: 4.15% to 4.81%) per annum at the end of reporting period. The interest rates are fixed at the inception of the hire purchase agreement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

38. TERM LOANS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current liabilities (Note 42)	23,892	11,846	-	-
Non-current liabilities (Note 36)	227,005	170,980	7,718	-
	250,897	182,826	7,718	-

(a) As at reporting date, the Group and the Company have the following credit facilities from licensed banks:

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Floating rate term loans				
I	171,136	126,269	-	-
II	6,055	-	-	-
III	65,988	56,557	-	-
IV	7,718	-	7,718	-
	250,897	182,826	7,718	-

The interest rate profile of the term loans is summarised below:

	The Group		The Company	
	2020 %	2019 %	2020 %	2019 %
Floating rate term loans				
I	4.16	5.30	-	-
II	3.80	-	-	-
III	4.15 - 4.21	5.19 - 5.24	-	-
IV	3.72	-	3.72	-

(b) Term Loan I

(i) Term loan I 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

38. TERM LOANS (CONTINUED)

(b) Term Loan I (continued)

(i) Term loan I including the following (continued):

Bridging Loan 2

The Bridging Loan 2 is repayable over 8 years by 47 monthly principal repayments of RM583,333 each with 1 final month principal repayment of RM583,349 commencing on the 49th 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.

The bridging loan has been fully repaid during the financial year.

(ii) Term loan I is secured by:

- a facility agreement;
- a legal charge over 10 parcels of freehold development land held under title GRN 337202, 337203, 337204, 332588, 335776, 335777, 335778, 335779, 333879 and 333882 situated in Mukim Dengkil, District of Sepang, State of Selangor ("Property A") as disclosed in Note 15, 16 and 18 respectively;
- 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.

(c) Term Loan II

(i) Term loan II including the following:

Term Loan 1, Term Loan 2 and Bridging Loan

The Term Loan is repayable over 3 years by 35 monthly principal repayments of RM1,300,000 each with 1 final month principal repayment of RM500,000 commencing at the end of 13th month from the date of the first drawdown, or from redemption rate of 25% of the selling price of each unit sold under the Project.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

38. TERM LOANS (CONTINUED)

(c) Term Loan II (continued)

(ii) Term loan II 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 the subsidiary in relation to the Project;
- assignment of surplus proceeds of the Project captured in Housing Development Account;
- assignment of all performance bonds/guarantees/warranties (if any) given by contractors/suppliers to the subsidiary in relation to the Project;
- assignment of all applicable insurance policies in respect of the Project (if any), where the Bank is to be endorsed as Loss Payee; and
- a corporate guarantee of the Company.

(d) Term Loan III

(i) The term loan III including the following:

Term Loan 1

The Term Loan 1 is repayable with an amount of RM35,000,000 prior to the presentation of discharge of charge over the parcel of land where Forum 1 project is located or within 15 months commencing from the date of first drawdown. The amount has been fully repaid during the financial year ended 30 September 2019.

The remaining amount of RM40,000,000 is either repayable over 29 monthly principal repayments of RM1,300,000 each with 1 final month principal repayment of RM2,300,000 commencing on the 19th month from the date of first drawdown and/or by redemption of each unit sold under Forum 2 Project of each unit.

Term Loan 2

The Term Loan 2 is repayable by redemption of units sold under Forum 2 project or 29 monthly repayment of RM2,300,000 each and a final repayment of RM3,300,000 commencing on the 25th month from the date of its first drawdown, whichever is earlier.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

38. TERM LOANS (CONTINUED)

(d) Term Loan III (continued)

(ii) Term loan III is secured by:

- a facility agreement;
- a legal charge over freehold land partly located at Lot No. 86616 GRN 334463, Mukim Bukit Raja, District of Petaling, Negeri Selangor ("Project Land") as disclosed in Note 16 and 18 respectively;
- a corporate guarantee of the Company;
- 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 Project Land);
- assignment and legal charge over the Designated Accounts;
- assignment of rights and benefits arising from the construction contracts and contractor's performance bond in favour of Borrower in respect of the Project; and
- assignment of the Borrower's interest, rights, titles and benefits from all insurance policies taken in respect of the Forum 2 Project whereby the Lender is to be endorsed as the loss payee.

(e) Term Loan IV

(i) The term loan IV including the following:

Term Loan 1

The Term Loan is repayable over 12 years by 144 monthly principal repayments of RM75,200 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 12 years by 144 monthly principal repayments of RM75,200 each commencing on the full release of Term Loan 2, or by Availability Period, whichever is earlier.

Term Loan 3

The Term Loan is repayable over 12 years by 144 monthly principal repayments of RM102,100 each commencing on the full release of Term Loan 3, or by Availability Period, whichever is earlier.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

38. TERM LOANS (CONTINUED)

(e) Term Loan IV (continued)

(ii) Term loan IV 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).

(f) Revolving Credit and Bank Guarantee

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.

The revolving credit has been fully repaid during the financial year.

39. LEASE LIABILITIES

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current	2,558	1,502	40	82
Current	2,238	1,840	42	64
	4,796	3,342	82	146
Maturity analysis:				
- not later than 1 year	2,437	1,977	45	72
- later than 1 year and not later than 5 years	2,719	1,576	43	88
- later than 5 years	77	6	-	-
Less: unexpired finance charges	(437)	(217)	(6)	(14)
	4,796	3,342	82	146

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

39. LEASE LIABILITIES (CONTINUED)

The incremental borrowing rates applied to the lease liabilities are:

	The Group		The Company	
	2020 %	2019 %	2020 %	2019 %
Interest rate per annum	3.47 to 5.67	5.21 to 6.60	5.67	5.21 to 6.60

40. TRADE PAYABLES

	The Group	
	2020 RM'000	2019 RM'000
Trade payables	10,331	13,883
Retention sum payables	9,812	11,250
Accrued costs	31,927	53,323
	52,070	78,456

- (a) The normal trade credit terms granted to the Group range from 30 to 75 days (2019: 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 2021 to 2025 (2019: 2020 to 2022).

41. OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Other payables	17,735	16,239	104	176
Deposits received	9,495	3,674	556	106
Accruals	53,412	60,011	2,017	5,849
Advances received	31,189	33,059	-	-
	111,831	112,983	2,677	6,131

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

42. SHORT-TERM BORROWINGS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Hire purchase payables (Note 37)	177	193	177	193
Term loans (Note 38)	23,892	11,846	-	-
	24,069	12,039	177	193

43. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Short-term investment	92,264	7,063	71,828	7,063
Fixed deposits with licensed banks	34,908	31,353	29,307	25,797
Cash and bank balances	140,606	87,093	21,221	17,552
	267,778	125,509	122,356	50,412
Less: Fixed deposits pledged to licensed banks (Note 31)	(32,355)	(22,376)	(29,307)	(19,404)
	235,423	103,133	93,049	31,008

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

44. 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:

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
(a) Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	192	192	192	192
- salaries, bonuses and other benefits	2,052	4,624	2,052	4,624
Defined contribution benefits	245	553	245	553
	2,489	5,369	2,489	5,369
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:				
- fees	191	186	191	186
- salaries, bonuses and other benefits	1,070	1,208	1,070	1,208
Defined contribution benefits	108	136	108	136
	1,369	1,530	1,369	1,530
Total directors' remuneration (Note 9)	3,858	6,899	3,858	6,899
Estimated monetary value of benefits-in-kind:				
- directors of the Company	49	83	49	83
- directors of the Subsidiaries	22	-	22	-
	71	83	71	83
(b) Other Key Management Personnel				
Short-term employee benefits	1,087	1,133	1,087	1,133
Defined contribution benefits	131	139	131	139
Total compensation for other key management personnel	1,218	1,272	1,218	1,272
Estimated monetary value of benefits-in-kind	33	34	33	34

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

45. 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 fulfill 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 2020

46. 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 during the financial year:

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Subsidiaries				
Advances from	-	-	2,070	5,070
Advances to	-	-	13,424	121,334
Assignment of debts from	-	-	-	54
Collection received on behalf of	-	-	1,281	215
Dividend received/receivable	-	-	3,060	107,270
Interest received/receivable	-	-	826	947
Management fee received/receivables	-	-	20,417	19,240
Redemption of preference share	-	-	-	109,505
Payment on behalf of	-	-	20,187	34,875
Rental/landscape work charged	-	-	76	-
Purchase of property, plant and equipment	-	-	10,120	-
Associate				
Rental of premises	137	148	137	148
Construction service rendered by	17,893	-	-	-
Retention sum payable to	2,177	-	-	-
Back charged of clerk of work to	29	-	-	-
Finance charges on deferred payment arrangement with contractor	2,067	-	-	-
Construction revenue received/receivable	13,912	-	-	-
Management fee	1	2	-	-
Investment Income	36	107	-	-
Payment on behalf by	192	1,740	-	-
Payment on behalf of	435	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

46. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant Related Party Transactions and Balances (continued)

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Companies substantially owned by certain directors and/or their close family members				
Carpark rental paid/payable	156	153	156	153
Management fee received/receivables	352	-	352	-
Payment on behalf by	-	1	-	1
Payment on behalf of	1	54	1	54
Rental of premises paid/payable	1,077	1,257	1,077	1,257
Rental of motor vehicles paid/payable	9	10	9	10

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

47. 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 3 main business segments as follows:

- Property development
 - undertakes the development of commercial and residential properties.
 - Construction
 - undertakes the construction activities.
 - Investment holding and others
 - investment activities, provision of management services and others.
- (a) The Executive Chairman assesses the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.
- (b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than investment in associates and tax-related assets.
- (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than tax-related liabilities.
- (d) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

47. OPERATING SEGMENTS (CONTINUED)

2020	Property development RM'000	Construction RM'000	Investment holding and others RM'000	Total RM'000
Revenue				
External revenue	193,798	949	2,336	197,083
Inter-segment revenue	3,357	101,673	24,109	129,139
	197,155	102,622	26,445	326,222
Consolidation adjustments				(129,139)
Consolidated revenue				197,083
Results				
Segment profit/(loss)	86,844	(1,374)	(28,008)	57,462
Finance costs				(9,345)
Share of results in associates				(40)
Consolidated profit before taxation				48,077
Segment profit/(loss) includes the following:				
Investment income	3,145	232	3,176	6,553
Finance costs	(8,797)	-	(548)	(9,345)
Gain on disposal of assets classified as held for sale	-	-	1,893	1,893
Gain on recognition of lease receivables	97	-	-	97
Fair value gain on biological assets	-	38	-	38
Depreciation of:				
- property, plant and equipment	(3,631)	(201)	(1,817)	(5,649)
- investment properties	(112)	-	(366)	(478)
- right-of-use assets	(485)	-	(468)	(953)
Impairment loss on:				
- property, plant and equipment	-	-	(1,751)	(1,751)
- investment properties	-	-	(602)	(602)
- right-of-use assets	-	-	(1,874)	(1,874)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

47. OPERATING SEGMENTS (CONTINUED)

2020	Property development RM'000	Construction RM'000	Investment holding and others RM'000	Total RM'000
Segment profit/(loss) includes the following:				
Inventories write down to net realisable value:				
- land held for property development	(1,238)	-	-	(1,238)
- completed units	(404)	-	-	(404)
Property, plant and equipment written off/adjustments	(160)	-	(316)	(476)
Fair value gain on biological assets	-	38	-	38
Reversal of allowance for impairment losses/(Allowance for impairment losses on):				
- trade receivables	694	-	(1)	693
- other receivables	-	-	(1,071)	(1,071)
Assets				
Segment assets	1,385,860	6,805	157,137	1,549,802
Unallocated assets:				
- investment in associates				576
- deferred tax assets				9,286
- current tax assets				14,501
Consolidated total assets				1,574,165
Additions to non-current assets other than financial instruments and deferred tax assets are:				
- property, plant and equipment (Note 15)	864	175	1,308	2,347
- investment properties (Note 16)	19,949	-	925	20,874
Liabilities				
Segment liabilities	376,519	31,452	28,120	436,091
Unallocated liabilities:				
- deferred tax liabilities				94,773
- current tax liabilities				7,300
Consolidated total liabilities				538,164

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

47. OPERATING SEGMENTS (CONTINUED)

2019	Property development RM'000	Construction RM'000	Investment holding and others RM'000	Total RM'000
Revenue				
External revenue	532,439	245	1,573	534,257
Inter-segment revenue	-	179,149	127,196	306,345
	532,439	179,394	128,769	840,602
Consolidation adjustments				(306,345)
Consolidated revenue				534,257
Results				
Segment profit/(loss)	218,901	(604)	(8,025)	210,272
Finance costs				(6,506)
Share of results in associates				(467)
Consolidated profit before taxation				203,299
Segment profit/(loss) includes the following:				
Investment income	2,226	207	1,713	4,146
Finance costs	(6,203)	(83)	(220)	(6,506)
Gain on disposal of investment properties	-	-	5,438	5,438
Fair value gain on biological assets		53		53
Depreciation of:				
- property, plant and equipment	(3,359)	(181)	(1,241)	(4,781)
- investment properties	(112)	-	(387)	(499)
- right-of-use assets	(549)	-	(424)	(973)
Inventories write down to net realisable value:				
- land held for property development	(1,395)	-	-	(1,395)
Allowance for impairment losses on:				
- trade receivables	-	-	(8)	(8)
- other receivables	-	-	(91)	(91)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

47. OPERATING SEGMENTS (CONTINUED)

2019	Property development RM'000	Construction RM'000	Investment holding and others RM'000	Total RM'000
Assets				
Segment assets	1,368,572	23,584	98,330	1,490,486
Unallocated assets:				
- investment in associates				616
- deferred tax assets				10,349
- current tax assets				9,751
Consolidated total assets				<u>1,511,202</u>
Additions to non-current assets other than financial instruments and deferred tax assets are:				
- property, plant and equipment (Note 15)	3,987	188	3,240	7,415
- investment properties (Note 16)	11,499	-	-	11,499
Liabilities				
Segment liabilities	350,091	36,982	9,131	396,204
Unallocated liabilities:				
- deferred tax liabilities				91,967
- current tax liabilities				7,157
Consolidated total liabilities				<u>495,328</u>

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	
	2020 RM'000	2019 RM'000
Malaysia	197,083	534,257

Major Customers

There is no single customer that contributed 10% or more to the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

48. CAPITAL COMMITMENT

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Contracted but not provided for	121,765	119,568	11,217	-

49. 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 payable RM'000	Loans and borrowings RM'000	Lease liabilities RM'000
At 1 October 2018	896	239,078	298
Proceeds	-	30,332	-
Repayment	(324)	(86,584)	(2,239)
Non-cash transactions	-	-	5,283
At 30 September 2019/1 October 2019	572	182,826	3,342
Proceeds	-	157,708	-
Repayment	(193)	(89,637)	(2,577)
Non-cash transactions	-	-	4,031
At 30 September 2020	379	250,897	4,796

The Company	Hire purchase payable RM'000	Loans and borrowings RM'000	Lease liabilities RM'000	Amount owing to subsidiaries RM'000
At 1 October 2018	896	-	298	120,969
Proceeds	-	-	-	5,070
Repayment	(324)	-	(331)	-
Non-cash transactions	-	-	179	(121,998)
At 30 September 2019/1 October 2019	572	-	146	4,041
Proceeds	-	37,718	-	2,070
Repayment	(193)	(30,000)	(67)	-
Non-cash transactions	-	-	3	(104)
At 30 September 2020	379	7,718	82	6,007

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

50. 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.

50.1 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 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 37 and Note 38.

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 Group	
	2020 RM'000	2019 RM'000
Effects on Profit after taxation		
Increase of 100 basis points	(1,907)	(1,389)
Decrease of 100 basis points	1,907	1,389
	The Company	
	2020 RM'000	2019 RM'000
Effects on Loss after taxation		
Increase of 100 basis points	59	-
Decrease of 100 basis points	(59)	-

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FOR THE YEAR ENDED 30 SEPTEMBER 2020

50. FINANCIAL INSTRUMENTS (CONTINUED)

50.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(a) Market Risk (continued)

Interest Rate Risk Sensitivity Analysis (continued)

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.

(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.

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 are 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's maximum exposure to credit risk in relation to unsecured financial guarantees amounted to RM250,897,000 (2019: RM182,826,000), represented by the outstanding banking facilities of the subsidiaries as at the end of the reporting period. As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

50. FINANCIAL INSTRUMENTS (CONTINUED)

50.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(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.

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
2020						
Trade payables	-	52,070	52,070	52,070	-	-
Other payables, deposits received and accruals	-	111,831	111,831	111,831	-	-
Amount owing to associate	-	2,158	2,158	2,158	-	-
Hire purchase payables	4.15 to 4.52	379	398	191	207	-
Term loans	3.72 to 4.21	250,897	293,734	33,872	178,665	81,197
Lease liabilities	3.47 to 5.67	4,796	5,233	2,437	2,719	77
		422,131	465,424	202,559	181,591	81,274
2019						
Trade payables	-	78,456	78,456	78,456	-	-
Other payables, deposits received and accruals	-	112,983	112,983	112,983	-	-
Dividend payable	-	22	22	22	-	-
Amount owing to related parties	-	1,249	1,249	1,249	-	-
Amount owing to associate	-	1,706	1,706	1,706	-	-
Hire purchase payables	4.15 to 4.81	572	614	216	398	-
Term loans	5.19 to 5.30	182,826	222,609	21,526	125,764	75,319
Lease liabilities	5.21 to 6.60	3,342	3,559	1,977	1,576	6
		381,156	421,198	218,135	127,738	75,325

NOTES TO THE FINANCIAL STATEMENTS

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50. FINANCIAL INSTRUMENTS (CONTINUED)

50.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(c) Liquidity Risk (continued)

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
2020						
Other payables, deposits received and accruals	-	2,677	2,677	2,677	-	-
Amount owing to subsidiaries	-	6,007	6,007	6,007	-	-
Hire purchase payables	4.15 to 4.52	379	398	191	207	-
Term Loan	3.72	7,718	8,924	284	7,086	1,554
Lease liabilities	5.67	82	88	45	43	-
		16,863	18,094	9,204	7,336	1,554
2019						
Other payables, deposits received and accruals	-	6,131	6,131	6,131	-	-
Amount owing to subsidiaries	-	4,041	4,041	4,041	-	-
Hire purchase payables	4.15 to 4.81	572	614	216	398	-
Lease liabilities	5.21 to 6.60	146	160	72	88	-
		10,890	10,946	10,460	486	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

50. FINANCIAL INSTRUMENTS (CONTINUED)

50.2 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	
	2020 RM'000	2019 RM'000
Hire purchase payables	379	572
Term loans	250,897	182,826
	251,276	183,398
Less: Short-term investment	(92,264)	(7,063)
Less: Fixed deposits with licensed banks	(34,908)	(31,353)
Less: Cash and bank balances	(140,606)	(87,093)
Net (asset)/debt	(16,502)	57,889
Total equity	1,036,001	1,015,874
Debt-to-equity ratio/Net gearing ratio	N/A	0.06

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 2020

50. FINANCIAL INSTRUMENTS (CONTINUED)

50.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Other investment	184	184	159	159
Short-term investment	92,264	7,063	71,828	7,063
<u>Amortised Costs</u>				
Trade receivables	48,781	46,336	-	-
Other receivables and deposits	12,735	8,847	495	567
Lease receivables	204	-	-	-
Amount owing by subsidiaries	-	-	395,785	478,215
Amount owing by related parties	1,763	1,904	178	-
Amount owing by associate	4,270	1,867	-	-
Fixed deposits with licensed banks	34,908	31,353	29,307	25,797
Cash and bank balances	140,606	87,093	21,221	17,552
Financial Liabilities				
<u>Amortised Costs</u>				
Trade payables	52,070	78,456	-	-
Other payables, deposits received and accruals	111,831	112,983	2,677	6,131
Amount owing to subsidiaries	-	-	6,007	4,041
Amount owing to related parties	-	1,249	-	-
Amount owing to associate	2,158	1,706	-	-
Dividend payable	-	22	-	-
Hire purchase payables	379	572	379	572
Term loans	250,897	182,826	7,718	-
Lease liabilities	4,796	3,342	82	146

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

50. FINANCIAL INSTRUMENTS (CONTINUED)

50.4 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.

The fair values of hire purchase payables 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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Level 1				
Financial asset at FVTPL:				
Short-term investment [#]	92,264	7,063	71,828	7,063
Level 3				
Financial asset at FVTPL				
Other investment [^]	184	184	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.

During the reporting year ended 30 September 2020, there were no transfers between the hierarchy fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

51. SIGNIFICANT EVENT DURING THE YEAR

On 11 March 2020, the World Health Organisation declared the Coronavirus (“COVID-19”) outbreak as a pandemic in recognition of its rapid spread across the globe. The COVID-19 outbreak has resulted in travel restrictions, quarantines, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 outbreak since early 2020 has brought significant economic uncertainties across the globe.

In response to this pandemic, the Malaysian Government implemented Movement Control Order (“MCO”) effective from 18 March 2020 to 12 May 2020, followed by a Conditional Movement Control Order (“CMCO”) until 9 June 2020 and the Recovery Movement Control Order (“RMC0”) from 10 June 2020 to 31 March 2021.

As a result of the MCO, the Group have temporary shut down its premises from 18 March 2020 till 3 May 2020. Subsequently, on 4 May 2020, the Group reopened and resume its operations by phases with proper Standard Operating Procedures (“SOP”) put in place. The progress of the on-going projects were halted during MCO imposed by the Malaysian Government and thus the revenue recognition of these projects were impeded. As Malaysia’s Temporary Measures for Reducing the Impact of Coronavirus Disease 2019 (COVID-19) Act 2020 came into force, the Group had obtained approval from Ministry of Housing & Local Government to exclude the calculation of liquidated ascertained damages for the failure to deliver vacant possession of housing accommodation for the period from 18 March 2020 to 31 August 2020.

With the RMC0, the Group’s operations returned to normalcy. The latest imposition of the CMCO in October 2020 and 14-day MCO effective 13 January 2021 has not had any adverse impact on the Group’s operations as the Group is permitted to continue with normal operations without any major form of restrictions or interruptions in daily activities save for the implementation and observation of the required SOPs and conditions which remain in place.

At the reporting date, the Group is financially strong with a net current asset and positive shareholders’ fund amounted to RM592,053,000 and RM1,028,666,000 respectively. Besides that, the Group’s holding cash and cash equivalents of RM235,423,000 as at 30 September 2020, and has no issue in its ability to continue as going concern in the foreseeable future.

The Group performed an assessments on the overall impact of the situation on the Group’s operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there is no material adverse effect on the financial statements for the financial year ended 30 September 2020, other than impairment loss on property, plant and equipment and right-of-use assets as disclosed in Note 15 and Note 20 respectively.

As the situation is still evolving and the uncertainty of the outcome of the current events, the Group will continuously monitor the impact of COVID-19 on its operations and its financial performance. The Group will also be taking appropriate and timely measures in minimising the impact of the pandemic on the Group’s operations and financial performance.

52. SUBSEQUENT EVENTS

(a) The Company had on 2 October 2020, entered the following:

(i) A conditional shares subscription and shareholders’ agreement with Sunsuria KL Sdn. Bhd. (“Sunsuria KL”), Suez Capital Sdn. Bhd. (“Suez Capital”), Dasar Temasek Sdn. Bhd. (“Dasar Temasek”) (collectively, “BHP Development Existing Shareholders”) and Bangsar Hill Park Development Sdn. Bhd. (“BHP Development”) for the following:

- proposed subscription by the Company of 4,488,520 new ordinary shares in BHP Development (“BHP Development Shares”), representing 51.0% of the enlarged issued share capital of BHP Development, for a total subscription consideration of RM8,438,417.60 at the issue price of RM1.88 per BHP Development Share to be satisfied in cash;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

52. SUBSEQUENT EVENTS (CONTINUED)

- (a) The Company had on 2 October 2020, entered the following: (continued)
- (i) A conditional shares subscription and shareholders' agreement with Sunsuria KL Sdn. Bhd. ("Sunsuria KL"), Suez Capital Sdn. Bhd. ("Suez Capital"), Dasar Temasek Sdn. Bhd. ("Dasar Temasek") (collectively, "BHP Development Existing Shareholders") and Bangsar Hill Park Development Sdn. Bhd. ("BHP Development") for the following: (continued)
- regulate the relationship between the Company, Sunsuria KL, Suez Capital and Dasar Temasek as shareholders of BHP Development upon the completion of the Proposed Subscription of BHP Development; and
 - provision of financial assistance by the Company to BHP Development after the completion of the Proposed Subscription of BHP Development of up to RM276.1 million, of which an amount of up to RM102.1 million in cash will be used for the working capital requirement of BHP Development which is in proportion to the Company's 51.0% shareholding in BHP Development and an amount of up to RM174.0 million in the form of corporate guarantee for 51.0% of the financing facilities obtained by BHP Development and
- (ii) A conditional shares sale and purchase agreement with Johari bin Said and Aizul Akma binti Awang for the proposed acquisition by the Company of 100,000 existing ordinary shares in Bumilex Construction Sdn. Bhd. ("Bumilex"), representing 100% of the issued share capital of Bumilex, for a total purchase consideration of RM2.00 to be satisfied in cash.

In conjunction with the Proposed Acquisition of Bumilex, Bumilex had, on the same date, entered into a conditional shareholders' agreement with Montflex Sdn. Bhd. ("Montflex"), a 51.0%-owned subsidiary of Bumilex, and Excel Logic Sdn. Bhd. ("Excel Logic"), being the shareholder of the remaining 49.0% equity interest in Montflex, to regulate the relationship between Bumilex and Excel Logic as the shareholders of Montflex upon the completion of the Proposed Acquisition of Bumilex.

Subsequent to the completion of the Proposed Acquisition of Bumilex, the Company will be obligated to provide (either directly or through Bumilex) financial assistance to Montflex of up to RM33.3 million, of which an amount of up to RM20.6 million in cash will be used for the working capital requirement of Montflex which is in proportion to Bumilex's 51.0% shareholding in Montflex and an amount of up to RM12.7 million in the form of corporate guarantee for 51.0% of the financing facilities obtained by Montflex.

The above proposals are subject to:

- approval of the non-interested shareholders of the Company at an extraordinary general meeting of the Company to be convened;
- approval and/or consent of the financiers, including the financiers of the Company, BHP Development and Bumilex, if required;
- approval of the Public Private Partnership Unit, Prime Minister's Department for the change in the shareholder of Bumilex; and
- approval, waiver and/or consent of any other relevant authority and/or party, if required.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

52. SUBSEQUENT EVENTS (CONTINUED)

- (b) The Company had on 7 October 2020, proposed the establishment of a Rated Islamic Medium Terms Notes (“Sukuk Wakalah”) Programme of up to RM500.0 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 RM500.0 million at any point in time.

The tenure of the Sukuk Wakalah Programme shall be up to thirty years (30) years from the date of first issuance of the Sukuk Wakalah. The Sukuk Wakalah Programme has been assigned a preliminary rating of A+ IS with a stable outlook by Malaysian Rating Corporation Berhad.

Pursuant to the Sukuk Wakalah Programme, the Company had on 2 December 2020 issued the following:

- (a) a 3-year issuance of nominal value of RM75 million with coupon rate of 5.6% per annum; and
- (b) a 5-year issuance of nominal value of RM40 million with coupon rate of 5.8% per annum.

LIST OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2020

Ref	Date of Acquisition	Property Address/ Location	Description	Existing Use	Tenure/ Approximate Age of Building	Land Area (sq meters)	Total RM'000
1	31.03.1983	Lot 1780 Section 3, Mak Mandin Industrial Estate, Seberang Perai, Pulau Pinang	Land & Industrial Building	Factory	Leasehold land with lease period expiring 15.8.2073/ 44 years	13,575	2,645
2	02.10.2019	Unit 31-1, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara	Commercial Lot	Office	Leasehold land with lease period expiring 21.2.2107/ 10 years	37	313
3	02.10.2019	Unit 31-2, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara	Commercial Lot	Office	Leasehold land with lease period expiring 21.2.2107/ 10 years	37	186
4	07.08.2015	No. 11-G, Garden Wing, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara	Commercial Lot	Office	Leasehold with lease period expiring 21.02.2107/ 10 years	74	764
5	07.08.2015	No. 3-6, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara	Commercial Lot	Office	Leasehold with lease period expiring 21.02.2107/ 10 years	108	686
6	11.06.2015	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/ 3 years	413,024	315,615
7	11.06.2015	GRN 332588, Lot 115624 Mukim Dengkil, Daerah Sepang, Selangor	Land held for property development	Development land	Freehold	194,533	127,754

LIST OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2020

Ref	Date of Acquisition	Property Address/ Location	Description	Existing Use	Tenure/ Approximate Age of Building	Land Area (sq meters)	Total RM'000
8	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	71,354	70,671
9	11.06.2015	GRN 333879, Lot 115616 Mukim Dengkil, Daerah Sepang, Selangor	Land held for property development	Development land	Freehold	137,027	54,307
10	11.06.2015	GRN 335296, Lot 119114, HSD 44451, PT59441 Mukim Dengkil, Daerah Sepang, Selangor	Land held for property development	Development land	Freehold	12,909	16,176
11	09.05.2016	GRN 333882, Lot 115623 Mukim Dengkil, Daerah Sepang, Selangor	Land held for property development	Development land	Freehold	34,236	33,751
12	26.07.2017	GRN 524, Lot 1070, GRN 2273, Lot 30259, Mukim of Setapak, District of Kuala Lumpur	Land held for property development	Development land	Freehold	9,111	28,460
13	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	7,184	62,253
14	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	1,199	7,575
15	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	Carpark space	Freehold	9,909	10,792

ANALYSIS OF SHAREHOLDINGS

AS AT 31 DECEMBER 2020

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	219	6.41	7,631	0.00
100 - 1,000	442	12.94	296,275	0.03
1,001 - 10,000	1,762	51.60	7,706,528	0.86
10,001 - 100,000	807	23.63	26,674,208	2.98
100,001 - 44,795,864*	181	5.30	300,452,880	33.54
44,795,865 and Above**	4	0.12	560,779,780	62.59
TOTAL:	3,415	100	895,917,302	100

Remark: * Less than 5% of issued shares
** 5% and above of issued shares

THIRTY (30) LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	%
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)	165,921,872	18.52
4. AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR RUBY TECHNIQUE SDN BHD	45,300,000	5.06
5. HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIM HEUNG	27,000,000	3.01
6. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR TAN WEI HOONG (PB)	22,000,000	2.46
7. LAI MING CHUN @ LAI POH LIN	20,000,000	2.23
8. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR TAN WEI WEN (PB)	15,000,000	1.67
9. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR TAN TIAN MENG (PB)	14,828,800	1.66
10. TER CAPITAL SDN BHD	14,466,300	1.61

ANALYSIS OF SHAREHOLDINGS

AS AT 31 DECEMBER 2020

Name of Shareholders	No. of Shares	%
11. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR TAN KIM HEUNG (PB)	10,000,000	1.12
12. LIM KUANG SIA	9,657,600	1.08
13. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP (8058900)	9,210,000	1.03
14. BINTANG SARI SDN BHD	8,304,000	0.93
15. TAN WEI WEN	8,000,000	0.89
16. WONG YUEN TECK	7,650,830	0.85
17. LEE TOON HIAN	7,255,800	0.81
18. CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP (MY0502)	7,070,000	0.79
19. AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG HENG JEM (M09)	7,000,000	0.78
20. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LAI MING CHUN @ LAI POH LIN (PB)	6,008,000	0.67
21. TAN WEI HOONG	6,000,000	0.67
22. THK CAPITAL SDN BHD	4,642,000	0.52
23. CHONG CHIN HUANG	4,430,000	0.49
24. CIMSEC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CIMB COMMERCE TRUSTEE BERHAD FOR PEARSON TRUST (PB)	4,233,200	0.47
25. ATTRACTIVE FEATURES SDN BHD	4,000,000	0.45
26. 999 RESOURCES SDN BHD	3,900,000	0.44
27. LEE YEW CHEN	3,673,070	0.41
28. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE TOON HIAN	3,522,400	0.39
29. LION-PARKSON FOUNDATION	3,200,000	0.36
30. TER LEONG YAP	2,918,000	0.32
TOTAL	794,749,780	88.71

ANALYSIS OF SHAREHOLDINGS

AS AT 31 DECEMBER 2020

SUBSTANTIAL SHAREHOLDERS

(AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

Name of Shareholders	No. of Shares Held			
	Direct	%	Indirect	%
1. Ter Equity Sdn Bhd	182,557,376	20.38	-	-
2. Tan Sri Datuk Ter Leong Yap	168,839,872	18.85	368,666,208 ⁽¹⁾	41.15
3. Ter Capital Sdn Bhd	181,466,832	20.25	-	-
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 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	No. of Shares Held			
	Direct	%	Indirect	%
1. Tan Sri Datuk Ter Leong Yap	168,839,872	18.85	368,666,208*	41.15
2. Datin Loa Bee Ha	-	-	14,828,800^	1.66
3. Tan Pei Geok	1,830,000	0.20	-	-
4. Dato' Quek Ngee Meng	243,300	0.03	-	-

* Deemed interested by virtue of his interest in 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 52ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Second Annual General Meeting (“52nd AGM”) of Sunsuria Berhad (“Sunsuria” or the “Company”) will be conducted in a fully virtual manner 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, 17 March 2021
Time	: 10.00 a.m.
Broadcast Venue	: Tricor Business Centre, Manuka 2 & 3 Meeting Room Unit 29-01, Level 29, Tower A Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia
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 2020 together with the Reports of the Directors and Auditors thereon. | <i>(Please refer to explanatory note 1)</i> |
| 2. To approve the payment of Directors’ fees of RM192,000 for the period from 17 March 2021 to the next Annual General Meeting (“AGM”) of the Company to be held in 2022. | Resolution 1 |
| 3. To re-elect Tan Sri Datuk Ter Leong Yap, a Director who retires by rotation pursuant to Clause 114 of the Company’s Constitution, and who being eligible, has offered himself for re-election. | Resolution 2 |
| 4. 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 3 |
| 5. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | Resolution 4 |

“THAT subject always to the Companies Act 2016, the provisions of the Constitution of the Company and the approvals from the relevant authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 (the “Act”), to allot and issue shares in the Company from time to time to such persons and upon such terms and conditions for such purposes as the Directors may in their absolute discretion, deem fit including in pursuance of offers, agreements or options to be made or granted by Directors while this approval is in force and that the Directors be and are hereby further authorised to make or grant offers, agreements or options in respect of shares in the Company including those which would or might require shares in the Company to be issued after the expiration of the approval hereof, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed twenty percent (20%) of the total issued shares of the Company for the time being, AND THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until 31 December 2021, as empowered by Bursa Securities pursuant to their letter dated 16 April 2020 to grant additional temporary relief measures to listed corporations, notwithstanding Section 76(3) of the Act, duly varied and adopted by the Directors of the Company pursuant to Section 76(4) of the Act.

NOTICE OF 52ND ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

Ordinary Resolutions

6. 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 5

"THAT subject to 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 2021 (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:
 - (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 52ND ANNUAL GENERAL MEETING

7. 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")

Resolution 6

"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.

NOTICE OF 52ND ANNUAL GENERAL MEETING

8. 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

LEE SWEE KHENG (MIA 12754) (SSM PC No. 201908003159)
NGIAN YOKE FUNG (MAICSA 7049093) (SSM PC No. 201908002393)
Secretaries

Petaling Jaya
29 January 2021

NOTES:

1. The 52nd AGM will be conducted in a 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 TIIH Online website at <https://tiih.online> ("TIIH online"). Please follow the procedures provided in the Administrative Notes for the 52nd AGM in order to register, participate and vote remotely via the RPV facilities.
2. The broadcast venue of the 52nd 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 present 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 prior to the 52nd 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 52nd AGM will be conducted virtually in its entirety, a Member entitled to participate and vote at the Meeting may appoint Chairman of the 52nd 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 11 March 2021 ("General Meeting Record of Depositors") shall be eligible to attend and vote remotely at the 52nd 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 52nd 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. 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 52nd AGM of the Company shall be put to vote by way of poll.

NOTICE OF 52ND ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

1. Audited Financial Statements for the financial year ended 30 September 2020

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of Companies Act 2016 (the “Act”) for discussion only under Agenda 1 and do not require members’ approval. Hence, this item is not put forward for voting.

2. Resolution 1 - Payment of Directors’ Fees

Pursuant to Clause 121 of the Company’s Constitution, any fees payable to the directors of the Company shall be approved at a general meeting.

Based on the annual review of the Directors’ remuneration conducted by the Nomination and Remuneration Committee (“NRC”), the Board had, at its meeting held on 30 November 2020, agreed that the proposed fees payable to the Non-Executive Directors (“NEDs”) shall remain unchanged as follows:

	RM per Year	
	Board	Audit Committee
Chairman	-	24,000
Member	48,000	12,000

Shareholders’ approval is hereby sought under Resolution 1 on the payment of NEDs’ fees for the period from 17 March 2021 until the next Annual General Meeting (“AGM”) of the Company to be held in year 2022. If passed, it will give approval to the Company to continue paying the NEDs’ fees on a monthly basis instead of in arrears after every AGM for their services to the Board and Board Committees.

Any NEDs who are shareholders of the Company will abstain from voting on Resolution 1 concerning the remuneration to the NEDs at the Fifty-Second Annual General Meeting (“52nd AGM”).

The remuneration of each Director is set out in the Corporate Governance Overview Statement.

3. Resolution 2 - 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 52nd AGM pursuant to Clause 114 of the Constitution.

The NRC and Board had considered and were satisfied with the leadership and management of Tan Sri Datuk Ter, as well as the Chief Executive Officer role he helmed would continue to lead, bring sound judgement and valuable contribution to the Company.

The Board recommends the re-election of Tan Sri Datuk Ter Leong Yap at the 52nd AGM.

NOTICE OF 52ND ANNUAL GENERAL MEETING

4. Resolution 3 - Re-appointment of Auditors

The Audit Committee ("AC") at its meeting held on 30 November 2020, 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 30 November 2020, approved the AC's recommendation for the shareholders' approval to be sought at the 52nd AGM on the re-appointment of Deloitte as external auditors of the Company to hold office until the conclusion of the next AGM. Deloitte has indicated their willingness to continue their services until the conclusion of the next AGM.

5. Resolution 4 - Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution proposed under Agenda 5 is a renewal of the general mandate and empowering the Directors of the Company pursuant to Sections 75 and 76 of the Act to issue and allot new shares in the Company ("General Mandate").

Bursa Malaysia Securities Berhad had on 16 April 2020 announced that listed issuers are allowed to seek a higher limit of General Mandate of not more than 20% of the total number of issued shares for issue of new securities ("20% General Mandate"). The 20% General Mandate may be utilised by listed issuer to issue new securities until 31 December 2021 and thereafter, the 10% general mandate will be reinstated ("Extended Utilisation Period").

Having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group, the Board would like to procure approval for the 20% General Mandate, inclusive of the Extended Utilisation Period, pursuant to Section 76(4) of the Act, from its shareholders at the 52nd AGM of the Company.

The Board is of the opinion that this 20% General Mandate is in the best interests of the Company and its shareholders. The 20% General 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.

The 20% General Mandate, unless revoked or varied by the Company in general meeting, will expire at the end of the Extended Utilisation Period, i.e., 31 December 2021.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

As at the date of this Notice, no new shares were issued pursuant to the mandate granted to the Directors at 51st AGM held on 12 June 2020 which will lapse at the conclusion of the 52nd AGM.

NOTICE OF 52ND ANNUAL GENERAL MEETING

6. Resolution 5 - Proposed Shareholders' Mandate

The Ordinary Resolution proposed under Agenda 6, 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 2021 for further information.

7. Resolution 6 - Proposed Renewal of Share Buy-Back Authority

The Ordinary Resolution proposed under Agenda 7, 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)

1. There were no Directors standing for election at the Fifty-Second Annual General Meeting.
2. 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 52ND ANNUAL GENERAL MEETING

DATE:	TIME:	BROADCAST VENUE:
Wednesday, 17 March 2021	10.00 a.m.	Tricor Business Centre, Manuka 2 & 3 Meeting Room Unit 29-01, Level 29, Tower A Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia

MODE OF MEETING

In view of the COVID-19 pandemic and as part of the safety measure, the Fifty-Second Annual General Meeting ("52nd AGM") of the Company will be conducted in a fully virtual manner through live streaming from the broadcast venue.

Pursuant to the Securities Commission Malaysia's Guidance Note on the Conduct of General Meetings for Listed Issuer issued on 18 April 2020 (including any amendment that may be made from time to time), there will be no physical venue for the 52nd AGM of the Company and the only venue involved is the broadcast venue where only essential individuals are permitted to be physically present to organise the fully virtual 52nd AGM of the Company. The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders/proxies will not be allowed to attend the 52nd AGM of the Company in person at the broadcast venue on the day of the 52nd AGM of the Company. However, Shareholders/proxies are welcomed to participate in the 52nd AGM of the Company remotely by viewing a live webcast of the meeting, ask questions and submit votes in real time using the Remote Participation and Voting facilities ("RPV Facilities") provided by the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its website at <https://tiah.online> ("TIH Online").

PROCEDURES FOR RPV FACILITIES

Shareholders, proxies, authorised representatives or attorneys who wish to participate in the 52nd AGM of the Company using the RPV Facilities are to follow the requirements and procedures summarised below:

Procedure	Action
Before the Day of the 52nd AGM of the Company	
(a) Register as a user with TIH Online	<ul style="list-style-type: none"> Using your computer, access at TIH Online. Register as a user under the "e-Services". Refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one working day and you will be notified via email. If you are already a user with TIH 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 TIH Online.
(b) Submit your registration for RPV Facilities	<ul style="list-style-type: none"> Registration is open from Friday, 29 January 2021 up to the day of the 52nd AGM of the Company on Wednesday 17 March 2021. Shareholders, proxies, authorised representatives or attorney(s) are required to pre-register their attendance for the 52nd AGM of the Company to ascertain their eligibility to participate the 52nd AGM of the Company using the RPV Facilities. Login with your user name and password and select the corporate event: "(REGISTRATION) SUNSURIA BERHAD 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.

ADMINISTRATIVE NOTES

FOR 52ND ANNUAL GENERAL MEETING

Procedure	Action
Before the Day of the AGM of the Company	
(b) Submit your registration for RPV Facilities (cont'd)	<ul style="list-style-type: none"> 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 11 March 2021, 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. <p><i>Note: Please ensure to allow sufficient time required for the approval as a new user of TIIH Online as well as the registration for the RPV Facilities in order for you to login to TIIH Online and participate the 52nd AGM of the Company remotely.</i></p>
On the day of the 52nd AGM of the Company	
(c) Login to TIIH Online	<ul style="list-style-type: none"> Login with your username and password for remote participation at the 52nd AGM of the Company at any time from 9.30 a.m. i.e. 30 minutes before the commencement of the 52nd AGM of the Company on Wednesday, 17 March 2021 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 AGM” to engage in the proceedings of the 52nd 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 52nd AGM of the Company. If there is time constraint, the responses will be emailed to you at the earliest possible, after the meeting.
(e) Online remote voting	<ul style="list-style-type: none"> Voting session commences from 10.00a.m. on Wednesday, 17 March 2021 until a time when the Chairman announces the end of the voting session of the 52nd AGM of the Company. Select the corporate event: “(REMOTE VOTING) SUNSURIA BERHAD 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 52nd AGM of the Company, the live streaming will end.

Notes to users of the RPV Facilities:

- Should your registration for the RPV Facilities be approved, we will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to TIIH Online on the day of the 52nd 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 issues with logging-in, connection to the live streamed meeting or online voting on the day of the 52nd AGM of the Company, kindly call Tricor’s helpline at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 or email to tiih.online@my.tricorglobal.com for assistance.

ADMINISTRATIVE NOTES

FOR 52ND ANNUAL GENERAL MEETING

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

Shareholders who appoint proxy(ies) or authorised representative(s) to participate, speak and vote at the 52nd AGM of the Company via the RPV Facilities must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to Tricor no later than Monday, 15 March 2021 at 10.00 a.m.

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

(i) In hard copy form

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

(ii) By electronic form

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

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

Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than Monday, 15 March 2021 at 10.00 a.m. to participate the 52nd AGM of the Company via the RPV Facilities. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment with the Share Registrar of the Company, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than Monday, 15 March 2021 at 10.00 a.m. to participate the 52nd AGM of the Company via the RPV Facilities. The certificate of appointment should be executed in the following manner:

- (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

ADMINISTRATIVE NOTES

FOR 52ND ANNUAL GENERAL MEETING

PROCEDURE FOR ELECTRONIC SUBMISSION OF PROXY FORM (Applicable to Individual Shareholders only)

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

Procedure	Action
(a) Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the TIIH Online. Register as a user under the “e-Services”. Refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
(b) Proceed with submission of proxy form	<ul style="list-style-type: none"> After the release of the notice of 52nd AGM of the Company, login with your username and password. Select the corporate event: SUNSURIA BERHAD AGM “Submission of Proxy Form”. Read and agree to the “Terms & Conditions” and confirm the “Declaration”. Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairman as your proxy. Indicate your voting instructions – “FOR” or “AGAINST”, otherwise your proxy(ies) will decide your vote. Review and confirm your proxy(ies) appointment. Print proxy form for your record.

POLL VOTING

The voting at the 52nd 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) or attorney(s) can proceed to vote on the resolutions at any time at 10.00 a.m. on Wednesday, 17 March 2021 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 the RPV Facilities above for guidance on how to vote remotely from TIIH Online.

Upon completion of the voting session for the 52nd AGM of the Company, the independent scrutineers will verify the poll results upon closing of the poll session by the Chairman followed the Chairman’s declaration on whether the resolutions are duly passed.

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD

Shareholders may submit questions for the Board in advance of the 52nd AGM of the Company via TIIH Online by selecting “e-Services” to login, pose questions and submit electronically no later than Monday, 15 March 2021 at 10.00 a.m. The Board will endeavour to answer the questions received at the 52nd AGM of the Company.

DOOR GIFT/FOOD VOUCHER

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

ADMINISTRATIVE NOTES

FOR 52ND ANNUAL GENERAL MEETING

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited for the 52nd AGM of the Company.

ENQUIRY

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

Tricor Investor & Issuing House Services Sdn Bhd

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

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I/We
 (Full name in block capitals)

NRIC/Passport/Company No. of
 (Address)

..... being a Member of

SUNSURIA BERHAD, hereby appoint
 (Full name in block capitals)

(NRIC No.) of
 (Address)

..... or failing him/her, or 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-Second Annual General Meeting of Sunsuria Berhad ("the Company") to be conducted in a fully virtual manner through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, on Wednesday, 17 March 2021, 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.)

RESOLUTION		For	Against
Ordinary Resolution 1	Approval of Directors' Fees of RM192,000 for the period from 17 March 2021 to the next Annual General Meeting of the Company to be held in 2022		
Ordinary Resolution 2	Re-election of Tan Sri Datuk Ter Leong Yap as Director pursuant to Article 114 of the Company's Constitution		
Ordinary Resolution 3	Re-Appointment of Messrs Deloitte PLT as Auditors of the Company		
Ordinary Resolution 4	Proposed Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		
Ordinary Resolution 5	Proposed Shareholders' Mandates as specified in the Circular to Shareholders dated 29 January 2021		
Ordinary Resolution 6	Proposed Renewal of Share Buy-Back Authority		

Signed this _____ day of _____ 2021

The proportions of shareholdings to be represented by *my/*our proxies are as follows:

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

Signature/Common Seal of Member _____

NOTES:

- The 52nd AGM will be conducted in a 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://tjh.online> ("TIH online"). Please follow the procedures provided in the Administrative Notes for the 52nd AGM in order to register, participate and vote remotely via the RPV facilities.
- The broadcast venue of the 52nd 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 present 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 prior to the 52nd 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 52nd AGM will be conducted virtually in its entirety, a Member entitled to participate and vote at the Meeting may appoint Chairman of the 52nd 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 11 March 2021 ("General Meeting Record of Depositors") shall be eligible to attend and vote remotely at the 52nd 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.
- 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 52nd AGM or at any adjournment thereof, as follows:
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://tiah.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 52nd AGM of the Company shall be put to vote by way of poll.

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.

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 29 January 2021.

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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

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SUNSURIA BERHAD

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