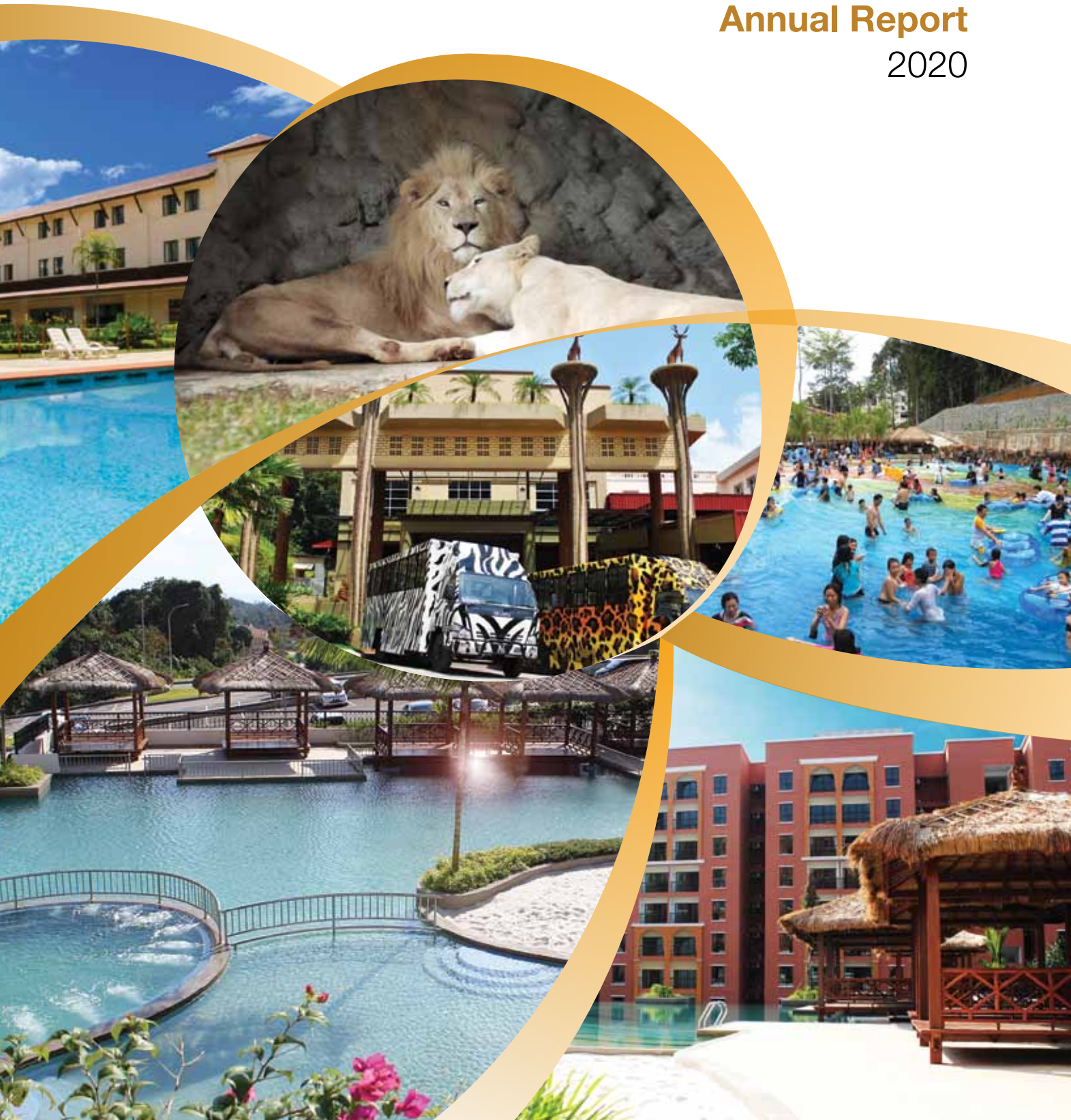


# Sentoria Group Berhad

[Registration No. : 199801007217 (463344-K)]

Enriching Living Experience

**Annual Report**  
2020



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## CORPORATE INFORMATION

As at 30 July 2020

### BOARD OF DIRECTORS

**DATUK AZNAM BIN MANSOR**  
*Independent Non-Executive Chairman*

**DATO' CHAN KONG SAN**  
*Joint Managing Director*

**DATO' GAN KIM LEONG**  
*Joint Managing Director*

**MR LEE CHAING HUAT**  
*Senior Independent  
Non-Executive Director*

**MR WONG YOKE NYEN**  
*Independent Non-Executive Director*

**DATO' HJ. ABDUL RAHMAN BIN  
HJ. IMAM ARSHAD**  
*Independent Non-Executive Director*

**DATIN SRI LIM MOOI LANG**  
*Independent Non-Executive Director  
(Appointed on 16.1.2020)*

### AUDIT AND RISK MANAGEMENT COMMITTEE

Mr Wong Yoke Nyen (Chairman)  
Datuk Aznam Bin Mansor  
Mr Lee Chaing Huat  
Dato' Hj. Abdul Rahman Bin Hj.  
Imam Arshad  
Datin Sri Lim Mooi Lang  
(Appointed on 16.1.2020)

### NOMINATION COMMITTEE

Mr Lee Chaing Huat (Chairman)  
Datuk Aznam Bin Mansor  
Mr Wong Yoke Nyen  
Dato' Hj. Abdul Rahman Bin Hj.  
Imam Arshad  
Datin Sri Lim Mooi Lang  
(Appointed on 16.1.2020)

### REMUNERATION COMMITTEE

Dato' Hj. Abdul Rahman Bin Hj.  
Imam Arshad (Chairman)  
Datuk Aznam Bin Mansor  
Dato' Chan Kong San  
Mr Lee Chaing Huat  
Mr Wong Yoke Nyen  
Datin Sri Lim Mooi Lang  
(Appointed on 16.1.2020)

### COMPANY SECRETARIES

Datuk Tan Leh Kiah  
(MAICSA 0719692,  
SSM PC No. 201908002912)

Ms Lim Chien Joo  
(MAICSA 7063152,  
SSM PC No. 201908004025)

Ms Chin Lee Chyen  
(MAICSA 7055910,  
SSM PC No. 202008001611)

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad

Stock Name	Code
SNTORIA	5213
SNTORIA-WB	5213WB

### REGISTERED OFFICE

56 & 58 (2nd Floor)  
Jalan Dagang SB 4/2  
Taman Sungai Besi Indah  
43300 Seri Kembangan  
Selangor Darul Ehsan  
Tel : 03-8943 8388  
Fax : 03-8943 5388

### HEAD OFFICE

56 & 58, Jalan Dagang SB 4/2  
Taman Sungai Besi Indah  
43300 Seri Kembangan  
Selangor Darul Ehsan  
Tel : 03-8943 8388  
Fax : 03-8943 5388  
Website : [www.sentoria.com.my](http://www.sentoria.com.my)

### SHARE REGISTRAR

Tricor Investor & Issuing House  
Services Sdn. Bhd.  
[Registration No. : 197101000970  
(11324-H)]  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite Avenue 3  
Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel : 03-2783 9299  
Fax : 03-2783 9222

### EXTERNAL AUDITORS

Grant Thornton Malaysia PLT  
(201906003682&LLP0022494-LCA)  
(AF: 0737)  
Level 11, Sheraton Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel : 03-2692 4022  
Fax : 03-2732 1010

### INTERNAL AUDITORS

GovernAce Advisory & Solutions  
Sdn. Bhd.  
[Registration No. 201701029561  
(1243730-W)]  
Unit 210, Block B, Phileo  
Damansara 1  
No. 9, Jalan 16/11, Off Jalan  
Damansara  
46350 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-2731 9203  
Fax : 03-2731 9399

### PRINCIPAL BANKERS

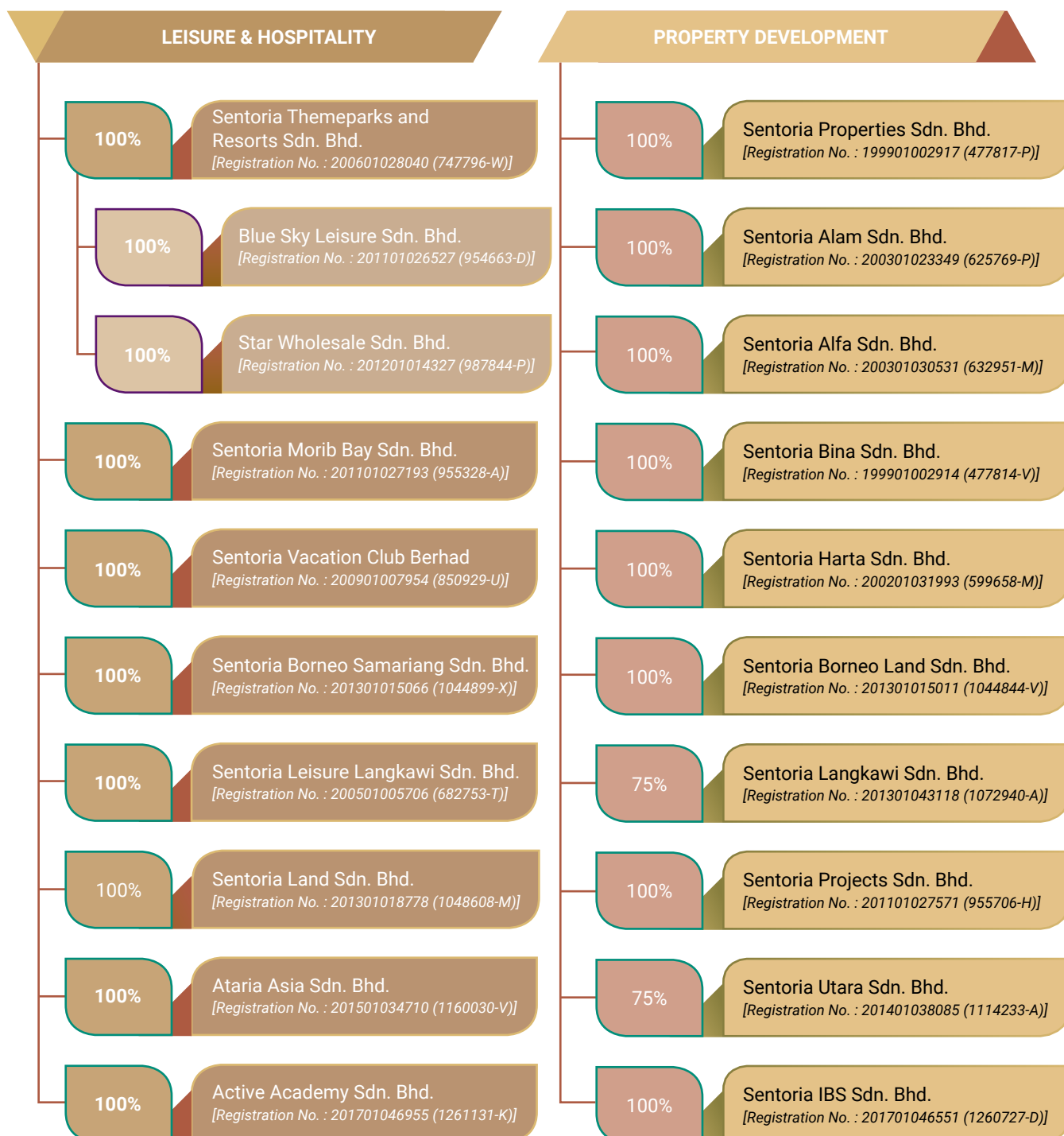
Affin Bank Berhad  
Affin Hwang Investment Bank  
Berhad  
Alliance Bank Malaysia Berhad  
Al Rajhi Banking & Investment  
Corporation (Malaysia) Berhad  
China Construction Bank  
(Malaysia) Berhad  
Malayan Banking Berhad  
OCBC Bank (Malaysia) Berhad  
RHB Bank Berhad  
Small Medium Enterprise  
Development Bank Malaysia  
Berhad



## GROUP CORPORATE STRUCTURE



### SENTORIA GROUP BERHAD [Registration No. : 199801007217 (463344-K)]



## FINANCIAL HIGHLIGHTS

	restated				18 months
FYE	2015 <sup>(1)</sup> RM'000	2016 <sup>(1)</sup> RM'000	2017 <sup>(1)</sup> RM'000	2018 <sup>(1)</sup> RM'000	2020 <sup>(2)</sup> RM'000
Revenue	219,625	224,224	280,415	241,369	202,961
EBITDA	58,335	61,512	66,720	27,087	(37,904)
Profit before taxation	37,123	45,182	51,365	10,177	(75,248)
Profit after taxation	32,115	33,111	38,032	16,506	(88,626)
Shareholders' equity	376,270	402,717	446,468	523,645	446,123
Total assets	691,264	848,496	1,023,070	1,203,907	1,122,629
Earning per share (sen)	6.98	6.83	7.73	2.95	(15.44)
Net dividend per share (sen)	2.00	-	-	-	-

Notes:

(1) For the financial year ended 30 September

(2) For the financial period from 1 October 2018 to 31 March 2020

### REVENUE (RM'000)

FY2020	202,961
FY2018 restated	241,369
FY2017	280,415
FY2016	224,224
FY2015	219,625

### EBITDA (RM'000)

FY2020	(37,904)
FY2018 restated	27,087
FY2017	66,720
FY2016	61,512
FY2015	58,335

### PROFIT BEFORE TAXATION (RM'000)

FY2020	(75,248)
FY2018 restated	10,177
FY2017	51,365
FY2016	45,182
FY2015	37,123

### PROFIT AFTER TAXATION (RM'000)

FY2020	(88,626)
FY2018 restated	16,506
FY2017	38,032
FY2016	33,111
FY2015	32,115

### SHAREHOLDERS' EQUITY (RM'000)

FY2020	446,123
FY2018 restated	523,645
FY2017	446,468
FY2016	402,717
FY2015	376,270

### TOTAL ASSETS (RM'000)

FY2020	1,122,629
FY2018 restated	1,203,907
FY2017	1,023,070
FY2016	848,496
FY2015	691,264

## MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

### OVERVIEW OF GROUP'S BUSINESS

The Group is involved in property development and construction (with its own construction arm) and the leisure and hospitality industry. Its existing major property development and construction projects are located in Kuantan-Pahang, Morib-Selangor and Kuching-Sarawak, further details of which are set out below under “**Review of Business Operations**”.



The Group is primarily a developer and main contractor of affordable homes, almost all of which are priced below RM300,000 per unit and are mainly targeted at the Bottom 40% (“**B40**”) and Middle 40% (“**M40**”) households.

On the leisure and hospitality side, the Group’s major facility is Bukit Gambang Resort City (“**BGRC**”), an integrated resort city of approximately 727 acres located in Gambang-Pahang. BGRC was developed on the concept of “**One Location Multiple Attractions**” offering accommodation with integrated facilities for leisure, business convention or retreat.

BGRC encompasses Bukit Gambang Water Park (“**BGWP**”), the largest water theme park on the East Coast of Peninsular Malaysia covering an area of about 46 acres within a lush secondary jungle environment, thus providing a natural tropical ambience to the various water rides and attractions.

## MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

Adjacent to BGWP is Bukit Gambang Safari Park (“**BGSP**”) nestled within 138 acres of secondary jungle. BGSP is the largest zoo safari park in Malaysia with more than 300 species of wild animals from all over the world. These animals include, inter alia, white lions, golden eagles, brown bears, cheetahs. BGSP which boasts of the first Malaysia-born white lion cub, affectionately named ‘King’. The safari park was designed on the concept of a fully covered walking zone with a drive-through savannah to enhance the experience of ‘communing’ with the animals roaming free in their natural habitats.

The other theme parks under the Group’s Leisure and Hospitality Division (“**LHD**”) include the 30-acre Borneo Samariang Water Park (“**BSWP**”) in Kuching-Sarawak and Langkawi Nature Park (“**LNP**”).

### YEAR-ON-YEAR FINANCIAL REVIEW

In 2020, the Group announced a change in financial year end from September to March to finalise the adoption of the new Malaysian Financial Reporting Standards framework into its present accounting policies to ensure alignment with good financial reporting standard practices. The financial results reported here are therefore for the 18-month period from 1 October 2018 to 31 March 2020.

#### Revenue

For the financial period from 1 October 2018 to 31 March 2020 (“**FY2020**”), the Group achieved a revenue of RM203.0 million, representing a 15.9% decrease from the preceding financial year (“**FY2018**”). Property Development division continued to be the major contributor to the Group’s revenue. However, the overall slow progress of construction works had led to lower revenue recognition. In addition, the revenue was further impacted as a result of the reduction in selling price arising from project delays and the stringent lending policy from the end financiers.

#### Gross margin

The Group’s gross margin for FY2020 dropped to 10.8% from 23.3% achieved in FY2018.

In addition to higher construction costs YoY, the gross margin erosion was exacerbated by the reduction in revenue as mentioned above. Gross margin for LHD had also suffered a reduction as the leisure park facilities are capital intensive in nature with fixed or semi-fixed operating costs, despite reduced operation hours during the year due to closure of all leisure parks resulted from the adverse impact of COVID-19 pandemic.

#### Loss attributable to the equity owners of the Company

The loss attributable to the equity owners was RM87.6 million for FY2020, representing a decrease of RM104.1 million from a profit of RM16.5 million in FY 2018.

Aside from the earlier mentioned decrease in revenue and gross margin, this decline in profitability was further contributed by the LHD arising from:

- Impairment loss and assets written off from property, plant & equipment and biological assets;
- Higher finance costs as interests due for borrowing has ceased to be capitalised upon completion of the Borneo Samariang Water Park; and
- Reversal of deferred tax assets from Sentoria Themeparks and Resorts Sdn Bhd based on its financial projections.

Premised on the above, the basic and diluted earnings per share of the Group had both declined to negative 15.44 sen in FY2020 from a positive 2.95 sen for FY2018 (after adjusting for the retrospective adjustments arising from the issue of bonus shares during FY2018).

#### Liquidity and capital resources

The Group has net cash used of RM12.3 million for the FY2020 as compared to net cash used of RM51.8 million for FY2018. The details of these changes in cash flows are as follows:

## MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

- (i) Net cash generated from operating activities for FY2020 was RM18.4 million, as compared to a net cash used of RM31.3 million for FY2018. This was mainly due to the net inflows from working capital changes of RM89.3 million (FY2018: inflow of RM15.0 million).
- (ii) Net cash used in investing activities for FY2020 reduced to RM8.6 million from RM115.4 million in FY2018. The reduced outflow was primarily due to lower capital expenditure in FY2020 subsequent to the completion of the water theme park in Kuching.
- (iii) Net cash outflow from financing activities for FY2020 was RM22.0 million as compared to a net cash inflow of RM95.0 million in FY2018. This change in net cash flow position was due to funds raised from the issuance of new shares and Warrants-B of RM10.0 million and RM51.5 million respectively during FY2018 and a higher net repayment of bank borrowings in FY2020.

### Gearing

The Group's gearing ratio (calculated as total borrowings divided by shareholders' equity) as at 31 March 2020 was 98.9% as compared to that of 85.2% as of 30 September 2018. The higher gearing ratio YoY was mainly due to the lower shareholder funds as at 31 March 2020.

## REVIEW OF BUSINESS OPERATIONS

### Property Development Division

#### Kuantan

The Group's current on-going development and construction projects in Kuantan include Taman Bukit Rangan Phase 3C, Taman Indera Sempurna 3 Phase B as well as the remaining phases for the Second **"design and build"** Pembangunan Perumahan Rakyat 1Malaysia (PR1MA) Project (**"PR1MA 2"**), situated along Jalan Kuantan-Pekan.

The 407 single-storey houses in Taman Indera Sempurna Phase 3A was completed and handed over to the house buyers in FY2020, with PR1MA 2 Phase 1 being delivered subsequent to the financial period in June 2020.

New launches by the Group subsequent to the FY2020 include 196 houses under Third PR1MA Project ('PR1MA 3') with a contract value of approximately RM27.0 million, which was recently launched by the developer in July 2020.

The total GDV of the Group's on-going developments (including design and build contracts) in Kuantan is approximately RM177 million.

#### Morib

Morib Bay Resort City (**"MBRC"**), another resort city planned by the Group is strategically located within a radius of 50 kilometres from Port Klang, Putrajaya, Cyberjaya and Kuala Lumpur International Airport.

The current on-going projects in Morib include a total of 209 units single-storey terrace houses for Project Mawar (44 units) and Seroja (165 units), and 315 apartment units under the affordable housing scheme Rumah SelangorKu. The estimated GDV of Projects Mawar and Seroja are approximately RM51.4 million. Upcoming phases to be launched under Rumah SelangorKu include a total of 200 units single-storey terrace houses with a GDV of approximately RM41 million.

#### Kuching

Borneo Samariang Resort City (**"BSRC"**) lies within Bandar Baru Samariang, a new satellite township rapidly taking shape north of Kuching.

The current development of BSRC includes BSWP, service apartments and MICE facilities, commercial and residential properties.

The on-going development in Borneo Samariang Garden (**"BSG"**), the residential and commercial component of BSRC, include 428 units of Ataria service apartments, 343 units of single-storey terrace houses, 243 units of single-storey Spektra terrace houses and with an aggregate GDV of approximately RM218 million.



## MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

As at 31 March 2020, the total outstanding order book and unbilled sales amount to RM340.0 million from its on-going projects in Kuantan, Morib and Kuching.

### ***Leisure and Hospitality Division ("LHD")***

The LHD with facilities in BGRC, BSWP and LNP remain challenging in FY2020 as the leisure park facilities are capital intensive in nature with fixed or semi-fixed operating costs. The loss in this segment of RM55.2 million was partly attributable to reversal of the deferred tax assets of RM16.7 million and other non-cash expenses arising from impairment loss of RM8.3 million from properties, plant and equipment and other assets under the LHD.

In addition to an overall lower number of visitor arrivals and reduced hotel occupancy in FY2020, the LHD's operational performance was further challenged with the imposition of the Movement Control Order towards the end of the financial period due to the COVID-19 pandemic.

It is envisaged that the LHD would require time before it could resume its normal operational level, as it will be heavily dependent on the market recovery from the current COVID-19 pandemic crisis.

### **PROSPECTS**

Financial year ending 31 March 2021 will be an even more challenging and demanding year as the Group feels the full 12-month effect of the COVID-19 pandemic. Malaysia, as indeed the world, is currently facing unprecedented times in the lives of many with the COVID-19 pandemic. The outbreak of COVID-19 pandemic which is still persisting as at the date of this report has adversely affected both local and global economies arising from suspensions of businesses, imposition of travel restrictions and limited movement of people. Further, with the implementation of the Movement Control Order ("MCO") by the Government of Malaysia since 18 March 2020, most of the Group's operations have also been temporarily closed in compliance with our Government's MCO.

Financially, we are focused on ensuring the Group's liquidity and capital adequacy. We are currently in discussion with our bankers, investors and various stakeholders to restructure and reschedule the Group's financial obligations to restore itself to a stronger financial footing. As part of the Group's restructuring efforts, the Group continuously and consciously manage its operational and financial resources to optimise cost efficiencies.

The Group is determined to overcome its present performance set-back with the mutual cooperation and kind understanding of its various bankers and stakeholders.

The Group's leisure and hospitality business is expected to continue to remain challenging in the near term.

The Group's development of affordable homes is in line with the Malaysian Government's thrust to encourage ownership of affordable houses by the B40 and M40 households. Budget 2019 measures to provide concessionary financing, mortgage guarantees, stamp-duty waivers and extended financing terms for civil servants together with other measures such as Sales and Services Tax exemptions for construction services and certain building materials for housing units below RM300,000 should benefit the housing industry in general and the Group's affordable housing sector in particular. Although these are all positives to the Group's property development business, it is nevertheless actively managing margin compression with the rising costs of construction.

The Group will continue to focus on residential products priced below RM300,000 and at the same time, collaborate with strategic partners to enhance and expand its design and build projects.

**Dear Shareholders,**

On behalf of the Board of Directors ("**Board**"), I present you the Annual Report and Audited Financial Statements of the Group for the financial period from 1 October 2018 to 31 March 2020 ("**FY2020**").

# CHAIRMAN'S STATEMENT

## REVIEW OF GROUP'S PERFORMANCE

FY2020 was a particularly challenging year for the Group against an overall slow global and domestic economic landscape, which had affected the financial position and performance for most industry players. Notwithstanding the Group's strong performance in the past, it was also affected by the negative economic impact and recorded its first ever financial loss since its initial public listing back in the year 2012.

## CHAIRMAN'S STATEMENT

In addition to the effects of the adoption of MFRS 15 which reduced the recognisable revenue in the books, the Property Development Division ("PDD") had also suffered margin compressions arising from rising construction and development costs.

Inevitably, the Leisure and Hospitality Division ("LHD") was adversely affected towards the end of the financial period with the outbreak of COVID-19 and the subsequent imposition of Movement Control Order ("MCO") restrictions, which led to a slump in visitor counts.

Further analysis on the Group's financial performance is set out in "Management Discussion and Analysis of Business Operations and Financial Performance" ("MD&A") on pages 5 to 8 of this Annual Report.

### PROSPECTS

Despite the very challenging economic environment, the Group is confident of the future prospects of the Group and its viability.

In January 2020, the Group had successfully delivered vacant possession for Taman Indera Sempurna 3 Phase A housing project in Kuantan. Subsequent to the financial period in June 2020, the Group had again completed and handed over housing units under PR1MA 2 Phase 1 to the buyers. In addition, the market responses for new project launches as well as the ongoing projects in Kuantan and Morib remain encouraging.

For the LHD, it is envisaged that operations would remain challenging and would require time before the operation level normalises even as the country phases itself out of MCO constraints.

Moving ahead, the Group will continue to focus on its core business in property development and construction and is taking all measures to optimise its resources in order to weather through the current challenges.

### DIRECTORATE

Our Senior Independent Non-Executive Director, Mr Lee Chaing Huat has informed that he would not be seeking re-election at the forthcoming Annual General Meeting in view that his tenure on the Board as Independent Director would be reaching 10 years by May 2021. On behalf of the Board of Directors and Management, I wish to place on record our gratitude towards all his valuable contributions these years during his tenure as Senior Independent Non-Executive Director and we wish him all well in his future endeavours.

It is with a heavy heart I announce that I too will not be seeking re-election at the forthcoming Annual General Meeting as Independent Non-Executive Director of the Board upon expiration of my directorship tenure for a cumulative terms of 9 years after May 2020. I would like to extend my utmost appreciation to my fellow Directors and the Group for the confidence and support given throughout my tenure as the Chairman.

### APPRECIATION

I and my fellow Directors would in closing, like to thank our business partners, associates and bankers, for the continuing support and confidence in the Group. To our advisors and the relevant government and regulatory authorities, I wish to express my sincere appreciation for their invaluable assistance and advice throughout FY2020.

Lastly, I thank my fellow Directors and all Sentorians for their loyal and dedicated services in overcoming challenges despite the trying operating conditions.

Datuk Aznam bin Mansor  
Chairman of the Board  
26 August 2020



## BOARD OF DIRECTORS' PROFILE

**DATUK AZNAM BIN MANSOR***Independent Non-Executive Chairman*

Aged	Nationality	Gender
61	Malaysian	Male

Datuk Aznam Bin Mansor was appointed an Independent Non-Executive Director and Chairman of the Board on 23 May 2011. He is also a member of our Audit and Risk Management, Remuneration and Nomination Committees.

He graduated with a Bachelor of Arts with Second Class Honours (First Division) degree, having completed a course in Law from the North East London Polytechnic, United Kingdom (now known as University of East London), in 1983. He was admitted to the Honourable Society of the Lincoln's Inn in 1984 and was called to the Malaysian Bar as an Advocate and Solicitor in 1986.

He started his career as an officer in Malayan Banking Berhad. He then left to join Skrine & Co., a legal firm in Kuala Lumpur, and held the position of legal assistant for eight (8) years. Presently, he is a Senior Partner in Lee Hishammuddin Allen & Gledhill, a prominent legal firm in Kuala Lumpur. He also sits on the Board of Mikro MSC Berhad and Focus Lumber Berhad.

He attended eight (8) out of nine (9) Board meetings held during the financial period from 1 October 2018 to 31 March 2020.

**DATO' CHAN KONG SAN***Joint Managing Director*

Aged	Nationality	Gender
59	Malaysian	Male

Dato' Chan Kong San, the Group's co-founder, was appointed to the Board on 15 March 1999. He was re-designated as Joint Managing Director on 23 May 2011 and is a member of our Remuneration Committee.

He graduated with a degree in Civil Engineering from University of Texas at Arlington, United States in 1986 and was elected a member of The Institution of

Engineers, Malaysia in 1993. He had worked for various consulting firms in Malaysia and other major property development companies before co-founding the Group in 1999.

He attended all nine (9) Board meetings held during the financial period from 1 October 2018 to 31 March 2020.

**DATO' GAN KIM LEONG***Joint Managing Director*

Aged	Nationality	Gender
58	Malaysian	Male

Dato' Gan Kim Leong, the Group's co-founder, was also appointed as Director on 1 September 1999 and on 23 May 2011, was re-designated as Joint Managing Director.

He obtained a Bachelor of Engineering in Civil Engineering in 1987 and a Master of Business Administration in 1993 from University of Malaya. He was elected a member of The Institution of Engineers, Malaysia in 1993 and was registered as a Professional Engineer of The Board of Engineers Malaysia in 1994.

Upon graduation, he worked in various senior positions in the property development and construction industry before co-founding the Group with Dato' Chan Kong San.

He attended all nine (9) Board meetings held during the financial period from 1 October 2018 to 31 March 2020.



## BOARD OF DIRECTORS' PROFILE

### MR LEE CHAING HUAT

*Senior Independent Non-Executive Director*

Aged	Nationality	Gender
66	Malaysian	Male

Mr Lee Chaing Huat was appointed as an Independent Non-Executive Director on 23 May 2011 and on 26 January 2016, he was appointed the Senior Independent Non-Executive Director. He is also the Chairman of our Nomination Committee and a member of our Audit and Risk Management and Remuneration Committees.

He is a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants. He started his career as an accountant/auditor with M/s Tan Choong & Partners in Penang in 1971 and later joined M/s Hanafiah, Raslan & Mohamad, a chartered accountants firm in Kuala Lumpur in 1975. In 1980, he joined the financial sector and had worked in major banks such as The Chase Manhattan Bank (now known as JP Morgan Chase

Bank) and Kwong Yik Bank Berhad. Upon the merger of Kwong Yik Bank Berhad and DCB Bank Berhad in 1997, he continued with the merged entity RHB Bank Berhad as EVP/Head of Commercial Banking Division. In 2004, he joined Hong Leong Credit Berhad as Group Chief Financial Officer and subsequently, Hong Leong Bank Berhad as Chief Operating Officer/Head of Business Banking Division. In December 2005, he started his own management consultancy and training company.

Mr Lee also sits on the Board of IGB Berhad (formerly known as Glodis Berhad) and Megasteel Sdn. Bhd..

He attended eight (8) out of nine (9) Board meetings held during the financial period from 1 October 2018 to 31 March 2020.

### MR WONG YOKE NYEN

*Independent Non-Executive Director*

Aged	Nationality	Gender
61	Malaysian	Male

Mr Wong Yoke Nyen was appointed as an Independent Non-Executive Director on 8 October 2012. He is also the Chairman of our Audit and Risk Management Committee and a member of our Remuneration and Nomination Committees.

Mr Wong obtained his Bachelor of Arts with Second Class Honours (First Division), after completing a course in accountancy from City of London Polytechnic, United Kingdom (now known as London Metropolitan University). He is also a graduate of the Wharton Advance Management Program from the Wharton Business School of the University of Pennsylvania, an Ivy League university in the United States.

In 1981, he started his career in Baker Rooke, a firm of chartered accountants in London, where he gained wide experience and exposure in the areas of auditing, accountancy and management consultancy work. In 1983, he joined Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad). He is a

seasoned investment banker with more than thirty (30) years of corporate finance and investment banking experience. His last position in investment banking was as Executive Vice President cum Head of Corporate Finance Division of Aseambankers Malaysia Berhad. He has also served as the Honorary Advisor to the Master Builders Association Malaysia from July 2008 to June 2010.

In 2004, he started WYNCORP Advisory Sdn Bhd, a licensed corporate finance advisory services provider and is currently its Managing Director.

He is also an Independent Non-Executive Director of New Hoong Fatt Holdings Berhad, XiDeLang Holdings Limited, Benalec Holdings Berhad, Focus Lumber Berhad and Export-Import Bank of Malaysia Berhad.

He attended all nine (9) Board meetings held during the financial period from 1 October 2018 to 31 March 2020.

## BOARD OF DIRECTORS' PROFILE

### DATO' HJ ABDUL RAHMAN BIN HJ. IMAM ARSHAD

*Independent Non-Executive Director*

Aged	Nationality	Gender
70	Malaysian	Male

Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad was appointed as an Independent Non-Executive Director on 1 October 2015. He is presently the Chairman of our Remuneration Committee and a member of our Audit and Risk Management and Nomination Committees.

Dato' Hj. Abdul Rahman graduated with a Bachelor of Arts (Sociology and Anthropology) degree from University of Malaya in 1973 and in 1990, he obtained his Master of Public Administration (MPA) also from University of Malaya.

He started his career as an Assistant Secretary in the Finance Division of the Ministry of Education Malaysia. In 1978, he moved on to the Ministry of Health Malaysia where he served until 1986. During this period, he was the Senior Administrator in the Institute for Medical Research Malaysia. In 1983, Dato' Hj. Abdul Rahman was promoted to the Principal Assistant Secretary in the Procurement Division of the same Ministry. He was

then posted to Development Division of the Ministry of Works Malaysia in 1986 where he served until 1988. He then took sabbatical leave for two years to study for his Master of Public Administration (MPA).

In 1990, he was appointed Director of Road Transport Department Malaysia in Perak and in 1995, he became the Director of Johor State Development Office, a department under the Implementation Coordination Unit of the Prime Minister's Department. In 2000, Dato' Hj. Abdul Rahman was transferred to the Pahang State Secretary Office as Director of the State Economic Planning Unit. In 2002, he became the Hon. State Financial Officer of Pahang and in 2004 he was promoted as the Hon. State Secretary of Pahang, a position he held until his retirement in 2006.

He attended all nine (9) Board meetings held during the financial period from 1 October 2018 to 31 March 2020.

### DATIN SRI LIM MOOI LANG

*Independent Non-Executive Director*

Aged	Nationality	Gender
52	Malaysian	Female

Datin Sri Lim was appointed as an Independent Non-Executive Director, a member of the Audit Committee, Risk Committee, Remuneration Committee and Nomination Committee on 16 January 2020.

Datin Sri Lim graduated from the University of Malaya with a Bachelor of Accounting in 1993. She is a member of the Malaysian Institute of the Certified Public Accountants and also a member of the Malaysian Institute of Accountants. Datin Sri Lim joined the Lion

Group in May 1993, of which she is now a Tax General Manager of the Finance Division.

She also sits on the Board of Greentech Technology International Limited, a company listed on the Hong Kong Stock Exchange.

She attended one (1) Board meeting held during the financial period from 1 October 2018 to 31 March 2020.

#### Notes to Board of Directors' Profile:

##### 1. Family Relationship

None of the Directors has any family relationship with any other Director and/or major shareholder of the Company.

##### 2. Conflict of Interest

None of the Directors has any personal interest or conflict of interest in any business arrangement involving the Group.

##### 3. Conviction of Offences

None of the Directors has been convicted of any offences within the past five (5) years, other than traffic offences (if any) and no public sanctions or penalties were imposed on them by the relevant regulatory bodies during the financial period from 1 October 2018 to 31 March 2020.

## KEY SENIOR MANAGEMENT'S PROFILE

### MS YIP LYE YING

*General Manager – Property Development*

Aged	Nationality	Gender
55	Malaysian	Female

Ms Yip Lye Ying joined the Group in 2003. She holds a certificate in Book-keeping conferred by London Chamber of Commerce and Industry Examination Board. Ms Yip possessed more than 20 years of experience in property development industry and has worked her way up to the current position as General Manager of Property Development for Kuantan region since 2019. Throughout her tenure with the Group, she

has been responsible for various management roles in property & construction division. In her capacity as General Manager, apart from sales & marketing and after sales services, she is responsible for credit control, project planning, implementation, monitoring and coordinating of construction progress by working closely with construction team.

### MR ARMAN BIN RAMLI

*General Manager – Bukit Gambang Resort City*

Aged	Nationality	Gender
39	Malaysian	Male

Mr. Arman Ramli joined the Group as Head of Sales & Marketing in 2019 and was later appointed as General Manager of Bukit Gambang Resort City in 2020. He holds a Bachelor of Business Administration in marketing from university Tenaga Nasional and

Executive Master in management (EMM) in Asia e University. He possessed more than nineteen (19) years of experience in hospitality industry with his initial career being focus in sales & marketing.

### MR GOH CHUN SENG

*Assistant General Manager – Construction*

Aged	Nationality	Gender
36	Malaysian	Male

Mr Goh joined the Group as Project Executive in 2004. He holds a Diploma in Architectural from Tuanku Abdul Rahman College (now known as Tuanku Abdul Rahman University College). He has contributed to various successful projects of the Group in Kuantan throughout his tenure with the Group, and has climbed to the position

of Assistant General Manager - Construction in 2019. Experience in handling project planning, budget, cost control, safety for housing development, construction using Industrialized Building System ("IBS") and system formwork method.

### MS LIM SOO YOON

*Assistant General Manager – Finance Operation*

Aged	Nationality	Gender
55	Malaysian	Female

Ms Lim joined the Group in 2005 as Account Executive. She holds a certificate in Book-keeping conferred by the London Chamber of Commerce and Industry Examinations Board. She possessed more than 30 years of relevant working experience with vast exposure

in developer and construction accounts. Due to her hard work and ability to shoulder more responsibilities, she has been promoted to her current position as Assistant General Manager - Finance Operation in 2013.

## KEY SENIOR MANAGEMENT'S PROFILE

### MR KHOO KAH KEN

*Finance Manager*

Aged	Nationality	Gender
31	Malaysian	Male

Mr Khoo joined the Group in 2018 as Senior Account Executive. He holds a Bachelor of Commerce major in Accounting & Finance from University of Otago New Zealand. Mr. Khoo started his career with an international accounting firm where he was exposed to various industries and was experience in providing audit and advisory services to client to ascertain compliance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS),

Malaysian Private Entities Reporting Standards (MPERS) and Companies Act 2016. Equipped with professional knowledge and good attitude, he has been promoted to Assistant Finance Manager in 2019 and Finance Manager in 2020. He is responsible for the management of the financial affairs of the Group (such as record keeping, financial planning and financial reporting).

None of the above Key Senior Management has any:

- directorships in public companies and listed issuers;
- family relationship with any Directors and/or major shareholders of the Company;
- personal interest or conflict of interest in any business arrangement involving the Group;
- conviction for offences within the past five (5) years other than traffic offences (if any); and
- public sanctions or penalties imposed by the relevant regulatory bodies during the financial period from 1 October 2018 to 31 March 2020.



# SUSTAINABILITY STATEMENT

*“Sentoria Group Berhad (hereinafter referred to as “Sentoria Group” or “the Group”) is a Malaysian-based investment holding company, which owns a portfolio of subsidiaries involved in property development and construction and the leisure and hospitality industry.”*

We believe our significant growth from our humble beginnings as a contractor to a full-scale property developer and resort operator is attributed to practicing sustainable operations, where we strive to attain financial sustainability and customer satisfaction in a safe, caring and sustainable environment.

## SCOPE & BOUNDARY

Our Sustainability Statement has been written in accordance with and guided by Bursa Malaysia Securities Berhad’s Main Market Listing Requirements and the Sustainability Reporting Guide and Toolkits. This statement covers the sustainability journey of Sentoria Group from 1 October 2018 to 31 March 2020.

The statement discloses our approach towards addressing a wide range of material Economic, Environmental and Social (“EES”) risks and opportunities that impact Sentoria Group’s business operations.

Our statement should be read together with the rest of Sentoria Group’s FY2020 Annual Report for a more comprehensive perspective of the Group’s commitment to sustainability and how sustainability continues to be a pillar of the Group’s culture in its pursuit of ensuring long-term value creation for stakeholders.

## PURPOSE

Our journey of drafting our second Sustainability Statement for FY2020 has further reinforced our belief in the importance of building a strong foundation of corporate citizenship by striking a balance between financial results and ensuring high standards of governance across our business operations to promote responsible business practices, managing environmental impacts, and meeting the social needs of the community in which we operate. Our above purpose and believe is reflected through our Business Vision:-

### Business Vision

***Our Group aims to be a dynamic and progressive business organisation, with sustainable operations throughout Malaysia.***

In pursuit of achieving and materialising sustainability, we still recognise the importance of financial stability and appreciate our Shareholders, Investors and Customers who believed in and contributed to our business operations, with the following Business Mission:-

### Business Mission

***We strive to attain financial sustainability and a high level of satisfaction among our customers by:***

- (a) being a competitive and premier property developer in our selected market niches, through timely delivery of quality, well-designed and reasonably-priced real estate properties; and***
- (b) being an innovative and distinctive leisure and hospitality group offering affordable, conducive, quality service and family-oriented leisure attractions.***

# SUSTAINABILITY STATEMENT

## GOVERNANCE STRUCTURE

Sentoria Group's approach to sustainability is driven by its robust three-tier governance structure, which allows for material matters to be monitored, assessed and deliberated across all levels of the organisation.

With the Board of Directors ("Board") at the apex, sustainability strategies and initiatives of Sentoria Group are headed by the Joint Managing Directors ("JMD"). The roles and responsibilities of each tier of the governance structure is as follows:-

### Board

- Aligns corporate and division priorities, and strategies with sustainability vision;
- Develops the overarching sustainability strategy;
- Reviews, suggests improvements and issues the final approval to the Sustainability Statement prepared for the financial year;
- Reviews, deliberates and approves sustainability initiatives, and activities; and
- Monitors the overall achievement of sustainability strategies adopted by Sentoria Group.

### JMD

- Implements sustainability directives and policies introduced by the Board;
- Identifies and recommends any changes in sustainability initiatives, activities and method of implementation;
- Makes the appropriate recommendation to the Board on sustainability matters;
- Endorses material matters;
- Identifies and recommends compliance with sustainability guidelines and regulatory requirements to ensure the disclosure of the Sustainability Statement in the Annual Report is in accordance with Bursa Securities' Main Market Listing Requirements; and
- Reviews and suggests improvements to the Sustainability Statement.

### Senior Management

- Implements sustainability initiatives and activities to manage EES risks and opportunities;
- Implements any change in sustainability initiatives, activities and method of implementation as advised by the JMD;
- Carries out Materiality Assessment based on the data collected for monitoring and managing of EES risks;
- Reports the results /status of the action plan to the JMD on a periodical basis;
- Assesses the sustainability material matters and efforts to address the materiality issues; and
- Prepares Sustainability Statement at the end of the financial year on the basis of the sustainability initiatives carried out in the year and Board's sustainability vision.

# SUSTAINABILITY STATEMENT

## MATERIALITY ASSESSMENT

The materiality assessment has been done based on participation and contribution from key personnel of respective departments. While the materiality assessment did not involve any external stakeholders, key personnel took into consideration internal and external perspectives when identifying and addressing key sustainability matters which are material to Sentoria Group.

The materiality assessment process adopts a four-step approach as outlined below:



## OUR STAKEHOLDERS

In view of our Business Mission and Vision, we look at our stakeholders as valuable assets which power our organisation. Stakeholders' perspectives are imperative to us and regular engagement helps us build trust and gain insights into emerging issues that are significant to both stakeholders and the business.

Stakeholder Group	Area of Interest and Material Topics	Method of Engagement
Customers	<ul style="list-style-type: none"> <li>• Quality</li> <li>• Competitive price</li> <li>• Business continuity</li> <li>• Timely project completion</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Brochures</li> <li>• Email and phone calls</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Work-life balance</li> <li>• Competitive salary and benefits</li> <li>• Career development and trainings</li> <li>• Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Formal and informal meetings</li> <li>• Performance appraisals</li> <li>• Community projects</li> <li>• Email and mobile</li> <li>• Trainings</li> </ul>
Shareholders and Investors	<ul style="list-style-type: none"> <li>• Sustainable profitability and matters</li> <li>• Company's performance against industry</li> <li>• Compliance with regulatory requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Annual general meetings</li> <li>• Regular updates and communication</li> <li>• Investor relation initiatives</li> <li>• Annual reports</li> <li>• Quarterly announcements</li> </ul>

## SUSTAINABILITY STATEMENT

### OUR STAKEHOLDERS (CONT'D)

Stakeholder Group	Area of Interest and Material Topics	Method of Engagement
Suppliers and Subcontractors	<ul style="list-style-type: none"> <li>Fair procurement</li> <li>Timely payments</li> <li>Business continuity</li> </ul>	<ul style="list-style-type: none"> <li>Email and phone calls</li> <li>Meetings</li> <li>Performance feedback/review</li> </ul>
Regulatory Authorities <ul style="list-style-type: none"> <li>Bursa Malaysia</li> <li>Construction Industry Development Board ("CIDB")</li> <li>Department of Occupational Safety and Health Malaysia ("DOSH")</li> <li>Immigration Department of Malaysia</li> <li>State and local authorities</li> </ul>	<ul style="list-style-type: none"> <li>Compliance</li> <li>Local and government agenda</li> </ul>	<ul style="list-style-type: none"> <li>Reports and compliance</li> </ul>
Surrounding Communities	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Quality of life</li> </ul>	<ul style="list-style-type: none"> <li>Community projects</li> <li>Social media</li> </ul>

### MATERIAL SUSTAINABILITY MATTERS

#### ECONOMIC

##### Commitment to Quality

We believe in delivering superior quality products to our clients at all times. We are committed to see that not only our shareholders' interests are taken care of but also those of our customers and suppliers. In this regard, we value our customers as they are a major factor for the Group's profitability and sustainability. To our property buyers, we will continue to supply quality homes and services at affordable prices. To our visitors of our theme parks, we will continue to ensure an amazing and wholesome experience for everyone.

##### Sustainable Procurement

We practise a transparent procurement process that is fair for all parties. Our supplier relationships are guided by our Procurement Standard Operation Procedure ("SOP") and the local laws and regulations. To date, we have been supporting local suppliers which enables us to do our part in regards to contributing to the Malaysian economy. Local sourcing also helps us to build and maintain community relations, increasing our network and presence in the market. We also have a system in place to ensure that fair evaluation and selection of our vendors are upheld at all times. We will continue to practice transparent and fair policies so that our business partners know that they can grow with us and consider us to be their business partner of choice.



# SUSTAINABILITY STATEMENT

## MATERIAL SUSTAINABILITY MATTERS (CONT'D)

### ENVIRONMENT

We acknowledge that as we develop our business, we demand more natural resources, undoubtedly leaving an environmental footprint. We strive to adopt best practices in our daily operations through accounted processes, continuous monitoring and implementing effective initiatives.

Our standard operating procedures for environmental management include:

- Preserving, conserving, minimising wastage of resources and ensuring that the work environment is free from pollution hazards.
- Complying with all relevant environmental, health and safety laws and regulations such as Occupational Safety and Health Act, 1994 ("OSHA").
- Communicating clearly to all employees, customers and suppliers to instil in them the environmental awareness, culture and values of our Group.

As a means to increase the efficiency of our construction processes and reduce energy emissions, SGB Group has been employing the use of Industrialised Building Systems ("IBS") for our projects. This system provides operational advantages and efficiencies but also reduces wastage of building materials and promotes better work place cleanliness and a safer and organised constructions site.

### SOCIAL

#### Promoting a Safe and Healthy Workplace

We aim to do more than just preventing accidents; we want to ensure that our stakeholders' health and safety is prioritised and safeguarded. This starts with educating our employees first. We believe that we can instil a sense of urgency towards health and safety aspects by taking the heart of the matter into our own hands by educating and changing the mind-sets of the management and our labourers to advocate on matters relevant to this subject. In this respect, the Group places the utmost importance on the continuous compliance with all relevant health and safety laws and regulations, such as OSHA.

#### Prioritising Our People

Without our employees, Sentoria Group would not be where it is today. We see our employees as one of our major stakeholders and we understand the value of investing in them as an important step to ensure continuous growth for the Group. Our support to our employees is extended not only to their careers, but also to their personal development through trainings, workshops and non-work related activities organized by management.

#### Empowering Our Employees

We are committed to ensuring that our employees are equipped with technical and practical knowledge to enhance their personal skills and contribution to the organisation. That is why at Sentoria Group, we empower our employees through delivering an array of training and development programmes.

### OUR COMMITMENT

As a responsible corporate citizen, the Group shall endeavour to undertake sustainable and responsible practices to add value to sustainable business growth, environmental stewardship and social responsibility.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") presents this Statement to provide shareholders and investors with an overview of the corporate governance ("CG") practices of the Group during the financial period from 1 October 2018 to 31 March 2020 ("FY2020"). This overview takes guidance from the key CG principles set out in the Malaysian Code on Corporate Governance 2017 ("MCCG").

This Statement is prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and is to be read in conjunction with the CG Report 2020 ("CG Report") which is available on the Group's website at [www.sentoria.com.my](http://www.sentoria.com.my).

The CG Report provides the explanations on how the Group applied each Practice set out in the MCCG during FY2020.

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### (a) Board Responsibilities

The Board acknowledges and fully supports the importance of corporate governance in directing and managing the businesses and affairs of the Group, and to safeguard and enhance shareholders' value and performance of the Group on a sustainable and long term basis.

The Board determines the Group's strategic objectives and ensures that required resources are in place for the Group to meet its objectives and to guide the Group on its short and long term goals, providing advice, stewardship and directions on the management and business development of the Group. The Board also set the Group's values and standards and ensure that its obligations to the shareholders and other stakeholders are understood and fulfilled.

The above roles and responsibilities of the Board is formalised in the Board Charter. The Board Charter clearly sets out the matters reserved for the Board, except where they are expressly delegated to a Board committee, the Chairman of the Board ("Chairman"), the Joint Managing Directors ("JMDs"), or a nominated member of Executive Management. The Board Charter is reviewed periodically or as and when changes occur to ensure that it reflects the current needs of the Group. More information on the Board Charter can be found on the Group's website.

In furtherance of the above and to ensure orderly and effective discharge of its functions and responsibilities, the Board has established the following Board committees:

- Audit & Risk Management Committee ("ARMC")
- Nominating Committee ("NC")
- Remuneration Committee ("RC")

In order to foster a strong governance culture in the Group and to ensure a balance of power and authority, the roles of the Chairman and JMDs are strictly separated. This is also to maintain effective supervision and accountability of the Board and Executive Management. The Chairman is responsible for Board effectiveness and to ensure that the conduct and working of the Board is in an orderly and effective manner while the JMDs takes on the primary responsibility of managing the Group's businesses and resources as well as overseeing and managing the day-to-day operations of the Group.

The Board has formalised a Code of Conduct and Ethics which reflects the Group's vision and core values of integrity, respect and trust. The core areas concerned include the following:

- Conflict of interest
- Confidential information
- Insider information and securities trading
- Fair dealings
- Protection and proper use of Group's assets
- Other legal and ethical standards
- Compliance with laws, rules and regulations
- Reporting of any illegal or unethical behaviour
- Compliance procedures

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### (a) Board Responsibilities (Cont'd)

The Code of Conduct and Ethics governs the conduct of the Directors and all employees of the Group and provides guidance on the communication process and the duty to report whenever there are breaches of the same. This code is reviewed and updated from time to time by the Board to ensure that it continues to remain relevant and appropriate.

To maintain the highest standards of ethical conduct, the Group has a formal Whistle-blowing Policy. As prescribed in this policy, the Board gave their assurance that employees' and third parties' identities will be kept confidential and whistle-blowers will not be at risk to any form of victimisation or retaliation from their superiors or any member of Executive Management provided that the reporting is in good faith.

All matters raised will be investigated and whistle-blowers (who are employees of the Group) can report through telephone or via e-mail to their immediate superior who shall then escalate the matters concerned to respective Heads of Department or Head of Human Resources or JMDs or the Chairman of the ARMC. For whistle-blowers who are non-employees of the Group, they can address their concerns to the Chairman of the ARMC.

The Board is mindful of the provisions of Section 17A of the MACC Act and had established the Anti-Bribery and Anti-Corruption Policy on 29 June 2020. The Whistle Blowing Policy and Procedure mentioned above is also expected to encourage reporting of any unlawful or unethical behaviour in relation to the Anti-Bribery and Anti-Corruption matters.

The Group recognises that effective succession planning is integral to the delivery of its strategic plans. It is essential to ensure a continuous level of quality in key management, in avoiding instability by helping mitigate the risks which may be associated with any unforeseen events, such as the departure of a key individual, and in promoting diversity.

Currently, there is an informal succession plan for key management put in place by the JMDs. Going forward, the Board will, with the JMDs, develop a formal and definitive succession plan. Notwithstanding the informality of the existing succession plan, the Board is conscious that the Group must secure a pipeline of talented and capable individuals from within the Group who will ultimately progress to key management and/or Board positions. The Group's approach to succession planning encompasses potential succession to all senior positions including that of the JMDs; and considers the identification, development and readiness of potential successors to be of paramount importance. The Board is aware that the Group cannot, at this moment, afford to have candidates who are Up-Next: Ready Now for all key positions in the Group. To address this shortcoming, the Group intends to use executive search consultants as and when the need arises.

The Board members have full and unrestricted access to the Joint Company Secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators. In addition to their corporate secretarial administrative responsibilities, they also advise the Board on its roles and responsibilities, corporate disclosures and regulatory compliance, corporate governance developments and practices.

The Directors also received updates from time to time on relevant new laws and regulations. Visits by the Independent Directors to the Group's businesses were also arranged for enhancement of their knowledge in respect of the Group's businesses as well as better awareness of the risks associated with the Group's operations.

The Board is aware that continuous training for the Directors is vital for them in discharging their duties effectively. All Directors are encouraged to attend appropriate external training programmes to supplement their knowledge in the latest developments and issues relevant to the Group, especially in the areas of corporate governance and regulatory requirements.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### (a) Board Responsibilities (Cont'd)

The external training programmes, seminars and/or conferences attended by the Directors in office at the end of FY2020 were as follows:

Directors	Training Programmes
Datuk Aznam Bin Mansor	<ul style="list-style-type: none"> <li>Multilaw AGM Global meeting @ Bangkok</li> <li>Cyber Security in the Boardroom Accelerating from Acceptance to Action</li> <li>Conference – Federalism in Malaysia: Redefining the Federal State Relationship in Malaysia</li> <li>Conference – Building AML/CFT Compliance Effectiveness: Risks and Challenges</li> <li>International Fiscal Association 2019 Congress @ London</li> <li>Anti-Bribery and Corruption Policy</li> <li>Multilaw Annual Global Meeting 2019 @ Dallas</li> </ul>
Dato' Chan Kong San	<ul style="list-style-type: none"> <li>Meet the Team</li> </ul>
Dato' Gan Kim Leong	<ul style="list-style-type: none"> <li>Meet the Team</li> </ul>
Mr. Wong Yoke Nyen	<ul style="list-style-type: none"> <li>Malaysia Post GE 14's Trade and Foreign Policies: Impact on Malaysia Capital Market</li> <li>Psychology of Investing: Victory Over Your Thoughts, Success is Yours</li> <li>Directors' Dealing in Securities and Insider Trading</li> </ul>
Mr. Lee Chaing Huat	<ul style="list-style-type: none"> <li>SME Business Prospecting</li> <li>Business Identification &amp; Relationship Management</li> <li>Credit Pathway</li> <li>Relationship Management of SME Businesses</li> </ul>
Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad	<ul style="list-style-type: none"> <li>Meet the Team</li> </ul>
Datin Sri Lim Mooi Lang	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme for Directors of Public Listed Companies</li> </ul>

The Board (via the NC and with assistance of the Joint Company Secretaries) shall continue to evaluate and determine the training needs of the Directors to build their knowledge so that they can be up-to-date with the development of the Group's business and industry that may affect their roles and responsibilities.

#### (b) Board Composition

The Group is led by an experienced and diversified Board which comprises professionals from various fields to bring together a balance of skills, mix of experience and expertise in area relevant to enhance the growth of Group's business. The Directors collectively bring with them wide and varied technical, financial, legal and corporate experience to enable the Board to lead and control the Group effectively.

The Board (via the NC) evaluates the effectiveness of the Board as a whole, all committees of the Board and the contribution of each individual Director. This evaluation which is done annually is facilitated by the Joint Company Secretaries and conducted using the evaluation forms set out in Bursa Malaysia Berhad's Corporate Governance Guide (3rd Edition) covering the following aspects:

##### Board and Board committees

- Board mix and composition
- Quality of information and decision making
- Boardroom activities
- Board's relationship with the management

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### (b) Board Composition (Cont'd)

#### Directors

- Fit and proper
- Contribution and performance
- Calibre and personality

As for the ARMC, the annual evaluation is done in 2 components:

- (i) ARMC evaluation questionnaire – This evaluation which covers the below aspects is done by ARMC members and assessed by the Board thereafter.

- Quality and composition
- Skills and competencies
- Meeting administration and conduct

- (ii) Self and peer evaluation by the ARMC members

Completed evaluation forms and the results of the evaluations are collated into a report and deliberated on by the NC and subsequently by the Board and key issues arising thereon are identified for further action to be taken by Executive Management.

Based on the evaluation carried out for FY2020, the NC has informed the Board that it was satisfied with the effectiveness of the Board and Board committees and the contribution and performance of each individual Director.

In addition, the NC having reviewed the self and peer evaluations of the ARMC members, has informed the Board that the ARMC is performing effectively.

The Board opined that given the current state of the Group's development, it is more important to have the right mix of skills on the Board rather than to attaining the 30% threshold for women Directors. Currently, the Company has achieved a 14% women participation in the Board with the new appointment of Datin Sri Lim Mooi Lang on 16 January 2020. Nevertheless, the Board is consistently looking for potential women Directors and shall appoint women to the Board as and when suitable candidates are identified. The Board is mindful of the gender diversification issue, and will respond accordingly at the appropriate juncture.

The Board is committed to provide fair and equal opportunities and nurturing diversity in the Group. In this respect, all persons, regardless of age, gender, ethnicity, cultural background or other personal factors, with appropriate experience and qualifications will be considered equally during recruitment and promotion. The Board is also committed to workplace diversity ensuring that we value and respect our differences and that our workplace is fair, accessible, flexible and inclusive and free from discrimination.

### (c) Remuneration

The Board (via the RC) will ensure that the Group's levels of remuneration commensurate with the skills and responsibilities expected of Executive Management as well as the Directors and that it must be sufficient to attract and retain talent needed to run the Group successfully. The Board, as a whole, determines the remuneration of the Directors and each individual Director is required to abstain from discussing his/her own remuneration. The RC is guided by market norms and industry practices when making recommendations for the compensation and benefits of Directors and Executive Management.

The RC's recommended remuneration for Directors and Executive Management is subject to Board's approval as it is the ultimate responsibility of the Board to approve the remuneration of the Directors and Executive Management.

In relation to the fees and allowances for Directors, it will be presented at the Annual General Meeting ("AGM") for shareholders' approval.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### (c) Remuneration (Cont'd)

The details of the Director's remuneration policies and practices are included in the Board Charter which is available on the Group's website.

The detailed disclosure on a named basis for the remuneration of individual Directors is set out in Note 27 to the financial statements on pages 117 and 118 of this Annual Report.

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### (a) ARMC

The ARMC currently comprises five members, all of whom are Independent Directors. The ARMC Chairman is Mr Wong Yoke Nyen.

The ARMC's policies and procedures to review, assess and monitor the performances, suitability and independence of the external auditors are stipulated in its Terms of Reference.

Prior to the commencement of the annual audit, the ARMC shall seek confirmation from the external auditors as to their independence. This independence confirmation would be re-affirmed by the external auditors to the AC upon their completion of the annual audit. These confirmations were made pursuant to the independence guidelines of the Malaysian Institute of Accountants.

Further details on the work performed by ARMC in furtherance of its oversight role are set out in the ARMC Report on pages 31 to 34 of this Annual Report.

#### (b) Risk Management and Internal Control Framework

The Board fulfills its responsibilities in the risk governance and oversight functions via a risk management framework which adopts a structured and integrated approach in managing key business risks. This framework together with the system of internal control are designed to manage the Group's risks within its risk appetite to ensure the Group achieves its business and corporate objectives.

As for the adequacy and effectiveness of the system of internal control, it is reviewed by the ARMC with assistance from the internal auditors. The internal audit function is outsourced to an independent professional consulting firm to provide an independent and objective assurance on the effectiveness of governance, risk management processes and internal control system of the Group. The internal auditors' independence is maintained by reporting functionally to the Board through the ARMC and administratively to Executive Management. Internal audit reports which are issued have to be tabled to the ARMC for review and Executive Management is required to be present at ARMC meetings to respond and provide feedback on the audit findings and recommended improvements. In addition, Executive Management is also required to present at ARMC meetings, status updates on significant matters and changes in key processes that could impact the Group's operations.

Based on the above, the Board is of the view that the risk management process and system of internal control were in place during FY2020 for identifying, evaluating and managing significant risks faced or potentially to be encountered by the Group.

Further details of the risk management and internal control framework are set out in the Statement on Risk Management and Internal Control on pages 28 to 30 of this Annual Report.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### (a) Communication with Stakeholders

The Board is committed to ensuring that communications to stakeholders and the investing public in general, regarding the businesses, operations and financial performance of the Group are timely and factual and are available on an equal basis.

The release of announcements and information by the Group to Bursa Malaysia Securities Berhad ("Bursa Securities"), is handled by the JMDs, Group Chief Financial Officer and/or Finance Managers and/or the Company Secretaries within the prescribed requirements of the MMLR and the Group Corporate Disclosure Policy ("CDP"). The CDP outlines the procedures and processes to be followed in ensuring compliance by all Directors, officers and employees of the Group. The full text of the CDP is available on the Group's website.

Information is disseminated via annual reports, circulars/statements to shareholders, quarterly and annual financial statements, and announcements from time to time. As these announcements and information can be price sensitive, they are only released after having reviewed by the JMDs and/or the Board where necessary.

The Group's website also provides all relevant information to stakeholders and the investing community. Quarterly and annual financial statements, announcements, financial information, annual reports, and circular/statements to shareholders are uploaded onto the website for investors and the public.

Any shareholders' queries or concerns relating to the Group may be conveyed to our Head of Public and Investor Relations at our Registered Office as detailed below:

No. 56 & 58 Jalan Dagang SB 4/2  
Taman Sg. Besi Indah  
43300 Seri Kembangan, Selangor  
Telephone no.: +603-8943 8388  
Facsimile no.: +603-8943 5388  
Email: investor@sentoria.com.my

Our Senior Independent Director, Mr Lee Chaing Huat, is designated by the Board to be the contact for consultation and direct communication with shareholders on areas that cannot be resolved through the above normal channels of contact. He too can be contacted at the above addresses.

#### (b) Conduct of General Meetings

The AGM serves as a principal forum for the Group's dialogue with shareholders. All shareholders are encouraged to attend the AGM, during which they can participate and are given the opportunity to ask questions and vote on important matters affecting the Group, including the election/re-election of Directors, business operations, and the financial performance and position of the Group.

Barring unforeseen circumstances, all Directors (which include the Chairs of all mandated Board committees) shall be attending the forthcoming 21st AGM to address shareholders' queries at the meeting. The external auditors will also be present at the meeting to answer shareholders' queries on their audit process and report, the accounting policies adopted by the Group, and their independence.

In line with Practice 12.1 of the MCCG, the Company's Notice of the forthcoming 21st AGM shall be given to shareholders at least 28 days prior to the meeting.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board on 26 August 2020.

## ADDITIONAL DISCLOSURE REQUIREMENTS

PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

### Utilisation of Proceeds Raised from Corporate Proposals

The Group did not carry out any fund raising corporate proposal during the financial period from 1 October 2018 to 31 March 2020 ("FY2020").

### Material Contracts

Save for the related party transactions as disclosed in Note 32 to the financial statements, neither the Company nor any of its subsidiary companies have entered into any material contracts which involved the Directors' and/or major shareholders' interests, which were still subsisting at the end of FY2020 or which were entered into since the end of the previous financial year ended 30 September 2018.

### Audit and Non-Audit Fees

The audit fees paid or payable by the Company and the Group to the External Auditors for FY2020 amounted to RM81,000 and RM548,000 respectively. As for non-audit fees incurred for services rendered to the Company and the Group by the External Auditors or a firm or corporation affiliated to the External Auditors during FY2020, the amount concerned was RM4,000 for the Company and the Group.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control which has been prepared in accordance with the Statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuers) ("Guidelines") is made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Securities Malaysia Berhad ("Listing Requirements").

### BOARD RESPONSIBILITY

The Board of Directors ("Board") acknowledges that risk management and internal control are integral to corporate governance and that it is their responsibility for establishing a sound risk management framework and internal control system as well as to ensure their adequacy and effectiveness. The Board recognises that the Group's risk management framework and internal control system are designed to manage the Group's risks within its acceptable risk appetite to ensure the Group achieves its business and corporate objectives. As risks are inherent in all business activities, the said framework and system provide reasonable, rather than absolute assurance against the risks of material misstatements of financial information or against financial losses and fraud or breaches of laws or regulations.

The Board confirms that there is an ongoing risk management process established to identify, evaluate and manage significant risks to mitigate the risks that may impede the achievement of the Group's business and corporate objectives.

The review of the adequacy and effectiveness of the risk management framework and the system of internal control is delegated by the Board to the Audit and Risk Management Committee ("ARMC").

### RISK MANAGEMENT

As guided by enterprise risk management framework of Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), the Board has formalised the risk management framework and it is outlined in the Group's Risk Management Policy. The framework adopts a structured and integrated approach in managing key business risks with the aim of safeguarding the Group's assets and the shareholders' interests.

The ARMC reviews the adequacy and effectiveness of the risk management process on a half yearly basis. In this respect, it is assisted by the Risk Management Committee ("RMC") comprising the Joint Managing Directors ("JMDs"), the Finance Manager ("FM"), operation managers and key personnel to identify and assess risks as well as to ensure that the risk management processes are adequate and effective. All policies and procedures formulated to identify, measure and monitor various risk components are reviewed and recommended by the RMC to the ARMC. Additionally, the ARMC reviews and assesses the adequacy of risk management policies and ensures that the infrastructure, resources and systems are in-place for implementing the risk management processes.

The risk management processes involve the key management staff in each functional/operating unit of the Group and are managed by the RMC. The risks identified by risk owners in risk registers remain the foundation in developing a risk profile and the action plans to assist key management to manage and respond to these risks.

During the current financial period ended 31 March 2020 ("FY2020"), the Internal Auditors assisted the RMC to re-assess and re-evaluate the Group's risk profile and as a consequence, the Group's key business risks were identified or reaffirmed. Following this update, the risk owners together with the RMC developed the measures to be implemented to deal with these risks.

For FY2020, the Group's key business risks identified and the measures taken to manage these risks were as follows:

1. Risk - Competition from other property developers and other leisure and hospitality operators  
Measure - Carried out segmented promotional and marketing activities and regular review of business performance
2. Risk - Investment risk for new projects  
Measure - Established procedures for the review of new projects implemented and on-going monitoring during the implementation stage

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### RISK MANAGEMENT (CONT'D)

For FY2020, the Group's key business risks identified and the measures taken to manage these risks were as follows (cont'd):

3. Risk - Cash flow and liquidity

Measure - Strengthened cash flow management with enhanced policies and procedures and continuous monitoring via ratio analysis, cash flow planning and matching for capital, operation and project needs, and loan restructuring

4. Risk - Seasonal cycle (Leisure & Hospitality Division)

Measure - Differentiation strategy for mass and corporate customers to minimise the seasonal impact

5. Risk - Attractiveness of activities (Leisure & Hospitality Division)

Measure - Regular monitoring and updates on product offerings to the market

The Group's risk management practices are business driven and the processes in identifying, evaluating and managing significant risks facing the Group are embedded into its culture and operations. These processes are driven by the JMDs and are responsive to changes in the business environment and are clearly communicated to all levels, via management meetings (formal and informal) and discussions.

### INTERNAL CONTROL SYSTEM

The Board acknowledges the importance of the internal audit function and is committed to articulating, implementing and reviewing the Group's system of internal control. The internal audit function has been outsourced to an independent professional service provider to assist the ARMC in discharging their responsibilities and duties. To ensure independence, the Internal Auditors report directly to the ARMC.

During FY2020, the internal audit of the Group was carried out in accordance with a risk-based audit plan approved by ARMC. The internal audit provides an assessment of the adequacy, efficiency and effectiveness of the Group's system of internal control to ensure that the internal controls are viable and robust. The audit findings and recommended improvements, are presented to the ARMC at their quarterly meetings. In addition, the Internal Auditors also carried out follow-up reviews to ensure their recommendations for improvements to internal controls are implemented.

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

1. A well-defined organisation structure with clearly defined lines of responsibility, authority and accountability;
2. Approval and authority limits are imposed on key management in respect of day-to-day operations and major non-operating transactions;
3. An operational audit unit which reports directly to the JMDs carry out a systematic review of effectiveness, efficiency and economy of business operations and adherence to financial policies and procedures;
4. The Board and the ARMC meet every quarter to discuss financial performances, business operations and strategies, corporate updates and internal audits findings;
5. Regular training and development programs are attended by employees to enhance their knowledge and competency;
6. Management financial statements and reports are prepared regularly for monitoring of actual performance by the JMDs and senior management;
7. Key functions such as finance, taxation, treasury, corporate secretarial and compliance and legal matters are controlled centrally from Head Office;
8. A fully independent ARMC comprising exclusively Independent Directors with full and unrestricted access to both Internal and External Auditors; and
9. The quarterly financial results and yearly audited financial statements are reviewed by the ARMC prior to their approval by the Board.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### ASSURANCE

The Board has reviewed the adequacy and effectiveness of the Group's risk management framework and system of internal control for FY2020 and up to the date of this Statement and is of the view that the risk management process and system of internal control which are in place for the period covered by this Statement is adequate and effective.

Executive Management is accountable to the Board for the identification of material risks relevant to the business of the Group, implementation and maintenance of sound risk management practices and internal controls and the monitoring thereof. Any significant control deficiencies and changes in risks that could affect the Group's objectives and performance are reported to the Board half-yearly or as and when required.

The JMDs and the FM have provided assurance to the Board that the Group's risk management processes and internal control systems were operating adequately and effectively in all material aspects, and that there were no material losses incurred as a result of any weaknesses in internal controls that would require disclosure in this Annual Report.

The Board and Executive Management will continuously improve and enhance the system of internal control to ensure its adequacy and relevance in safeguarding the shareholders' interests and the Group's assets.

### REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements, the External Auditors, Grant Thornton Malaysia ("GTM"), has reviewed this Statement. Their review procedures were performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3"): *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control in the Annual Report* issued by the Malaysian Institute of Accountants.

AAPG 3 does not require GTM to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures.

Based on the procedures performed and evidence obtained, GTM have reported to the Board that nothing has come to their attention that causes them to believe that this Statement included in this Annual Report, is not prepared in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines, nor is it factually inaccurate.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board dated 26 August 2020.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee (“ARMC”) was established to act as a committee of the Board of Directors (“Board”) with the primary objective of assisting the Board in fulfilling its fiduciary duties in relation to:

- Assessing the internal control and risk management processes in relation to the risk and control environment
- Overseeing the financial reporting function
- Evaluating the internal and external audit processes

The ARMC was also empowered by the Board to directly oversee the Group’s risk management framework and policies and its implementation.

The ARMC is guided by its terms of reference which can be viewed on the Company’s website at [www.sentoria.com.my](http://www.sentoria.com.my).

### MEMBERSHIP AND MEETINGS

The members of the ARMC during the financial period from 1 October 2018 to 31 March 2020 (“FY2020”) and as of the date of this Report together with their attendance record at meetings held during FY2020 are as follows:

Name	Designation	Status of Directorship	No. of meetings attended/No. of meetings held
Wong Yoke Nyen	Chairman	<i>Independent Non-Executive Director</i>	8/8
Datuk Aznam bin Mansor	Member	<i>Independent Non-Executive Director</i>	7/8
Lee Chaing Huat	Member	<i>Senior Independent Non-Executive Director</i>	8/8
Dato’ Hj. Abdul Rahman bin Hj. Imam Arshad	Member	<i>Independent Non-Executive Director</i>	8/8
Datin’ Sri Lim Mooi Lang	Member	<i>Independent Non-Executive Director</i>	1/1

Whilst the ARMC’s terms of reference requires the ARMC to meet at least 4 times in a financial year, it met 8 times during FY2020. The Company Secretaries who are also the Secretaries to the ARMC were in attendance during the meetings. The Chief Financial Officer and other officers, if necessary, were invited to the meetings to deliberate on matters within their purview.

After each meeting, the ARMC Chairman submits a report on matters deliberated to the Board for their reference and notation. Matters reserved for the Board’s approval are tabled at Board meetings. The Company Secretaries document the decisions made and actions required and forward them to Executive Management for their action.

### SUMMARY OF ARMC’S ACTIVITIES

The following were activities carried out by the ARMC for FY2020:

#### (a) Financial Results

- Reviewed and recommended the quarterly financial results of the Group (including announcements) and the annual financial statements of the Group and Company for the Board’s approval.
- Deliberated on significant matters raised by the External Auditors which includes, inter-alia, financial reporting issues, significant decisions made by Executive Management, significant transactions and management reports and updates on actions recommended by the External Auditors.
- Deliberated on changes in or implications of major accounting changes to facilitate the implementation of and compliance with these accounting standards and other legal requirements.



# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## SUMMARY OF ARMC'S ACTIVITIES (CONT'D)

### (b) External Audit

- Reviewed and approved the External Auditors' scope of work and audit plan prior to the commencement of the annual audit.
- Analysed and reviewed the proposed external audit fees for approval of the Board.
- Analysed and reviewed the non-audit fees and related costs in respect of non-audit services rendered by the External Auditors, if any, to ensure that their independence is not impaired.
- Reviewed and discussed with the External Auditors, the changes in or implications of major accounting policies and standards, significant matters arising from the audit, significant decisions made by Executive Management, significant transactions, compliance with accounting standards and other legal and regulatory requirements and the Audit Report; and reported same to the Board.
- Evaluated the performance, suitability and independence of the External Auditors and recommended their re-appointment to the Board for approval.
- Had on three occasions in FY2020, engaged the External Auditors in private meetings without the presence of Executive Management.

### (c) Internal Audit

- Reviewed and approved the internal audit plan and the Internal Auditors' scope of work.
- Reviewed and discussed with the Internal Auditors, their audit findings and issues arising during the course of audit and reported the same to the Board.
- Reviewed the adequacy and effectiveness of corrective actions taken by Executive Management on all significant matters raised by the Internal Auditors.
- Evaluated the competency and independence of the Internal Auditors and their resources to address the risk areas set out in their audit plan.

### (d) Related Party Transactions

- Reviewed significant related party transactions to ensure that they are fair, reasonable, on normal commercial terms to ensure that they not detrimental to the minority shareholders and is in the best interests of the Group.
- Reviewed the procedures and processes to monitor, track and identify recurrent related party transactions of a revenue and trading nature ("RRPT").
- Reviewed the Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for RRPT on behalf of the Board for issuance to the shareholders for the forthcoming 21st Annual General Meeting of the Company.

### (e) Annual Report

- Reviewed and issued this Report for inclusion in the FY2020 Annual Report.
- Reviewed the Statement on Risk Management and Internal Control, Corporate Governance Overview Statement, Corporate Governance Report, Additional Disclosure Requirements and Management Discussion and Analysis of Business Operations and Financial Performance on behalf of the Board for inclusion in the FY2020 Annual Report.

### (f) Risk Management

- Reviewed (i) the risk profile update report compiled by Executive Management to identify new key business risks as well as to re-affirm existing risks; and (ii) the resultant risk registers setting out the measures to address the new risks.
- Reviewed the adequacy and effectiveness of the risk management process in identifying and assessing risks with as disclosed in the reports submitted by the Group's Risk Management Committee ("RMC") thrice during FY2020.
- Reviewed and assessed the adequacy of the risk management policies in place and ensured that the necessary infrastructure, resources and systems are in-place for implementing the risk management process.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

### INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional consulting firm to assist the ARMC in discharging their responsibilities and duties. The role of the internal audit function is to undertake independent regular and systematic reviews of the system of internal controls so as to provide reasonable assurance to the ARMC that such systems continue to operate satisfactorily and effectively in the Group.

The internal control review procedures performed by the outsourced internal audit team are guided by International Professional Practices Framework issued by The Institute of Internal Auditors Inc. and designed to understand and evaluate risks, and related controls to determine the adequacy and effectiveness of the risk and control structures and processes and also to provide recommendations for further improvement.

The outsourced Internal Auditor is led by a management team, who are registered with professional bodies, which comprised:

(a) Director : Mr Ryan Chong Chee Seng

Qualification: Certified Internal Auditor ("CIA"), Certified Practising Accountant with CPA Australia ("CPA"), a Chartered Member of Institute of Internal Auditors Malaysia ("CMIIA") and Accountants registered with Malaysian Institute of Accountants ("MIA")

(b) Manager : Mr Alex Wong Tze Chung

Qualification: Certified Internal Auditor ("CIA") and Chartered Member of Institute of Internal Auditors Malaysia ("CMIIA")

In addition, the entire outsourced internal audit team is re-affirmed to be totally independent.

On a quarterly basis, the Internal Auditors present their Internal Audit Reports, which include their findings and recommendations for improvements, to the ARMC for its review and deliberation. The ARMC also appraised the adequacy of the comments, actions and measures to be taken by the Executive Management in resolving the audit issues reported and recommended for further improvement.

The Internal Auditors also carried out follow-up reviews to monitor the implementation of the said action plans and measures for reporting to the ARMC.

For FY2020, the internal audit scope covered the review of the adequacy and effectiveness of the system of internal controls of the following:

(a) Leisure & Hospitality Division

(i) Procurement (BGRC)

- Purchase Request and Authorisation;
- Receiving and Inspection;
- 3 way matching between Payment Voucher, Supplier's Invoice and Delivery Order; and
- Recognition of purchase in accounting records.

(ii) Facilities Management and Maintenance (BGRC)

- Daily facilities checking (Water Park and Safari including daily checking of animal welfare);
- Maintenance scheduling; and
- Compliance with regulations such as Guidelines on the Safety Management of Amusement Park Devices.

(iii) Human Resource (BGRC)

- Review the worker's attendance;
- Maintenance of worker's database;
- Calculation and approval of worker's payroll;
- Monitoring of statutory contributions; and
- Review compliance with the Employment Act.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## INTERNAL AUDIT FUNCTION (CONT'D)

For FY2020, the internal audit scope covered the review of the adequacy and effectiveness of the system of internal controls of the following:

### (b) Property & Construction Division

- (i) Sales and Marketing (Morib Project)
  - Advertising & Promotion;
  - Reservation of Units;
  - Execution of Sales & Purchase Agreement;
  - Management of Progress Billings; and
  - Collections.
- (ii) Procurement and Tender Management (Morib Project)
  - Purchase requisition, quotation comparison and approval process;
  - Receiving of items/ services procured;
  - Supplier's payment and matching of documents;
  - Invitation to tender process;
  - Tender evaluation and approval; and
  - Sub-contractors' appointment.
- (iii) Sales and Marketing (Kuching Project)
  - Advertising & Promotion;
  - Reservation of Units;
  - Execution of Sales & Purchase Agreement;
  - Maintenance of Purchaser's File;
  - Management of Progress Billings to Purchasers; and
  - Collections from Purchasers.

### (c) Independent Assessment on Related Party Transactions ("RPT")

The follow-up reviews were carried out by the Internal Auditors during FY2020 in respect of the following audit areas:

- Hotel Revenue;
- Safari Park;
- Water Park;
- Project Management (Kuching Project);
- Project Management (Kuantan Project);
- Sales and Marketing (Morib Project);
- Procurement and Tender Management (Morib Project);
- Facilities Management and Maintenance (BGRC);
- Procurement (BGRC); and
- Hotel Revenue (BGRC).

The Internal Auditors also facilitated the RMC during FY2020 in re-assessing and re-evaluating the Group's risk profile. This enabled the RMC to identify or reaffirm the Group's key business risks and to develop measures to be implemented to deal with these risks.

The total costs paid or payable for the internal audit function for FY2020 was RM108,000.

### WONG YOKE NYEN

Chairman of Audit and Risk Management Committee

26 August 2020

## DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period from 1 October 2018 to 31 March 2020.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities and details of its subsidiary companies are disclosed in Note 9 to the financial statements.

There have been no significant changes in the activities of the Company and its subsidiary companies during the financial period.

### CHANGE OF FINANCIAL YEAR END

The Group and the Company changed its financial year end from 30 September 2019 to 31 March 2020 to facilitate the financial reporting.

### FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net loss for the financial period	88,626	222
Attributable to:		
Owners of the Company	87,607	
Non-controlling interests	1,019	
	88,626	

### RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial period are disclosed in the financial statements.

### DIVIDENDS

There were no dividends paid, declared or proposed by the Company since the end of the previous financial year.

### HOLDING COMPANY

The immediate and ultimate holding company is Sentoria Capital Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia.

## DIRECTORS' REPORT

### DIRECTORS

The Directors who held office during the financial period and up to the date of this report are as follows:

Datuk Aznam bin Mansor  
 Dato' Chan Kong San  
 Dato' Gan Kim Leong  
 Lee Chaing Huat  
 Wong Yoke Nyen  
 Dato' Hj. Abdul Rahman bin Hj. Imam Arshad  
 Datin Sri Lim Mooi Lang (appointed on 16.1.2020)

Dato' Chan Kong San and Dato' Gan Kim Leong are also the Directors of all subsidiary companies included in the financial statements of the Group for the financial period.

### DIRECTORS' INTERESTS

The Directors holding office at the end of the financial period and their beneficial interests in the ordinary shares and/or options over ordinary shares of the Company and its related corporations during the financial period as recorded in the Register of Directors' Shareholdings kept by the Company pursuant to Section 59 of the Companies Act 2016, were as follows:

Shares in the Company	At 1.10.2018/ At date of appointment	Number of ordinary shares		At 31.3.2020
		Bought	Sold	
<u>Direct interest</u>				
Datin Sri Lim Mooi Lang	2,000,000	–	–	2,000,000
<u>Indirect interest</u>				
Dato' Chan Kong San*	327,953,528	4,117,900	(47,371,000)	284,700,428
Dato' Gan Kim Leong**	327,953,528	30,043,340	(54,200,000)	303,796,868
Datin Sri Lim Mooi Lang***	9,600,000	–	–	9,600,000
		Number of Warrants-B		
	At 1.10.2018	Bought	Sold	At 31.3.2020
<u>Indirect interest</u>				
Dato' Chan Kong San*	194,220,468	–	(13,333,334)	180,887,134
Dato' Gan Kim Leong**	194,220,468	851,960	(13,333,334)	181,739,094

\* Deemed interest by virtue of their interests in Sentoria Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016

\*\* Deemed interest by virtue of their interests in Sentoria Capital Sdn. Bhd. and Base Rock Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016

\*\*\* Deemed interest by virtue of shares held by spouse and child pursuant to Section 59(11)(c) of the Companies Act 2016

## DIRECTORS' REPORT

### DIRECTORS' INTERESTS (CONT'D)

Shares in Sentoria Capital Sdn. Bhd.	Number of ordinary shares			At 31.3.2020
	At 1.10.2018	Bought	Sold	
<u>Direct interest</u>				
Dato' Chan Kong San	250,000	–	–	250,000
Dato' Gan Kim Leong	250,000	–	–	250,000

Dato' Chan Kong San and Dato' Gan Kim Leong, by virtue of their interests in the ordinary shares of Sentoria Capital Sdn. Bhd., are deemed to have an interest in the shares and/or options over shares of the Company and its subsidiary companies to the extent that Sentoria Capital Sdn. Bhd. has an interest pursuant to Section 8 of the Companies Act 2016 during the financial period.

Other than as disclosed above, none of the other Directors in office at the end of the financial period held any interest in the shares and/or options over shares of the Company or its related corporations during the financial period.

### DIRECTORS' BENEFITS

During and at the end of the financial period, there was no arrangements subsisted to which the Company is a party, being arrangement with the object or objects of enabling the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Since the end of the previous financial period, no Director has received or become entitled to receive any benefits (other than as disclosed in Notes 27 and 30 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for those related party transactions as disclosed in Note 32 to the financial statements.

The premium costs incurred by the Group and the Company for Directors' and officers' liability insurance effected for the Directors and certain officers of the Group during the financial period amounted to RM9,025.

### ISSUE OF SHARES AND DEBENTURES

During the financial period, the Company increased its issued and paid up ordinary share from RM161,771,482 to RM161,778,379 by issuance of 12,100 new shares via exercise of Warrants-A pursuant to the Warrants-A Deed Poll of 27 March 2014 at an exercise price of 57 sen per share.

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

The details and salient terms of Warrants-A and Warrants-B are disclosed in Note 18 to the financial statements.

There was no issuance of debentures during the financial period.



## DIRECTORS' REPORT

### TREASURY SHARES

During the financial period, the Company bought 185,000 of its own ordinary shares from the open market at an average price of 42.5 sen per share. The total consideration paid for the purchased shares including transaction costs amounting to RM79,000 was financed by internally generated funds. The purchased shares were dealt with as treasury shares in accordance with Section 127 of the Companies Act 2016. There was no cancellation or reissuance of treasury shares during the financial period.

As at the end of the financial period:

- (a) out of the Company's total 567,277,991 issued ordinary shares, 9,596,900 are held as treasury shares by the Company; and
- (b) the number of outstanding ordinary shares in issue after deducting those held as treasury shares is 557,681,091 ordinary shares.

### OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial period.

### OTHER STATUTORY INFORMATION

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

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets other than debts, which were unlikely to be realised at their book values in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

- (a) which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;
- (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; and
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company 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 period which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

## DIRECTORS' REPORT

### OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the Directors:

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (b) the results of the Group's and of the Company's operations during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (c) there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the financial period in which this report is made.

### SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD

The significant events during and after the reporting period are disclosed in Note 39 to the financial statements.

### AUDITORS

The fees paid to or receivable by the auditors, Grant Thornton Malaysia PLT, as remuneration for their services to the Company and its subsidiary companies for the financial period are disclosed in Note 27 to the financial statements.

Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

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

.....	)	
DATO' GAN KIM LEONG	)	
	)	
	)	
	)	DIRECTORS
	)	
	)	
	)	
.....	)	
DATO' CHAN KONG SAN	)	

Kuala Lumpur  
26 August 2020

## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 45 to 144 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 31 March 2020 and of their financial performance and cash flows for the financial period from 1 October 2018 to 31 March 2020.

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

.....  
DATO' GAN KIM LEONG

.....  
DATO' CHAN KONG SAN

Kuala Lumpur  
26 August 2020

## STATUTORY DECLARATION

I, Dato' Gan Kim Leong, being the Director primarily responsible for the financial management of Sentoria Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 45 to 144 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by )  
the abovenamed at Kuala Lumpur in )  
Federal Territory this **26th** day of )  
**August 2020** )  
)

.....  
DATO' GAN KIM LEONG

Before me:

**SABRINA BINTI SYD MOHAMMED SEBIR (W.748)**  
Commissioner for Oaths

## INDEPENDENT AUDITORS' REPORT

To the members of Sentoria Group Berhad  
(Incorporated in Malaysia) Registration No: 199801007217 (463344-K)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of Sentoria Group Berhad, which comprise the statements of financial position as at 31 March 2020 of the Group and of the Company, 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 period from 1 October 2018 to 31 March 2020, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 45 to 144.

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 of 31 March 2020, and of their financial performance and cash flows for the financial period from 1 October 2018 to 31 March 2020 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.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements, which indicates that the Group and the Company had incurred a net loss attributable to owners of the Company of RM87,607,000 and RM222,000 respectively. As at 31 March 2020, the Group's and the Company's total current liabilities exceeded its total current assets by RM282,725,000 and RM14,514,000 respectively. Further, the Company and certain subsidiaries have been engaging with its existing lenders since the beginning of 2020 to restructure and reschedule its financing facilities to strengthen the financial position as disclosed in Note 22 to the financial statements.

As stated in Note 2 to the financial statements, the ability of the Group and the Company to continue as going concern are highly dependent on successful implementation of restructuring measures which include operational recovery from the COVID-19 pandemic for leisure and property development division, favourable outcome of the ongoing discussions with the existing lenders and also trade payables on restructuring and rescheduling the payment for remaining outstanding debts, successful in restoring its financial position and achieving sustainable and viable operations and proper planning and monitoring of its working capital management.

The above events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### 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 period. 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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

# INDEPENDENT AUDITORS' REPORT

To the members of Sentoria Group Berhad  
(Incorporated in Malaysia) Registration No: 199801007217 (463344-K)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### Key Audit Matters (Cont'd)

#### Group

##### *Revenue and expense recognition for construction contracts*

**The risk** - The Group recognises revenue and expenses for construction contracts based on the stage of completion method.

In determining the stage of completion, the management is required to exercise significant judgement in estimating the total costs to complete. As such, we have identified revenue and expense recognition for construction contracts as a significant risk requiring special audit consideration.

**Our response** - Our audit procedures included, amongst others, inquiries with the operational and financial personnel of the Group for the assumptions used, inspection of documentation to support costs estimates made, comparing estimated costs to actual costs to assess the reliability of management's budgeting process and control, inspecting contracts with sub-contractors and reviewing analyses of cost budgets, performing site visits of ongoing projects, performing analyses of total estimated revenue and testing the computation of revenue and expenses recognised over time in accordance with MFRS 15 Revenue from Contracts with Customers. The Group's disclosures regarding construction contracts are included in Notes 3.6.1, 4.9, 4.10, 7, 15, 16 and 25 to the financial statements.

##### *Recognition of deferred tax assets*

**The risk** - The Group has recognised deferred tax assets for unabsorbed business losses, unutilised capital allowances, unutilised tax allowances and other temporary differences.

Recognition of deferred tax assets requires significant management judgement as to the ability of the Group to generate sufficient future taxable profits to utilise the unabsorbed business losses, unutilised capital allowances, unutilised tax allowances and other temporary differences.

We have identified recognition of deferred tax assets as a significant risk requiring special audit consideration due to the inherent uncertainty in projecting the amount and timing of future taxable profits.

**Our response** - We assessed the accuracy of projected future taxable profits by evaluating historical projection accuracy and comparing the assumptions, such as projected growth rates as well as operating margin, with our own expectations of those assumptions derived from our knowledge of the Group and our understanding obtained during our audit.

The Group's disclosures regarding deferred tax assets are included in Notes 3.6.1, 4.17.2 and 10 to the financial statements.

#### Company

There are no key audit matter in relation to the financial statements of the Company.

### Information other than the Financial Statements and Auditors' Report Thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the 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 the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

## INDEPENDENT AUDITORS' REPORT

To the members of Sentoria Group Berhad  
(Incorporated in Malaysia) Registration No: 199801007217 (463344-K)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

#### Responsibilities of the Directors for the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## INDEPENDENT AUDITORS' REPORT

To the members of Sentoria Group Berhad  
(Incorporated in Malaysia) Registration No: 199801007217 (463344-K)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

#### Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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, related safeguards.

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 period 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

1. As stated in Note 3.4 to the financial statements, the Company adopted Malaysian Financial Reporting Standards on 1 October 2018 with a transition date of 1 October 2017. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position as at 30 September 2018 and 1 October 2017, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 30 September 2018 and related disclosures. We were not engaged to report on the MFRS transition comparative information, and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial period from 1 October 2018 to 31 March 2020, have in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 October 2018 do not contain misstatements that materially affect the financial position as at 31 March 2020, financial performance and cash flows for the financial period from 1 October 2018 to 31 March 2020.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**GRANT THORNTON MALAYSIA PLT**  
(201906003682 & LLP0022494-LCA)  
CHARTERED ACCOUNTANTS (AF 0737)

Kuala Lumpur  
26 August 2020

**LIM SOO SIM**  
(NO: 03335/11/2021 J)  
CHARTERED ACCOUNTANT



## STATEMENTS OF FINANCIAL POSITION

As at 31 March 2020

			Group			Company	
	Note	31.3.2020	Restated	Restated	31.3.2020	30.9.2018	1.10.2017
		RM'000	30.9.2018	1.10.2017	RM'000	RM'000	RM'000
			RM'000	RM'000			
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	5	508,778	512,966	419,245	44	42,698	42,745
Biological assets	6	1,577	3,711	3,657	–	–	–
Inventories	7	156,714	55,233	55,611	–	–	–
Investment properties	8	63,822	61,805	38,155	61,100	12,120	12,120
Investment in subsidiary companies	9	–	–	–	272,125	270,475	187,725
Deferred tax assets	10	43,980	60,667	50,361	–	–	–
Fixed deposits with licensed banks	11	–	10,242	7,005	–	403	–
Investment in short term funds	11	–	7,990	7,524	–	7,990	7,524
Goodwill on consolidation	12	3	3	3	–	–	–
Trade receivables	13	293	–	–	–	–	–
Other receivables	14	6,096	–	–	–	–	–
<b>Total non-current assets</b>		<b>781,263</b>	<b>712,617</b>	<b>581,561</b>	<b>333,269</b>	<b>333,686</b>	<b>250,114</b>
<b>Current assets</b>							
Inventories	7	183,149	207,023	154,127	–	–	–
Contract assets	15	17,399	82,240	104,877	–	–	–
Contract costs	16	5,418	1,166	–	–	–	–
Trade receivables	13	46,048	148,412	98,738	–	–	–
Other receivables	14	68,257	38,443	34,546	208	721	1,157
Amount due from subsidiary companies	9	–	–	–	178,274	169,999	148,999
Amount due from holding company	9	–	455	3,179	–	–	–
Tax recoverable		5,588	2,667	4	29	15	4
Fixed deposits with licensed banks	11	4,136	–	–	–	–	–
Investment in short term funds	11	–	–	8,000	–	–	8,000
Cash and bank balances	17	11,371	10,884	38,038	1,799	51	14
<b>Total current assets</b>		<b>341,366</b>	<b>491,290</b>	<b>441,509</b>	<b>180,310</b>	<b>170,786</b>	<b>158,174</b>
<b>Total assets</b>		<b>1,122,629</b>	<b>1,203,907</b>	<b>1,023,070</b>	<b>513,579</b>	<b>504,472</b>	<b>408,288</b>

# STATEMENTS OF FINANCIAL POSITION

As at 31 March 2020

		Group			Company		
	Note	31.3.2020 RM'000	Restated 30.9.2018 RM'000	Restated 1.10.2017 RM'000	31.3.2020 RM'000	30.9.2018 RM'000	1.10.2017 RM'000
<b>EQUITY AND LIABILITIES</b>							
<b>Equity attributable to owners of the Company</b>							
Share capital	18	161,778	161,771	152,566	161,778	161,771	152,566
Treasury shares	19	(5,962)	(5,883)	(862)	(5,962)	(5,883)	(862)
Revaluation reserve	20	80,097	70,614	66,175	33,767	35,549	35,549
Warrant reserve	21	51,467	51,467	–	51,467	51,467	–
Retained earnings		158,811	245,676	228,589	66,672	66,894	65,918
		446,191	523,645	446,468	307,722	309,798	253,171
Non-controlling interests	9	(68)	951	953	–	–	–
<b>Total equity</b>		<b>446,123</b>	<b>524,596</b>	<b>447,421</b>	<b>307,722</b>	<b>309,798</b>	<b>253,171</b>
<b>Non-current liabilities</b>							
Contract liabilities	15	695	–	–	–	–	–
Deferred tax liabilities	10	3,433	4,517	4,107	4,402	1,970	1,970
Borrowings	22	48,287	254,663	222,483	6,631	59,239	75,876
<b>Total non-current liabilities</b>		<b>52,415</b>	<b>259,180</b>	<b>226,590</b>	<b>11,033</b>	<b>61,209</b>	<b>77,846</b>
<b>Current liabilities</b>							
Trade payables	23	100,369	92,340	73,368	–	–	254
Other payables	24	105,267	131,453	104,178	3,139	1,800	2,702
Contract liabilities	15	25,443	3,955	1,398	–	–	–
Amount due to subsidiary companies	9	–	–	–	96,026	77,075	30,197
Tax payable	4	–	654	3,927	–	–	–
Borrowings	22	393,008	191,729	166,188	95,659	54,590	44,118
<b>Total current liabilities</b>		<b>624,091</b>	<b>420,131</b>	<b>349,059</b>	<b>194,824</b>	<b>133,465</b>	<b>77,271</b>
<b>Total liabilities</b>		<b>676,506</b>	<b>679,311</b>	<b>575,649</b>	<b>205,857</b>	<b>194,674</b>	<b>155,117</b>
<b>Total equity and liabilities</b>		<b>1,122,629</b>	<b>1,203,907</b>	<b>1,023,070</b>	<b>513,579</b>	<b>504,472</b>	<b>408,288</b>

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

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Period from 1 October 2018 to 31 March 2020

	Note	Group		Company	
		1.10.2018 to 31.3.2020 RM'000	Restated 1.10.2017 to 30.9.2018 RM'000	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000
Revenue	25	202,961	241,369	–	3,000
Cost of sales	26	(181,085)	(185,172)	–	–
Gross profit		21,876	56,197	–	3,000
Other income		598	702	169	110
Finance income		618	917	23	226
Fair value adjustments on investment properties		4,658	10,194	6,379	–
Impairment loss on financial assets		(2,318)	–	–	–
Distribution expenses		(2,056)	(1,871)	–	–
Administration expenses		(68,849)	(51,134)	(4,276)	(2,078)
Other expenses		(7,822)	–	(850)	–
Finance costs		(21,953)	(4,828)	(1,017)	(281)
(Loss)/profit before tax	27	(75,248)	10,177	428	977
Tax (expense)/income	28	(13,378)	6,329	(650)	(1)
Net (loss)/profit for the financial period/year		(88,626)	16,506	(222)	976
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Revaluation of land and buildings		12,525	6,602	–	–
Deferred tax relating to revaluation of land and buildings		(1,231)	(1,584)	–	–
Change in tax rate		(1,069)	–	(1,782)	–
Other comprehensive income/(loss) for the financial period/year		10,225	5,018	(1,782)	–
Total comprehensive (loss)/income for the financial period/year		(78,401)	21,524	(2,004)	976

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Period from 1 October 2018 to 31 March 2020

	Note	Group	Company
		1.10.2018	1.10.2018
		Restated	Restated
		1.10.2017	1.10.2017
		to	to
		31.3.2020	31.3.2020
		RM'000	RM'000
		30.9.2018	30.9.2018
		RM'000	RM'000
<b>Net (loss)/profit for the financial period/year attributable to:</b>			
Owners of the Company		(87,607)	16,508
Non-controlling interests		(1,019)	(2)
		(88,626)	16,506
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company		(77,382)	21,526
Non-controlling interests		(1,019)	(2)
		(78,401)	21,524
<b>(Loss)/earnings per share attributable to equity holders of the Company (Sen)</b>			
- Basic	29	(15.44)	2.95
- Diluted	29	(15.44)	2.95

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

# STATEMENTS OF CHANGES IN EQUITY

For the Financial Period from 1 October 2018 to 31 March 2020

Attributable to owners of the Company									
	Note	Distributable		Non-distributable		Distributable		Non-controlling interests	
		Share capital RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Warrant reserve RM'000	Retained earnings RM'000	Total RM'000	RM'000	Total RM'000
<b>Group</b>									
<b>Balance at 1 October 2017</b>		152,566	(862)	66,175	-	228,589	446,468	953	447,421
Crystallisation of revaluation reserve	20	-	-	(579)	-	579	-	-	-
Revaluation of land and buildings	20	-	-	5,018	-	-	5,018	-	5,018
Other comprehensive income for the financial year		-	-	4,439	-	579	5,018	-	5,018
Net profit for the financial year, restated		-	-	-	-	16,508	16,508	(2)	16,506
Total comprehensive income for the financial year		-	-	4,439	-	17,087	21,526	(2)	21,524
<b>Transactions with owners:</b>									
Exercise of Warrants-A	18	10,013	-	-	-	-	10,013	-	10,013
Share issuance expenses	18	(808)	-	-	-	-	(808)	-	(808)
Issuance of Warrants-B	21	-	-	-	51,467	-	51,467	-	51,467
Own shares bought	19	-	(5,021)	-	-	-	(5,021)	-	(5,021)
Total transactions with owners		9,205	(5,021)	-	51,467	-	55,651	-	55,651
<b>Balance at 30 September 2018, restated</b>		161,771	(5,883)	70,614	51,467	245,676	523,645	951	524,596

# STATEMENTS OF CHANGES IN EQUITY

For the Financial Period from 1 October 2018 to 31 March 2020

Attributable to owners of the Company									
Note	Distributable			Non-distributable			Distributable		
	Share capital RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Warrant reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total RM'000	Total RM'000
<b>Group (cont'd)</b>									
Crystallisation of revaluation reserve	-	-	(742)	-	742	-	-	-	-
Revaluation of land and buildings	-	-	10,225	-	-	10,225	-	10,225	10,225
Other comprehensive income for the financial period	-	-	9,483	-	742	10,225	-	10,225	10,225
Net loss for the financial period	-	-	-	-	(87,607)	(87,607)	(1,019)	(88,626)	(88,626)
Total comprehensive loss for the financial period	-	-	9,483	-	(86,865)	(77,382)	(1,019)	(78,401)	(78,401)
<b>Transactions with owners:</b>									
Exercise of Warrants - A	7	-	-	-	-	7	-	7	7
Own shares bought	-	(79)	-	-	-	(79)	-	(79)	(79)
Total transactions with owners	7	(79)	-	-	-	(72)	-	(72)	(72)
<b>Balance at 31 March 2020</b>	<b>161,778</b>	<b>(5,962)</b>	<b>80,097</b>	<b>51,467</b>	<b>158,811</b>	<b>446,191</b>	<b>(68)</b>	<b>446,123</b>	<b>446,123</b>

# STATEMENTS OF CHANGES IN EQUITY

For the Financial Period from 1 October 2018 to 31 March 2020

Attributable to owners of the Company						
Note	Share capital RM'000	Distributable Treasury shares RM'000	Non-distributable Revaluation reserve RM'000	Warrant reserve RM'000	Distributable Retained earnings RM'000	Total RM'000
<b>Company</b>						
<b>Balance at 1 October 2017</b>	152,566	(862)	35,549	-	65,918	253,171
Total comprehensive income for the financial year	-	-	-	-	976	976
<b>Transactions with owners:</b>						
Exercise of Warrants-A	10,013	-	-	-	-	10,013
Share issuance expenses	(808)	-	-	-	-	(808)
Issuance of Warrants-B	-	-	-	51,467	-	51,467
Own shares bought	-	(5,021)	-	-	-	(5,021)
Total transactions with owners	9,205	(5,021)	-	51,467	-	55,651
<b>Balance at 30 September 2018</b>	161,771	(5,883)	35,549	51,467	66,894	309,798
Net loss for the financial period	-	-	-	-	(222)	(222)
Revaluation of land and buildings	-	-	(1,782)	-	-	(1,782)
Total comprehensive loss for the financial period	-	-	(1,782)	-	(222)	(2,004)
<b>Transactions with owners:</b>						
Exercise of Warrants-A	7	-	-	-	-	7
Own shares bought	-	(79)	-	-	-	(79)
Total transactions with owners	7	(79)	-	-	-	(72)
<b>Balance at 31 March 2020</b>	161,778	(5,962)	33,767	51,467	66,672	307,722

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

## STATEMENTS OF CASH FLOWS

For the Financial Period from 1 October 2018 to 31 March 2020

Note	Group		Company	
	1.10.2018 to 31.3.2020 RM'000	Restated 1.10.2017 to 30.9.2018 RM'000	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000
<b>OPERATING ACTIVITIES</b>				
(Loss)/profit before tax	(75,248)	10,177	428	977
<b>Adjustments for:</b>				
Bad debts written off	243	151	–	–
Biological assets written off	1,580	102	–	–
Depreciation of investment properties	69	49	–	–
Depreciation of property, plant and equipment	14,705	11,367	53	47
Depreciation of biological assets	617	666	–	–
Interest expenses	21,953	4,828	1,017	281
Loss/(gain) on disposal of property, plant and equipment	1,790	(50)	(88)	–
Impairment loss on biological assets	366	–	–	–
Impairment loss on investment in subsidiary companies	–	–	850	–
Impairment loss on trade and other receivables	2,318	–	–	–
Impairment loss on property, plant and equipment	3,891	–	–	–
Inventory written off	1	–	–	–
Property, plant and equipment written off	112	–	–	–
Dividend income	–	–	–	(3,000)
Gain on disposal of investment properties	(160)	(29)	–	–
Fair value adjustments on investment properties	(4,658)	(10,194)	(6,379)	–
Interest income	(618)	(917)	(23)	(226)
Operating (loss)/profit before working capital changes	(33,039)	16,150	(4,142)	(1,921)
Changes in working capital:				
Inventories	(42,714)	(37,930)	–	–
Contract assets/liabilities	90,381	28,027	–	–
Contract costs	(4,252)	(1,166)	–	–
Receivables	63,600	(53,722)	513	436
Payables	(18,157)	47,072	1,339	(1,156)
Holding company	455	2,724	–	–
Cash generated from/(used in) operations	56,274	1,155	(2,290)	(2,641)
Interest received	618	917	23	226
Interest paid	(34,871)	(22,308)	(1,017)	(281)
Tax paid	(4,909)	(11,126)	(14)	(15)
Tax refunded	1,263	38	–	3
Net cash generated from/(used in) operating activities	18,375	(31,324)	(3,298)	(2,708)



## STATEMENTS OF CASH FLOWS

For the Financial Period from 1 October 2018 to 31 March 2020

		Group		Company	
		1.10.2018	Restated	1.10.2018	1.10.2017
		to	to	to	to
Note		31.3.2020	30.9.2018	31.3.2020	30.9.2018
		RM'000	RM'000	RM'000	RM'000
<b>INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment	A	(33,481)	(94,755)	–	–
Purchase of biological assets		(429)	(822)	–	–
Costs incurred on self-constructed investment properties		–	(16,473)	–	–
Subscription of shares in subsidiary companies		–	–	(2,500)	(82,750)
Uplift/(placement) of fixed deposits with licensed banks		4,324	(3,237)	(1,379)	(403)
Uplift of short term funds		7,990	–	7,990	–
Additional investment in short term funds		–	(466)	–	(466)
Proceeds from disposal of property, plant and equipment		11,884	51	88	–
Proceeds from disposal of investment properties		1,126	269	–	–
Advances to subsidiary companies		–	–	(7,030)	(18,000)
Net cash used in investing activities		(8,586)	(115,433)	(2,831)	(101,619)
<b>FINANCING ACTIVITIES</b>					
Proceeds from issuance of shares		7	10,013	7	10,013
Share issuance expenses		–	(808)	–	(808)
Proceeds from issuance of Warrants-B		–	51,467	–	51,467
Advances from subsidiary companies		–	–	18,951	46,878
Repayment of finance lease liabilities		(572)	(1,129)	–	–
Repayment of borrowings		(333,283)	(158,354)	(72,604)	(25,132)
Drawdown of borrowings		311,836	198,801	58,755	18,500
Own shares bought		(79)	(5,021)	(79)	(5,021)
Net cash (used in)/generated from financing activities		(22,091)	94,969	5,030	95,897
<b>CASH AND CASH EQUIVALENTS</b>					
Net changes		(12,302)	(51,788)	(1,099)	(8,430)
At beginning of financial year		(33,208)	18,580	(19,402)	(10,972)
At end of financial year	B	(45,510)	(33,208)	(20,501)	(19,402)

# STATEMENTS OF CASH FLOWS

For the Financial Period from 1 October 2018 to 31 March 2020

## NOTES TO THE STATEMENTS OF CASH FLOWS

### A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

The Group acquired property, plant and equipment with aggregate costs of RM33,814,000 (30.9.2018: RM96,524,000) of which RM333,000 (30.9.2018: RM1,769,000) were acquired by means of finance lease arrangements. Cash payments of RM33,481,000 (30.9.2018: RM94,755,000) were made by the Group to purchase these property, plant and equipment. Included in the cash payments were interest capitalised of RM8,716,000 (30.9.2018: RM5,145,000).

### B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	Group		Company	
	31.3.2020	Restated 30.9.2018	31.3.2020	30.9.2018
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	9,589	10,884	17	51
Bank overdrafts	(55,099)	(44,092)	(20,518)	(19,453)
	(45,510)	(33,208)	(20,501)	(19,402)

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

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The Company's registered office is located at No. 56 & 58 (2nd floor), Jalan Dagang SB 4/2, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan.

The principal place of business of the Company is located at No. 56 & 58, Jalan Dagang SB 4/2, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan.

The Company is principally engaged in investment holding. The principal activities and details of its subsidiary companies are disclosed in Note 9 to the financial statements.

There have been no significant changes in the activities of the Company and its subsidiary companies during the financial period.

The immediate and ultimate holding company is Sentoria Capital Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed on the 26th day of August, 2020.

## 2. GOING CONCERN

During the financial period, the Group and the Company had incurred a net loss of attributable to owners of the Company of RM87,607,000 and RM222,000 respectively. As at 31 March 2020, the Group's and the Company's total current liabilities exceeded its total current assets by RM282,725,000 and RM14,514,000 respectively.

These financial indicators were compounded by the outbreak of the COVID-19 pandemic towards the end of the financial period, which affected operations of the Group in the Leisure and Property Development Divisions with the cessation of its theme parks and property projects respectively during the Movement Control Order ('MCO'), Conditional Movement Control Order ('CMCO') and Recovery Movement Control Order ('RMC0') imposed since 18 March 2020.

The Group and the Company implemented several restructuring measures during the financial period in response to these conditions, and these efforts (including seeking financial support from financial institutions, vendors and business partners) are ongoing as at the date of authorisation of these Financial Statements. The Company has also engaged consulting firm to assist on the restructuring related matters.

The key restructuring measures undertaking by the Group are as follows:

### Operational recovery from the COVID-19 pandemic

Although the COVID-19 pandemic resulted in significant decline in tourist arrivals since the beginning of 2020, the Government of Malaysia has subsequently allowed domestic and interstate travel with the implementation of the Recovery Movement Control Order ('RMC0').

Consequently, the Group resumed its property projects on a staggered basis since June 2020 and at present, observes positive developments arising from its property projects in the Property Development Division.

The Group also resumed its theme park operations in Kuantan on a staggered basis since July 2020 and at present, observes sluggish developments in the Leisure Division.

The Group anticipates business operations from its Property Development Division and Leisure Division to gradually normalise within 2 years from the date of authorisation of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 2. GOING CONCERN (CONT'D)

The key restructuring measures undertaken by the Group are as follows (cont'd):

### Funding

The Group and the Company proactively engaged with its existing lenders since the beginning of 2020 to restructure and reschedule its financing facilities to strengthen the financial position and ensure that the debts post restructuring is at a sustainable level, with an anticipatory favourable outcome.

As at the date of authorisation of these financial statements, certain financial institutions have provided financial support through rollover and rescheduling of some facilities whilst the Group and the Company are still negotiating with the remaining financial institutions to reschedule payment for the remaining outstanding borrowings.

### Working capital management

The Group continuously monitors its working capital management and right sizes its operational and financial resources to optimise cost efficiencies.

The Directors have, to the best of their abilities, prepared cash flow projection encompassing 12 months after the end of the reporting period that incorporates the estimated impact of the measures described in the preceding paragraphs.

As at the date of authorisation of these financial statements, the cash flow projection and actual cash flows supports the notion that the Group is able to generate sufficient cash flows for the next 12 months after the end of the reporting period to meet cash flow requirements, realise assets and discharge liabilities in the normal course of business of the Group.

In addition, the Directors have made re-negotiation with the trade creditors on an amicable solution to their demand.

If these are not forthcoming, the Group and the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Group and of the Company on a going concern basis and accordingly the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to the amounts and classification of the liabilities that may be necessary should the Group and the Company be unable to continue as a going concern.

## 3. BASIS OF PREPARATION

### 3.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

### 3.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for certain land and buildings that are measured at fair value at the end of each reporting period as disclosed in the summary of significant accounting policies.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 3. BASIS OF PREPARATION (CONT'D)

#### 3.2 Basis of measurement (cont'd)

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market 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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- (a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (b) Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable
- (c) Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

#### 3.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to the nearest RM'000, except when otherwise stated.

#### 3.4 First time adoption of MFRSs

In the previous financial years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards ("FRS") issued by Malaysian Accounting Standards Board ("MASB").

This is the Group's and the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

The explanation and financial impacts on transition to MFRSs are disclosed in Note 37 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 3. BASIS OF PREPARATION (CONT'D)

### 3.5 Standards issued but not yet effective

The Group and the Company have not applied the following MFRSs and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company:-

#### MFRS, Amendments to MFRSs and IC Interpretation effective 1 January 2019:

MFRS 16	Leases
Amendments to MFRS 9*	Financial Instruments: Prepayment Feature with Negative Compensation
Amendments to MFRS 119*	Employee Benefits: Post-employment Benefits: Defined Benefit Plans
Amendments to MFRS 128*	Investment in Associates and Joint Ventures: Long-term Interest in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRS Standards 2015-2017 Cycle*	

#### Amendments to MFRSs and IC Interpretations effective 1 January 2020:

Amendments to MFRS 3*	Definition of a Business
Amendments to MFRS 7*, 9* and 139*	Interest Rate Benchmark Reform
Amendments to MFRS 101 and 108	Definition of Material
Amendments to References to the Conceptual Framework in MFRS Standards	

#### MFRS effective 1 June 2020:

Amendments to MFRS 16	Covid-19 - Related Rent Concessions
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#### Amendments to MFRS effective 1 January 2022:

Amendments to MFRS 3*	Reference to Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceed before Intended Use
Amendments to MFRS 137*	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 – 2020 (MFRS 1*, 9, 16* and 141*)	

#### MFRS and Amendments to MFRS effective 1 January 2023:

MFRS 17*	Insurance Contracts and Amendments to MFRS 17 Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current

#### Amendments to MFRSs – effective date deferred indefinitely:

Amendments to MFRS 10 and 128*	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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\* Not applicable to the Company's and/or the subsidiary companies' existing operations

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 3. BASIS OF PREPARATION (CONT'D)

#### 3.5 Standards issued but not yet effective (cont'd)

The initial application of the above standards, amendments and interpretation are not expected to have any financial impacts to the financial statements, except for:-

##### MFRS 16 Leases

MFRS 16 was issued in April 2016 and it replaces MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under MFRS 16 is substantially unchanged from today's accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under MFRS 117.

##### Transition to MFRS 16

The Group and the Company plan to adopt MFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2020. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group and the Company will elect to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2020. Instead, the Group and the Company will apply the standard only to contracts that were previously identified as leases applying MFRS 117 and IC Interpretation 4 at the date of initial application.

The Group and the Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application and lease contracts for which the underlying asset is of low value.

As at the reporting date, the Group and the Company have non-cancellable operating lease commitments of RM21,741,000 as disclosed in Note 31 to the financial statements. Of these commitments, the Group and the Company expect the amount related to short-term leases and low value leases to be insignificant and these will be recognised on a straight-line basis as expense in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 3. BASIS OF PREPARATION (CONT'D)

### 3.5 Standards issued but not yet effective (cont'd)

#### IFRIC Agenda Decision on MFRS 123 "Borrowing Costs"

In March 2019, International Financial Reporting Interpretations Committee ("IFRIC") published an agenda decision on borrowings costs confirming, receivables, contract assets and inventories for unsold units under construction for which revenue is recognised over time and are ready for intended sale are non-qualification assets. On 20 March 2019, the MASB decided an entity shall apply the change in accounting policy as a result of the IFRIC Agenda Decision to financial statements for annual periods beginning on or after 1 July 2020.

The Group is currently assessing the impact on the change in accounting policy pursuant to the IFRIC Agenda Decision on borrowing costs incurred on property under construction where control is transferred over time.

### 3.6 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements were made in the preparation of these financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

#### 3.6.1 Estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

##### Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment, biological assets and investment properties to be within 2 to 99 years and reviews the useful lives of depreciable assets at each reporting date. As at 31 March 2020, management assessed that the useful lives represent the expected utility of the assets to the Group. The carrying amounts of the Group's property, plant and equipment, biological assets and investment properties at the reporting date are analysed in Notes 5, 6 and 8 to the financial statements respectively. Actual results, however, may vary due to changes in the expected levels of usage and technological developments, with resulting adjustments to the Group's assets.

##### Property development activities and construction contracts

As revenue from ongoing property development activities and construction contracts are recognised over time, the amount of revenue recognised at the reporting date depends on the extent to which the performance obligation has been satisfied. This is done by determining the stage of completion. The stage of completion is determined by the proportion that property development or contract costs incurred for work performed to date bear to the estimated total property development or contract costs.

Significant judgement is required in determining the stage of completion, the extent of the development and contract costs incurred, the estimated total revenue and total costs and the recoverability of the development project and contract cost. In making these judgements, management relies on past experience and, if necessary, the work of specialists.

The carrying amount of property development costs and construction contracts of the Group arising from property development activities is disclosed in Notes 7, 15 and 16 to the financial statements respectively.



## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 3. BASIS OF PREPARATION (CONT'D)

#### 3.6 Significant accounting estimates and judgements (cont'd)

##### 3.6.1 Estimation uncertainty (cont'd)

###### Impairment of non-financial assets

An impairment loss is recognised for the amount by which the assets's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

###### Provision for expected credit losses ("ECLs") of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the real estate sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 33 to the financial statements.

###### Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made.

The Group's core businesses are subject to economic and social preference changes which may cause selling prices to change rapidly and the Group's profit or loss to change.

The carrying amount of the Group's inventories at the reporting date is disclosed in Note 7 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 3. BASIS OF PREPARATION (CONT'D)

### 3.6 Significant accounting estimates and judgements (cont'd)

#### 3.6.1 Estimation uncertainty (cont'd)

##### Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which all the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

It is the Group's accounting practice to require a detailed 10-year cash flows projection to estimate whether it is probable that future taxable profits will be available to utilise against the deferred tax assets recognised. The Group's management also monitors and assesses annually to ensure the recognition requirements are met.

##### Income taxes

Significant judgement is involved in determining the Group's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain in the ordinary course of business. The Group recognises tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

##### Revaluation of property, plant and equipment

The Group's and the Company's measure its lands and buildings at fair value with changes in fair value being recognised in other comprehensive income. Significant judgement is required in the determination of fair value which may be derived based on different valuation method. In making this judgement, the Group and the Company evaluate based on past experience and reliance on the work of specialists. The Group and the Company engage independent valuation specialists to determine fair values.

Information regarding the valuation techniques and inputs used in determining fair value is disclosed in Note 5 to the financial statements.

##### Fair value valuation of investment properties

The Group's and the Company's measure its investment properties at fair value with changes in fair value being recognised in profit or loss. Significant judgement is required in the determination of fair value which may be derived based on different valuation method. In making this judgement, the Group and the Company evaluate based on past experience and reliance on the work of specialists. The Group and the Company engage independent valuation specialists to determine fair values.

Information regarding the valuation techniques and inputs used in determining fair value is disclosed in Note 8 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 3. BASIS OF PREPARATION (CONT'D)

#### 3.6 Significant accounting estimates and judgements (cont'd)

##### 3.6.2 Significant management judgements

The following is the significant management judgement in applying the accounting policies of the Group and the Company that have the most significant effect on these financial statements.

##### Classification between investment properties and owner-occupied properties

The Group and the Company determines whether a property qualifies as an investment property and has developed the criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both.

Certain properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group and the Company accounts for the portions separately if the portions could be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

##### Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using fair value model, the management of the Group and the Company review the investment properties and concluded that the Group's and Company's investment properties are held under a business model whose objective is to consume substantially all the economic benefits embodied in the investment properties over time. Therefore, in making judgement, the management has determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale.

Accordingly, the Group and the Company recognise deferred taxes in respect of the changes in fair value of investment properties. The final tax outcome could be different from the deferred tax liabilities recognised in the financial statements should the investment properties subsequently be disposed rather than consumed substantially all of the economic benefits embodied over time.

### 4. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below consistently throughout all financial period/years presented in these financial statements, except otherwise stated.

#### 4.1 Consolidation

##### 4.1.1 Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiary companies, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiary companies have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiary companies are all drawn up to the same reporting period.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.1 Consolidation (cont'd)

##### 4.1.1 Basis of consolidation (cont'd)

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

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

The Group elects for each individual business combination, whether non-controlling interests in the acquiree, if any, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of the non-controlling interests in the acquiree (if any), 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 is recorded as goodwill in the statements of financial position ("SOFPI"). The accounting policy for goodwill is set out in Note 4.6 to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiary companies are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Non-controlling interests represent the equity in subsidiary companies not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statements of profit or loss and other comprehensive income and within equity in the consolidated SOFP, separately from equity attributable to the owners of the parent.

Changes in the Group's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

Upon the loss of control of a subsidiary company, the Group derecognises the assets and liabilities of the subsidiary company, any non-controlling interests and the other components of equity related to the subsidiary company. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary company, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.2 Subsidiary companies

Subsidiary companies are entities, including structured entities, controlled by the Group. Control exists when the Group is exposed, 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. Besides, the Group considers that 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.

Investment in subsidiary companies is stated at cost less any impairment losses in the Company's financial position, unless the investment is held for sale or distribution.

Upon the disposal of investment in a subsidiary company, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

#### 4.3 Property, plant and equipment

All property, plant and equipment except for land and buildings are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, including the cost of replacing component parts of the asset, and the present value of the expected cost for the decommissioning of the assets after their use.

The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs set out in Note 4.15 to the financial statements. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are measured at fair value less accumulated depreciation and impairment losses, if any. Valuations are performed with sufficient regularity, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of land and buildings is recognised in other comprehensive income and credited to the "revaluation reserve" in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to other comprehensive income.

Property, plant and equipment are written down to recoverable amount if, in the opinion of the Directors, it is less than their carrying value. Recoverable amount is the net selling price of the property, plant and equipment, that is, the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.3 Property, plant and equipment (cont'd)

Depreciation is recognised on the straight line method in order to write off the cost of each asset over its estimated useful life. Freehold land with an infinite life and work-in-progress are not depreciated. Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Long term leasehold land	88 - 99 years
Long term leasehold buildings	2%
Cabins	10% - 20%
Plant and machinery	14% - 50%
Motor vehicles	20%
Furniture, fittings, office equipment and others	8% - 25%
Renovations	10%

Restoration cost relating to an item of property, plant and equipment is capitalised only if such expenditure is expected to increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Work-in-progress consists of general infrastructure and buildings under construction. The amount is stated at cost and includes the capitalisation of interest incurred on borrowings related to property, plant and equipment under construction until the property, plant and equipment are ready for their intended use. Work-in-progress is not depreciated until it is completed and ready for intended use.

The residual values, useful lives and depreciation method are reviewed at least annually to ensure that the amount, method and rates of depreciation are consistent with the previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising on the disposal of property, plant and equipment are determined as the differences between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

#### 4.4 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, including transaction costs. Cost includes expenditures that are directly attributable to the acquisition of the investment properties.

Subsequent to initial recognition, investment properties (leasehold buildings) are measured at fair value and are revalued annually and are included in the SOFP at their open market values, except for those properties that are not practical to state at fair values will continue to state at cost less accumulated depreciation and impairment if any. Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss in the period in which they arise. The fair values are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and are supported by market evidence.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.4 Investment properties (cont'd)

Depreciation on investment properties stated at cost is computed on the straight line basis in order to write off the cost over their estimated useful lives. The principal annual depreciation rates used are as follows:

Buildings	2%
Long term leasehold land	over 96 years

Investment properties are written down to recoverable amount if, in the opinion of the Directors, it is less than their carrying value. Recoverable amount is the net selling price of the investment properties, that is, the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of investment properties is recognised in profit or loss in the financial period/year of retirement or disposal.

Transfers are made to or from investment properties only when there is a change in use. For a transfer from investment properties to owner-occupied properties, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied properties become investment properties, the Group accounts for such properties in accordance with the policy stated under properties, plant and equipment up to the date of change.

#### 4.5 Biological assets

All biological assets are measured at cost less accumulated depreciation and impairment loss, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All upkeep and maintenance costs are charged to profit or loss during the financial period in which they incurred.

Depreciation of biological assets is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated biological life, at annual rates of 10% to 20%.

The residual values, biological lives and depreciation method are reviewed at each reporting date to ensure that the amount, method and rates of depreciation are consistent with the expected pattern of consumption of the future economic benefits embodied in the items of biological assets.

Biological assets are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

#### 4.6 Goodwill

Goodwill represents the excess of the sum of the fair value of the consideration transferred in a business combination, the amount of the non-controlling interests in the acquiree (if any), 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.

Goodwill arising on the acquisition of subsidiary companies is presented separately in the SOFP.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.6 Goodwill (cont'd)

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or group of cash-generating units, that are expected to benefit from the synergies of the combination.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually and, whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including goodwill, with the recoverable amount of the unit. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised in profit or loss.

An impairment loss recognised for goodwill should not be reversed in a subsequent period. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operations within that unit is disposed, the goodwill associated with the operations disposed, is included in the carrying amount of the operations when determining the gain or loss on disposal of the operations. Goodwill disposed in these circumstances is measured based on the relative fair values of the operations disposed and portion of the cash-generating unit retained.

#### 4.7 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment by comparing its carrying amount with its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses recognised in respect of a cash-generating unit or group of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to those units or group of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised as an expense in profit or loss immediately except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior financial years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as revaluation increase.



## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.8 Financial instruments

##### 4.8.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group or the Company become a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

##### 4.8.2 Classification and initial measurement of financial assets

###### Accounting policies applied from 1 October 2018

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with MFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss ("FVTPL")
- fair value through other comprehensive income ("FVOCI")

The classification is determined by both:

- the Group's or Company's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset

In the period/years presented, the Group and the Company do not have any financial assets categorised as FVTPL.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade and other receivables which is presented within other expenses.

###### Accounting policies applied until 30 September 2018

Financial assets are classified as either fair value through profit or loss, held-to-maturity financial assets, available-for-sale financial assets or loans and receivables, as appropriate. Management determines the classification of the financial assets upon initial recognition which depends on the nature and purpose of the financial assets. The Group and the Company do not have any fair value through profit or loss and held-to-maturity financial assets.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market place. A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.8 Financial instruments (cont'd)

#### 4.8.3 Financial assets - subsequent measurement

##### Accounting policies applied from 1 October 2018

##### *Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Group's and the Company's trade and other receivables, amounts due from holding and subsidiary companies, cash and cash equivalents fall into this category of financial instruments.

##### Financial assets at FVOCI

Financial assets at FVOCI comprise investment in short term funds which are not held for trading, and which the Group or the Company has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group or the Company consider this classification to be more relevant.

On disposal of these investments, any related balance within the fair value reserve is reclassified to retained earnings.

##### Accounting policies applied until 30 September 2018

##### *Available-for-sale financial assets*

This category comprises investment in short term funds that are not held for trading or designated at fair value through profit or loss.

The subsequent measurement of financial assets in this category is at fair value, unless the fair value cannot be measured reliably, in which case they are measured at cost less impairment loss.

Any gains or losses arising from changes in fair value of a financial asset in this category are recognised in other comprehensive income, except for impairment losses, until the investment is derecognised, at which time the cumulative gain or loss previously reported in other comprehensive income is reclassified to the statements of profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in the statements of profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.8 Financial instruments (cont'd)

##### 4.8.3 Financial assets - subsequent measurement (cont'd)

###### Accounting policies applied until 30 September 2018 (cont'd)

###### *Loans and receivables*

This category comprises trade and other receivables, amount due from holding and subsidiary companies and cash and cash equivalents. They are included in current assets, except for those with maturities greater than 12 months after the reporting date, which are classified as non-current assets.

The subsequent measurement of financial assets in this category is at amortised cost using the effective interest method, less allowance for impairment losses.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

###### **Derecognition**

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in equity is recognised in the profit or loss.

##### 4.8.4 Financial assets - impairment

###### Accounting policies applied from 1 October 2018

MFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss model'. This replaces MFRS 139's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under MFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group or the Company first identifying a credit loss event. Instead the Group or the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.8 Financial instruments (cont'd)

#### 4.8.4 Financial assets - impairment (cont'd)

##### Accounting policies applied from 1 October 2018 (cont'd)

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

##### *Receivables and contract assets*

The Group makes use of a simplified approach in accounting for receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. A detailed analysis of how the impairment requirements of MFRS 9 are applied is in Note 33 to the financial statements.

##### Accounting policies applied until 30 September 2018

All financial assets, except for financial assets categorised as fair value through profit or loss, investment in subsidiaries, associates, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is objective evidence of impairment.

##### *Assets carried at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against carrying amount of the financial asset.

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

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.8 Financial instruments (cont'd)

##### 4.8.4 Financial assets - impairment (cont'd)

Accounting policies applied until 30 September 2018 (cont'd)

*Available-for-sale financial assets*

If there is objective evidence that an impairment loss on available-for-sale financial assets has been incurred, the amount of the loss is measured as the difference between the asset's acquisition cost and the asset's current fair value, less any impairment loss previously recognised. When a decline in the fair value of an asset has been previously recognised in other comprehensive income, the cumulative losses in other comprehensive income are reclassified from equity to profit or loss.

##### 4.8.5 Financial liabilities - classification and measurement

As the accounting for financial liabilities remains largely the same under MFRS 9 as compared to FRS 139, the Group's and the Company's financial liabilities were not impacted by the adoption of MFRS 9. However, for completeness, the accounting policy is disclosed below.

At the reporting date, the Group and the Company carry only financial liabilities measured at amortised cost on their statements of financial position.

The Group's and the Company's financial liabilities comprise trade and other payables, amounts due to subsidiary companies and borrowings.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group or the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

##### 4.8.6 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

#### 4.9 Inventories

Inventories comprise of food, beverages and other hotel supplies, land held for development, property development costs and completed properties held for sale.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.9 Inventories (cont'd)

##### 4.9.1 Leisure and hospitality

Inventories are stated at the lower of cost and net realisable value. When necessary, allowance is made for deteriorated, obsolete and slow moving inventories.

Cost of food and beverages and other hotel supplies are determined using the weighted average method. The cost of inventories comprises the original cost of purchase plus the cost of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less any estimated cost necessary to make the sale.

In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made.

##### 4.9.2 Land held for development and property development costs

Land held for property development is defined as land on which development is not expected to be completed within the normal operating cycle. Usually, no significant development work would have been undertaken on these lands. Accordingly, land held for property development is classified as non-current assets on the statement of financial position and is stated at cost plus incidental expenditure incurred to put the land in a condition ready for development.

Land on which development has commenced and is expected to be completed within the normal operating cycle is included in property development costs. Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs not recognised as an expense are recognised as an asset measured at lower of cost and net realisable value. The asset is subsequently credited over to profit or loss and recognised as an expense when the control of the asset is transferred to the customer.

The Group recognises in profit or loss the property development revenue and costs by reference to the progress towards complete satisfaction of that performance obligation at the reporting date. It is measured based on direct measurements of the value transferred by the Group to the customers and the Group's efforts or inputs to the satisfaction of the performance obligation.

##### 4.9.3 Completed properties held for sale

Inventories are stated at the lower of cost and net realisable value. When necessary, allowance is made for deteriorated, obsolete and slow moving inventories.

The cost of unsold properties consists of the direct costs of construction and proportionate land and development costs.

Net realisable value is the estimated selling price in the ordinary course of business, less any estimated cost necessary to make the sale.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.10 Revenue from contracts with customers

##### 4.10.1 Revenue recognition

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 customer, excluding amounts collected on behalf of third parties such as sales taxes or goods and services 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.

The control of the promised goods or services may be transferred over time or at a point in time. 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.

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;
- 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.

##### 4.10.2 Revenue from property development

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 development costs of the contract, i.e. the stage of completion).

Revenue from sales of completed properties is recognised upon delivery of properties where the control of the properties has passed to the buyers.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.10 Revenue from contracts with customers (cont'd)

##### 4.10.2 Revenue from property development (cont'd)

Where the outcome of a development cannot be reasonably estimated, revenue is recognised to the extent of property development costs incurred that is probable will be recoverable, and the property development costs on the development units sold shall be recognised as an expense in the period in which they are incurred.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in the profit or loss irrespective of whether development work has commenced or not, or of the stage of completion of development activity, or of the amounts of profits expected to arise on other unrelated development projects.

##### 4.10.3 Revenue from construction contracts

The Group constructs residential and commercial properties under long-term contracts with customers. Such contracts are entered into before construction of the residential and commercial properties begins. Under the terms of the contracts, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue from construction of residential and commercial properties is therefore recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under MFRS 15.

##### 4.10.4 Revenue from vacation time share activities

In respect of the revenue recognition on the sales of vacation time-share memberships, the performance obligation is viewed to be satisfied over the tenure of each membership and hence, the revenue from the sale of these memberships are recognised on a straight-line basis over their respective tenures.

##### 4.10.5 Leisure and hospitality

Revenue is recognised upon sales of goods and/or performance of services.

Hotel room voucher is consideration received from the sale of voucher and the voucher issued that are expected to be redeemed. The consideration allocated to the voucher issued is measured at fair value of the hotel room rate. It is recognised as a liability (contract liability) in the statement of financial position and recognised as revenue when the vouchers are redeemed, have expired or are no longer expected to be redeemed. The amount of revenue recognised is based on the number of vouchers that have been redeemed, relative to the total voucher expected to be redeemed.

##### 4.10.6 Dividend income

Dividend income is recognised when the right to receive payment is established.

##### 4.10.7 Other revenue

Interest income is recognised on time proportion basis.

Rental income is recognised when the rent is due.



## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.10 Revenue from contracts with customers (cont'd)

##### 4.10.8 Contract assets, contract liabilities and contract costs

###### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue recognised in the profit or loss over the billings to date. Contract assets are subject to impairment assessment in accordance of MFRS 9 Financial Instruments.

###### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs its obligation under the contract. In the case of property development and construction contracts, contract liability is the excess of billings to customers over revenue recognised in the profit or loss.

###### Contract costs for property development

The Group has recognised an asset in respect of sales commissions and legal fee on loan incurred to secure property development contracts. These costs are incremental costs that would not have been incurred by the Group if the respective contracts have not been obtained. The Group expects to recover these costs in the future through property development revenue earned from the customer. Accordingly, the contract costs are charged out to profit or loss when the related revenue is being recognised.

An impairment is recognised in profit or loss to the extent that the carrying amount of the contract cost recognised exceeds the remaining amount of consideration that the Company expects to receive for the specific contract that the costs relate to (after deducting additional costs required to be incurred in relation to the contracts).

###### Contract costs for construction contracts

The contract costs consist of costs incurred for direct labours, direct materials and other related costs in order to fulfil a contract. The contract costs are capitalised when the cost incurred are relate directly to contracts or to an anticipated contracts that can specifically identify; the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and the costs are expected to be recovered. These costs are charged out to profit or loss when the related revenue is being recognised.

#### 4.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances, short term demand deposits, bank overdrafts and highly liquid investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown in current liabilities in the SOFP.

Cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the reporting date are classified as non-current assets.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.12 Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### 4.13 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

##### Finance leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group or the Company is classified as a finance lease.

Management applies judgement in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Group obtains ownership of the asset at the end of the lease term.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statements of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

##### Operating leases

All other leases are treated as operating leases. Payments on operating lease agreements are recognised as expenses on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance are expensed as incurred.

#### 4.14 Equity and reserves

An equity instrument is any contract that evidences a residual interest in the assets of the Company or its subsidiary companies after deducting all of their respective liabilities. Ordinary shares and warrants are equity instruments.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.14 Equity and reserves (cont'd)

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve. This reserve is non-distributable and will be transferred to share capital upon the exercise of warrants. The warrants reserve in relation to unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

The revaluation reserves within equity comprises gains and losses due to the revaluation of property, plant, and equipment.

Retained earnings include all current period's loss and prior financial years' retained profits.

All transactions with owners of the Company are recorded separately within equity.

When share capital recognised as equity is bought-back, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Purchased shares that are not subsequently cancelled are classified as treasury shares.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

#### 4.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

Other borrowing costs are expensed in the financial period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

#### 4.16 Employees benefits

##### 4.16.1 Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by the employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occurred.

##### 4.16.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial periods.

Such contributions are recognised as expenses in profit or loss as incurred. As required by Malaysian law, the Company and its subsidiary companies, all of which were incorporated in Malaysia, make such contributions to the Employees Provident Fund.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.17 Tax expenses

Tax expenses comprise current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

#### 4.17.1 Current tax

Income tax on the profit or loss for the financial period comprises current and deferred tax. Current tax expense is the expected amount of income taxes payable in respect of the taxable profit for the financial period and are measured using the tax rates that have been enacted or substantively enacted by the reporting date.

#### 4.17.2 Deferred tax

Deferred tax liabilities and assets are provided for under the liability method at the current tax rate that have been enacted or substantively enacted by the reporting date in respect of all temporary differences at the reporting date between the carrying amount of an asset or liability in the SOFP and its tax base including unused tax losses and capital allowances.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date. If it is no longer probable that sufficient future taxable profits will be available to allow the benefit of part or that entire deferred tax assets to be utilised, the carrying amount of the deferred tax assets will be reduced accordingly. When it becomes probable that sufficient future taxable profits will be available, such reductions will be reversed to the extent of the future taxable profits.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date, except for land and buildings carried at revalued amounts and investment properties carried at fair values. Where land and buildings are carried at their revalued amounts and investment properties carried at their fair values in accordance with the accounting policies set out in Notes 4.3 and 4.4 to the financial statements respectively, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the properties are depreciable and are held with the objective to consume substantially all of the economic benefits embodied in the properties over time, rather than through sale.

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

### 4.18 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 revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.19 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the SOFPs and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

#### 4.20 Goods and Services Tax and Sales and Service Tax

Supply of goods and services in Malaysia for the financial period to 31 August 2018 was subject to Goods and Services Tax ("GST").

The net amount of such taxes recoverable from, or payable to, the relevant authorities is included as part of "other receivables" or "other payables" in the SOFP.

Revenues, expenses and assets are recognised net of the amount of such taxes. If such taxes incurred on the purchase of assets is not recoverable from the authorities, the taxes incurred are recognised as part of the cost of acquisition of the asset.

GST was reset to a standard rate of 0% on 1 June 2018 and Sales and Service Tax ("SST") was enacted with effective on 1 September 2018 to replace GST. SST is recognised as part of the cost of acquisition of the asset or as part of the expense item when incurred. SST arising from revenue payable to the authorities is included as part of other payables in the SOFP.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 5. PROPERTY, PLANT AND EQUIPMENT

Group	At cost/ valuation	At cost					Total RM'000
	Land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings, office equipment and others RM'000	Renovations RM'000	Work-in- progress RM'000	
<b>Cost or valuation</b>							
At 1 October 2017	333,196	9,040	8,555	34,671	1,317	88,628	475,407
Additions	6,705	3,025	243	2,030	169	84,352	96,524
Transfer from investment properties	1,904	-	-	-	-	-	1,904
Transfer from property development costs	-	-	-	-	-	59	59
Reclassification	98,440	-	-	-	-	(98,440)	-
Disposals	-	-	(165)	(5)	-	-	(170)
Revaluation	644	-	-	-	-	-	644
<b>At 30 September 2018</b>							
Additions	440,889	12,065	8,633	36,696	1,486	74,599	574,368
Transfer to investment properties	4,895	380	-	291	15	28,233	33,814
Transfer to property development costs	(5,374)	-	-	-	-	-	(5,374)
Disposals	(10,890)	-	-	-	-	(2,259)	(13,149)
Written off	(13,600)	-	(720)	-	-	-	(14,320)
Revaluation	-	-	-	(616)	-	-	(616)
	(6,883)	-	-	-	-	-	(6,883)
<b>At 31 March 2020</b>							
	409,037	12,445	7,913	36,371	1,501	100,573	567,840
<b>Accumulated depreciation</b>							
At 1 October 2017	16,053	6,724	6,282	25,998	800	-	55,857
Charge for the financial year	5,879	1,492	944	3,004	48	-	11,367
Disposals	-	-	(165)	(4)	-	-	(169)
Revaluation	(5,958)	-	-	-	-	-	(5,958)
<b>At 30 September 2018</b>							
Charge for the financial period	15,974	8,216	7,061	28,998	848	-	61,097
Disposals	7,960	2,150	676	3,852	67	-	14,705
Transfer to investment properties	-	-	(646)	-	-	-	(646)
Written off	(73)	-	-	-	-	-	(73)
Revaluation	-	-	-	(504)	-	-	(504)
	(19,408)	-	-	-	-	-	(19,408)
<b>At 31 March 2020</b>							
	4,453	10,366	7,091	32,346	915	-	55,171

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (cont'd)	At cost/ valuation	At cost					Total RM'000
	Land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings, office equipment and others RM'000	Renovations RM'000	Work-in- progress RM'000	
<b>Accumulated impairment</b>							
At 1 October 2017/2018	305	-	-	-	-	-	305
Charge for the financial period	3,356	124	70	341	-	-	3,891
Transfer to investment properties	(305)	-	-	-	-	-	(305)
At 31 March 2020	3,356	124	70	341	-	-	3,891
<b>Net carrying amount</b>							
At 31 March 2020	401,228	1,955	752	3,684	586	100,573	508,778
At 30 September 2018	424,610	3,849	1,572	7,698	638	74,599	512,966
At 1 October 2017	316,838	2,316	2,273	8,673	517	88,628	419,245

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### Analysis of land and buildings

Group	At valuation				At cost	
	Freehold land RM'000	Freehold land and building RM'000	Long term leasehold land RM'000	Long term leasehold buildings RM'000	Cabins RM'000	Total RM'000
<b>Cost or valuation</b>						
At 1 October 2017	42,437	–	51,465	238,813	481	333,196
Additions	3,300	–	72	3,272	61	6,705
Transfer from investment properties	–	–	–	1,904	–	1,904
Reclassification	–	–	–	98,440	–	98,440
Revaluation	–	–	–	644	–	644
At 30 September 2018	45,737	–	51,537	343,073	542	440,889
Additions	164	–	–	4,698	33	4,895
Transfer to investment properties	(42,437)	32,306	–	4,757	–	(5,374)
Transfer to property development cost	–	–	(10,890)	–	–	(10,890)
Reclassification	–	–	4,193	(4,193)	–	–
Disposal	–	(13,600)	–	–	–	(13,600)
Revaluation	13,536	–	52,861	(73,280)	–	(6,883)
At 31 March 2020	17,000	18,706	97,701	275,055	575	409,037



# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Analysis of land and buildings (cont'd)

Group (cont'd)	At valuation				At cost	
	Freehold land RM'000	Freehold land and building RM'000	Long term leasehold land RM'000	Long term leasehold buildings RM'000	Cabins RM'000	Total RM'000
<b>Accumulated depreciation</b>						
At 1 October 2017	-	-	1,327	14,272	454	16,053
Charge for the financial year	-	-	406	5,441	32	5,879
Revaluation	-	-	-	(5,958)	-	(5,958)
At 30 September 2018	-	-	1,733	13,755	486	15,974
Charge for the financial period	-	-	1,767	6,118	75	7,960
Transfer to investment properties	-	-	-	(73)	-	(73)
Revaluation	-	-	(2,084)	(17,324)	-	(19,408)
At 31 March 2020	-	-	1,416	2,476	561	4,453
<b>Accumulated impairment</b>						
At 1 October 2017/2018	305	-	-	-	-	305
Charge for the financial period	-	-	-	3,356	-	3,356
Transfer to investment properties	(305)	-	-	-	-	(305)
At 31 March 2020	-	-	-	3,356	-	3,356
<b>Net carrying amount</b>						
At 31 March 2020	17,000	18,706	96,285	269,223	14	401,228
At 30 September 2018	45,432	-	49,804	329,318	56	424,610
At 1 October 2017	42,132	-	50,138	224,541	27	316,838

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	At valuation		Furniture, fittings and office equipment		At cost			
	Land and buildings RM'000		RM'000		Plant and machinery RM'000	Motor vehicles RM'000	Renovations RM'000	Total RM'000
<b>Cost or valuation</b>								
At 1 October 2017/30 September 2018	42,675		1,289		159	433	638	45,194
Transfer to investment properties	(42,675)		–		–	–	–	(42,675)
Disposals	–		–		(115)	(107)	–	(222)
At 31 March 2020	–		1,289		44	326	638	2,297
<b>Accumulated depreciation</b>								
At 1 October 2017	44		1,195		159	433	618	2,449
Charge for the financial year	14		27		–	–	6	47
At 30 September 2018	58		1,222		159	433	624	2,496
Charge for the financial period	16		29		–	–	8	53
Transfer to investment properties	(74)		–		–	–	–	(74)
Disposals	–		–		(115)	(107)	–	(222)
At 31 March 2020	–		1,251		44	326	632	2,253
<b>Net carrying amount</b>								
At 31 March 2020	–		38		–	–	6	44
At 30 September 2018	42,617		67		–	–	14	42,698
At 1 October 2017	42,631		94		–	–	20	42,745

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

#### Analysis of land and buildings

Company	Freehold land RM'000	Long term leasehold buildings RM'000	Total RM'000
<b>Valuation</b>			
At 1 October 2017/30 September 2018	41,405	1,270	42,675
Transfer to investment properties	(41,405)	(1,270)	(42,675)
At 31 March 2020	–	–	–
<b>Accumulated depreciation</b>			
At 1 October 2017	–	44	44
Charge for the financial year	–	14	14
At 30 September 2018	–	58	58
Charge for the financial period	–	16	16
Transfer to investment properties	–	(74)	(74)
At 31 March 2020	–	–	–
<b>Net carrying amount</b>			
At 31 March 2020	–	–	–
At 30 September 2018	41,405	1,212	42,617
At 1 October 2017	41,405	1,226	42,631

Freehold land, leasehold land and buildings including work-in-progress of the Group and of the Company with net carrying amounts of RM296,155,000 (30.9.2018: RM313,728,000 and 1.10.2017: RM310,407,000) and Nil (30.9.2018: RM42,617,000 and 1.10.2017: RM42,631,000) respectively have been charged to licensed banks to secure banking facilities granted to the Group and the Company respectively. The details of these banking facilities are disclosed in Note 22 to the financial statements.

Included in the construction work-in-progress of the Group is interest expenses of RM8,716,000 (30.9.2018: RM5,145,000 and 1.10.2017: RM4,872,000) capitalised during the financial period/year.

Net carrying amount of assets held under finance lease arrangements:

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000	31.3.2020 RM'000	Company 30.9.2018 RM'000	1.10.2017 RM'000
Motor vehicles	610	1,339	1,833	–	–	–
Plant and machinery	1,029	1,767	669	–	–	–
	1,639	3,106	2,502	–	–	–

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Impairment loss on property, plant and equipment amounted to RM3,891,000 being recognised during the financial period to represent its current state as the management is in the view that the economic performance of the property, plant and equipment and the market conditions are worst than expected which resulted to temporary cessation of the Langkawi Nature Park's operations.

#### Revaluation of freehold and leasehold land and buildings

The Group's and the Company's freehold land, leasehold land and buildings are stated at their revalued amounts, being the fair values at the date of revaluation, less any subsequent depreciation and accumulated impairment losses.

The Company engages external, independent and qualified valuer to determine the fair value of the freehold lands, leasehold land and buildings of the Group and the Company in September 2019.

The fair value of the Group's and Company's freehold land, leasehold land and buildings have been arrived at on the basis of a valuation carried by a firm of independent professional valuers, who have appropriate professional qualification and recent experience in the relevant location and assets being valued. The revaluation surplus net of applicable deferred tax was credited to other comprehensive income and is shown in "Revaluation Reserve" under the equity.

#### Level 2 fair value

Fair values of freehold and leasehold land were derived by using the Comparison and Cost Method of Valuation.

Fair values of buildings were derived by using the Comparison and Cost Method of Valuation.

Comparison Method of Valuation entails comparing the sales price of the properties in close proximity. Sales price of the properties are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

#### Level 3 fair value

Fair value of leasehold buildings was derived by using the Estimated Replacement Cost Method.

Under the estimated replacement cost method, the replacement cost of the building is derived from estimation of reproduction cost of similar new buildings based on current market prices for materials, labour and present construction techniques and deducting therefrom the accrued depreciation due to use and disrepair, age and obsolescence through technology and market changes.

There have been no change in valuation methods during the financial period/year.

Fair value measurement of the freehold land, leasehold land and buildings are categorised as follows:

Group	31.3.2020 RM'000	Level 2 30.9.2018 RM'000	1.10.2017 RM'000
<b>Recurring fair value measurements</b>			
Freehold land	17,000	45,432	42,132
Freehold land and buildings	18,706	–	–
Long term leasehold land	96,285	49,804	50,138
Long term leasehold buildings	182,563	234,140	224,541

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (cont'd)	31.3.2020 RM'000	Level 3 30.9.2018 RM'000	1.10.2017 RM'000
<b>Recurring fair value measurements</b>			
Long term leasehold buildings	86,660	95,178	–
<b>Company</b>			
	31.3.2020 RM'000	Level 2 30.9.2018 RM'000	1.10.2017 RM'000
<b>Recurring fair value measurements</b>			
Freehold land	–	41,405	41,405
Long term leasehold buildings	–	1,212	1,226

Details of fair value measurements of level 3 are as follows:

Fair value hierarchy	Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
3	Cost method which estimates the amount of reconstruction cost of the building based on current market prices net of depreciation.	Estimated replacement costs	The higher the estimated replacement costs, the higher the fair value.

There were no transfers between Levels 1, 2 and 3 during the financial period/year.

If freehold and leasehold land and buildings were measured using the historical cost model, the carrying amount would be as follows:

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000	31.3.2020 RM'000	Company 30.9.2018 RM'000	1.10.2017 RM'000
Freehold land	3,464	8,573	5,273	–	4,381	4,381
Accumulated impairment	–	(305)	(305)	–	–	–
Carrying amount	3,464	8,268	4,968	–	4,381	4,381
Freehold land and buildings	18,706	–	–	–	–	–
Carrying amount	18,706	–	–	–	–	–
Long term leasehold land	32,281	37,525	37,453	–	–	–
Accumulated depreciation	(1,739)	(1,243)	(946)	–	–	–
Carrying amount	30,542	36,282	36,507	–	–	–
Long term leasehold buildings	327,913	322,594	218,978	–	931	931
Accumulated depreciation	(31,867)	(33,512)	(22,291)	–	(193)	(182)
Carrying amount	296,046	289,082	196,687	–	738	749

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 6. BIOLOGICAL ASSETS

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000
<b>Cost</b>			
At beginning of financial period/year	6,321	5,690	6,020
Additions	429	822	535
Written off	(2,761)	(191)	(865)
At end of financial period/year	3,989	6,321	5,690
<b>Accumulated depreciation</b>			
At beginning of financial period/year	2,610	2,033	1,658
Charge for the financial period/year	617	666	691
Written off	(1,181)	(89)	(316)
At end of financial period/year	2,046	2,610	2,033
<b>Accumulated impairment</b>			
At beginning of financial period/year	–	–	–
Charge for the financial period/year	366	–	–
At end of financial period/year	366	–	–
<b>Net carrying amount</b>	1,577	3,711	3,657

Biological assets represent living animal exhibits at the Group's safari park at Bukit Gambang Resort City and at Langkawi Nature Park.

Impairment loss on biological assets amounted to RM366,000 being recognised during the financial period to represent its current state as the management is in the view that the economic performance of the biological assets and the market conditions are worse than expected which resulted to temporary cessation of the Langkawi Nature Park's operations. In addition, the subsidiary companies Sentoria Langkawi Sdn. Bhd. and Sentoria Leisure Langkawi Sdn. Bhd. have been making losses for consecutive two years since they have commence its business operations.

### 7. INVENTORIES

	Note	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000
<b>Non-current</b>				
Land held for property development	7.1	156,714	55,233	55,611
<b>Current</b>				
Food, beverages and other hotel supplies		808	1,006	1,452
Property development costs	7.2	170,823	203,677	152,393
Completed properties held for sale	7.3	11,518	2,340	282
		183,149	207,023	154,127
		339,863	262,256	209,738

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 7. INVENTORIES (CONT'D)

#### 7.1 Land held for property development

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000
At beginning of financial period/year:			
- leasehold land, at cost	33,547	38,922	33,654
- development costs	21,686	16,689	8,130
	55,233	55,611	41,784
Costs incurred during the financial period/year:			
- freehold land, at cost	19,200	–	–
- leasehold land, at cost	457	6,057	421
- development costs	17,174	9,835	8,559
- transfer from investment properties	5,600	–	–
- transfer from/(to) property development cost	59,050	(16,270)	4,847
At end of financial period/year	156,714	55,233	55,611

#### 7.2 Property development costs

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000
At beginning of financial period/year:			
- freehold land, at cost	36,808	33,308	29,686
- leasehold land, at cost	106,876	79,716	37,537
- development costs	632,985	499,422	356,138
- cost recognised as expenses in prior years	(572,992)	(460,053)	(321,083)
	203,677	152,393	102,278
Costs incurred during the financial period/year:			
- freehold land, at cost	3,837	3,500	3,622
- leasehold land, at cost	42,862	15,726	47,026
- development costs	60,312	93,558	142,549
- cost recognised as expenses during the financial period/years	(83,311)	(76,048)	(138,978)
- transfer from/(to) property, plant and equipment	13,149	(59)	941
- transfer to completed properties	(11,655)	(1,663)	(198)
- transfer (to)/from land held for property development	(59,050)	16,270	(4,847)
- transfer from investment properties	1,002	–	–
At end of financial period/year	170,823	203,677	152,393

#### 7.3 Completed properties held for sales

The title deeds for the completed properties held for sales totalling to RM603,000 (30.9.2018: RM84,000 and 1.10.2017: RM84,000) are registered in the name of a third party whereas the completed properties amounting to RM9,797,000 (30.9.2018 and 1.10.2017: Nil) are charged to a third party to secure the allotment of redeemable preference shares of a subsidiary company.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 7. INVENTORIES (CONT'D)

Included in the land held for property development and property development costs is interest expenses of RM15,143,000 (30.9.2018: RM14,647,000 and 1.10.2017: RM10,376,000) respectively capitalised during the financial period/year.

The title deeds to the freehold land and leasehold land under land held for development and property development cost amounting to RM40,645,000 (30.9.2018: RM36,808,000 and 1.10.2017: RM4,505,000) respectively and RM66,697,000 (30.9.2018: RM62,352,000 and 1.10.2017: RM41,079,000) respectively are registered in the name of third parties.

The freehold land and leasehold land under land held for development and property development cost amounting to RM59,845,000 (30.9.2018: RM36,808,000 and 1.10.2017: RM33,308,000) respectively and RM140,172,000 (30.9.2018: RM121,319,000 and 1.10.2017: RM107,059,000) respectively are charged to licensed banks to secure the bank borrowings referred to in Note 22 to the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 8. INVESTMENT PROPERTIES

Group	Freehold land RM'000	Freehold land and buildings RM'000	Freehold buildings RM'000	Long term leasehold land RM'000	Freehold buildings under construction RM'000	Leasehold buildings under construction RM'000	Total RM'000
<b>Cost or fair value</b>							
At 1 October 2017	–	12,120	7,800	7,163	–	1,679	38,518
Additions	–	–	–	–	16,326	147	16,473
Transfer to property, plant and equipment	–	–	–	–	–	–	(1,904)
Fair value adjustment on revaluation	–	–	–	–	10,194	–	10,194
Disposals	–	–	–	(139)	–	–	(269)
Reversal	–	–	–	–	–	(824)	(824)
At 30 September 2018	–	12,120	7,800	7,024	26,520	1,002	62,188
Transfer from property, plant and equipment	42,132	–	(32,306)	–	–	–	4,996
Transfer to land held for development	–	–	–	(5,600)	–	–	(5,600)
Transfer to property development cost	–	–	–	–	–	(1,002)	(1,002)
Disposals	–	–	–	(530)	–	–	(1,125)
Fair value adjustments on investment properties	5,988	(120)	(2,014)	–	–	–	4,658
Reclassification	–	–	26,520	–	(26,520)	–	–
At 31 March 2020	48,120	12,000	–	894	–	–	64,115

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 8. INVESTMENT PROPERTIES (CONT'D)

Group (cont'd)	Freehold land RM'000	Freehold land and buildings RM'000	Freehold buildings RM'000	Leasehold buildings RM'000	Long term leasehold land RM'000	Freehold buildings under construction RM'000	Leasehold buildings under construction RM'000	Total RM'000
<b>Accumulated depreciation</b>								
At 1 October 2017	-	-	-	251	112	-	-	363
Charge for the financial year	-	-	-	34	15	-	-	49
Disposals	-	-	-	(19)	(10)	-	-	(29)
At 30 September 2018	-	-	-	266	117	-	-	383
Charge for the financial period	-	-	-	48	21	-	-	69
Disposals	-	-	-	(109)	(50)	-	-	(159)
At 31 March 2020	-	-	-	205	88	-	-	293
<b>Net carrying amount</b>								
At 31 March 2020	48,120	12,000	-	2,896	806	-	-	63,822
At 30 September 2018	-	12,120	7,800	7,456	6,907	26,520	1,002	61,805
At 1 October 2017	-	12,120	7,800	9,505	7,051	-	1,679	38,155

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 8. INVESTMENT PROPERTIES (CONT'D)

Company	Freehold land RM'000	Freehold land and buildings RM'000	Leasehold buildings RM'000	Total RM'000
<b>Fair value</b>				
At 1 October 2017/30 September 2018	–	12,120	–	12,120
Fair value adjustments on investment properties	5,699	(120)	800	6,379
Transfer from property, plant and equipment	41,405	–	1,196	42,601
At 31 March 2020	47,104	12,000	1,996	61,100

The investment properties of the Group and of the Company with net carrying amounts of RM62,120,000 (30.9.2018: RM18,216,450 and 1.10.2017: RM20,120,000) and RM61,100,000 (30.9.2018: RM12,120,000 and 1.10.2017: RM12,120,000) respectively are pledged to licensed banks to secure banking facilities granted to subsidiary companies. The details of these banking facilities are disclosed in Note 22 to the financial statements.

Included in the above are:

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000	31.3.2020 RM'000	Company 30.9.2018 RM'000	1.10.2017 RM'000
<b>At fair value</b>						
Freehold land	48,120	–	–	47,104	–	–
Freehold land and buildings	12,000	12,120	12,120	12,000	12,120	12,120
Freehold buildings	–	7,800	7,800	–	–	–
Leasehold buildings	2,000	6,096	8,000	1,996	–	–
Long term leasehold land	–	5,600	5,600	–	–	–
Freehold buildings under construction	–	26,520	–	–	–	–
	62,120	58,136	33,520	61,100	12,120	12,120
<b>At cost</b>						
Leasehold buildings	896	1,360	1,505	–	–	–
Long term leasehold land	806	1,307	1,451	–	–	–
Leasehold buildings under construction	–	1,002	1,679	–	–	–
	63,822	61,805	38,155	61,100	12,120	12,120

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 8. INVESTMENT PROPERTIES (CONT'D)

#### Fair value basis of investment properties

The fair value represents the amount at which the properties could be exchanged on an open market basis between a knowledgeable willing buyer and a knowledgeable willing seller on an arm's length basis at the reporting date.

The fair values of the Group's investment properties have been arrived at on the basis of valuations carried out by a firm of independent professional valuers on 31 March 2020, who have appropriate professional qualification and recent experience in the relevant location and assets being valued. The fair values of the investment properties were determined using the Comparison Method.

The Comparison Method entails comparing the property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, size, building construction and finishes, building services, management and maintenance, age and state of repair, market condition and other relevant characteristics.

Fair value measurement of the investment properties are categorised as follows:

Group	31.3.2020 RM'000	Level 2 30.9.2018 RM'000	1.10.2017 RM'000
<b>Recurring fair value measurement</b>			
Freehold land	48,120	–	–
Freehold land and buildings	12,000	12,120	12,120
Freehold buildings	–	7,800	7,800
Leasehold buildings	2,000	6,096	8,000
Long term leasehold land	–	5,600	5,600
Freehold buildings under construction	–	26,520	–
<b>Company</b>			
	31.3.2020 RM'000	Level 2 30.9.2018 RM'000	1.10.2017 RM'000
<b>Recurring fair value measurement</b>			
Freehold land	47,104	–	–
Freehold land and buildings	12,000	12,120	12,120
Leasehold buildings	1,996	–	–

There were no transfers between Levels 1 and 2 during the financial period.

#### Investment properties at cost

Leasehold buildings and long term leasehold land are stated at cost due to an agreement signed with a local authority which obliged the Group to state the properties at cost.

Leasehold buildings under construction are stated at cost as its fair value cannot be reliably measured until construction is completed.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 8. INVESTMENT PROPERTIES (CONT'D)

Income and expenses recognised in profit or loss

	Group	
	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000
Rental income	122	407
Direct operating expenses:		
- quit rent and assessment	19	25
- others	–	4

The leases of investment properties contain an initial non-cancellable period of 3 years. Subsequent renewals are negotiated with the lessee and are renewed for further 2 to 3 years. No contingent rents are charged.

### 9. SUBSIDIARY COMPANIES AND HOLDING COMPANY

(a) Investment in subsidiary companies

	31.3.2020 RM'000	Company 30.9.2018 RM'000	1.10.2017 RM'000
<b>Unquoted shares - at cost</b>			
At beginning of financial period/year	270,475	187,725	186,300
Additions during the financial period/year	2,500	82,750	1,425
<b>Accumulated impairment:</b>			
At beginning of financial period/year	–	–	–
Impairment loss during the financial period/year	(850)	–	–
At end of the financial period/year	(850)	–	–
At end of financial period/year	272,125	270,475	187,725

The subsidiary companies, all of which were incorporated in Malaysia, are as follows:

Name of subsidiary company	Effective equity interest			Principal activities
	31.3.2020 %	30.9.2018 %	1.10.2017 %	
Sentoria Property Service Sdn. Bhd. (formerly known as Sentoria Properties Sdn. Bhd.)	100	100	100	Property development
Sentoria Bina Sdn. Bhd.	100	100	100	General contractor
Sentoria Harta Sdn. Bhd.	100	100	100	Property development

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 9. SUBSIDIARY COMPANIES AND HOLDING COMPANY (CONT'D)

(a) Investment in subsidiary companies (cont'd)

The subsidiary companies, all of which were incorporated in Malaysia, are as follows (cont'd):

Name of subsidiary company	Effective equity interest			Principal activities
	31.3.2020	30.9.2018	1.10.2017	
	%	%	%	
Sentoria Alam Sdn. Bhd.	100	100	100	Property development
Sentoria Leisure Langkawi Sdn. Bhd.	100	100	100	Nature park operator
Sentoria Alfa Sdn. Bhd.	100	100	100	Property development and project management services
Sentoria Vacation Club Berhad	100	100	100	Vacation club operator
Sentoria Morib Bay Sdn. Bhd.	100	100	100	Yet to commence active operations
Sentoria Land Sdn. Bhd.	100	100	100	Yet to commence active operations
Sentoria Borneo Samariang Sdn. Bhd.	100	100	100	Water park operator
Sentoria Borneo Land Sdn. Bhd.	100	100	100	Property development
Sentoria Themeparks and Resorts Sdn. Bhd.	100	100	100	Hotel, water park, safari park operator and investment holding
Sentoria Projects Sdn. Bhd.	100	100	100	General contractor
Ataria Asia Sdn. Bhd. (formerly known as Ataria International Sdn. Bhd.)	100	100	100	Hospitality operator
Sentoria Langkawi Sdn. Bhd.	75	75	75	Theme park operator and property development
Sentoria Utara Sdn. Bhd.	75	75	75	Property development
Sentoria IBS Sdn. Bhd.	100	100	–	General contractor
Active Academy Sdn. Bhd.	100	100	–	Yet to commence active operations
<u>Subsidiary companies of Sentoria Themeparks and Resorts Sdn. Bhd.</u>				
Blue Sky Leisure Sdn. Bhd.	100	100	100	Travel agent
Star Wholesale Sdn. Bhd.	100	100	100	Wholesaler and general merchant

(b) Amounts due from/(to) subsidiary companies and holding company

The amounts due from/(to) subsidiary companies are non-trade in nature, unsecured, interest-free and repayable on demand. The amount due from holding company is trade in nature, unsecured, interest-free and repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 9. SUBSIDIARY COMPANIES AND HOLDING COMPANY (CONT'D)

#### (c) Non-controlling interests ("NCI") in subsidiary companies

##### Group

The Group's subsidiary companies that have material non-controlling interests are as follows:

	Sentoria Utara Sdn. Bhd.	Sentoria Langkawi Sdn. Bhd.	Total
<b>31.3.2020</b>			
<b>Percentage of ownership interest and voting interest held by NCI as at end of financial period</b>	25%	25%	
Carrying amount of NCI (RM'000)	456	(524)	(68)
Loss allocated to NCI (RM'000)	(28)	(991)	(1,019)
<b>30.9.2018</b>			
<b>Percentage of ownership interest and voting interest held by NCI as at end of financial year</b>	25%	25%	
Carrying amount of NCI (RM'000)	484	467	951
(Loss)/profit allocated to NCI (RM'000)	(7)	5	(2)
<b>1.10.2017</b>			
<b>Percentage of ownership interest and voting interest held by NCI as at end of financial year</b>	25%	25%	
Carrying amount of NCI (RM'000)	491	462	953
(Loss)/profit allocated to NCI (RM'000)	(3)	6	3

The summary of financial information before intra-group elimination of the Group's subsidiary companies that have non-controlling interests are as below:

#### (i) **Sentoria Utara Sdn. Bhd.**

	31.3.2020 RM'000	30.9.2018 RM'000	1.10.2017 RM'000
<b>Financial position as at reporting date</b>			
Current assets	73,072	66,546	61,393
Non-current liabilities	–	(32,981)	(35,285)
Current liabilities	(71,251)	(31,631)	(24,145)
Net assets	1,821	1,934	1,963

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 9. SUBSIDIARY COMPANIES AND HOLDING COMPANY (CONT'D)

### (c) NCI in subsidiary companies (cont'd)

The summary of financial information before intra-group elimination of the Group's subsidiary companies that have non-controlling interests are as below (cont'd):

#### (i) Sentoria Utara Sdn. Bhd. (cont'd)

	31.3.2020 RM'000	30.9.2018 RM'000	1.10.2017 RM'000
<b>Summary of financial performance for the financial period/year ended 31 March/30 September</b>			
Net loss/total comprehensive loss for the financial period/year	(112)	(29)	(11)
<b>Summary of cash flows for the financial period/year ended 31 March/30 September</b>			
Net cash used in operating activities	(5,901)	(4,804)	(5,718)
Net cash from financing activities	5,884	4,562	5,734
Net (decrease)/increase in cash and cash equivalents	(17)	(242)	16

#### (ii) Sentoria Langkawi Sdn. Bhd.

	31.3.2020 RM'000	30.9.2018 RM'000	1.10.2017 RM'000
<b>Financial position as at reporting date</b>			
Non-current assets	79,859	36,613	29,679
Current assets	55	43,291	39,805
Non-current liabilities	–	(39,832)	(36,958)
Current liabilities	(82,007)	(38,203)	(30,677)
Net (liabilities)/assets	(2,093)	1,869	1,849
<b>Summary of financial performance for the financial period/year ended 31 March/30 September</b>			
Net (loss)/profit/total comprehensive (loss)/income for the financial period/year	(3,962)	20	22
<b>Summary of cash flows for the financial period/year ended 31 March/30 September</b>			
Net cash used in operating activities	(7,512)	(2,914)	(26,015)
Net cash from/(used in) investing activities	5,016	(6,472)	(24,962)
Net cash from financing activities	2,289	9,392	51,169
Net (decrease)/increase in cash and cash equivalents	(207)	6	192



## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 10. DEFERRED TAX ASSETS/LIABILITIES

#### Deferred tax assets

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000
<b>Cost</b>			
At beginning of financial period/year	60,667	50,361	50,307
Transferred (to)/from profit or loss	(16,809)	10,306	54
Transferred from other comprehensive income	122	–	–
At end of financial period/year	43,980	60,667	50,361

The deferred tax assets are made up of tax impact on temporary differences arising from:

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000
Carrying amount of qualifying property, plant and equipment in excess of their tax base	(21,043)	(20,459)	(20,662)
Revaluation of investment property	(600)	(586)	(255)
Unabsorbed business losses	7,005	5,204	3,922
Unutilised capital allowances	17,487	18,008	16,923
Unutilised investment tax allowances	47,080	66,606	57,820
Revaluation of property, plant and equipment	(5,949)	(8,106)	(8,260)
Other temporary differences	–	–	873
	43,980	60,667	50,361

#### Deferred tax liabilities

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000	31.3.2020 RM'000	Company 30.9.2018 RM'000	1.10.2017 RM'000
At beginning of financial period/year	4,517	4,107	3,382	1,970	1,970	1,970
Transferred (from)/to profit or loss	(3,506)	(1,174)	582	650	–	–
Recognised in other comprehensive income	2,422	1,584	143	1,782	–	–
At end of financial period/year	3,433	4,517	4,107	4,402	1,970	1,970

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 10. DEFERRED TAX ASSETS/LIABILITIES (CONT'D)

### Deferred tax liabilities (cont'd)

The deferred tax liabilities are made up of tax impact on temporary differences arising from:

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000	31.3.2020 RM'000	Company 30.9.2018 RM'000	1.10.2017 RM'000
Carrying amount of qualifying property, plant and equipment in excess of their tax base	186	1,487	149	–	–	–
Revaluation of property, plant and equipment	1,866	3,760	3,347	–	1,970	1,970
Revaluation of investment properties	4,418	223	16	4,402	–	–
Other temporary differences	(3,037)	(953)	595	–	–	–
	3,433	4,517	4,107	4,402	1,970	1,970

## 11. FIXED DEPOSITS WITH LICENSED BANKS/INVESTMENT IN SHORT TERM FUNDS

### Fixed deposits with licensed banks

#### Group

The fixed deposits with licensed banks are pledged to licensed banks for banking facilities granted to a subsidiary company and bore interest at rates ranging from 3.00% to 3.45% (30.9.2018: 3.00% to 3.45% and 1.10.2017: 3.00% to 3.45%) per annum.

#### Company

The fixed deposits with licensed banks of Nil (30.9.2018: RM403,000 and 1.10.2017: Nil) are pledged to licensed bank for banking facilities granted to the Company and bore interest at rates of 3.20% (30.9.2018: 3.20% and 1.10.2017: Nil) per annum.

### Investment in short term funds

#### Group and Company

Investments in short term funds represent investment in equity instruments quoted in Malaysia and are pledged to a licensed bank as security for banking facilities granted to the Group and the Company.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 12. GOODWILL ON CONSOLIDATION

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000
At beginning/end of financial period/year	3	3	3

### 13. TRADE RECEIVABLES

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000	31.3.2020 RM'000	Company 30.9.2018 RM'000	1.10.2017 RM'000
<b>Non-current</b>						
Trade debtors	293	–	–	–	–	–
<b>Current</b>						
Trade debtors	34,870	140,997	91,248	84	84	84
Retention sums	11,543	7,532	7,607	–	–	–
	46,413	148,529	98,855	84	84	84
<b>Accumulated Impairment</b>						
At beginning of financial period/year	(117)	(117)	(117)	(84)	(84)	(84)
Recognised during the financial period/year	(248)	–	–	–	–	–
At end of the financial period/year	(365)	(117)	(117)	(84)	(84)	(84)
	46,048	148,412	98,738	–	–	–
<b>Total</b>	46,341	148,412	98,738	–	–	–

The normal trade credit terms granted by the Group range from 1 day to 5 years (30.9.2018: 21 to 60 days and 1.10.2017: 21 to 60 days).

Included in trade receivables of the Group are amounts of RM114,000 (30.9.2018: RM3,619,000 and 1.10.2017: RM3,865,000) owing by companies in which certain Directors have interests. These amounts are unsecured, interest-free and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 14. OTHER RECEIVABLES

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000	31.3.2020 RM'000	Company 30.9.2018 RM'000	1.10.2017 RM'000
<b>Non-current</b>						
Non-trade receivables	6,096	–	–	–	–	–
<b>Current</b>						
Non-trade receivables	48,739	27,864	26,804	154	154	154
Deposits	16,064	3,004	2,896	51	31	31
Prepayments	4,926	6,248	4,846	3	536	972
GST recoverable	598	1,327	–	–	–	–
	70,327	38,443	34,546	208	721	1,157
<b>Accumulated Impairment</b>						
At beginning of financial year/period	–	–	–	–	–	–
Recognised during the financial period/year	(2,070)	–	–	–	–	–
At end of the financial period/year	(2,070)	–	–	–	–	–
	68,257	38,443	34,546	208	721	1,157
<b>Total</b>	<b>74,353</b>	<b>38,443</b>	<b>34,546</b>	<b>208</b>	<b>721</b>	<b>1,157</b>

Included in the other receivables is an amount of RM21,096,000 (30.9.2018 and 1.10.2017: Nil) due from a customer of which has utilised the Company's banking facility granted by a licensed bank to finance on the customer's projects which have been awarded to the Group.

Included in the deposits is the security deposits paid to the customer in relation to secure the construction contracts granted to the Group amounting to RM12,754,000 (30.9.2018 and 1.10.2017: Nil).

## 15. CONTRACT ASSETS/(LIABILITIES)

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000
<b>Contract assets/(liabilities) arising from:-</b>			
(i) <u>Construction contracts</u>			
At beginning of financial period/year	38,474	29,123	49,939
Revenue recognised during the financial period/year	59,962	66,270	23,332
Progress billings issued during the financial period/year	(140,727)	(56,919)	(44,148)
At end of financial period/year	(42,291)	38,474	29,123

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 15. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000
(ii) <u>Property development</u>			
At beginning of financial period/year	39,811	74,356	89,259
Revenue recognised during the financial period/year	86,836	129,262	214,014
Progress billings issued during the financial period/year	(89,426)	(163,807)	(228,917)
At end of financial period/year	37,221	39,811	74,356
(iii) <u>Rental guarantee scheme</u>			
Progress billings issued during the financial period/year	(1,259)	–	–
(iv) <u>Unutilised hotel room vouchers</u>			
Additional during the financial period/year	(1,546)	–	–
(v) <u>Vacation club membership</u>			
At beginning of financial period/year	–	–	–
Additional during the financial period/year	(943)	–	–
Revenue recognised during the financial period/year	79	–	–
At end of financial period/year	(864)	–	–
Contract (liabilities)/assets	(8,739)	78,285	103,479
<b>Presented as:-</b>			
Contract assets	17,399	82,240	104,877
Contract liabilities			
- non current	(695)	–	–
- current	(25,443)	(3,955)	(1,398)
	(8,739)	78,285	103,479

Included in the above are interest expenses of RM3,357,000 (30.9.2018: RM2,833,000 and 1.10.2017: RM1,979,000) capitalised during the financial period/year.

Included in the revenue arising from construction contracts and property development are liquidated ascertained damages of RM2,748,000 and RM9,788,000 (30.9.2018 and 1.10.2017: Nil) respectively recognised during the financial period/year.

The significant decrease in contract assets and increase in contract liabilities is the result of billing were issued to customer in respect of work already performed.

Contract liabilities arising from rental guarantee scheme increased as a result of combination of contracts due to the rental guarantee scheme are negotiated as a package with a single commercial objective which formed part of the contract arising from property development activities.

## NOTES TO THE FINANCIAL STATEMENTS

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### 15. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

Contract liabilities arising from unutilised hotel room vouchers are recognised as revenue when the vouchers are utilised by customers, which is expected to occur over next one year.

Contract liabilities arising from vacation club membership are recognised as revenue when there is advances payment from customers for the membership, which the performance obligations required to be fulfilled in the following financial years are expected to be recognised within 19 years.

### 16. CONTRACT COSTS

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000
Contract costs for property development	669	161	–
Contract costs for construction contracts	4,749	1,005	–
	5,418	1,166	–

Contract costs for property development comprises the following costs which were resulted from obtaining contracts:

- sales commission paid to intermediaries; and
- expenses borne on behalf of customers (i.e. legal fees and other expenses).

Sales commission paid to intermediaries are amortised to cost of sales when the related revenues are recognised.

Expenses borne on behalf of customers are considered as consideration payable to customers and are amortised against revenue when the related revenues are recognised.

Contract costs for construction consist of costs incurred for direct labours, direct materials and other related costs in order to fulfil a contract. These costs are charged out to profit or loss when the related revenue is being recognised.

During the financial period, RM67,000 (30.9.2018 and 1.10.2017: Nil) was amortised to cost of sales and RM1,439,000 (30.9.2018: RM46,000 and 1.10.2017: Nil) was amortised against revenue.

### 17. CASH AND BANK BALANCES

Included in cash and bank balances of the Group are monies held under Housing Development Accounts pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 amounting to RM1,515,000 (30.9.2018: RM5,024,000 and 1.10.2017: RM21,675,000).

Included in the cash and bank balances of the Group and of the Company is an amount of RM1,782,000 (30.9.2018 and 1.10.2017: Nil) being minimum balance required in the Deposit Service Reserve Account ("DSRA") for loans purposes.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 18. SHARE CAPITAL

	Group and Company			Amount		
	Number of shares with no par value 31.3.2020 Unit'000	30.9.2018 Unit'000	1.10.2017 Unit'000	31.3.2020 RM'000	30.9.2018 RM'000	1.10.2017 RM'000
<b>Issued and paid up ordinary shares:</b>						
At beginning of financial period/year	567,266	499,111	489,111	161,771	152,566	97,822
Issued pursuant to the exercise of Warrants-A	12	16,688	10,000	7	10,013	6,000
Share premium - transition to no-par value regime on 31 January 2017*	–	–	–	–	–	48,744
Issuance of bonus shares	–	51,467	–	–	10,293	–
Items written off against share premium in accordance with Section 618(3) of Companies Act 2016:						
- bonus issue	–	–	–	–	(10,293)	–
- share issuance expenses	–	–	–	–	(808)	–
At end of financial period/year	567,278	567,266	499,111	161,778	161,771	152,566

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions at the Company's shareholders' meetings and rank pari passu with regard to the Company's residual assets.

During the financial period, the Company increased its issued and paid up ordinary share from RM161,771,482 to RM161,778,379 by issuance of 12,100 new ordinary shares via exercise of Warrants-A pursuant to the Warrants-A Deed Poll of 27 March 2014 at an exercise price of 57 sen per share.

The new ordinary shares issued during the financial period/year rank pari passu in all respects with the existing ordinary shares of the Company.

\* The share premium amounting to that is available to be utilised in accordance with Section 618(3) of Companies Act 2016 on or before 30 January 2019 (24 months from commencement of Section 74) amounted to Nil (30.9.2018: RM37,643,000 and 1.10.2017: RM48,744,000) at the end of the financial period/year.

# NOTES TO THE FINANCIAL STATEMENTS

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## 18. SHARE CAPITAL (CONT'D)

### Warrants-A

The main features of Warrants-A which were issued as bonus warrants on 16 April 2014 and admitted to the Official List and quoted on the Main Market of Bursa Malaysia Securities Berhad on 21 April 2014, are as follows:

- (a) each warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share in the Company at an exercise price of 60 sen. The exercise price of Warrants-A had been adjusted to 57 sen (30.9.2018 and 1.10.2017: 60 sen) due to issuance of Warrants-B in prior year.
- (b) the warrants shall be exercisable at any time within 5 years commencing on and including the date of the issuance of the warrants. Any warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid;
- (c) the exercise price and the number of warrants is subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions set out in the deed poll of 27 March 2014; and
- (d) all new ordinary shares to be issued arising from the exercise of the warrants shall rank pari passu in all respects with the existing ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the warrants.

Nil (30.9.2018: 13,420,867 and 1.10.2017: 28,888,896) Warrants-A remained outstanding as of the end of the financial period/year. All the unexercised Warrants-A had been lapsed and cease to be valid after 15 April 2019.

### Warrants-B

The main features of Warrants-B which were issued on 9 January 2018 and admitted to the Official List and quoted on the Main Market of Bursa Malaysia Securities Berhad on 12 January 2018, are as follows:

- (a) each warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share in the Company at an exercise price of 60 sen;
- (b) the warrants shall be exercisable at any time within 7 years commencing on and including the date of the issuance of the warrants. Any warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid;
- (c) the exercise price and the number of warrants is subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions set out in the deed poll of 15 November 2018; and
- (d) all new ordinary shares to be issued arising from the exercise of the warrants shall rank pari passu in all respects with the existing ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the warrants.

All 205,867,236 (30.9.2018: 205,867,236 and 1.10.2017: Nil) Warrants-B remained outstanding as of the end of financial period/year.



## NOTES TO THE FINANCIAL STATEMENTS

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### 19. TREASURY SHARES

	Group and Company					
	31.3.2020 Unit'000	Number of shares 30.9.2018 Unit'000	1.10.2017 Unit'000	31.3.2020 RM'000	Amount 30.9.2018 RM'000	1.10.2017 RM'000
At beginning of financial period/year	9,412	1,131	–	5,883	862	–
Bought	185	8,281	2,131	79	5,021	1,587
Sold	–	–	(1,000)	–	–	(725)
At end of financial period/year	9,597	9,412	1,131	5,962	5,883	862

The average price per share paid by the Company for the purchase of its own ordinary shares from the open market during the financial period was 62.1 sen (30.9.2018: 62.5 sen and 1.10.2017: 74.5 sen). The total consideration paid for the purchased shares including transaction costs was financed by internally generated funds.

All purchased shares were dealt with as treasury shares in accordance with Section 127 of the Companies Act 2016. There was no cancellation or reissuance of treasury shares during the financial period/year.

As at the end of the financial period/year:

- out of the Company's total 567,277,991 (30.9.2018: 567,265,891 and 1.10.2017: 499,111,104) issued ordinary shares, 9,596,900 (30.9.2018: 9,411,900 and 1.10.2017: 1,131,000) are held as treasury shares by the Company; and
- the number of outstanding ordinary shares in issue after deducting those held as treasury shares is 557,681,091 (30.9.2018: 557,853,991 and 1.10.2017: 497,980,104) ordinary shares.

The details of shares purchased and treasury shares sold by the Company during the financial period/year were as follows:

	Number of shares Unit'000	Amount RM'000	31.3.2020 Highest Price RM	Lowest Price RM	Average Price* RM
At beginning of financial period	9,412	5,883			0.625
Own shares bought:					
October 2018	130	56	0.433	0.428	0.430
November 2018	55	23	0.418	0.418	0.418
At end of financial period	9,597	5,962			0.621

## NOTES TO THE FINANCIAL STATEMENTS

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### 19. TREASURY SHARES (CONT'D)

The details of shares purchased and treasury shares sold by the Company during the financial period/year were as follows (cont'd):

	Number of shares Unit'000	Amount RM'000	30.9.2018 Highest Price RM	Lowest Price RM	Average Price* RM
At beginning of financial year	1,131	862			0.745
Own shares bought:					
January 2018	1,130	723	0.665	0.620	0.640
February 2018	1,906	1,142	0.650	0.565	0.599
March 2018	1,987	1,261	0.670	0.595	0.635
April 2018	2,112	1,259	0.630	0.570	0.596
May 2018	551	320	0.620	0.555	0.581
June 2018	149	85	0.590	0.560	0.571
July 2018	446	231	0.535	0.500	0.517
At end of financial year	9,412	5,883			0.625
	Number of shares Unit'000	Amount RM'000	1.10.2017 Highest Price RM	Lowest Price RM	Average Price* RM
At beginning of financial year					
Own shares bought:					
December 2016	1	1	0.785	0.785	0.829
January 2017	150	108	0.750	0.695	0.722
February 2017	100	73	0.730	0.715	0.728
March 2017	1,080	794	0.755	0.710	0.736
April 2017	800	611	0.820	0.750	0.764
	2,131	1,587			
Treasury shares sold:					
May 2017	(1,000)	(725)	0.855	0.855	0.853
At end of financial year	1,131	862			0.745

\* Includes stamp duty, brokerage, clearing fees and GST/SST, where applicable

## NOTES TO THE FINANCIAL STATEMENTS

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### 20. REVALUATION RESERVE

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000	31.3.2020 RM'000	Company 30.9.2018 RM'000	1.10.2017 RM'000
<u>Non-distributable:</u>						
At beginning of financial period/year	70,614	66,175	66,298	35,549	35,549	35,549
Surplus on revaluation of land and buildings	11,294	5,018	456	–	–	–
Crystallisation of revaluation reserve	(742)	(579)	(579)	–	–	–
Effect due to changes in tax rate	(1,069)	–	–	(1,782)	–	–
At end of financial period/year	80,097	70,614	66,175	33,767	35,549	35,549

### 21. WARRANT RESERVE

	Group and Company		
	31.3.2020 RM'000	30.9.2018 RM'000	1.10.2017 RM'000
At beginning of financial period/year	51,467	–	–
Issuance of Warrants-B during the financial period/year	–	51,467	–
At end of financial period/year	51,467	51,467	–

The details of Warrants-A and Warrants-B are disclosed in Note 18 to the financial statements.

### 22. BORROWINGS (SECURED)

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000	31.3.2020 RM'000	Company 30.9.2018 RM'000	1.10.2017 RM'000
<b>Current</b>						
Finance lease liabilities	1,604	1,205	803	–	–	–
Bank overdrafts	55,099	44,092	27,458	20,518	19,453	18,986
Bankers' acceptance	26,141	34,973	22,824	–	–	–
Revolving credit	57,136	39,495	34,164	24,000	–	–
Bridging loans	26,378	36,854	39,037	6,000	10,000	–
Term loans	226,650	35,110	41,902	45,141	25,137	25,132
	393,008	191,729	166,188	95,659	54,590	44,118

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 22. BORROWINGS (SECURED) (CONT'D)

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000	31.3.2020 RM'000	Company 30.9.2018 RM'000	1.10.2017 RM'000
<b>Non-current</b>						
Finance lease liabilities	891	1,529	1,291	–	–	–
Revolving credit	–	3,844	–	–	–	–
Bridging loans	6,097	30,335	5,925	6,097	8,500	–
Term loans	41,299	218,955	215,267	534	50,739	75,876
	48,287	254,663	222,483	6,631	59,239	75,876
	441,295	446,392	388,671	102,290	113,829	119,994

The repayment terms of the term loans vary from monthly instalment or quarterly instalment.

The repayment terms of the bridging loans are by way of redemption from the proceeds of property units sold.

The above borrowings are secured by way of:

- (i) pledge of fixed deposits with licensed banks/investment in short term funds (Note 11);
- (ii) joint and several guarantees by certain Directors;
- (iii) corporate guarantees by the Company for banking facilities granted to certain subsidiary companies;
- (iv) corporate guarantees by certain subsidiary companies for banking facilities granted to the Company;
- (v) legal charges over freehold land, long term leasehold land and buildings of the Company and subsidiary companies (Notes 5 and 8);
- (vi) assignment of contract proceeds from certain customers;
- (vii) charges over the project bank accounts of a customer; and
- (viii) debentures on certain projects undertaken by certain subsidiary companies.

The bridging loans and term loans, and bank overdrafts bore interest at rates ranging from 0.50% to 2.00% (30.9.2018: 0.50% to 2.00% and 1.10.2017: 0.50% to 2.00% ) per annum above the respective banks' base lending rates or cost of funds.

Bankers' acceptance bore interest rates ranging from 5.13% to 5.85% (30.9.2018: 4.55% to 6.30% and 1.10.2017: 4.95% to 6.08%) per annum.

Revolving credit bore interest at rates ranging from 1.50% to 2.50% (30.9.2018: 1.50% to 2.50% and 1.10.2017: 1.50% to 2.50%) per annum above the respective banks' cost of funds.

The bridging loans and term loans of the Company are utilised by certain subsidiary companies.

As disclosed in Note 2 to the financial statements, during the financial period, the Group and the Company have been engaging with its existing lenders since the beginning of year 2020 to restructure and reschedule its financing facilities to strengthen the financial position and ensure that the debts post restructuring are at a sustainable level.

As of the date of this report, the Group and the Company have agreed with certain financial institutions for rescheduling and restructuring of the outstanding borrowings, whilst still negotiating with the remaining financial institutions to reschedule on the payment for the remaining outstanding borrowings.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 22. BORROWINGS (SECURED) (CONT'D)

The payment schedule of finance lease liabilities are as follows:

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000
Minimum lease payments			
- within 1 year	1,745	1,387	897
- after 1 year but not later than 5 years	913	1,566	1,370
	2,658	2,953	2,267
Interest in suspense	(163)	(219)	(173)
<b>Present value of finance lease liabilities</b>	<b>2,495</b>	<b>2,734</b>	<b>2,094</b>
<b>Present value of finance lease liabilities</b>			
- within 1 year	1,604	1,205	803
- after 1 year but not later than 5 years	891	1,529	1,291
	2,495	2,734	2,094

The finance lease liabilities of the Group bore interest at rates ranging from 2.28% to 4.00% (30.9.2018: 2.28% to 4.00% and 1.10.2017: 2.28% to 4.00%) per annum.

### 23. TRADE PAYABLES

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000	31.3.2020 RM'000	Company 30.9.2018 RM'000	1.10.2017 RM'000
Trade creditors	85,485	82,184	59,565	–	–	–
Retention sums	14,884	10,156	13,803	–	–	254
	100,369	92,340	73,368	–	–	254

The normal trade credit terms granted to the Group range from 30 to 90 days (30.9.2018: 30 to 90 days and 1.10.2017: 30 to 90 days).

## NOTES TO THE FINANCIAL STATEMENTS

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### 24. OTHER PAYABLES

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000	31.3.2020 RM'000	Company 30.9.2018 RM'000	1.10.2017 RM'000
Non-trade payables	33,720	14,836	23,991	1,102	760	1,539
Accruals	70,256	115,130	78,291	2,037	1,040	1,163
Advances received	1,255	1,487	1,896	–	–	–
SST payable	36	–	–	–	–	–
	105,267	131,453	104,178	3,139	1,800	2,702

Included above are amounts of:

- RM11,000,000 (30.9.2018 and 1.10.2017: Nil) consists of 11,000,000 redeemable preference shares issued to third party by a subsidiary company.
- RM1,080,000 (30.9.2018: RM1,080,000 and 1.10.2017: RM1,080,000) owing by a subsidiary company to a NCI.
- RM37,500,000 (30.9.2018 and 1.10.2017: Nil) is an owner's entitlement fees payable to a joint venture party for joint venture development on the long term leasehold land as disclosed in Note 7 to the financial statements.

All of the above amounts are unsecured, interest-free and repayable on demand.

### 25. REVENUE

#### 25.1 Disaggregated revenue information

	Group		Company	
	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000
<b>Types of revenue</b>				
Property development revenue	86,095	129,216	–	–
Construction contract revenue	59,962	66,270	–	–
Rendering of services	56,904	45,883	–	–
Dividend income	–	–	–	3,000
	202,961	241,369	–	3,000
<b>Timing of recognition</b>				
Performance obligations:				
- satisfied over time	139,823	195,486	–	–
- satisfied at a point in time	63,138	45,883	–	3,000
	202,961	241,369	–	3,000

All of the Group's and Company's revenue are generated from Malaysia.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 25. REVENUE (CONT'D)

#### 25.2 Property development and construction contract revenue

For sale of development properties under construction and construction contracts, the performance obligations are satisfied over time as 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.

For the sale of completed properties, the performance obligation is satisfied at a point in time upon delivery of the properties.

The payment terms for progress billings made to purchasers are disclosed in Note 13 to the financial statements.

The nature of the properties and services that the Group have promised to transfer to purchasers are residential houses, commercial units/buildings, civil construction works for residential houses and commercial units/buildings.

The Group's properties and projects are subject to Defects Liability Period of generally twenty-four (24) months from the sale and completion of the project. These require the Group to make good on any defects which may appear and which are due to design, materials, goods, workmanship or equipment not in accordance with the sale and purchase agreements and contracts.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the reporting date is as follows:

	Group	
	31.3.2020	30.9.2018
	RM'000	RM'000
Construction contract revenue	254,404	299,201
Property development revenue	112,541	98,201

The remaining performance obligations are expected to be recognised within 1-3 years which are in accordance with the agreed time frames stated in the sale and purchase agreements signed with purchasers.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 26. COST OF SALES

	Group		Company	
	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000
Property development costs	85,878	76,129	–	–
Constructions contract costs	44,588	71,943	–	–
Rendering of services	50,619	37,100	–	–
	181,085	185,172	–	–

### 27. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax has been determined after charging/crediting amongst others, the following items:

	Group		Company	
	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000
<u>After charging:</u>				
Auditors' remuneration				
- statutory audit	548	272	81	30
- non-statutory audit	4	4	–	–
Rental expenses - equipment	159	257	–	–
Rental expenses - machinery	11,246	12,852	–	–
Rental expenses - motor vehicle	27	6	–	–
Rental expenses - premises	4,573	608	24	48
Rental expenses - staff quarters	178	162	–	–
Rental expenses - hotel suites	22,108	12,027	–	–
<u>And crediting:</u>				
Rental income – premises	270	328	81	44



# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 27. (LOSS)/PROFIT BEFORE TAX (CONT'D)

The details of Directors' remuneration are as follows:

Group	Salaries RM'000	Fees RM'000	Bonus RM'000	Attendance allowances RM'000	Defined contribution plan RM'000	Social security contributions RM'000	Benefits- in-kind RM'000	Total RM'000
<b>1.10.2018 to 31.3.2020</b>								
<b>Executive Directors</b>								
Dato' Chan Kong San	4,680	-	-	-	889	-	19	5,588
Dato' Gan Kim Leong	4,680	-	-	-	889	-	19	5,588
	9,360	-	-	-	1,778	-	38	11,176
<b>Non-Executive Directors</b>								
Datuk Aznam bin Mansor	-	144	-	21	-	-	-	165
Dato' Hj. Abdul Rahman bin Hj. Imam Arshad	-	144	-	18	-	-	-	162
Lee Chaing Huat	-	144	-	17	-	-	-	161
Wong Yoke Nyen	-	144	-	22	-	-	-	166
Datin Sri Lim Mooi Lang	-	20	-	2	-	-	-	22
	-	596	-	80	-	-	-	676
	9,360	596	-	80	1,778	-	38	11,852
<b>1.10.2017 to 30.9.2018</b>								
<b>Executive Directors</b>								
Dato' Chan Kong San	3,480	-	796	-	812	1	23	5,112
Dato' Gan Kim Leong	3,480	-	796	-	812	1	23	5,112
	6,960	-	1,592	-	1,624	2	46	10,224
<b>Non-Executive Directors</b>								
Datuk Aznam bin Mansor	-	96	-	17	-	-	-	113
Dato' Hj. Abdul Rahman bin Hj. Imam Arshad	-	96	-	15	-	-	-	111
Lee Chaing Huat	-	96	-	15	-	-	-	111
Wong Yoke Nyen	-	96	-	16	-	-	-	112
	-	384	-	63	-	-	-	447
	6,960	384	1,592	63	1,624	2	46	10,671

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 27. (LOSS)/PROFIT BEFORE TAX (CONT'D)

The details of Directors' remuneration are as follows (cont'd):

Company	Salaries RM'000	Fees RM'000	Bonus RM'000	Attendance allowances RM'000	Defined contribution plan RM'000	Benefits- in-kind RM'000	Total RM'000
<b>1.10.2018 to 31.3.2020</b>							
<b>Executive Directors</b>							
Dato' Chan Kong San	144	-	-	-	28	19	191
Dato' Gan Kim Leong	144	-	-	-	27	19	190
	288	-	-	-	55	38	381
<b>Non-Executive Directors</b>							
Datuk Aznam bin Mansor	-	144	-	21	-	-	165
Dato' Hj. Abdul Rahman bin Hj. Imam Arshad	-	144	-	18	-	-	162
Lee Chaing Huat	-	144	-	17	-	-	161
Wong Yoke Nyen	-	144	-	22	-	-	166
Datin Sri Lim Mooi Lang	-	20	-	2	-	-	22
	-	596	-	80	-	-	676
	288	596	-	80	55	38	1,057
<b>1.10.2017 to 30.9.2018</b>							
<b>Executive Directors</b>							
Dato' Chan Kong San	96	-	24	-	23	23	166
Dato' Gan Kim Leong	96	-	24	-	23	23	166
	192	-	48	-	46	46	332
<b>Non-Executive Directors</b>							
Datuk Aznam bin Mansor	-	96	-	7	-	-	103
Dato' Hj. Abdul Rahman bin Hj. Imam Arshad	-	96	-	15	-	-	111
Lee Chaing Huat	-	96	-	15	-	-	111
Wong Yoke Nyen	-	96	-	16	-	-	112
	-	384	-	53	-	-	437
	192	384	48	53	46	46	769

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### 28. TAX (EXPENSE)/INCOME

	Group		Company	
	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000
Current tax:				
- Current year tax expense	(10)	(5,767)	–	–
- (Under)/over provision in prior financial years	(65)	616	–	(1)
Deferred tax:				
- Origination and reversal of temporary differences	(13,303)	11,480	(650)	–
	(13,378)	6,329	(650)	(1)

Malaysian income tax is calculated at the statutory rate of 24% (30.9.2018: 24%) of the estimated assessable profit for the financial period/year.

The Group has net tax income in prior financial year due to the recognition of investment tax allowances of a subsidiary company. This subsidiary company is entitled to investment tax allowances of 60% of its qualifying expenditure incurred within 5 years from the year of assessment 2019.

A reconciliation of the tax (expense)/income on (loss)/profit before tax with the applicable statutory income tax rate is as follows:

	Group		Company	
	1.10.2018 to 31.3.2020 %	1.10.2017 to 30.9.2018 %	1.10.2018 to 31.3.2020 %	1.10.2017 to 30.9.2018 %
Applicable statutory income tax rate	(24.0)	24.0	24.0	24.0
Tax effects in respect of:				
Expenses not deductible for tax purposes	12.5	22.0	495.9	56.4
Income not subject to tax	(2.1)	(8.6)	(368.0)	(80.4)
Movement in investment tax allowances recognised during the financial period/year	22.3	(93.5)	–	–
Deferred tax assets not recognised	8.9	–	–	–
Under/(over) provision of taxation in prior financial years	0.1	(6.1)	–	0.1
Average effective tax rate	17.7	(62.2)	151.9	0.1

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### 28. TAX (EXPENSE)/INCOME (CONT'D)

The unabsorbed business losses, and unutilised capital allowances and investment tax allowances of certain subsidiary companies, which can be carried forward to offset against their respective future taxable profits, amounted to approximately RM55,165,000 (30.9.2018: RM27,085,000), RM74,953,000 (30.9.2018: RM75,234,000) and RM294,723,000 (30.9.2018: RM298,256,000) respectively. These amounts are subject to agreement by the Inland Revenue Board of Malaysia.

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000
Unabsorbed business losses	25,977	5,402
Unutilised capital allowances	2,090	201
Unutilised investment tax allowances	98,556	20,731
	126,623	26,334

The potential deferred tax assets have not been recognised in respect of the above items as it is not probable that sufficient future taxable profits will be available against which the subsidiary company concerned can utilise the benefits.

### 29. (LOSS)/EARNINGS PER SHARE

#### Basic (loss)/earnings per ordinary share

The basic (loss)/earnings per ordinary share for the financial period/year has been calculated based on the (loss)/profit attributable to ordinary equity holders of the Company divided by the weighted average number of ordinary shares in issue during the financial period/year:

	Group	
	1.10.2018 to 31.3.2020	1.10.2017 to 30.9.2018
Net (loss)/profit attributable to equity holders of the Company (RM'000)	(87,607)	16,508
Weighted average number of ordinary shares in issue (unit'000)	567,274	559,228
Basic (loss)/earnings per share (sen)	(15.44)	2.95

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### 29. (LOSS)/EARNINGS PER SHARE (CONT'D)

#### Diluted (loss)/earnings per ordinary share

For the purpose of calculating diluted (loss)/earnings per ordinary share, the net (loss)/profit for the financial period/year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial period/year have been adjusted for the dilutive effects of all potential ordinary shares arising consequent to the exercise of warrants.

	Group	
	1.10.2018 to 31.3.2020	1.10.2017 to 30.9.2018
Net (loss)/profit attributable to equity holders of the Company (RM'000)	(87,607)	16,508
Weighted average number of ordinary shares in issue (unit'000)	567,274	560,426
Diluted (loss)/earnings per share (sen)	(15.44)*	2.95

\* The diluted (loss)/earnings per share are anti-dilutive as the fair value of the ordinary shares of the Company during the reporting period is lower than the exercise price of the outstanding warrants. These potential ordinary shares have a dilutive effect only if the fair values of the ordinary shares during the reporting period exceeds the exercise price of these potential ordinary shares.

### 30. EMPLOYEES BENEFITS EXPENSES

	Group		Company	
	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000
Executive Directors:				
- Remuneration	9,360	8,554	288	240
- Defined contribution plan	1,778	1,624	55	46
Salaries, wages and other emoluments	51,079	40,840	–	109
Defined contribution plan	4,373	3,488	–	13
Social security contributions	502	433	–	1
Other staff related expenses	1,696	2,085	99	232
	68,788	57,024	442	641

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## 30. EMPLOYEES BENEFITS EXPENSES (CONT'D)

Included in the above are the following key management personnel's remuneration (other than Directors):

	Group	
	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000
Salaries, wages and other emoluments	2,418	1,174
Defined contribution plan	257	122
Social security contributions	10	3
	2,685	1,299

## 31. COMMITMENTS

	Group	
	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000
<b>Capital commitments</b>		
Authorised and contracted for:		
- property, plant and equipment	16,053	49,703
- biological assets	–	1,284
	16,053	50,987
<b>Operating lease commitments</b>		
Not later than 1 year	8,915	12,193
Later than 1 year but not later than 5 years	12,826	7,303
	21,741	19,496

## NOTES TO THE FINANCIAL STATEMENTS

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### 32. RELATED PARTY DISCLOSURES

(a) Significant related party transactions during the financial period/year are as follows:

	Group		Company	
	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000	1.10.2018 to 31.3.2020 RM'000	1.10.2017 to 30.9.2018 RM'000
<u>Transactions with holding company:</u>				
Rental expenses paid	72	35	–	–
<u>Transactions with subsidiary companies:</u>				
Dividend received	–	–	–	3,000
Room sales	–	–	–	227
<u>Transactions with companies in which Dato' Chan Kong San and Dato' Gan Kim Leong have interests:</u>				
Rental expenses paid to Bukit Gambang Capital Sdn. Bhd. ("BGC")	113	415	–	–
Rental expenses paid to Imperia Academy of Tourism Sdn Bhd ("IAT")	483	–	–	–
Sales of food and beverages, room sales and provision of transportation services to IAT	–	24	–	–
Rental income received/receivable from IAT	–	281	–	–
<u>Transactions with persons/entities connected with Dato' Gan Kim Leong:</u>				
Rental expenses paid/payable	75	60	–	–
Tax consulting fees paid/payable	104	74	1	10
Consultancy fees paid/payable	266	–	–	–
Commission paid/payable	112	171	–	–

(b) During the financial period/year:

- (i) the holding company's shares in the Company were pledged as security for the construction and completion of a joint venture development project of the Group. The market value of these shares as at the end of the financial period/year was approximately RM3,025,000 (30.9.2018: RM12,875,000 and 1.10.2017: RM20,000,000). The holding company also provided a corporate guarantee and indemnity to guarantee the payment by the Group of certain sums of up to RM30,000,000 (30.9.2018: RM30,000,000 and 1.10.2017: RM30,000,000) due to the land owner for the project concerned.
- (ii) Dato' Chan Kong San and Dato' Gan Kim Leong jointly and severally guaranteed banking facilities granted to a subsidiary company. The amount of these facilities as at the end of the financial period/year amounted to RM10,709,214 (30.9.2018: RM1,277,000 and 1.10.2017: RM1,619,000).

# NOTES TO THE FINANCIAL STATEMENTS

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## 32. RELATED PARTY DISCLOSURES (CONT'D)

- (c) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly, and includes any Director (whether executive or otherwise). The detailed information on the Directors' and other key management personnel's remuneration are disclosed in Notes 27 and 30 to the financial statements.

## 33. FINANCIAL INSTRUMENTS

### 33.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

	Carrying amount RM'000	Amortised cost RM'000		
<b>Group</b>				
<b>31.3.2020</b>				
<b>Financial assets</b>				
Trade and non-trade receivables	115,170	115,170		
Fixed deposits with licensed banks	4,136	4,136		
Cash and bank balances	11,371	11,371		
	130,677	130,677		
<b>Financial liabilities</b>				
Borrowings	441,295	441,295		
Trade and other payables	204,345	204,345		
	645,640	645,640		
	Carrying amount RM'000	Loans & receivables RM'000	Available- for-sale RM'000	Amortised cost RM'000
<b>30.9.2018</b>				
<b>Financial assets</b>				
Trade and non-trade receivables	179,280	179,280	–	–
Amount due from holding company	455	455	–	–
Fixed deposits with licensed banks	10,242	10,242	–	–
Investment in short term funds	7,990	–	7,990	–
Cash and bank balances	10,884	10,884	–	–
	208,851	200,861	7,990	–
<b>Financial liabilities</b>				
Borrowings	446,392	–	–	446,392
Trade and other payables	222,306	–	–	222,306
	668,698	–	–	668,698



## NOTES TO THE FINANCIAL STATEMENTS

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### 33. FINANCIAL INSTRUMENTS (CONT'D)

#### 33.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):

	Carrying amount RM'000	Loans & receivables RM'000	Available- for-sale RM'000	Amortised cost RM'000
<b>Group (cont'd)</b>				
<u>1.10.2017</u>				
<b>Financial assets</b>				
Trade and non-trade receivables	128,438	128,438	–	–
Amount due from holding company	3,179	3,179	–	–
Fixed deposits with licensed banks	7,005	7,005	–	–
Investment in short term funds	15,524	–	15,524	–
Cash and bank balances	38,038	38,038	–	–
	192,184	176,660	15,524	–
<b>Financial liabilities</b>				
Borrowings	388,671	–	–	388,671
Trade and other payables	175,650	–	–	175,650
	564,321	–	–	564,321
			Carrying amount RM'000	Amortised cost RM'000
<b>Company</b>				
<u>31.3.2020</u>				
<b>Financial assets</b>				
Non-trade receivables			205	205
Amount due from subsidiary companies			178,274	178,274
Cash and bank balances			1,799	1,799
			180,278	180,278
<b>Financial liabilities</b>				
Borrowings			102,290	102,290
Trade and other payables			3,139	3,139
Amount due to subsidiary companies			96,026	96,026
			201,455	201,455

# NOTES TO THE FINANCIAL STATEMENTS

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## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):

	Carrying amount RM'000	Loans & receivables RM'000	Available- for-sale RM'000	Amortised cost RM'000
<b>Company (cont'd)</b>				
<u>30.9.2018</u>				
<b>Financial assets</b>				
Non-trade receivables	185	185	–	–
Amount due from subsidiary companies	169,999	169,999	–	–
Fixed deposit with licensed banks	403	403	–	–
Investment in short term funds	7,990	–	7,990	–
Cash and bank balances	51	51	–	–
	178,628	170,638	7,990	–
<b>Financial liabilities</b>				
Borrowings	113,829	–	–	113,829
Trade and other payables	1,800	–	–	1,800
Amount due to subsidiary companies	77,075	–	–	77,075
	192,704	–	–	192,704
<u>1.10.2017</u>				
<b>Financial assets</b>				
Non-trade receivables	185	185	–	–
Amount due from subsidiary companies	148,999	148,999	–	–
Investment in short term funds	15,524	–	15,524	–
Cash and bank balances	14	14	–	–
	164,722	149,198	15,524	–
<b>Financial liabilities</b>				
Borrowings	119,994	–	–	119,994
Trade and other payables	2,956	–	–	2,956
Amount due to subsidiary companies	30,197	–	–	30,197
	153,147	–	–	153,147

### 33.2 Financial risk management

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The Group's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing their risks. The Group operates within policies that are approved by the Directors and the Group's policy is not to engage in speculative transactions.

## NOTES TO THE FINANCIAL STATEMENTS

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### 33. FINANCIAL INSTRUMENTS (CONT'D)

#### 33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activity are set out as follows:

##### (a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. It is the Group's policy to enter into financial instruments with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's transactions are entered into with diverse creditworthy counterparties, thereby mitigating any significant concentration of credit risk.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

Following are the areas where the Group is exposed to credit risk:

##### i. Receivables

At the reporting date, the maximum exposure to credit risk arising from receivables is limited to the carrying amounts in the SOFP.

With a credit policy in place to ensure the credit risk is monitored on an on-going basis, management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. The Group uses aging analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar pattern (i.e., by geographical region, product type, customer type and rating and coverage by letters of credit or collateral). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about the past events, current conditions and forecasts of future economic conditions. Generally, the receivables are written off if the Directors deemed them uncollectable. The maximum exposure to credit risk arising from trade receivables are limited to the carrying amounts as stated in the statements of financial position. As the management are of the opinion that the debts arising from property development activities should be realised in full without material losses in the ordinary course of business as the legal title to the properties sold remain with the Group until the purchase consideration is fully settled. As such, no expected credit losses as at the reporting date.

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## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

#### (a) Credit risk (cont'd)

Following are the areas where the Group is exposed to credit risk (cont'd):

##### i. Receivables (cont'd)

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

	Expected credit loss rate %	Total gross carrying amount RM'000	Expected credit loss RM'000
<b>Group</b>			
<u>31.3.2020</u>			
Not past due	–	5,010	–
Past due 1 to 30 days	–	15,810	–
Past due 31 to 60 days	–	74	–
Past due more than 60 days	–	25,447	–
		46,341	–
Credit impaired	100	365	(365)
		46,706	(365)
<b>Contract assets</b>			
		17,399	–

The ageing analysis of the Group's trade receivables is as follows:

	Gross RM'000	Individually impaired RM'000	Net RM'000
<u>30.9.2018</u>			
Not past due	19,895	–	19,895
Past due 1 to 30 days	15,170	–	15,170
Past due 31 to 60 days	8,282	–	8,282
Past due more than 60 days	105,182	(117)	105,065
	148,529	(117)	148,412
<u>1.10.2017</u>			
Not past due	20,516	–	20,516
Past due 1 to 30 days	5,759	–	5,759
Past due 31 to 60 days	9,960	–	9,960
Past due more than 60 days	62,620	(117)	62,503
	98,855	(117)	98,738

# NOTES TO THE FINANCIAL STATEMENTS

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## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

#### (a) Credit risk (cont'd)

Following are the areas where the Group is exposed to credit risk (cont'd):

##### i. Receivables (cont'd)

Set out below is the information about the credit risk exposure on the Company's trade receivables and contract assets using a provision matrix:

	Expected credit loss rate %	Total gross carrying amount RM'000	Expected credit loss RM'000
<b>Company</b>			
<u>31.3.2020</u>			
Past due more than 1 year	100	84	(84)

The ageing analysis of the Company's trade receivables is as follows:

	Gross RM'000	Individually impaired RM'000	Net RM'000
<b>Company</b>			
<u>30.9.2018</u>			
Past due more than 1 year	84	(84)	–
<u>1.10.2017</u>			
Past due more than 1 year	84	(84)	–

The Group has trade receivables amounting to RM41,331,000 (30.9.2018: RM128,517,000 and 1.10.2017: RM78,222,000) that are past due at the reporting date but not impaired.

Trade receivables consist of a large number of customers of various backgrounds. Based on historical information about customer default rates, management considers the credit quality of trade receivables that are neither past due nor impaired to be good.

The net carrying amount of trade receivables is considered a reasonable approximate of their fair value. The maximum exposure to credit risk is the carrying value of each class of receivables mentioned above. Trade receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

# NOTES TO THE FINANCIAL STATEMENTS

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## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

#### (a) Credit risk (cont'd)

Following are the areas where the Group is exposed to credit risk (cont'd):

##### i. *Receivables (cont'd)*

In respect of trade receivables, the Group has significant concentration of credit risk of which RM24,428,000 (30.9.2018: RM120,938,000 and 1.10.2017: RM27,301,000) were due from 1 (30.9.2018: 1 and 1.10.2017: 1) customer. As at the reporting date, there was no indication that this receivable is not recoverable.

In respect of other receivables, the Group has significant concentration of credit risk of which RM38,130,000 (30.9.2018: RM24,203,000 and 1.10.2017: RM23,068,000) were due from 1 (30.9.2018: 1 and 1.10.2017: 1) counterparty. As at the reporting date, there was no indication that this receivable is not recoverable.

##### ii. *Intercompany receivables*

The maximum exposure to credit risk for intercompany receivables is represented by their carrying amounts in the SOFP.

The Company provides unsecured advances to subsidiary companies and monitors the results of the subsidiary companies regularly.

As at the reporting date, there was no indication that the advances to the subsidiary companies are not recoverable.

##### iii. *Cash and cash equivalents*

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

##### iv. *Financial guarantees*

The maximum exposure to credit risk for financial guarantees is RM241,149,000 (30.9.2018: RM278,359,000 and 1.10.2017: RM210,443,000) which is in respect of corporate guarantees given to financial institutions for banking facilities granted to and utilised by subsidiary companies and suppliers of subsidiary companies as at the end of the reporting period/year.

The Company monitors on an on-going basis the results of the said subsidiary companies and the utilisation of the banking facilities concerned. As of the date of this report, the Group and the Company have agreed with certain financial institutions for rescheduling and restructuring of the outstanding borrowings, whilst still negotiating with the remaining financial institutions to reschedule on the payment for the remaining outstanding borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

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## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

#### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group's interest rate management objective is to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation.

In order to achieve this objective, the Group targets a mix of fixed and floating debts based on assessment of its existing exposure and desired interest rate profile.

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

	Group RM'000	Company RM'000
<b>31.3.2020</b>		
<b>Fixed rate instruments</b>		
Fixed deposits with licensed banks	4,136	–
Finance lease liabilities	2,495	–
<b>Floating rate instrument</b>		
Borrowings	438,800	102,290
<b>30.9.2018</b>		
<b>Fixed rate instruments</b>		
Fixed deposits with licensed banks	10,242	403
Finance lease liabilities	2,734	–
<b>Floating rate instrument</b>		
Borrowings	443,658	113,829
<b>1.10.2017</b>		
<b>Fixed rate instruments</b>		
Fixed deposits with licensed banks	7,005	–
Finance lease liabilities	2,094	–
<b>Floating rate instrument</b>		
Borrowings	386,577	119,994

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

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## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

#### (b) Interest rate risk (cont'd)

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rates of +/- 0.5%. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates with all other variables held constant:

	(Decrease)/increase in net (loss)/profit for the financial period/year			
	Group		Company	
	RM'000 +0.5%	RM'000 -0.5%	RM'000 +0.5%	RM'000 -0.5%
<b>Floating rate instrument</b>				
31.3.2020	2,194	(2,194)	511	(511)
30.9.2018	(2,218)	2,218	(569)	569
1.10.2017	(1,933)	1,933	(600)	600

#### (c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet their financial obligations as and when they fall due, due to shortage of funds.

In managing their exposures to liquidity risk arises principally from their various payables, loans and borrowings, the Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

The Group aims at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.



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– 31 March 2020

### 33. FINANCIAL INSTRUMENTS (CONT'D)

#### 33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

##### (c) Liquidity risk (cont'd)

At the end of the reporting period/year, the Group's and the Company's non-derivative financial liabilities which have contractual maturities (including interest payments) are summarised below:

	Carrying amount RM'000	Contractual cash flows RM'000	Current Less than 1 year RM'000	Non-current Between 1 to 5 years RM'000	More than 5 years RM'000
<b>Group</b>					
<u>31.3.2020</u>					
<b>Secured:</b>					
Borrowings	441,295	503,958	449,158	47,756	7,044
<b>Unsecured:</b>					
Trade payables	100,369	100,369	100,369	–	–
Other payables	103,976	103,976	103,976	–	–
	204,345	204,345	204,345	–	–
<b>Total</b>	<b>645,640</b>	<b>708,303</b>	<b>653,503</b>	<b>47,756</b>	<b>7,044</b>
<u>30.9.2018</u>					
<b>Secured:</b>					
Borrowings	446,392	551,456	205,466	232,813	113,177
<b>Unsecured:</b>					
Trade payables	92,340	92,340	92,340	–	–
Other payables	129,966	129,966	129,966	–	–
	222,306	222,306	222,306	–	–
<b>Total</b>	<b>668,698</b>	<b>773,762</b>	<b>427,772</b>	<b>232,813</b>	<b>113,177</b>
<u>1.10.2017</u>					
<b>Secured:</b>					
Borrowings	388,671	467,536	184,561	182,460	100,515
<b>Unsecured:</b>					
Trade payables	73,368	73,368	73,368	–	–
Other payables	102,282	102,282	102,282	–	–
	175,650	175,650	175,650	–	–
<b>Total</b>	<b>564,321</b>	<b>643,186</b>	<b>360,211</b>	<b>182,460</b>	<b>100,515</b>

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

#### (c) Liquidity risk (cont'd)

At the end of the reporting period/year, the Group's and the Company's non-derivative financial liabilities which have contractual maturities (including interest payments) are summarised below (cont'd):

	Carrying amount RM'000	Contractual cash flows RM'000	Current Less than 1 year RM'000	Non-current Between 1 to 5 years RM'000	More than 5 years RM'000
<b>Company</b>					
<u>31.3.2020</u>					
<b>Secured:</b>					
Borrowings	102,290	103,456	90,832	12,624	–
<b>Unsecured:</b>					
Other payables	3,139	3,139	3,139	–	–
Amount due to subsidiary companies	96,026	96,026	96,026	–	–
	99,165	99,165	99,165	–	–
<b>Total</b>	<b>201,455</b>	<b>202,621</b>	<b>189,997</b>	<b>12,624</b>	<b>–</b>
Financial guarantees	–	241,149	241,149	–	–
<u>30.9.2018</u>					
<b>Secured:</b>					
Borrowings	113,829	121,935	59,385	62,448	102
<b>Unsecured:</b>					
Other payables	1,800	1,800	1,800	–	–
Amount due to subsidiary companies	77,075	77,075	77,075	–	–
	78,875	78,875	78,875	–	–
<b>Total</b>	<b>192,704</b>	<b>200,810</b>	<b>138,260</b>	<b>62,448</b>	<b>102</b>
Financial guarantees	–	278,359	278,359	–	–

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

#### (c) Liquidity risk (cont'd)

At the end of the reporting period/year, the Group's and the Company's non-derivative financial liabilities which have contractual maturities (including interest payments) are summarised below (cont'd):

	Carrying amount RM'000	Contractual cash flows RM'000	Current Less than 1 year RM'000	Non-current Between 1 to 5 years RM'000	More than 5 years RM'000
<b>Company (cont'd)</b>					
<b>1.10.2017</b>					
<b>Secured:</b>					
Borrowings	119,994	131,476	49,082	82,080	314
<b>Unsecured:</b>					
Trade payables	254	254	254	–	–
Other payables	2,702	2,702	2,702	–	–
Amount due to subsidiary companies	30,197	30,197	30,197	–	–
	33,153	33,153	33,153	–	–
<b>Total</b>	<b>153,147</b>	<b>164,629</b>	<b>82,235</b>	<b>82,080</b>	<b>314</b>
Financial guarantees	–	210,443	210,443	–	–

### 33.3 Reconciliation of liabilities arising from financing activities

	At 1.10.2018 RM'000	Acquisition* RM'000	Interest payable RM'000	Drawdown RM'000	Repayment RM'000	At 31.3.2020 RM'000
<b>Group</b>						
Finance lease liabilities	2,734	333	–	–	(572)	2,495
Borrowings (excluding bank overdrafts)	399,566	–	5,582	311,836	(333,283)	383,701
	402,300	333	5,582	311,836	(333,855)	386,196
<b>Company</b>						
Borrowings (excluding bank overdrafts)	94,376	–	1,245	58,755	(72,604)	81,772

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 33. FINANCIAL INSTRUMENTS (CONT'D)

#### 33.3 Reconciliation of liabilities arising from financing activities (cont'd)

	At 1.10.2017 RM'000	Acquisition* RM'000	Drawdown RM'000	Repayment RM'000	At 30.9.2018 RM'000
<b>Group</b>					
Finance lease liabilities	2,094	1,769	–	(1,129)	2,734
Borrowings (excluding bank overdrafts)	359,119	–	198,801	(158,354)	399,566
	361,213	1,769	198,801	(159,483)	402,300
<b>Company</b>					
Borrowings (excluding bank overdrafts)	101,008	–	18,500	(25,132)	94,376

\* Arising from acquisition of property, plant and equipment under finance lease arrangements.

### 34. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and financial liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date or have immaterial discounting impact, except the followings:

#### Financial assets that are measured at fair value on a recurring basis

Certain financial assets of the Group are measured at fair value at the end of the reporting period/year. Details of fair value measurement of those financial assets are as follows:

<b>Financial assets</b>	<b>31.3.2020 RM'000</b>	<b>Fair value 30.9.2018 RM'000</b>	<b>1.10.2017 RM'000</b>	<b>Fair value hierarchy</b>	<b>Valuation method and key inputs</b>
Investments in quoted shares:-					
Quoted shares in Malaysia	–	7,990	15,524	Level 1	Quoted bid price in active market

It is not practicable to estimate the fair value of the Company's investment in unquoted shares due to the lack of comparable quoted prices in an active market. In addition, it is impracticable to use valuation techniques to estimate the fair value reliably as a result of significant variability in the inputs of the valuation technique. In any case, the Company does not intend to dispose of these investments in the near future.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 35. CAPITAL MANAGEMENT

The Group's objective when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of its business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group sets the amount of capital in proportion to its overall financing structure, that is, equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

There were no changes in the Group's approach to capital management during the financial period.

	31.3.2020 RM'000	Group 30.9.2018 RM'000	1.10.2017 RM'000	31.3.2020 RM'000	Company 30.9.2018 RM'000	1.10.2017 RM'000
Total borrowings	441,295	446,392	388,671	102,290	113,829	119,994
Cash and bank balances	(11,371)	(10,884)	(38,038)	(1,799)	(51)	(14)
Investment in short term funds	–	(7,990)	(15,524)	–	(7,990)	(15,524)
Fixed deposits with licensed banks	(4,136)	(10,242)	(7,005)	–	(403)	–
	425,788	417,276	328,104	100,491	105,385	104,456
Total equity	446,123	524,596	447,421	307,722	309,798	253,171
Debt-to-equity ratio	0.95	0.80	0.73	0.33	0.34	0.41

### 36. OPERATING SEGMENTS

#### Business segments

Management currently identifies the Group's property development, leisure and hospitality and others as operating segments. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results. The following summary describes the operations in each of the Group's reportable segments:

- Property development : Development of residential, commercial and leisure properties and its related activities
- Leisure and hospitality : Hotel, water, nature and safari parks operator
- Others : Investment holding

Transfer pricing between operating segments are on a negotiated basis and all other transactions with third parties are on an arm's length basis.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 36. OPERATING SEGMENTS (CONT'D)

### Business segments (cont'd)

	Note	Property development RM'000	Leisure and hospitality RM'000	Others RM'000	Eliminations/ adjustments RM'000	Consolidated RM'000
<b>31.3.2020</b>						
<b>Revenue</b>						
External revenue		146,057	56,904	–	–	202,961
Inter-segment	A	15,431	5,274	–	(20,705)	–
		161,488	62,178	–	(20,705)	202,961
<b>Results</b>						
Gross profit		15,591	6,285	–	–	21,876
Segment profit	B	(27,650)	(27,851)	2,272	(684)	(53,913)
Interest income		593	2	23	–	618
Finance costs		(10,230)	(10,706)	(1,017)	–	(21,953)
Depreciation		(3,212)	(12,330)	(53)	204	(15,391)
Tax (expense)/income		3,934	(16,662)	(650)	–	(13,378)
Other non-cash (expense)/income	C	(2,222)	(8,348)	6,379	338	(3,853)
<b>Assets</b>						
Segment assets	D	692,284	502,641	514,398	(636,262)	1,073,061
Additions to non-current assets	E	1,340	48,845	–	(15,942)	34,243
<b>Liabilities</b>						
Segment liabilities	F	448,190	170,650	99,163	(486,229)	231,774
<b>30.9.2018</b>						
<b>Revenue</b>						
External revenue		195,486	45,883	–	–	241,369
Inter-segment	A	71,663	1,442	3,000	(76,105)	–
		267,149	47,325	3,000	(76,105)	241,369
<b>Results</b>						
Gross profit		46,524	9,673	3,000	(3,000)	56,197
Segment profit	B	17,295	603	968	(4,778)	14,088
Interest income		621	4	292	–	917
Finance costs		(1,922)	(2,625)	(281)	–	(4,828)
Depreciation		(2,422)	(9,388)	(47)	(225)	(12,082)
Tax (expense)/income		(4,306)	10,946	(1)	(310)	6,329
Other non-cash income	C	–	9,941	–	–	9,941
<b>Assets</b>						
Segment assets	D	652,238	482,506	504,457	(498,628)	1,140,573
Additions to non-current assets	E	9,559	77,457	–	26,803	113,819
<b>Liabilities</b>						
Segment liabilities	F	211,919	71,579	78,875	(134,625)	227,748

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 36. OPERATING SEGMENTS (CONT'D)

#### Business segments (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

**A** Inter-segment revenues were eliminated on consolidation.

**B** The following items were added to/(deducted from) segment profit to arrive at "(loss)/profit before tax" presented in the consolidated statements of profit or loss and other comprehensive income:

	31.3.2020 RM'000	30.9.2018 RM'000
Segment profit	(53,913)	14,088
Interest income	618	917
Finance costs	(21,953)	(4,828)
(Loss)/profit before tax	(75,248)	10,177

**C** Other non-cash (expenses)/income consist of the following items as presented in the respective notes to the financial statements:

	31.3.2020 RM'000	30.9.2018 RM'000
Bad debts written off	(243)	(151)
Biological assets written off	(1,580)	(102)
Fair value adjustments on investment properties	4,658	10,194
Impairment loss on biological assets	(366)	–
Impairment loss on trade and other receivables	(2,318)	–
Impairment loss on property, plant and equipment	(3,891)	–
Inventory written off	(1)	–
Property, plant and equipment written off	(112)	–
	(3,853)	9,941

**D** The following items were added to segments assets to arrive at total assets reported in the consolidated SOFP:

	31.3.2020 RM'000	30.9.2018 RM'000
Segment assets	1,073,061	1,140,573
Deferred tax assets	43,980	60,667
Tax recoverable	5,588	2,667
Total assets	1,122,629	1,203,907

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 36. OPERATING SEGMENTS (CONT'D)

### Business segments (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd):

**E** Additions to non-current assets other than financial instruments and deferred tax assets consist of:

	31.3.2020 RM'000	30.9.2018 RM'000
Property, plant and equipment	33,814	96,524
Biological assets	429	822
Investment properties	–	16,473
	34,243	113,819

**F** The following items were added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	31.3.2020 RM'000	30.9.2018 RM'000
Segment liabilities	231,774	227,748
Borrowings	441,295	446,392
Tax payable	4	654
Deferred tax liabilities	3,433	4,517
Total liabilities	676,506	679,311

### Geographical segment

The Group's businesses are operated entirely within Malaysia and as such, no segment information based on geographical location is presented.

### Major customers

Revenue of RM59,733,000 (30.9.2018: RM61,917,000) from a major customer has contributed more than 10% of the Group's total revenue.

## 37. TRANSITION TO MFRS FRAMEWORK

As disclosed in Note 3.4 to the financial statements, these are the first financial statements of the Group and the Company prepared in accordance with the MFRS Framework. The accounting policies set out in Note 4 to the financial statements have been applied in preparing the financial statements of the Group and the Company for the financial period from 1 October 2018 to 31 March 2020, the comparative information presented in these financial statements for the financial year ended 30 September 2018 and the opening statements of financial position at 1 October 2017 (the Group's and the Company's date of transition to MFRS Framework).

The transition from FRSS to the MFRS Framework has had no material effect on the financial statements of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 37. TRANSITION TO MFRS FRAMEWORK (CONT'D)

The impacts of transition to the MFRS Framework to the Group and the Company are as follows:

### (a) MFRS 9 Financial Instruments

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities, as well as general hedge accounting. It replaces MFRS 139.

MFRS 9 requires financial assets to be classified into three measurement categories, i.e. FVTPL, FVOCI and amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements.

The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. MFRS 9 contains a new impairment model based on expected losses (as oppose to 'incurred loss' model under MFRS 139), i.e. a loss event need not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

The Group applied MFRS 9 prospectively, with an initial application date of 1 October 2018. The Group and the Company have not restated the comparative information, which continues to be reported under MFRS 139. There were no material differences arising from the adoption of MFRS 9.

All of the Group's and the Company's financial assets previously classified and measured as loans and receivables under FRS 139 are classified and measured as amortised cost under MFRS 9 as at 1 October 2018 based on the business model assessment done.

The Group's and the Company's quoted equity instruments previously classified as available-for-sale financial assets which stated at fair value are now classified as investments in quoted shares and measured at FVOCI. The Group elected to classify irrevocably its quoted equity investments under this category as it intends to hold these investments for the foreseeable future.

### (b) MFRS 15 Revenue from Contracts with Customers

The Group has assessed the effects of applying the new revenue standard on the Group's financial statements and based on the analysis of the recognition of various revenue sources, no significant differences with existing accounting principles were identified except for the followings:

#### (i) Timing of recognition for the revenue arising from property development and construction projects

MFRS 15 required revenue from property development and construction projects to be 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.

#### (ii) Accounting for incremental costs of obtaining a contract

Expenses attributable to secure contracts with customers for property development activities and construction contracts had been capitalised and expensed by reference to the progress towards complete satisfaction of that performance obligation.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

## 37. TRANSITION TO MFRS FRAMEWORK (CONT'D)

The impacts of transition to the MFRS Framework to the Group are as follows (cont'd):

(b) MFRS 15 Revenue from Contracts with Customers (cont'd)

(iii) Classification of land held for property development and property development costs

Upon withdrawal of FRS 201 Property Development Activities, land held for property development and property development costs are reclassified as inventories as these assets are in the process of production for sale. These inventories are carried at the lower of cost and net realisable value in accordance with MFRS 102 Inventories.

(iv) Presentation of contract assets and contract liabilities in the SOFP

MFRS 15 requires separate presentation of contract assets and contract liabilities in the statements of financial position. This results in some reclassifications as of 1 October 2017 and 30 September 2018, which were previously included in trade receivables and other payables financial statements line items. Contract assets identified are mainly the rights to consideration for goods or services transferred to the customers. In the case of property development and construction contracts, contract assets are the excess of cumulative revenue earned over cumulative billings to-date and contract liabilities are the obligations to transfer goods or services to the customers for which the Group or the Company have received the consideration or have billed the customers.

With the adoption of MFRS 15, revenue is recognised by reference to each distinct performance obligation in the contracts with customers. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct goods or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group has applied this standard retrospectively.

The financial impacts to the statements of financial position of the Group arising from the transition to the MFRS Framework are disclosed below:

	Audited as at 30.9.2018 RM'000	Effect of transition to MFRSs RM'000	Restated as at 30.9.2018 RM'000	Audited as at 1.10.2017 RM'000	Effect of transition to MFRSs RM'000	Restated as at 1.10.2017 RM'000
<b>Assets</b>						
Inventories	1,881	260,375	262,256	1,734	208,004	209,738
Property development costs	247,734	(247,734)	–	208,004	(208,004)	–
Contract assets	–	82,240	82,240	–	104,877	104,877
Contract costs	–	1,166	1,166	–	–	–
Amount due from customers	21,491	(21,491)	–	15,270	(15,270)	–
Trade receivables	264,661	(116,249)	148,412	188,345	(89,607)	98,738
Tax recoverable	1,014	1,653	2,667	4	–	4
<b>Equity and liabilities</b>						
Retained earnings	257,234	(11,558)	245,676	228,589	–	228,589
Deferred tax liabilities	4,715	(198)	4,517	4,107	–	4,107
Other payables	157,884	(26,431)	131,453	105,576	(1,398)	104,178
Contract liabilities	–	3,955	3,955	–	1,398	1,398
Amount due to customers	3,984	(3,984)	–	–	–	–
Tax payable	2,478	(1,824)	654	3,927	–	3,927

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 37. TRANSITION TO MFRS FRAMEWORK (CONT'D)

The impacts of transition to the MFRS Framework to the Group are as follows (cont'd):

(b) MFRS 15 Revenue from Contracts with Customers (cont'd)

The financial impacts to the statements of profit or loss and other comprehensive income of the Group arising from the transition to the MFRS Framework are disclosed below:

	Audited for financial year ended 30.9.2018 RM'000	Effect of transition to MFRSs RM'000	Restated for the financial year ended 30.9.2018 RM'000
Revenue	293,005	(51,636)	241,369
Cost of sales	(221,574)	36,402	(185,172)
Gross profit	71,431	(15,234)	56,197
Other income	11,813	(11,111)	702
Finance income	–	917	917
Fair value adjustments on investment properties	–	10,194	10,194
Distribution expenses	(1,871)	–	(1,871)
Administrative expenses	(51,134)	–	(51,134)
Finance costs	(4,828)	–	(4,828)
Profit before tax	25,411	(15,234)	10,177
Tax income	2,653	3,676	6,329
Net profit for the financial year	28,064	(11,558)	16,506
Total comprehensive income for the financial year	33,082	(11,558)	21,524
Net profit for the financial year attributable to:			
Owners of the Company	28,066	(11,558)	16,508
Non-controlling interests	(2)	–	(2)
	28,064	(11,558)	16,506
Total comprehensive income for the financial year attributable to:			
Owners of the Company	33,084	(11,558)	21,526
Non-controlling interests	(2)	–	(2)
	33,082	(11,558)	21,524

## NOTES TO THE FINANCIAL STATEMENTS

– 31 March 2020

### 37. TRANSITION TO MFRS FRAMEWORK (CONT'D)

The impacts of transition to the MFRS Framework to the Group are as follows (cont'd):

#### (b) MFRS 15 Revenue from Contracts with Customers (cont'd)

The financial impacts to the statements of cash flows of the Group arising from the transition to the MFRS Framework are disclosed below:

	Audited for financial year ended 30.9.2018 RM'000	Effect of transition to MFRSs RM'000	Restated for the financial year ended 30.9.2018 RM'000
<b>Operating activities</b>			
Profit before tax	25,411	(15,234)	10,177
Changes in working capital:			
Amount due from customers	596	(596)	–
Contract assets/liabilities	–	28,027	28,027
Contract costs	–	(1,166)	(1,166)
Inventories	(147)	(37,783)	(37,930)
Property development costs	(25,142)	25,142	–
Receivables	(77,640)	23,918	(53,722)
Payables	72,104	(25,032)	47,072
Holding company	–	2,724	2,724

### 38. COMPARATIVE INFORMATION

The financial year end of the Group and of the Company had changed from 30 September 2019 to 31 March 2020 to facilitate the efficiency in financial reporting. The comparative figures are for the period from 1 October 2017 to 30 September 2018. Consequently, the comparative figures for the statements of profit or loss and other comprehensive income, statements of cash flows, statements of changes in equity and related notes are not comparable.

### 39. SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD

The recent outbreak of COVID-19 since the end of 2019 has seen significant cases increased worldwide which prompted the World Health Organisation to declare it as a pandemic on 11 March 2020. A series of precautionary and control measures have been and continued to be implemented across the world. The Malaysia Government imposed the MCO from 18 March 2020 to 3 May 2020 and CMCO from 4 May to 9 June 2020 and RMCO from 10 June 2020 to 31 August 2020. Consequently, these restrictions are expected to have material adverse effects on the Malaysia's economy for 2020. The deterioration of world economy has also prompted additional uncertainties to the business of the Group for the financial year ending 31 March 2021.

As at the date of this report, the management of the Group has assessed the overall impact of the situation on the Group's operations and financial position. Based on the assessment, there is a financial impact for current financial period, particularly on the leisure and hospitality businesses under leisure and hospitality segment of the Group. Some businesses of the Group have resumed operations under property development segment with the approvals obtained from the relevant authorities during the CMCO. Nevertheless, the Group is focusing on its efforts in the best possible way to mitigate its impact while protecting the business potential and branding from the medium to long term perspective.

However, the management is unable to reliably estimate the financial impact of COVID-19 on the Group's financial results for the financial year ending 31 March 2021 as the pandemic has yet to run its full course hence the current situation is still fluid. The Directors shall continuously assess the impact of COVID-19 on its operations as well as the financial position for the financial year ending 31 March 2021.

## STATEMENT OF DIRECTORS' RESPONSIBILITY

PURSUANT TO PARAGRAPH 15.26(a) OF THE MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA SECURITIES BERHAD

The Board of Directors of the Company ("Board") is required by the Companies Act 2016 ("Act") to make a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements for the financial period from 1 October 2018 to 31 March 2020 have been drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at the end of the financial period and of their financial performance and cash flows for the financial period from 1 October 2018 to 31 March 2020 on that date in accordance with Financial Reporting Standards and the requirements of the Act.

In preparing the financial statements, the Board has:

- reviewed the accounting policies and ensured that they were consistently applied; and
- in cases where judgements and estimates were made, the judgements and estimates concerned were based on reasonableness and prudence.

The Board has relied on the Group's risk management process and system of internal control to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

This Statement of Directors' Responsibility is made in accordance with a resolution of the Board on 26 August 2020.

## LIST OF MATERIAL PROPERTIES

Held by the Group

Location	Description/ Existing use	Date of acquisition / Date of Valuation	Land area (sq metres)	Tenure	NBV 2020 RM'million
Lot 8578, Blok 9 Salak Land District, Kuching, Sarawak	Water Park, Convention Centre and future mixed development project known as Borneo Samariang Resort City	30/9/2014 / 28/2/2019	808,000	99 years leasehold	153.4
Bukit Gambang Safari Park, Jalan Bukit Gambang Utama, Bukit Gambang Resort City, 26300 Kuantan, Pahang Darul Makmur	Safari park known as Bukit Gambang Safari Park	30/9/2013 / 30/9/2019	558,466	99 years leasehold	89.2
Lot 8579 and Lot 8581, Blok 9 Salak Land District, Kuching, Sarawak	Land held for development / mixed development project known as Borneo Samariang Garden	30/9/2014	677,040	99 years leasehold	83.0
PT 1129 & PT 1130 Mukim Morib, Kuala Langat, Selangor	Water park, land held for development / mixed development project known as Morib Bay Resort City	10/7/2018	567,600	Freehold	94.7
Master title no. 3212-3224, 3236-3242, Mukim of Ulu Lepar, District of Kuantan, State of Pahang Darul Makmur	Land held for projects known as Global Heritage North and South	20/1/2012 / 30/9/2019	406,700	Freehold	60.5
Arabian Bay Resort, Jalan Bukit Gambang Utama, Bukit Gambang Resort City, 26300 Kuantan, Pahang Darul Makmur	Corporate centre and club house, sixty-six (66) units of hotel suites and ten (10) units of penthouse suites together with basement level car park, commercial area and parking lots	14/9/2012 / 30/9/2019	33,661	99 years leasehold	59.8
Bukit Gambang Water Park, Jalan Bukit Gambang Utama, Bukit Gambang Resort City, 26300 Kuantan, Pahang Darul Makmur	Water theme park known as Bukit Gambang Water Park	18/11/2009 / 30/9/2019	287,327	99 years leasehold	49.7
PT 280, PT 282 and part of PT 279, Bandar Padang Mat Sirat, Kampung Kok Langkawi, District of Langkawi, Kedah	Land held for development / mixed development project known as Langkawi Geopark Resort City	1/9/2014	283,283	90 years lease	47.8
Lot 67085 and Lot 67090, Mukim Sungai Petani, Kedah	Land held for development / residential development project	30/9/2015	747,070	Freehold	47.2
15 parcels of land in Mukim Ulu Melaka, Bukit Tekoh, Langkawi, Kedah	Land held for development / mixed development project known as Langkawi Medical Village	1/9/2014	231,027	90 years lease	13.1

## ANALYSIS OF SHAREHOLDINGS

As at 30 July 2020

Total Number of Issued Shares	:	567,277,991 Ordinary Shares (including 9,596,900 Treasury Shares)
Class of Share	:	Ordinary Share
Voting Rights	:	One (1) Vote per Ordinary Share

### DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 - 99	71	4.643	2,630	0.000
100 - 1,000	227	14.846	78,785	0.014
1,001 - 10,000	479	31.327	2,436,285	0.436
10,001 - 100,000	608	39.764	21,465,950	3.849
100,001 - 27,884,053*	141	9.221	188,830,989	33.860
27,884,054 and above**	3	0.196	344,866,452	61.839
<b>Total</b>	<b>1,529</b>	<b>100.000</b>	<b>557,681,091<sup>^</sup></b>	<b>100.000</b>

#### Notes:-

- \* less than 5% of issued shares
- \*\* 5% and above of issued shares
- <sup>^</sup> excluding treasury shares of 9,596,900

### SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest		Indirect Interest	
	No. of Shares	% <sup>#</sup>	No. of Shares	% <sup>#</sup>
Sentoria Capital Sdn Bhd	284,700,428	51.051	—	—
Dato' Chan Kong San	—	—	284,700,428 <sup>^</sup>	51.051
Dato' Gan Kim Leong	—	—	304,197,368 <sup>^^</sup>	54.547
State Secretary, Pahang	87,666,024	15.720	—	—

#### Notes:-

- <sup>#</sup> Calculated based on 557,681,091 shares, which do not include 9,596,900 treasury shares.
- <sup>^</sup> Deemed interested by virtue of his interest in Sentoria Capital Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- <sup>^^</sup> Deemed interested by virtue of his interest in Sentoria Capital Sdn Bhd and Base Rock Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

### DIRECTORS' SHAREHOLDINGS

Name	Direct Interest		Indirect Interest	
	No. of Shares	% <sup>#</sup>	No. of Shares	% <sup>#</sup>
Datuk Aznam Bin Mansor	—	—	—	—
Dato' Chan Kong San	—	—	284,700,428 <sup>^</sup>	51.051
Dato' Gan Kim Leong	—	—	304,197,368 <sup>^^</sup>	54.547
Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad	—	—	—	—
Mr Wong Yoke Nyen	—	—	—	—
Mr Lee Chaing Huat	—	—	—	—
Datin Sri Lim Mooi Lang	2,000,000	0.359	7,300,000*	1.309

## ANALYSIS OF SHAREHOLDINGS

As at 30 July 2020

### DIRECTORS' SHAREHOLDINGS (CONT'D)

#### Notes:-

- # Calculated based on 557,681,091 shares, which do not include 9,596,900 treasury shares.
- ^ Deemed interested by virtue of his interest in Sentoria Capital Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- ^^ Deemed interested by virtue of his interest in Sentoria Capital Sdn Bhd and Base Rock Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- \* Deemed interested by virtue of her interest in shares of spouse and child pursuant to Section 59(11)(c) of the Companies Act 2016.

Other than as disclosed above, none of the other Directors of the Company had any interest in shares in the Company or its related corporations as at 30 July 2020.

### LIST OF TOP THIRTY (30) SHAREHOLDERS

(Without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name	Shareholdings	%#
1	Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Sentoria Capital Sdn Bhd</i>	203,205,574	36.437
2	State Secretary, Pahang	87,666,024	15.719
3	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Sentoria Capital Sdn Bhd (021)</i>	53,994,854	9.682
4	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Seriemas Development Sdn Bhd for Sentoria Capital Sdn Bhd</i>	27,500,000	4.931
5	Cartaban Nominees (Asing) Sdn Bhd <i>Exempt an for BOCI Securities LTD (Clients A/C)</i>	25,000,000	4.482
6	Base Rock Sdn Bhd	16,755,100	3.004
7	Perbadanan Kemajuan Pertanian Negeri Pahang	12,100,000	2.169
8	LKPP Corporation Sendirian Berhad	12,045,000	2.159
9	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Francis Chai Kim Lung</i>	10,650,000	1.909
10	Hou Kok Chung	7,000,000	1.255
11	Ng Eng Siong	6,418,000	1.150
12	Grinterra Sdn Bhd	5,517,460	0.989
13	Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Mohd Ibrahim Bin Mohd Zain (Margin)</i>	4,800,000	0.860
14	Tan Siew Bee	4,345,000	0.779
15	Lim Thean Keong	3,664,000	0.657
16	Lembaga Tabung Haji	2,136,750	0.383
17	Base Rock Sdn Bhd	2,135,000	0.382
18	Fan Pik Wah	2,040,000	0.365
19	Choo Kian Woon	2,000,000	0.358
20	Lim Mooi Lang	2,000,000	0.358
21	Sit Mee Leng	1,800,000	0.322
22	Kota Budiseri Sdn Bhd	1,643,400	0.294
23	Chia Hooi Liang	1,500,400	0.269
24	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Ambank (M) Berhad for Anthony Wong Ai Sun (JAKS)</i>	1,273,300	0.228
25	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chin Yong Sang</i>	1,156,176	0.207
26	Maybank Nominees (Tempatan) Sdn Bhd <i>Mtrustee Berhad for Pacific Pearl Fund (UT-PM-PPF) (419471)</i>	1,113,550	0.199
27	Khoo Lee Lee	1,090,000	0.195
28	Chiang Sang Sem	1,020,000	0.182
29	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ng Geok Wah (BBRKLING-CL)</i>	1,000,000	0.179
30	Chuah Hean Teik	1,000,000	0.179
<b>TOTAL</b>		<b>503,569,588</b>	<b>90.297</b>

#### Notes:-

- # Calculated based on 557,681,091 shares, which do not include 9,596,900 treasury shares.



## ANALYSIS OF WARRANT B HOLDINGS

As at 30 July 2020

### WARRANT B

No. of Warrants	:	205,867,236
Exercise Price of Warrants	:	RM0.60
Exercise Period of Warrants	:	9 January 2018 to 9 January 2025
Expiry Right	:	Each Warrant entitles the holder to subscribe for one (1) new ordinary share in the Company at the Exercise Price during the Exercise Period
Voting Rights	:	The holder of Warrants is not entitled to any voting rights

Size of Warrant Holdings	No. of Holders	%	No. of Warrants	%
1 - 99	3	1.796	180	0.000
100 - 1,000	22	13.173	11,820	0.005
1,001 - 10,000	51	30.538	255,720	0.124
10,001 - 100,000	72	43.113	2,585,728	1.256
100,001 - 10,293,360*	16	9.580	8,793,320	4.271
10,293,361 and above**	3	1.796	194,220,468	94.342
<b>Total</b>	<b>167</b>	<b>100.000</b>	<b>205,867,236</b>	<b>100.000</b>

#### Notes:-

\* less than 5% of issued warrants

\*\* 5% and above of issued warrants

### DIRECTORS' WARRANT HOLDINGS

Name	Direct Interest		Indirect Interest	
	No. of Warrants	% <sup>#</sup>	No. of Warrants	% <sup>#</sup>
Datuk Aznam Bin Mansor	—	—	—	—
Dato' Chan Kong San	—	—	180,887,134 <sup>^</sup>	87.866
Dato' Gan Kim Leong	—	—	181,739,094 <sup>^^</sup>	88.280
Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad	—	—	—	—
Mr Wong Yoke Nyen	—	—	—	—
Mr Lee Chaing Huat	—	—	—	—
Datin Sri Lim Mooi Lang	—	—	—	—

#### Notes:-

<sup>^</sup> Deemed interest by virtue of his interest in Sentoria Capital Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

<sup>^^</sup> Deemed interest by virtue of his interest in Sentoria Capital Sdn Bhd and Base Rock Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

## ANALYSIS OF WARRANT B HOLDINGS

As at 30 July 2020

### LIST OF TOP THIRTY (30) WARRANT HOLDERS

(Without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name	Warrant Holdings	%
1	Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Sentoria Capital Sdn Bhd</i>	160,316,062	77.873
2	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Sentoria Capital Sdn Bhd (021)</i>	20,571,072	9.992
3	Ng Say Piyu	13,333,334	6.476
4	LKPP Corporation Sendirian Berhad	4,380,000	2.127
5	Base Rock Sdn Bhd	851,960	0.413
6	Anastasia Amanda Beh Gaik Sim	641,800	0.311
7	Lim Hon Seng	420,100	0.204
8	Wan Leng Whatt	372,000	0.180
9	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Jeffrey Leong</i>	359,500	0.174
10	Chin Yoke Kook	349,500	0.169
11	Lim Kok Leang	341,000	0.165
12	HSBC Nominees (Asing) Sdn Bhd <i>Morgan Stanley &amp; Co. International PLC (Firm A/C)</i>	246,000	0.119
13	Lim Thiam Sang	152,800	0.074
14	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Siew Kim Lim (MY2848)</i>	128,000	0.062
15	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Tan Tian Meng (PB)</i>	120,000	0.058
16	Yap Poh Lay	110,400	0.053
17	Lee Guan Hock	108,160	0.052
18	Grinterra Sdn Bhd	107,100	0.052
19	Lim Moi Seng	105,000	0.051
20	Lee Kok Hoi	100,000	0.048
21	Wong Ching Huu	100,000	0.048
22	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Siew Kim Lim</i>	98,800	0.047
23	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd for Lee Song Jin</i>	95,000	0.046
24	Wong Sau Fah	92,500	0.044
25	Tan Tian Meng	88,000	0.042
26	Wong Lee Yin	77,000	0.037
27	Seah Sook Sun	75,088	0.036
28	Choo Kian Loong	60,000	0.029
29	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Yap Chee Yan (E-KLC)</i>	60,000	0.029
30	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd for Alex Ku Jian Hui</i>	59,100	0.028
<b>TOTAL</b>		<b>203,919,276</b>	<b>99.053</b>

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-First Annual General Meeting of **SENTORIA GROUP BERHAD** (“Company”) will be held at Arabian Ballroom 3, Bukit Gambang M.I.C.E Centre, Arabian Bay Resort, Bukit Gambang Resort City, 26300 Gambang, Pahang Darul Makmur on Wednesday, 30 September 2020 at 10.30 a.m. to transact the following businesses:

### ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial period from 1 October 2018 to 31 March 2020 together with the Directors’ and Auditors’ Reports thereon. *(Explanatory Note 1)*
2. To approve the payment of Directors’ Fees of RM6,000 per month to each of the Non-Executive Directors from the conclusion of the 21st Annual General Meeting until the conclusion of the 22nd Annual General Meeting. **Ordinary Resolution 1**  
*(Explanatory Note 2)*
3. To approve the payment of the following attendance allowances to the Non-Executive Directors from the conclusion of the 21st Annual General Meeting until the conclusion of the 22nd Annual General Meeting: **Ordinary Resolution 2**  
*(Explanatory Note 3)*
  - (i) RM1,500 per Board/shareholders meeting for the Non-Executive Chairman of the Board and RM1,000 per Board/shareholders meeting for each of other Non-Executive Board Members; and
  - (ii) RM1,500 per Board committee meeting for the Non-Executive Board Members who are chairs of the Board committees and RM1,000 per Board committee meeting for Non-Executive Board Members who are members of the Board committees.
4. To re-elect the following Directors who retire pursuant to Article 142 of the Company’s Constitution and who have offered themselves for re-election: *(Explanatory Note 4)*
  - (i) YBhg. Datuk Aznam bin Mansor
  - (ii) Mr. Lee Chaing Huat
5. To re-elect YBhg. Datin Sri Lim Mooi Lang who retire pursuant to Article 103 of the Company’s Constitution and who has offered herself for re-election. **Ordinary Resolution 3**  
*(Explanatory Note 5)*
6. To appoint Grant Thornton Malaysia as Auditors of the Company for the financial year ending 31 March 2021 at such remuneration to be determined by the Directors. **Ordinary Resolution 4**  
*(Explanatory Note 6)*

### SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions, with or without modifications:

7. **Authority to Directors pursuant to Sections 75 and 76 of the Companies Act 2016** **Ordinary Resolution 5**  
*(Explanatory Note 7)*

“**THAT** subject always to the Companies Act 2016 (“**Act**”), the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**MMLR**”) and the approvals of any relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to the authority granted pursuant to this resolution, when aggregated with all shares issued pursuant to Sections 75 and 76 of the Act in the preceding 12 months (calculated in accordance with the MMLR) does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company at the time of issuance of shares and such authority under this resolution shall continue in force until the conclusion of the 22nd Annual General Meeting or when it is required by law to be held, whichever is earlier, and that the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad.”

## NOTICE OF ANNUAL GENERAL MEETING

### 8. Proposed renewal of authority for the Company to purchase its own shares

### Ordinary Resolution 6 (Explanatory Note 8)

**"THAT** subject to compliance with all applicable laws, the Company's Constitution, and regulations and guidelines applied from time to time by Bursa Malaysia Securities Berhad ("**Bursa Securities**") and/or any other relevant regulatory authorities:

(a) approval and authority be and are hereby given for the Company to utilise up to its total retained earnings, based on its latest audited financial statements available up to the date of transaction, to purchase, from time to time during the validity of the approval and authority under this resolution, such number of ordinary shares in the Company (as may be determined by the Directors) from Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company provided that:

- (i) the aggregate number of shares to be purchased and/or held by the Company pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of purchase; and
- (ii) in the event that the Company ceases to hold all or any part of such shares as a result of (among others) cancellations, re-sales and/or distributions of any of these shares so purchased, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceeding 10% of the total number of issued shares of the Company at the time of purchase.

(b) the approval and authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be valid and in force until:

- (i) the conclusion of the next Annual General Meeting ("**AGM**");
- (ii) the expiry of the period within which the next AGM is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting,

whichever occurs first.

(c) approval and authority be and are given to the Directors, in their absolute discretion to:

- (i) deal with the shares so purchased in the following manner:
  - (1) to cancel such shares;
  - (2) to retain such shares as treasury shares;
  - (3) to retain part of such shares as treasury shares and cancel the remainder of such shares; and/or
  - (4) in any other manner as may be prescribed by applicable laws and/or regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force,

and such authority to deal with such shares shall continue to be valid until all such shares have been dealt with by the Directors.

## NOTICE OF ANNUAL GENERAL MEETING

(ii) deal with the existing treasury shares of the Company in the following manner:

- (1) to cancel all or part of such shares;
- (2) to distribute all or part of such shares as dividends to shareholders;
- (3) to resell all or part of such shares on Bursa Securities in accordance with the relevant rules of Bursa Securities;
- (4) to transfer all or part of such shares for the purposes of or under an employees' share scheme;
- (5) to transfer all or part of such shares as purchase consideration; and/or
- (6) in any other manner as may be prescribed by applicable laws and/or regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force,

and such authority to deal with such shares shall continue to be valid until all such shares have been dealt with by the Directors.

(d) approval and authority be and are given to the Directors to take all such actions that may be necessary to give effect to this resolution and, in connection therewith, to do all such acts and things as they may deem fit and expedient in the best interest of the Company."

9. **Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature**

**Ordinary Resolution 7**  
(Explanatory Note 9)

"**THAT** subject always to the Companies Act 2016 ("**Act**"), the Company's Constitution, other applicable laws, guidelines, rules and regulations and the approvals of any relevant governmental and/or regulatory authorities, approval be and is hereby given to the Company and its subsidiary companies to enter into the recurrent related party transactions of a revenue or trading nature with related parties as specified in Section 2.3 of the Circular to Shareholders dated 28 August 2020, provided that such transactions are necessary for the day-to-day operations; in the ordinary course of business and at arms' length based on normal commercial terms which are not more favourable to the related parties than those generally available to the public; and are not detrimental to the minority shareholders of the Company ("**Mandate**") and that such approval shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("**AGM**") following this AGM at which the Mandate is passed, at which time it will lapse, unless by a resolution passed at that meeting, the Mandate is renewed; or
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier;

**AND THAT** authority be and is hereby given to the Directors to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary or expedient to give effect to the Mandate."

10. To transact any other ordinary business of which due notice shall have been given in accordance with the Company's Constitution or the Companies Act 2016.

# NOTICE OF ANNUAL GENERAL MEETING

By Order of the Board

**DATUK TAN LEH KIAH**

MAICSA No.: 0719692

SSM PC No.: 201908002912

Company Secretary

**LIM CHIEN JOO (MS)**

MAICSA No.: 7063152

SSM PC No.: 201908004025

Company Secretary

**CHIN LEE CHYEN (MS)**

MAICSA No.: 7055910

SSM PC No.: 202008001611

Company Secretary

Seri Kembangan, Selangor Darul Ehsan

28 August 2020

**Notes:**

1. A depositor shall not be regarded as a member entitled to attend this Annual General Meeting ("**AGM**") and to speak and vote thereat unless his/her name appears on the Record of Depositors as at 23 September 2020 (which is not less than three clear market days before the date of this AGM) issued by Bursa Malaysia Depository Sdn. Bhd. ("**Bursa Depository**") in accordance with the rules of Bursa Depository.
2. A member entitled to attend, speak and vote at the meeting who is the holder of 2 or more shares is entitled to appoint not more than 2 proxies to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. Provided that having appointed a proxy to attend in his/her stead, if such member personally attends this AGM, his/her proxy shall be precluded from the meeting.
4. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.
6. The Form of Proxy and the duly completed instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be lodged at the Company's Registered Office at 56 & 58 (2nd Floor), Jalan Dagang SB 4/2, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**MMLR**"), all the resolutions set out in the Notice of this AGM will be put to vote by poll.

## NOTICE OF ANNUAL GENERAL MEETING

### Explanatory Notes

#### 1. Audited Financial Statements for the financial period from 1 October 2018 to 31 March 2020

*This item of the Agenda is for discussion purposes only, as Section 340(1)(a) of the Companies Act 2016 ("Act") does not require the shareholders to formally approve the Audited Financial Statements. Hence, this item will not put forward for voting.*

#### 2. Ordinary Resolution 1 - Payment of Directors' Fees from the conclusion of the 21st Annual General Meeting until the conclusion of the 22nd Annual General Meeting

*Article 104 of the Company's Constitution ("Constitution") provides that Directors' Fees shall be determined by the Company in a general meeting.*

*The payment of monthly fixed fees to the Non-Executive Directors is to commensurate and compensate them for their time and effort on an on-going basis for their service to the Company.*

*The full details of Directors' Fees paid during the financial period from 1 October 2018 to 31 March 2020 are further disclosed in Note 27 to the financial statements on pages 117 to 118 respectively of this Annual Report.*

#### 3. Ordinary Resolution 2 - Payment of attendance allowances to the Non-Executive Directors from the conclusion of the 21st Annual General Meeting until the conclusion of the 22nd Annual General Meeting

*The payment of attendance allowances to the Non-Executive Directors is to defray their travelling and other incidental costs for attending Board's, Board committees' and shareholders' meetings.*

*The full details of attendance allowances paid to Non-Executive Directors during the financial period from 1 October 2018 to 31 March 2020 are further disclosed in Note 27 to the financial statements on pages 117 to 118 respectively of this Annual Report.*

#### 4. Re-election of Directors Pursuant to Article 142 of the Company's Constitution

*Article 142 of the Constitution expressly states that at every Annual General Meeting, one-third (1/3) of the Directors (including a Managing Director or an Executive Director) shall retire from office. In addition, Article 142 also states that all Directors including a Managing Director or an Executive Director shall retire from office at least once every three years. A retiring Director shall be eligible for re-election.*

*Both YBhg. Datuk Aznam bin Mansor and Mr Lee Chaing Huat, who retire by rotation in accordance with Article 142 of the Company's Constitution, have expressed their intention not to seek for re-election. Hence, they will retain office until the conclusion of the 21st AGM.*

#### 5. Ordinary Resolution 3 - Re-election of Directors Pursuant to Article 103 of the Company's Constitution

*Article 103 of the Company's Constitution expressly states that the Directors shall have power at any time to time to appoint any other qualified person as Directors, either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Company and any Director so appointed shall hold office only until the next AGM of the Company and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.*

*YBhg. Datin Sri Lim Mooi Lang who was appointed on 16 January 2020 and being eligible, has offered herself for re-election at this 21st AGM pursuant to the above article.*

## NOTICE OF ANNUAL GENERAL MEETING

### 6. Ordinary Resolution 4 - Appointment of Auditors

Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Grant Thornton Malaysia, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office. Grant Thornton Malaysia, have indicated their willingness to be appointed as Auditors for the financial year ending 31 March 2021. The appointment of Grant Thornton Malaysia as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the MMLR.

This proposed Ordinary Resolution 4, if passed, will also give the Directors, the authority to determine the remuneration of the Auditors.

### 7. Ordinary Resolution 5 - Authority to Directors pursuant to Sections 75 and 76 of the Companies Act 2016

The Company has not issued any new shares under the general mandate pursuant to Sections 75 and 76 of the Act for the issuance and allotment of shares up to 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of issuance of the shares, which was approved at the 20th AGM held on 7 March 2019 and which will lapse at the conclusion of this AGM. A renewal of this mandate is sought at this AGM as Ordinary Resolution 5.

This proposed Ordinary Resolution 5, if passed, will give the Directors, from the date of this AGM, the authority to issue and allot shares from the unissued shares of the Company of up to 20% of the total number of shares (excluding treasury shares) of the Company at the time of issuance and for such purposes as the Directors may consider to be in the best interest of the Company. This authority, unless revoked or varied by the Company in general meeting will expire at the conclusion of the 22nd AGM.

As part of the initiative from Bursa Securities to aid and facilitate listed issuers in sustaining their business or easing their compliance with Bursa Securities' rules, amid the unprecedented uncertainty surrounding the recovery of the COVID-19 outbreak and Movement Control Order imposed by the Government, Bursa Securities has via its letter dated 16 April 2020 granted several additional relief measures to listed issuers, amongst others, listed issuers are allowed to seek a higher general mandate under Paragraph 6.03 of Main Market Listing Requirements of not more than 20% of the total number of issued shares (excluding treasury shares) for issue of new securities ("**20% General Mandate**").

This 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. The Board believes that the Company requires a flexible and readily available method of raising capital, to allow the Company to capture suitable prospective investment opportunities in a timely manner.

The Board, having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group to sustain the business, is of the opinion that this 20% General Mandate is in the best interests of the Company and its shareholders, on the following basis:-

- the proposed 20% General Mandate would provide the Company and its subsidiaries with financial flexibility to raise capital expeditiously for its operations, future expansion and business development;
- the proposed 20% General Mandate would allow the Company to raise equity capital promptly rather than the more costly and time-consuming process by obtaining shareholders' approval in a general meeting should the need for capital arise;
- other financing alternatives such as debt financing may incur interest burden to the Company and its subsidiaries; and
- the proposed 20% General Mandate provides the Company with the capability to capture any capital raising and/or prospective investment opportunities if and when they are identified.

This general mandate, if passed, will provide flexibility to the Directors to allot and issue shares for any possible fund raising activities, including but not limited to placement of shares, for the purposes of funding future investments, working capital, acquisitions and/or such other applications as the Directors deem fit without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time.



## NOTICE OF ANNUAL GENERAL MEETING

### 8. Ordinary Resolution 6 - Proposed Renewal of Share Buy-Back Authority

*The proposed Ordinary Resolution 6, if passed, will empower the Directors to buy-back and/or hold up to a maximum of 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of purchase, by utilising the funds allocated which shall not exceed the total retained earnings of the Company, based on its latest audited financial statements available as of the date of the transaction. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM, or the expiration of period within which the next AGM is required by law to be held, whichever is earlier. The details of this proposal are set out in the Statement to Shareholders dated 28 August 2020.*

### 9. Ordinary Resolution 7 - Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature

*The proposed Ordinary Resolution 7, if approved, will allow the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue and trading nature relating to sale of properties to related parties. The details of this proposal are set out in the Circular to Shareholders dated 28 August 2020.*

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("MMLR")

### 1. Details of individuals who are standing for election as Directors (excluding Directors standing for re-election)

No individual is seeking election as Director at the forthcoming 21st Annual General Meeting ("AGM") of the Company.

### 2. General mandate for issue of securities in accordance with Paragraph 6.03(3) of MMLR

The details of the proposed authority for Directors to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note 7 of the Notice of AGM.

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**SENTORIA GROUP BERHAD**  
[Registration No.: 199801007217 (463344-K)]  
(Incorporated in Malaysia)

**FORM OF PROXY**

Number of ordinary shares held

I/We, \_\_\_\_\_ CDS Account No. \_\_\_\_\_  
of \_\_\_\_\_  
being a Member/Members of **SENTORIA GROUP BERHAD**, hereby appoint \_\_\_\_\_  
NRIC No. \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ or  
failing him/her \_\_\_\_\_ NRIC No. \_\_\_\_\_ of \_\_\_\_\_

as failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Twenty-First Annual General Meeting of the Company to be held at Arabian Ballroom 3, Bukit Gambang M.I.C.E Centre, Arabian Bay Resort, Bukit Gambang Resort City, 26300 Gambang, Pahang Darul Makmur on Wednesday, 30 September 2020 at 10:30 a.m. and at any adjournment thereof. My/Our proxy is to vote as indicated below:

Ordinary Business		Resolution	For	Against
1.	To approve the payment of Directors' Fees of RM6,000 per month to each of the Non-Executive Directors from the conclusion of the 21st Annual General Meeting until the conclusion of the 22nd Annual General Meeting.	Ordinary Resolution 1		
2.	To approve the payment of attendance allowances to the Non-Executive Directors from the conclusion of the 21st Annual General Meeting until the conclusion of the 22nd Annual General Meeting on the basis as set out in the Notice of this Annual General Meeting.	Ordinary Resolution 2		
3.	To re-elect YBhg. Datin Sri Lim Mooi Lang as Director.	Ordinary Resolution 3		
4.	To appoint Grant Thornton Malaysia as Auditors of the Company.	Ordinary Resolution 4		
Special Business				
5.	To authorise the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.	Ordinary Resolution 5		
6.	To approve the proposed renewal of authority for the Company to purchase its own shares.	Ordinary Resolution 6		
7.	To approve the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.	Ordinary Resolution 7		

(Please indicate with a "x" as to how you wish your vote/s to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion)

Where two (2) proxies are appointed, please indicate below the proportion of your shareholdings to be represented by each proxy.

First named proxy %

Second named proxy %

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2020

Signature \_\_\_\_\_

(If shareholder is a corporation, this part should be executed under seal)

**Notes:**

- A depositor shall not be regarded as a member entitled to attend this Annual General Meeting ("AGM") and to speak and vote thereat unless his/her name appears on the Record of Depositors as at 23 September 2020 (which is not less than three clear market days before the date of this AGM) issued by Bursa Malaysia Depository Sdn. Bhd. ("Bursa Depository") in accordance with the rules of Bursa Depository.
- A member entitled to attend, speak and vote at the meeting who is the holder of 2 or more shares is entitled to appoint not more than 2 proxies to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
- Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. Provided that having appointed a proxy to attend in his/her stead, if such member personally attends this AGM, his/her proxy shall be precluded from the meeting.
- Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.
- The Form of Proxy and the duly completed instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be lodged at the Company's Registered Office at 56 & 58 (2nd Floor), Jalan Dagang SB 4/2, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), all the resolutions set out in the Notice of this AGM will be put to vote by poll.



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**SENTORIA GROUP BERHAD**

*[Registration No.: 199801007217 (463344-K)]*

The Company Secretaries  
56 & 58 (2nd Floor)  
Jalan Dagang SB 4/2  
Taman Sungai Besi Indah  
43300 Seri Kembangan  
Selangor Darul Ehsan

AFFIX  
STAMP

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## **Sentoria Group Berhad**

[Registration No. : 199801007217 (463344-K)]

56 & 58 Jalan Dagang SB 4/2, Taman Sungai Besi Indah  
43300 Seri Kembangan, Selangor Darul Ehsan  
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