



ANNUAL REPORT

**2022**

Enriching Living Experience

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

*Independent Non-Executive Chairman*

### DATO' CHAN KONG SAN

*Joint Managing Director*

### MS TAN LEE CHIN

*Executive Director  
(Appointed on 6.5.2022)*

### DATIN SRI LIM MOOI LANG

*Independent  
Non-Executive Director*

### MR LEE SWEE MENG

*Independent Non-Executive Director  
(Appointed on 6.5.2022)*

### DATO' GAN KIM LEONG

*Joint Managing Director*

### MR WONG YOKE NYEN

*Senior Independent  
Non-Executive Director*

### MR CHUA ENG CHIN

*Independent Non-Executive Director  
(Appointed on 6.5.2022)*

### MR S NAGARAJU A/L SINNIH

*Independent Non-Executive Director  
(Appointed on 6.5.2022)*

## AUDIT AND RISK MANAGEMENT COMMITTEE

Mr Wong Yoke Nyen  
(Chairman)  
Dato' Hj. Abdul Rahman Bin  
Hj. Imam Arshad  
Datin Sri Lim Mooi Lang

## NOMINATION COMMITTEE

Datin Sri Lim Mooi Lang  
(Chairman)  
Mr Wong Yoke Nyen  
Dato' Hj. Abdul Rahman Bin  
Hj. Imam Arshad

## REMUNERATION COMMITTEE

Datin Sri Lim Mooi Lang  
(Chairman)  
Mr Wong Yoke Nyen  
Dato' Hj. Abdul Rahman Bin Hj.  
Imam Arshad

## 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

## 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

# GROUP CORPORATE STRUCTURE



## SENTORIA GROUP BERHAD

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

### LEISURE & HOSPITALITY

#### Sentoria Themeparks and Resorts Sdn. Bhd.

[Registration No. : 200601028040 (747796-W)]

100%

#### Sentoria Morib Bay Sdn. Bhd.

[Registration No. : 201101027193 (955328-A)]

100%

#### Sentoria Vacation Club Berhad

[Registration No. : 200901007954 (850929-U)]

100%

#### Sentoria Borneo Samariang Sdn. Bhd.

[Registration No. : 201301015066 (1044899-X)]

100%

#### Sentoria Leisure Langkawi Sdn. Bhd.

[Registration No. : 200501005706 (682753-T)]

100%

#### Sentoria Land Sdn. Bhd.

[Registration No. : 201301018778 (1048608-M)]

100%

#### Ataria Asia Sdn. Bhd.

[Registration No. : 201501034710 (1160030-V)]

100%

### PROPERTY DEVELOPMENT

#### Sentoria Property Services Sdn. Bhd.

[Registration No. : 199901002917 (477817-P)]

100%

#### Sentoria Alam Sdn. Bhd.

[Registration No. : 200301023349 (625769-P)]

100%

#### Sentoria Alfa Sdn. Bhd.

[Registration No. : 200301030531 (632951-M)]

100%

#### Sentoria Bina Sdn. Bhd.

[Registration No. : 199901002914 (477814-V)]

100%

#### Sentoria Harta Sdn. Bhd.

[Registration No. : 200201031993 (599658-M)]

100%

#### Sentoria Borneo Land Sdn. Bhd.

[Registration No. : 201301015011 (1044844-V)]

100%

#### Sentoria Langkawi Sdn. Bhd.

[Registration No. : 201301043118 (1072940-A)]

75%

#### Sentoria Utara Sdn. Bhd.

[Registration No. : 201401038085 (1114233-A)]

75%

#### Sentoria IBS Sdn. Bhd.

[Registration No. : 201701046551 (1260727-D)]

100%



## FINANCIAL HIGHLIGHTS

		restated	18 months restated	restated	
FYE	2017 <sup>(1)</sup> RM'000	2018 <sup>(1)</sup> RM'000	2020 <sup>(2)</sup> RM'000	2021 <sup>(3)</sup> RM'000	2022 <sup>(3)</sup> RM'000
Revenue	280,415	241,369	202,961	35,171	53,827
Profit/(Loss) before taxation	51,365	10,177	(81,640)	(147,022)	(93,506)
Profit/(Loss) after taxation	38,032	16,506	(95,018)	(170,190)	(97,117)
Net profit/(loss) attributable to owners of the Company	38,029	16,508	(93,999)	(160,649)	(95,032)
Shareholders' equity	446,468	523,645	439,731	265,182	159,146
Total assets	1,023,070	1,203,907	1,116,236	988,275	859,250

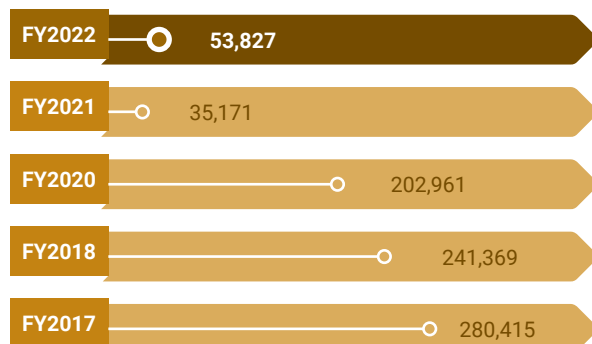
Notes:

(1) For the financial year ended 30 September

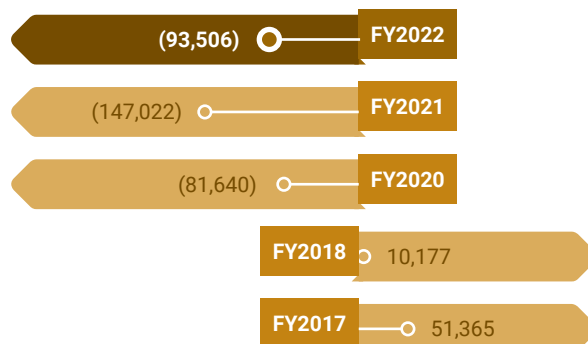
(2) For the financial period from 1 October 2018 to 31 March 2020

(3) For the financial year ended 31 March

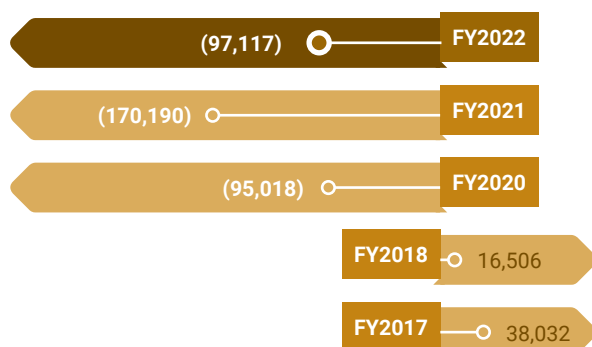
### REVENUE (RM'000)



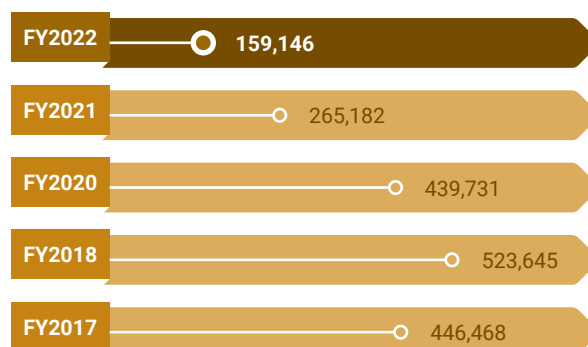
### PROFIT BEFORE TAXATION (RM'000)



### PROFIT AFTER TAXATION (RM'000)



### SHAREHOLDERS' EQUITY (RM'000)



# MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

## ECONOMIC REVIEW

### Overview and Outlook of the Malaysian Economy

Since the onslaught of the unprecedented COVID-19 pandemic, the global economy has been significantly derailed with notable disruptions to both the economic and social environment.

With the easing of the pandemic-driven containment measures and the assistance and economic stimulus packages implemented by the government since the COVID-19 outbreak, the Malaysian economy has seen a 3.6% year-on-year growth in Q4 of 2021, rebounding sharply from a 4.5% contraction in Q3. For the whole year of 2021, the economy improved by 3.1%, recovering from a negative 5.6% in 2020.

For Year 2022, the Central Bank of Malaysia has anticipated that the Malaysian economy will continue to be on its recovery path. As the economy recuperates, the resumption of domestic demand and the efficacy in fiscal policies for economy stimulation, as well as the curbing of new virus variants are among the key factors to be closely monitored in determining the momentum of the recovery. Other factors expected to support the economy's growth include the continued expansion in global demand and major investment programme in both public and private sectors, which are expected to create more opportunities for the local market.



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

The Malaysian economy grew by 5.0% in the first quarter of 2022 (Q4 2021: 3.6%). Growth was supported mainly by higher domestic demand as economic activity continued to normalise with the easing of containment measures. The improvement also reflects the recovery in the labour market and continued policy support. In addition, strong external demand, amid the continued upcycle in global technology, provided a further lift to growth. In terms of economic activity, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy registered an increase of 3.9% (Q4 2021: 4.6%).

During the first quarter of 2022, domestic demand expanded by 4.4% (Q4 2021: 1.9%). Growth was supported by higher consumption and improvement in investment activities amid the normalisation of economic activity. On the external front, demand for Malaysia's exports, particularly for electrical and electronics products, remained strong.

Private consumption grew at a faster pace of 5.5% in the first quarter of 2022 (Q4 2021: 3.7%), supported by higher spending on necessities and selected discretionary items such as restaurants and hotels, recreational services and household furnishings. The continued strength in consumer expenditure was primarily driven by the recovery in the labour market with higher wage and employment growth. Policy measures, such as "Bantuan Keluarga Malaysia", also provided additional support to consumer spending.

Public consumption grew by 6.7% in the first quarter of 2022 (Q4 2021: 1.6%). The expansion was driven mainly by higher growth in supplies and services amid continued support from COVID-19 related expenditure, including vaccine procurement and logistics spending.

*(Source: BNM Quarterly Bulletin, the Fourth Quarter 2021 and the First Quarter of 2022)*

### **Overview and outlook of the construction industry in Malaysia**

The construction sector is expected to record a marginal contraction of 0.8% in 2021 compared with a double-digit decline in 2020, according to the Ministry of Finance.

The national property market for residential and non-residential segments was affected by the COVID-19 pandemic. As for the residential segment the impact was reflected by the decreasing number of incoming supply units. In addition, the house price index for Malaysia registered an unprecedented negative growth in the second quarter of 2021. Similarly, the non-residential segment recorded a decline in its occupancy rate for both retail and office spaces.

The construction sector contracted at a smaller pace of 6.2% in the first quarter of 2022 (Q4 2021: -12.2%). Progress in new and existing commercial and industrial projects continued to support activity in the non-residential subsector. Meanwhile, the implementation of small-scale projects under the Budget 2022 sustained growth in special trade activities. Growth in the civil engineering and residential subsectors improved but remained subdued.

Growth in the construction sector is expected to rebound in 2022 following the reopening of the economy. Ongoing construction activity in large infrastructure projects and implementation of small-scale projects under the 2022 Budget measures will support growth in the civil engineering and special trade subsectors. Meanwhile, the residential subsector will benefit from new housing projects and launches in tandem with the expected recovery in demand as income and employment prospects improve. Growth in the non-residential subsector is expected to be lifted by both existing and new commercial and industrial projects.

*(Source: Economic Outlook 2022, Ministry of Finance; BNM Quarterly Bulletin, the First Quarter of 2022 and BNM Economic and Monetary Review 2021 )*

# MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

## Overview and Outlook of the Tourism Industry in Malaysia

Tourism and related activities continue to be badly affected by the pandemic. Tourism is one of the world's major economic sectors and, overall, it is the third largest export sector of the global economy. Tourism is one of the sectors most affected by the COVID-19 pandemic, impacting economies, livelihoods, public services and opportunities on all continents. All parts of its vast value-chain have been affected. The United Nations World Tourism Organization estimated that the global export revenue from tourism was USD700 billion in 2021, fell by USD 1 trillion as compared to pre-pandemic level in 2019 of USD 1.7 trillion. This is a significant loss as tourism supports one in 10 jobs and provides a livelihood for millions in the developing and developed economies. According to the World Tourism Organization (UNWTO), the COVID-19 pandemic is likely to cost the tourism industry a loss of almost 100 million jobs worldwide, in addition to sectors associated with tourism such as labour-intensive accommodation and food services industries that provide employment for 144 million workers worldwide. Small businesses (which shoulder 80% of global tourism) are particularly vulnerable. Based on the UNWTO World Tourism Barometer, the number of tourist arrivals worldwide recorded in 2021 was 415 million, compared to 400 million people in 2020 and 1.5 billion people in 2019. The reduction of more than 1 billion tourists comparing 2019 level represented a decrease of 73%.

The COVID-19 pandemic resulted in a plummet of 97% of inbound tourists to Malaysia in 2021, with only 0.13 million tourist arrivals, compared to 4.3 million in 2020 (2019: 26.1 million people). The fall was the worst ever recorded in the country's tourism history.

Internal tourism consumption comprises inbound tourism expenditure and domestic tourism expenditure. A total of RM52.4 billion of internal tourism consumption was generated in 2020 (2019: RM182.1 billion). The disruption in demand caused overall internal tourism consumption in 2020 to decline by 71.2% compared to a growth of 6.8% in the previous year. Inbound tourism expenditure was hit hard, recording a plunge of 84.6% while domestic tourism experienced a drop of 58.3%. In 2021, the inbound tourism expenditure fell by 98%, to RM0.24 billion from RM12.7 billion in 2020 (2019: RM86.1 billion).

According to the economists, the Malaysian tourism sector is only expected to fully recover in 2024 to pre-COVID 19 pandemic levels seen in 2019, in anticipation that tourist arrivals will be slow and gradual in 2022 and 2023 on high costs and limited corporate budget, while China is likely to keep borders closed to curb the spread of COVID-19.

(Source: World Tourism Organisation, UNWTO; Tourism Malaysia and Department Statistics Malaysia)

## 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 mainly 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.

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 is also the home of the first Malaysian-born white lion cub (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 the animals roaming free in their natural habitats.

The other theme parks under the Group's Leisure and Hospitality Division ("LHD") include the Borneo Samariang Water Park ("BSWP") in Kuching-Sarawak and Langkawi Nature Park ("LNP") in Langkawi-Kedah.



# MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

## FINANCIAL REVIEW

### **Financial Performance**

The COVID-19 pandemic since the end of 2019 has affected operations of the Group in the Leisure and Hospitality and Property Development Divisions during the financial year.

For the financial year ended 31 March 2022 ("FY2022"), the Group achieved a revenue of RM53.8 million, representing a 53% increase from FY2021. Property Development Division ("PDD") continued to be the major contributor to the Group's revenue with RM53.6 million for FY2022.

The Group recorded gross loss of RM19.7 million for FY2022 as compared to gross loss of RM40.7 million in FY2021. Lower gross loss in FY2022 was mainly due to the PDD suffer bigger margin compressions in FY2021 arising from rising construction and development costs, and associated costs from project delays.

Similarly, gross margin for LHD had also taken a hit from the COVID-19 pandemic as all leisure parks were closed during the current financial year, resulting in high fixed or semi-fixed operating costs incurred without a commensurate level of revenue.

The loss attributable to the equity owners was RM95 million for FY2022, representing a decrease in loss of RM65.6 million from a loss of RM160.6 million in FY2021.

Aside from the earlier mentioned increase in revenue and gross margin, the loss position was further weighed down by the following:

- Impairment loss on property, plant and equipment and re-measurement of inventories;
- finance costs;

Premised on the above, the basic and diluted earnings per share of the Group was negative 17.0 sen in FY2022, an improvement from a negative 28.8 sen in FY2021.

### **Financial Position**

Equity attributable to owners of the Company decreased from RM274.8 million as of 31 March 2021 to RM170.8 million as of 31 March 2022, mainly due to the net losses for the current financial year.

The Group's total assets had decreased by RM129 million or 13.1% to RM859.3 million as of 31 March 2022, mainly due to disposal of inventories, decrease in trade and other receivables balances, impairment and depreciation of property, plant and equipment as at the financial year end.

Similarly, the total liabilities of the Group had decreased from RM723.1 million as of 31 March 2021 to RM700.1 million as of 31 March 2022, primarily contributed by lower borrowings and trade payables, set off by higher balances in contract liabilities.

Consolidating the above, the net assets per share of the Group had decreased from 49 sen to 31 sen.

(Note: Net assets per share is calculated based on total equity as at year-end divided by the weighted average number of ordinary shares outstanding during the financial year.)

The Group's current ratio had decreased from 0.38 times as of 31 March 2021 to 0.29 times as of 31 March 2022. On the other hand, the Group's gearing ratio (calculated as total borrowings divided by shareholders' equity) as at 31 March 2022 was 256.8% as compared to that of 168.4% as at 31 March 2021 primarily due to the lower shareholder funds as of 31 March 2022.

# MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

## **Liquidity and capital resources**

The Group has net cash used of RM12.0 million for FY2022 as compared to net cash used of RM4.3 million for FY2021. The details of these changes in cash flows are as follows:

- (i) Net cash generated from operating activities for FY2022 was RM39.3 million, as compared to RM3.6 million in FY2021. This was mainly due to the net inflows from working capital changes of RM76.5 million (FY2021: inflow of RM65.5 million) mitigated by the overall loss before tax from operations during FY2022.
- (ii) Net cash used in investing activities for FY2022 was RM3.8 million, as compared to a net cash used of RM0.5 million for FY2021 due to capital expenditure for Kuantan, Kuching and Morib offset against by the uplift of fixed deposits with licensed banks and proceeds from disposal of non-current asset held for sale during the financial year.
- (iii) Net cash used in financing activities for FY2022 increased to RM47.6 million from RM7.5 million in FY2021, due to repayment of borrowings and lease liabilities.

## **REVIEW OF BUSINESS OPERATIONS**

### ***Property Development Division ("PDD")***

The Group has an established track record of over 20 years in the property development and construction industry in Malaysia. To-date, we have completed and delivered more than 11,000 units of properties with the property value of more than RM1.6 billion to the property buyers.

Of these, 1,565 units were completed and delivered to the property buyers from January 2020 up to April 2022 despite the challenges arising from the COVID-19 pandemic and financial issues faced by the Group.

Approximately 90% of these are affordable housing projects with average selling price below RM200,000 per unit.

### ***Kuantan***

From April 2021 to April 2022, the Group has successfully delivered vacant possession of a property project comprising 255 units of houses in Taman Indra Sempurna 3 Phase B located in Kuantan to house buyers.

The Group's current on-going development and construction projects in Kuantan include "design and build" projects such as Taman Damai Sempurna 1 Phase B, Taman Indra Sempurna 3 Phase C as well as the third Pembangunan Perumahan Rakyat 1Malaysia (PR1MA) Project ("PR1MA 3") and Taman Bukit Rangin 1 Phase B, are all situated along Jalan Kuantan - Pekan.

Total GDV and contract value of the above on-going developments (including design and build contracts) in Kuantan is approximately RM69.2 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 main projects in Morib comprises a total of 357 units of single-storey terrace houses undertaken through Project Mawar (44 units), Seroja (165 units) and Orkid-RSKU (148 units); as well as 630 apartment units under the affordable housing scheme Rumah Selangorku ("RSKU"). Total GDV for these ongoing projects is approximately RM212.0 million.

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

### ***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, and commercial and residential properties.

The on-going developments in Borneo Samariang Garden ("BSG"), the residential and commercial component of BSRC, include 428 units of Ataria service apartments and 586 units of single-storey terrace houses, with an aggregate GDV of approximately RM214.2 million.

As at 31 March 2022, the total outstanding order book and unbilled sales amounted to RM280.0 million from its ongoing projects in Kuantan, Morib and Kuching.

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

The LHD with facilities in BGRC, BSWP and LNP is loss making in FY2022 as the leisure park facilities are capital intensive in nature with fixed or semi-fixed operating costs. The losses in this segment of RM50.3 million was partly attributable to the other non-cash expenses arising from impairment loss of RM32.9 million from property, plant and equipment and other assets under the LHD, after taking into consideration the impact of COVID-19 pandemic and performance of its cash generating units.

Finance costs and fixed overhead continued to be incurred by LHD despite limited revenue from its theme parks in Bukit Gambang, Kuching and Langkawi which were not in operation due to the COVID-19 pandemic.

It is envisaged that the LHD will take a longer time to return to its normal operation level and achieve its pre-COVID-19 revenue performance levels.

## PROSPECTS AND OUTLOOK

The COVID-19 pandemic has adversely impacted the overall economy across the globe and the Group is not spared from the negative effects of the pandemic. However, as the pandemic gradually subsides and with the relaxation of containment measures including the reopening of international borders, the global economy is expected to gradually recover in the near future.

As Malaysia transitioned to the "endemic phase" of COVID-19 with effect from 1 April 2022 and following the reopening of international borders, the outlook of Malaysia's tourism industry is expected to improve. Moreover, the higher vaccination rates worldwide and the introduction of vaccine passports in certain countries will support the recovery of the tourism, leisure and hospitality industries. The Group plans to re-open certain of its theme parks in the second half of FY2023.

Nonetheless, the Group remains cautious on the overall global outlook in view of the hike in interest rates and the current Ukraine-Russia conflict which had caused oil prices to go up. Despite the aforementioned is not expected to have direct significant impacts on Malaysia, it may have potential consequential impacts through the increase in construction material prices and logistics costs arising from disruptions in the global supply chain.

However, we do foresee that the increase in interest rates and hike in oil prices will directly impact the costs of our operation and reduce our profit margins.

The Property Development Division will continue to be the Group's main focus, which is currently backed with a total outstanding order book and unbilled sales of approximately RM280 million as at 31 March 2022 from its on-going projects in Kuantan, Morib and Kuching. These on-going projects together with the planned launches are anticipated to continue to contribute positively to the Group in the foreseeable future.

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

Under the strong leadership of our Joint Managing Directors with more than 30 years of experience in property development and construction, we have an experienced and dedicated team which is helping us to be the preferred choice builder and to remain competitive in the property development and construction industry.

We continue to place high emphasis on human capital development including continuous training and updating of our employees' knowledge and technical skills. We are committed to enhance their personal skills and contribution to the organisation and to empower them through an array of training and development programmes as we understand that investment in our human resources is one of the key aspects to ensure sustainable growth for the Group.

As the Group continues to build and strengthen its brand and presence in the local property development and construction industry, we strongly believe the key to success lies in delivering superior quality service and products to meet our clients' requirement and to ensure their satisfaction.

The affordable housing development is also in line with the Malaysian Government's thrust to encourage ownership of affordable houses by the B40 and M40 households. The Group will 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.

Amid this challenging time, the Group will continue to build resilience by closely monitoring the Group's liquidity and capital adequacy. The Group had taken steps to address its financial challenges which, among others, include obtaining the assistance of the Corporate Debt Restructuring Committee (CDRC) to mediate with the financing banks to restructure their facilities to the Group. The Group has entered into restructuring agreements (under CDRC) with its lenders.

Schemes of Arrangement ("SOA") are also in place to deal with the debts owing to major unsecured creditors of the Group. Pursuant to the SOA, these debts will be paid over a period of 6 years. These will further ease the cash flow requirements of the Group.

Barring unforeseen circumstances, the Group anticipates business operations from its Property Development Division and Leisure and Hospitality Division to take at least 24 months from the date of this report for their business to return to pre-COVID-19 revenue performance levels.

With the mutual cooperation and kind understanding of its various bankers and stakeholders, the Group is determined to overcome its present performance set-back to restore itself to a stronger financial footing.





# CHAIRMAN'S STATEMENT

*Dear Valued Shareholders,*

It is a great honour to address you all as the  
Chairman of Sentoria Group Berhad  
("Sentoria" or the "Group"), and  
on behalf of the Board of Directors ("**Board**")  
I present you the Annual Report and Audited  
Financial Statements of the Group for the  
financial year ended 31 March 2022 ("FY2022").



## CHAIRMAN'S STATEMENT

My focus as Chairman will be on the strategic macro-direction of the Group, with talent development as a priority to ensure the sustainability of the organisation. It is my ardent hope to continue fostering a conducive, high-performing organisational culture at Sentoria centred on meritocracy and competence that will ensure the Group's competitiveness and resilience to endure any future shocks or challenges.

The world faced an unprecedented health, social and economic emergency as a result of the COVID-19 outbreak. Tourism was among the most affected sector

due to disruptions in demand as a result of travel restrictions and the closure of the international borders by most countries.

Throughout this pandemic, our employees have been the bedrock of our resilience, pushing forward in the face of adversity to continue delivering time and again. And in today's fast-changing and dynamic operating environment, talents who are technologically savvy and who think along the triple bottom-line of people, planet and profit are essential in ensuring long-term value creation and success of the organisation.

### REVIEW OF GROUP'S PERFORMANCE

FY2022 was another extraordinary year as the world and the country continued to feel the effects of a new normal scenario dictated by the ups and downs of the COVID-19 pandemic. The various movement control orders in FY2022 continued to disrupt regular business operations, especially for the tourism industry and the property development and construction industry, which also faced a workforce shortage due to our nation's migrant worker crunch.

The unprecedented COVID-19 pandemic remains a great challenge to most industries which have been impacted immensely by the current economic condition.

In FY2022, working capacities for property development and construction activities were greatly curtailed during the different stages of the Movement Control Order. As a result, the Property Development Division ("PDD") suffered margin compressions arising from rising construction and development costs, and associated costs from project delays.

Similarly, the business performance of the Leisure and Hospitality Division ("LHD") had also taken a significant hit due to disruptions in demand as a result of travel restrictions and the closure of the international borders by most countries. Without a commensurate level of

revenue generated from visitors to the leisure parks and hotels operated by the Group, the high fixed or semi-fixed operating costs had led to a loss-making position for the division as a whole.

The Group implemented several restructuring measures during the financial year in response to these conditions, including seeking financial support from financial institutions, vendors and business partners. The Group also engaged a consulting firm to assist with the restructuring related matters.

Further analysis on the Group's financial performance is set out in the "Management Discussion and Analysis of Business Operations and Financial Performance" ("MD&A") on pages 5 to 11 of this Annual Report.

Notwithstanding the restrictions on property development and construction activities during FY2022, the Group has successfully completed and delivered 255 units of affordable houses with average selling price below RM200,000 per unit to the property buyers from its ongoing projects from April 2021 to April 2022. This has been achieved despite the financial challenges faced by the Group which were exacerbated by the COVID-19 pandemic.

### PROSPECTS

While uncertainties on the economic landscape remain a concern to the local industries, the economic stimulus packages introduced by the Malaysian Government are anticipated to aid local businesses to recoup earnings as the economy recovers.

In line with the Malaysian Government's thrust to encourage ownership of affordable houses by the B40 and M40 households, the Group will continue to focus on its core competency in the development of affordable housing projects. Premised on the encouraging sales performance for new projects launched during FY2022, the PDD is expected to continue to contribute positively

to the Group and help weather through the current challenges faced by the Group.

As Malaysia transitioned to the "endemic phase" of COVID-19 with effect from 1 April 2022 and following the reopening of international borders, the outlook of Malaysia's tourism industry is expected to improve. Moreover, the higher vaccination rates worldwide and the introduction of vaccine passports in certain countries will support the recovery of the tourism, leisure and hospitality industries. The Group plans to re-open certain of its theme parks in the second half of FY2023.

## CHAIRMAN'S STATEMENT

### PROSPECTS (CONT'D)

To aid the current financial difficulties faced by the Group, assistance has been obtained from the Corporate Debt Restructuring Committee to address its financial obligations with the financing banks in conjunction with Scheme of Arrangement with the existing trade creditors sanctioned by the Court following the Restraining Orders granted. These would help ease the financial burdens of the Group and allow it to recalibrate its financial structure to restore and maintain an adequate level of working capital.

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.

With the economy reopening and the operating environment being eased, we look forward to better years ahead.

### APPRECIATION

I and my fellow Directors would in closing, like to thank our shareholders, employees, customers, business partners, associates and bankers, for the continuing support of 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 FY2022.

Lastly, I thank my fellow Directors and all Sentorians for their loyal and dedicated services in overcoming challenges despite the trying operating conditions. May we continue to step forward, moving together towards developing shared value creation for both the Group and all stakeholders.

|||||

**Dato Dato' Hj. Abdul Rahman bin Hj. Imam Arshad**

Chairman of the Board

18 July 2022

## BOARD OF DIRECTORS' PROFILE

### Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad

Independent Non-Executive Chairman

...  
**Nationality**  
Malaysian

...  
**Gender**  
Male

...  
**Aged**  
72

Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad was appointed as an Independent Non-Executive Director on 1 October 2015 and was re-designated as Independent Non-Executive Chairman on 30 September 2020. He is presently a member of our Audit and Risk Management, Remuneration and Nomination Committee.

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 five (5) Board meetings held during the financial year ended 31 March 2022.

### Dato' Chan Kong San

Joint Managing Director

...  
**Nationality**  
Malaysian

...  
**Gender**  
Male

...  
**Aged**  
61

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.

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 five (5) Board meetings held during the financial year ended 31 March 2022.



## BOARD OF DIRECTORS' PROFILE

### Dato' Gan Kim Leong

Joint Managing Director

...

**Nationality**  
Malaysian

...

**Gender**  
Male

...

**Aged**  
60

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 five (5) Board meetings held during the financial year ended 31 March 2022.

### Ms Tan Lee Chin, Shirley

Executive Director

...

**Nationality**  
Malaysian

...

**Gender**  
Female

...

**Aged**  
53

Ms Tan Lee Chin was appointed to the Board as an Executive Director on 6 May 2022.

Ms Tan graduated with a LLB (Honours) from the University of Northumbria, United Kingdom. In 1993, she joined a property development and construction company. During her tenure in the said company, she has pioneered to develop the marketing, finance and administrative division of the company. Since then, she has gained substantial

experience in the property development, financial, marketing, business management, capital market and corporate restructuring. In recognition of her outstanding entrepreneurial achievements, she has received an Outstanding Entrepreneur Award at the Golden Bull Award.

She is also the Deputy Chairman and Managing Director of TWL Holdings Berhad (formerly known as Tiger Synergy Berhad).

## BOARD OF DIRECTORS' PROFILE

### Mr Wong Yoke Nyen

Senior Independent Non-Executive Director

...  
**Nationality**  
Malaysian

...  
**Gender**  
Male

...  
**Aged**  
63

Mr Wong Yoke Nyen was appointed as an Independent Non-Executive Director on 8 October 2012 and was re-designated as Senior Independent Non-Executive Director on 30 September 2020. 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 addition, he holds an Advance Diploma in Corporate Finance awarded jointly by the Institute of Chartered Accountants in England and Wales and the Chartered Institute for Securities Investment. Correspondingly, he is also a member of the Institute of Chartered Accountants in England and Wales (Corporate Finance Faculty).

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 Benalec Holdings Berhad, Focus Lumber Berhad, Export-Import Bank of Malaysia Berhad, Hap Seng Consolidated Berhad and Pertama Digital Berhad.

He attended all five (5) Board meetings held during the financial year ended 31 March 2022.

### Datin Sri Lim Mooi Lang

Independent Non-Executive Director

...  
**Nationality**  
Malaysian

...  
**Gender**  
Female

...  
**Aged**  
54

Datin Sri Lim was appointed as an Independent Non-Executive Director, a member of the Audit and Risk Management, Remuneration and Nomination Committee on 16 January 2020 and was re-designated as Chairman of Remuneration and Nomination Committee on 30 September 2020.

She graduated from University of Malaya with a Bachelor of Accounting in 1993. She is a member of the Malaysian Institute of the Certified Public Accountants and a chartered accountant with the Malaysian Institute of Accountants. Datin Sri Lim has more than 28 years of experience in accounts

and taxation. She joined the Lion Group in May 1993, of which she is now a General Manager of Tax, Finance Division. She is actively involved in the corporate exercises of the Group including corporate restructuring, mergers, acquisitions and divestments.

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

She attended all five (5) Board meetings held during the financial year ended 31 March 2022.

## BOARD OF DIRECTORS' PROFILE

### Mr Chua Eng Chin

Independent Non-Executive Director

...

**Nationality**  
Malaysian

...

**Gender**  
Male

...

**Aged**  
63

Mr Chua Eng Chin was appointed as an Independent Non-Executive Director on 6 May 2022.

Mr Chua is a qualified Chartered Accountant since 1984. He is a registered Fellow Member of the Association of Chartered Accountants (United Kingdom) and Malaysian Institute of Accountants (MIA). He has extensive experience in auditing and consultancy. He held various key positions with some established companies, i.e., as an internal

auditor of Lion Group and Berjaya Group. He also has served as Senior Accountant in Berjaya Textiles Berhad and Senior Manager in Malpac Holdings Berhad. Currently, he is a Commissioned Dealer Representative with PM Securities Sdn. Bhd.

He is also the Non-Independent Non-Executive Director of TWL Holdings Berhad (formerly known as Tiger Synergy Berhad).

### Mr Lee Swee Meng

Independent Non-Executive Director

...

**Nationality**  
Malaysian

...

**Gender**  
Male

...

**Aged**  
65

Mr Lee Swee Meng was appointed as an Independent Non-Executive Director on 6 May 2022.

Mr Lee holds a Master's Degree in Business Administration from Phoenix International University, New Zealand in 2005, Sijil Amalan Guaman (Certificate in Legal Practice) from Lembaga Kelayakan Profesion Undang-Undang, Malaysia (Legal Profession Qualification Board) in 2003, Bachelor of Laws from University Malaya in 2002, and Sijil Guru (Teaching Certificate) from Maktab Perguruan (Teacher's College) in 1981.

He started off his career as a trained government school teacher for nine years (from 1975 to 1984). In November 1984, he joined the Malaysia Royal Police Force and in total he spent 33 years of service as a police officer. His last posting was as the Superintendent of Police as Deputy Officer-in-Charged of Police District, Subang Jaya prior to his retirement in 2017. In 2008, Mr. Lee was admitted to the Bar Council, High Court of Malaya. He is currently the partner of Messrs SM Lee & Co (Advocates & Solicitors).

He is also the Independent Non-Executive Director of Central Global Berhad.

## BOARD OF DIRECTORS' PROFILE

### Mr S Nagaraju A/L Sinniah

Independent Non-Executive Director

...  
**Nationality**  
Malaysian

...  
**Gender**  
Male

...  
**Aged**  
53

Mr S Nagaraju A/L Sinniah was appointed as an Independent Non-Executive Director on 6 May 2022.

Mr S Nagaraju holds a Bachelor of Economics from Universiti Utara Malaysia (UUM). He has extensive experience in developing derivative products such as Interest Rate Future, Commodity Future (Palm Oil), Bond Future and Currency Future.

From the year 1994 to 1999, he served as a Senior Executive in Research Analyst and Products Development with Malaysian Derivative Exchanged (formerly known as Malaysian Monetary Exchange and Commodity & Monetary Exchange). In year 1999 to 2014, he was a Licensed Capital Markets Services Representative and served as Dealer Representative at Hong Leong Investment Bank Berhad. Currently, Mr S Nagaraju is the Chief Executive Officer of Touchcap Sdn. Bhd.

He is also the Independent Non-Executive Director of TWL Holdings Berhad (formerly known as Tiger Synergy Berhad).

#### 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 year ended 31 March 2022.



## KEY SENIOR MANAGEMENT'S PROFILE

### Ms Yip Lye Ying

General Manager – Property Development

• • •	• • •	• • •
<b>Nationality</b>	<b>Gender</b>	<b>Aged</b>
Malaysian	Female	57

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. Khoo Kah Ken

Group Finance Manager

• • •	• • •	• • •
<b>Nationality</b>	<b>Gender</b>	<b>Aged</b>
Malaysian	Male	33

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 Group 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).

### Ms Lim Soo Yoon

Assistant General Manager – Finance Operation

• • •	• • •	• • •
<b>Nationality</b>	<b>Gender</b>	<b>Aged</b>
Malaysian	Female	57

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.

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 year ended 31 March 2022.

## 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 April 2021 to 31 March 2022, unless specified otherwise.

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 FY2022 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

Sustainability Vision: To focus on sustainability opportunities to ensure our services take account of the economic, social and environmental impacts.

Our journey of drafting our Sustainability Statement for FY2022 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.***

We are dedicated to actively participate as the responsible homegrown property developer and contractor and the leisure and hospitality industry providers contributing positively to the economy of Malaysia.

# 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

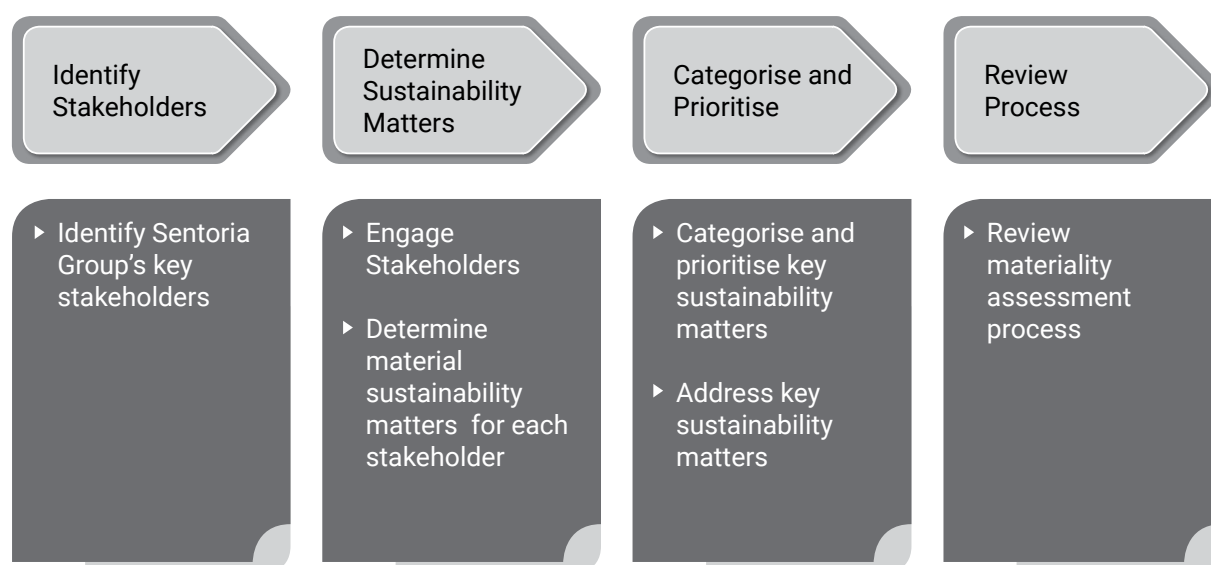
- Implements sustainability initiatives and activities to manage EES risks and opportunities;
- Implements any change in sustainability initiatives, activities and method of implementation as advised by the JMD;
- Carries out Materiality Assessment based on the data collected for monitoring and managing 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 empower 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 (CONT'D)

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, the 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.

In our workplace, we practice environmental awareness. A major initiative to save the trees has been ongoing where we minimise printing and instead view documents electronically. Where printing is necessary, employees are encouraged to practice double sided printing which effectively halves paper consumption. During lunchtime and after working hours or when the meeting rooms are not used, lights and air-conditioning are promptly switched off in order to conserve electricity. We also practice daily monitoring of air-conditioning and lighting usage and ensure that energy efficient equipment be used where possible.

The Group's long term aspirations for this community are to empower people so that the community is self-sustaining.

## 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.

Furthermore, to ensure a safe working environment, as precautionary measures, the Company had also set up a Standard Operating Procedures ("SOP") in relation to the COVID-19 pandemic on top of adherence the SOP in accordance with the rules and regulations as well as the guidelines issued by the Authorities. We have implemented the requirements of social distancing and wearing of face mask at all times. Other precautionary measures such as placing of hand sanitisers at common areas as well as regular sanitisation, have been widely practiced.

To reduce the chances of virus contamination, the management has encouraged virtual meetings with stakeholders, customers, suppliers and/or vendors.

# SUSTAINABILITY STATEMENT

## MATERIAL SUSTAINABILITY MATTERS (CONT'D)

### SOCIAL (CONT'D)

#### 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

Building a strong team is one of our highest priorities as we realise that the success and the continuous growth of the Group also depends on 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.

Training is an important part of improving our employee's skill sets and knowledge and we encourage employees to attend array of training in all areas which provide opportunities to personal and career enhancement of the Group.

In FY2022, given the outbreak of COVID-19 and imposition of the various MCO in our country, our employees faced restrictions to participate in physical training. Nevertheless, the Company has encouraged the employees to participate in virtual seminar/workshop/training of which some employees have endeavoured to take part in such training where available.

#### Diversity

At Sentoria Group, we believe that a diverse workforce is imperative to achieving our goals. Diversity allows us to better respond in the most strategic and effective manner to increasing demands and expectations of our various stakeholders.

We foster and encourage females to join our family and make a difference. As at 31 March 2022, 67% of our key senior management are female despite being in a male dominated industry. We are committed towards promoting gender equality and underscores our recognition of the importance of the participation of women at all levels of the organization.

## 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

## INTRODUCTION

The Board of Directors ("Board" or "Directors") of Sentoria Group Berhad ("Sentoria" or "the Company") is committed to ensuring that high standards of corporate governance are practiced throughout Sentoria and its subsidiaries (collectively referred to as "the Group"). The Board believes that practices of good corporate governance will enhance the credibility and reputation of the Company, as it promotes and safeguards the interests of shareholders and other stakeholders.

The Board is pleased to presents this Corporate Governance Overview Statement ("CG Statement") to provide shareholders and investors with an overview of the corporate governance ("CG") practices of the Group during the financial year ended 31 March 2022 ("FY2022"). This overview takes guidance from the key CG principles set out in the Malaysian Code on Corporate Governance 2021 ("Code").

This Statement is prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and should be read in conjunction with the CG Report 2022 ("CG Report") which is accessible online at the Company's website [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 Code during FY2022.

## 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 Board has overall responsibility for the strategic direction, leadership as well as overseeing the investments and operations of the Group. As a collective body, the Board identifies principal risks and establish goals for management including monitoring the achievement of goals and promoting sustainability to ensure long-term value creation.

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")

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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.

The external training programmes, seminars and/or conferences attended by the Directors in office at the end of FY2022 were as follows:

Directors	Training Programmes
Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad	<ul style="list-style-type: none"> <li>Audit Oversight Board Conversation with Audit Committees by Security Commission</li> </ul>
Dato' Chan Kong San	<ul style="list-style-type: none"> <li>Executing Effective Mergers &amp; Acquisitions (M&amp;A)</li> <li>Latest Tax Audit Issues Faced by Taxpayer</li> </ul>
Dato' Gan Kim Leong	<ul style="list-style-type: none"> <li>Executing Effective Mergers &amp; Acquisitions (M&amp;A)</li> <li>Latest Tax Audit Issues Faced by Taxpayer</li> </ul>
Mr. Wong Yoke Nyen	<ul style="list-style-type: none"> <li>Implementing Amendments in the Malaysian Code of Corporate Governance 2021</li> <li>Transformational Leadership Program by MACD</li> <li>ISRA Islamic Finance for Board Directors</li> <li>Practical Strategies to Turn Pressure into Positive Energy in COVID-19 Era</li> </ul>
Datin Sri Lim Mooi Lang	<ul style="list-style-type: none"> <li>Protecting Trade Secrets in the Time of COVID by Baker McKenzie</li> <li>Property Development – Current Legal and Tax Issues by RDS Associates &amp; Solicitors</li> <li>Business Continuity &amp; Succession Planning by MICPA</li> <li>Audit Oversight Board Conversation with Audit Committees by Security Commission Malaysia</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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### (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. Arising from the amendments to the MAIN Market Listing Requirements on 19 January 2022, the Board has developed the Directors' Fit and Proper Policy which was published on the Company's website.

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 evaluation forms set out in Bursa Malaysia Berhad's Corporate Governance Guide 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

#### 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 assess 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 by Executive Management.

Based on the evaluation carried out for FY2022, 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.

#### Gender Diversity

The Board supports diversity on the Board and in key senior management. Currently, Sentoria has 22%, i.e. two (2) female Directors on the Board out of its nine (9) members, reflects the Group's commitment on gender diversity.

It is also worth noting that 67% or two (2) out of three (3) key senior management members are women.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

##### Gender Diversity (Cont'd)

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. 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 junction.

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.

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 at the end of FY2022 is set below:

Directors	Fee Payable RM'000	Salaries and Other Benefits Payable* RM'000	Attendance Allowances RM'000	Estimated value of Benefits in Kind RM'000	Total RM'000
Dato Chan Kong San	–	2,854	–	10	2,864
Dato Gan Kim Leong	–	2,854	–	10	2,864
Dato' Hj Abdul Rahman bin Hj. Imam Arshad	72	–	16	–	88
Wong Yoke Nyen	72	–	16	–	88
Datin Sri Lim Mooi Lang	72	–	14	–	86

\* Salaries and other benefits payable included salaries and employees provident fund

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### (a) ARMC

The ARMC currently comprises three 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 38 to 41 of this Annual Report.

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

The Board fulfils 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 in 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 FY2022 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 35 to 37 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 is 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, Finance Managers and/or the Company Secretaries within the prescribed requirements of the MMLR and the Group Corporate Disclosure Policy ("**CDP**"). The CDP outlined 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](mailto:investor@sentoria.com.my)

Our Senior Independent Director, Mr Wong Yoke Nyen 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 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 23rd 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 13.1 of the Code, the Company's Notice of the forthcoming 23rd 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 18 July 2022.

## 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 year 31 March 2022 ("FY2022").

### **Material Contracts**

Save for the related party transactions as disclosed in Note 34 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 FY2022 or which were entered into since the end of the previous financial.

### **Audit and Non-Audit Fees**

The audit fees paid or payable by the Company and the Group to the External Auditors for FY2022 amounted to RM37,000 and RM207,000 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 FY2022, the amount concerned was RM3,000 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 responsible 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 and it is assisted by the Risk Management Committee ("**RMC**") comprising the Joint Managing Directors ("**JMDs**"), the Group Finance Manager ("**FM**"), operations 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.

For FY2022, 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 FY2022, 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 financial 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
6. Risk - Business operational sustainability risk arising from changes to the operating conditions.  
Measure - Minimising financing impact of changes to operating conditions. Implemented several restructuring measures which include operational recovery from the COVID-19 pandemic for leisure and property development division, negotiation with the financial institutions and creditors on restructuring and rescheduling the payment for remaining outstanding debts and working capital management.

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 FY2022, 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. 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. The Board and the ARMC meet every quarter to discuss financial performances, business operations and strategies, corporate updates and internal audits findings;
4. Regular training and development programs are attended by employees to enhance their knowledge and competency;
5. Management financial statements and reports are prepared regularly for monitoring of actual performance by the JMDs and senior management;



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTERNAL CONTROL SYSTEM (CONT'D)

The key elements of the Group's system of internal control include (Cont'd):

6. Key functions such as finance, taxation, treasury, corporate secretarial and compliance and legal matters are controlled centrally from Head Office;
7. A fully independent ARMC comprising exclusively Independent Directors with full and unrestricted access to both Internal and External Auditors; and
8. The quarterly financial results and yearly audited financial statements are reviewed by the ARMC prior to their approval by the Board.

### ASSURANCE

The ARMC and Board has reviewed the adequacy and effectiveness of the Group's risk management framework and system of internal control for FY2022 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 ARMC and 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 ARMC and Board half-yearly or as and when required.

The JMDs and the FM have provided assurance to the Board and ARMC that the Group's risk management processes and internal control 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, ARMC 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 18 July 2022.

## 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 year ended 31 March 2022 ("FY2022") and as of the date of this Report together with their attendance record at meetings held during FY2022 are as follows:

Name	Designation	Status of Directorship	No. of meetings attended/No. of meetings held
Wong Yoke Nyen *	Chairman	<i>Senior Independent Non-Executive Director</i>	5/5
Dato' Hj. Abdul Rahman bin Hj. Imam Arshad	Member	<i>Independent Non-Executive Director</i>	5/5
Datin' Sri Lim Mooi Lang	Member	<i>Independent Non-Executive Director</i>	5/5

\* *The Independent Director, Mr. Wong Yoke Nyen's tenure has reached a cumulative term of nine (9) years on 8 October 2021. The Company will seek shareholders' approval for Mr. Wong Yoke Nyen to continue in office as Senior Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting, all others current Independent Directors have been in office for not more than nine (9) years.*

Whilst the ARMC's terms of reference requires the ARMC to meet at least 4 times in a financial year, it met five times during FY2022. The Company Secretaries who are also the Secretaries to the ARMC were in attendance during the meetings. The Group Finance Manager 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.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## SUMMARY OF ARMC'S ACTIVITIES

The following were activities carried out by the ARMC for FY2022:

### (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.

### (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 two occasion in FY2022, engaged the External Auditors in private meetings without the presence of Executive Management.

### (c) Internal Audit

- Reviewed and assessed the adequacy of the scope, resources and functions of the internal audit.
- 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 part 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 23rd Annual General Meeting of the Company.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

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

The following were activities carried out by the ARMC for FY2022 (Cont'd):

(e) Annual Report

- Reviewed and issued this Report for inclusion in the FY2022 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 FY2022 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") during FY2022.
- 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.

## 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"), Accountants registered with Malaysian Institute of Accountants ("MIA") and ASEAN Chartered Professional Accountant ("ASEAN CPA")

(b) Manager : Ms Ong Ai Sim

Qualification: Associate member of Institute of Internal Auditors Malaysia ("AIIA")

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

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.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

### INTERNAL AUDIT FUNCTION (CONT'D)

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 FY2022, the internal audit scope covered the review of the adequacy and effectiveness of the system of internal controls of the following:

(a) Control Review on Property & Construction Division : Project Management (Morib Project)

- Project Cost Monitoring;
- Monitoring of Sub-contractor's Performance;
- Issuance of Work Orders and Variation Orders;
- Sub-contractor's Claim Verification and Authorization;
- Back-charging to Subcontractors for Materials Purchased on Behalf (if any);
- Payments to Sub-contractors; and
- Site Safety Inspection.

The total costs paid or payable for the internal audit function for FY2022 was RM30,000.

**WONG YOKE NYEN**

Chairman of Audit and Risk Management Committee

18 July 2022

# DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2022.

## 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 year.

## FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net loss for the financial year	97,117	68,241
Attributable to:		
Owners of the Company	95,032	
Non-controlling interests	2,085	
	97,117	

## RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year 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 year and up to the date of this report are as follows:

Dato' Hj. Abdul Rahman bin Hj. Imam Arshad  
 Dato' Chan Kong San  
 Dato' Gan Kim Leong  
 Wong Yoke Nyen  
 Datin Sri Lim Mooi Lang  
 Tan Lee Chin (appointed on 6 May 2022)  
 Chua Eng Chin (appointed on 6 May 2022)  
 Lee Swee Meng (appointed on 6 May 2022)  
 S Nagaraju A/L Sinniah (appointed on 6 May 2022)

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 year.

## DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and/or options over ordinary shares of the Company and its related corporations during the financial year 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 1.4.2021	Number of ordinary shares		At 31.3.2022
		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*	284,700,428	–	(4,000,000)	280,700,428
Dato' Gan Kim Leong**	298,614,368	4,812,900	(4,000,000)	299,427,268
Datin Sri Lim Mooi Lang***	7,300,000	–	–	7,300,000
	At 1.4.2021	Number of Warrants-B		At 31.3.2022
		Bought	Sold	
<u>Indirect interest</u>				
Dato' Chan Kong San*	180,887,134	–	–	180,887,134
Dato' Gan Kim Leong**	181,739,094	–	–	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.	At 1.4.2021	Number of ordinary shares		At 31.3.2022
		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 year.

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

## DIRECTORS' BENEFITS

During and at the end of the financial year, 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 year, no Director has received or become entitled to receive any benefits (other than as disclosed in Note 32 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 34 to the financial statements.

There was no indemnity coverage and insurance premium paid for the Directors and officers of the Group and of the Company during the financial year.

## ISSUE OF SHARES AND DEBENTURES

The details and salient terms of Warrants-A and Warrants-B are disclosed in Note 19 to the financial statements.

There were no issuance of shares or debentures during the financial year.

## TREASURY SHARES

There was no repurchased of its own ordinary shares, cancellation or reissuance of treasury shares during the financial year.

As at the end of the financial year:

- (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.

## DIRECTORS' REPORT

### OPTIONS GRANTED OVER UNISSUED SHARES

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

### 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 year 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 year.

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 year 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 year were not substantially affected by any item, transaction or event of a material and unusual nature other than the COVID-19 pandemic as disclosed in Note 40.1 to the financial statements; and
- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

# DIRECTORS' REPORT

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND AFTER THE REPORTING DATE

The significant events during the financial year and after the reporting date are disclosed in Note 40 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 year are disclosed in Note 29 to the financial statements.

There was no indemnity given or insurance effected for the auditors of the Company and its subsidiary companies.

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

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

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

Kuala Lumpur  
18 July 2022

## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 53 to 146 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 2022 and of their financial performance and cash flows for the financial year then ended.

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

.....  
DATO' GAN KIM LEONG

.....  
DATO' CHAN KONG SAN

Kuala Lumpur  
18 July 2022

## 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 53 to 146 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 18th day of )  
July 2022 )

.....  
DATO' GAN KIM LEONG

Before me:

SABRINA BINTI SYD MOHAMED 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 2022 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 53 to 146.

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 2022, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

### Independence and Other Ethical Responsibilities

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

### 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 RM95,032,000 and RM68,241,000 respectively during the financial year. As at 31 March 2022, the Group's and the Company's total current liabilities also exceeded its total current assets by RM442,067,000 and RM102,073,000 respectively. This note further indicates that these financial indicators were compounded by the outbreak of the COVID-19 pandemic since beginning of 2020, which affected the operations of the Group in Property Development Division, and Leisure and Hospitality Division during the financial year.

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.

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 Property Development Division, and Leisure and Hospitality Division and effectiveness on working capital management. If these are not forthcoming, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

Our opinion is not modified in respect of this matter.



# 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

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

### Group

#### *Revenue and expense recognition for property development activities and construction contracts*

**The risk** - The Group recognises revenue and expenses for property development activities and 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 and stage of completion, and the overall progress of projects as to whether provision for liquidated ascertained damages ("LAD") is adequate. As such, we have identified revenue and expense recognition for property development activities and 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. With regards to projects whereby actual progress is behind planned progress, we obtained explanation from management on the cause of the delays, inspected correspondences with customers and sub-contractors and corroborated key judgement applied by management as to whether the provision for LAD is adequate. The Group's disclosures regarding property development activities and construction contracts are included in Notes 3.6.1, 4.9, 4.10, 7, 14, 15, 26 and 27 to the financial statements.

#### *Recognition of deferred tax assets*

**The risk** - The Group has recognised deferred tax assets for 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 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, 4.18.2 and 10 to the financial statements.

# 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 (Cont'd)

##### *Impairment of property, plant and equipment in Leisure and Hospitality Division*

**The risk** - The Group has performed the assessment for the impairment of property, plant and equipment in Leisure and Hospitality Division.

The property, plant and equipment in Leisure and Hospitality Division amounting to RM449,891,000 is significant to the total assets of the Group. The estimation of the recoverable amount which based on the fair value by the external valuer and/or cash flow projections involved significant judgement and assumptions including estimating the growth rate and discount rate. As such, we have identified the impairment of property, plant and equipment in Leisure and Hospitality Division as a significant risk requiring special audit consideration.

**Our response** - Our audit procedures included, interviewed and evaluated the competency, capabilities and objectivity of the external valuer, performed site visits to inspect the conditions of the property, plant and equipment, checked the accuracy and relevance of the input data used in the valuations, obtained an understanding on the management's assessment on the recoverability of the property, plant and equipment, evaluated the appropriateness of the methodology and approach applied in the cash flow projections. The Group's disclosures regarding the impairment of property plant and equipment are included in Notes 3.6.1, 4.3, 4.7 and 5 to the financial statements.

#### Company

There is 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 comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the 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.

### Responsibilities of the Directors for the Financial Statements

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

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

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 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

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.

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.

# 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)

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

### Other Matter

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

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

Kuala Lumpur  
18 July 2022

**LIM SOO SIM**  
(NO: 03335/11/2023 J)  
CHARTERED ACCOUNTANT

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	31.3.2022 RM'000	Group Restated 31.3.2021 RM'000	Restated 1.4.2020 RM'000	31.3.2022 RM'000	31.3.2021 RM'000	1.4.2020 RM'000
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	5	451,934	492,912	508,778	13	25	44
Biological assets	6	461	929	1,577	-	-	-
Inventories	7	147,201	150,066	156,714	-	-	-
Investment properties	8	56,029	53,406	63,822	54,000	51,330	61,100
Investment in subsidiary companies	9	-	-	-	233,942	266,025	272,125
Deferred tax assets	10	21,825	20,837	43,980	-	-	-
Goodwill on consolidation	11	-	3	3	-	-	-
Trade receivables	12	-	-	293	-	-	-
Other receivables	13	-	-	6,096	-	-	-
<b>Total non-current assets</b>		<b>677,450</b>	<b>718,153</b>	<b>781,263</b>	<b>287,955</b>	<b>317,380</b>	<b>333,269</b>
<b>Current assets</b>							
Inventories	7	69,945	110,029	176,700	-	-	-
Contract assets	14	12,446	6,205	17,455	-	-	-
Contract costs	15	11,708	8,520	5,418	-	-	-
Trade receivables	12	38,414	51,801	46,048	-	-	-
Other receivables	13	38,354	68,977	68,257	238	195	208
Amount due from subsidiary companies	9	-	-	-	107,046	138,805	178,274
Tax recoverable		3,034	7,051	5,588	23	30	29
Fixed deposits with licensed banks	16	-	4,246	4,136	-	-	-
Cash and bank balances	17	7,336	12,293	11,371	1,814	1,794	1,799
<b>Total current assets</b>		<b>181,237</b>	<b>269,122</b>	<b>334,973</b>	<b>109,121</b>	<b>140,824</b>	<b>180,310</b>
Non-current asset held for sale	18	563	1,000	-	-	1,000	-
<b>Total assets</b>		<b>859,250</b>	<b>988,275</b>	<b>1,116,236</b>	<b>397,076</b>	<b>459,204</b>	<b>513,579</b>

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	31.3.2022 RM'000	Group Restated 31.3.2021 RM'000	Restated 1.4.2020 RM'000	31.3.2022 RM'000	Company 31.3.2021 RM'000	1.4.2020 RM'000
<b>EQUITY AND LIABILITIES</b>							
<b>Equity attributable to owners of the Company</b>							
Share capital	19	161,778	161,778	161,778	161,778	161,778	161,778
Treasury shares	20	(5,962)	(5,962)	(5,962)	(5,962)	(5,962)	(5,962)
Revaluation reserve	21	66,374	75,738	80,097	33,322	33,767	33,767
Warrant reserve	22	51,467	51,467	51,467	51,467	51,467	51,467
(Accumulated losses)/retained earnings		(102,817)	(8,230)	152,419	(63,512)	4,284	66,672
Non-controlling interests	9	170,840 (11,694)	274,791 (9,609)	439,799 (68)	177,093	245,334	307,722
<b>Total equity</b>		<b>159,146</b>	<b>265,182</b>	<b>439,731</b>	<b>177,093</b>	<b>245,334</b>	<b>307,722</b>
<b>Non-current liabilities</b>							
Contract liabilities	14	278	525	695	-	-	-
Deferred tax liabilities	10	3,983	3,446	3,433	3,792	3,792	4,402
Borrowings	23	5,001	6,313	48,287	4,997	6,098	6,631
Trade payables	24	67,538	-	-	-	-	-
Other payables	25	-	1,789	-	-	-	-
<b>Total non-current liabilities</b>		<b>76,800</b>	<b>12,073</b>	<b>52,415</b>	<b>8,789</b>	<b>9,890</b>	<b>11,033</b>



# STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	31.3.2022 RM'000	Group Restated 31.3.2021 RM'000	Restated 1.4.2020 RM'000	31.3.2022 RM'000	31.3.2021 RM'000	1.4.2020 RM'000
<b>EQUITY AND LIABILITIES (CONT'D)</b>							
<b>Current liabilities</b>							
Trade payables	24	29,992	119,627	100,369	-	-	-
Other payables	25	94,685	73,374	105,266	4,233	3,172	3,139
Contract liabilities	14	64,905	61,657	25,443	-	-	-
Amount due to subsidiary companies	9	-	-	-	106,874	103,593	96,026
Tax payable		-	4	4	-	-	-
Borrowings	23	433,722	456,358	393,008	100,087	97,215	95,659
<b>Total current liabilities</b>		<b>623,304</b>	<b>711,020</b>	<b>624,090</b>	<b>211,194</b>	<b>203,980</b>	<b>194,824</b>
<b>Total liabilities</b>		<b>700,104</b>	<b>723,093</b>	<b>676,505</b>	<b>219,983</b>	<b>213,870</b>	<b>205,857</b>
<b>Total equity and liabilities</b>		<b>859,250</b>	<b>988,275</b>	<b>1,116,236</b>	<b>397,076</b>	<b>459,204</b>	<b>513,579</b>

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

		Group		Company	
	Note	2022 RM'000	Restated 2021 RM'000	2022 RM'000	2021 RM'000
Revenue	26	53,827	35,171	–	–
Cost of sales	27	(73,502)	(75,919)	–	–
Gross loss		(19,675)	(40,748)	–	–
Other income		225	2,197	1	42
Finance income		11,154	220	–	–
Fair value adjustments on investment properties		2,790	(8,770)	2,670	(8,770)
Impairment loss on financial assets		(396)	(11,297)	(36,294)	(45,426)
Impairment loss on contract assets		–	(3,279)	–	–
Distribution expenses		(33)	(115)	–	–
Administration expenses		(21,267)	(27,534)	(2,089)	(1,982)
Other expenses	28	(44,896)	(33,760)	(32,083)	(6,100)
Finance costs	28	(21,408)	(23,936)	(446)	(743)
Loss before tax	29	(93,506)	(147,022)	(68,241)	(62,979)
Tax (expense)/income	30	(3,611)	(23,168)	–	591
Net loss for the financial year		(97,117)	(170,190)	(68,241)	(62,388)
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Revaluation of land and buildings		(8,919)	–	–	–
Derecognised of property, plant and equipment		–	(4,359)	–	–
Other comprehensive loss for the financial year		(8,919)	(4,359)	–	–
Total comprehensive loss for the financial year		(106,036)	(174,549)	(68,241)	(62,388)

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	Group		Company	
		2022 RM'000	Restated 2021 RM'000	2022 RM'000	2021 RM'000
<b>Net loss for the financial year attributable to:</b>					
Owners of the Company		(95,032)	(160,649)		
Non-controlling interests		(2,085)	(9,541)		
		(97,117)	(170,190)		
<b>Total comprehensive loss attributable to:</b>					
Owners of the Company		(103,951)	(165,008)		
Non-controlling interests		(2,085)	(9,541)		
		(106,036)	(174,549)		
<b>Loss per share attributable to equity holders of the Company (Sen)</b>					
- Basic	31	(17.04)	(28.81)		
- Diluted	31	(17.04)	(28.81)		

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Attributable to owners of the Company									
	Note	Distributable to owners of the Company			Non-Distributable			Total	
		Share capital RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Warrant reserve RM'000	Distributable Retained earnings/ losses RM'000	Non-controlling interests RM'000	RM'000	RM'000
<b>Group</b>									
<b>Balance at 1 April 2020</b>		161,778	(5,962)	80,097	51,467	158,811	(68)	446,191	446,123
Effect on adoption of Agenda Decision on MFRS 123		-	-	-	-	(6,392)	-	(6,392)	(6,392)
<b>Balance at 1 April 2020 (restated)</b>		161,778	(5,962)	80,097	51,467	152,419	(68)	439,799	439,731
Derecognised of property, plant and equipment	21	-	-	(4,359)	-	-	-	(4,359)	(4,359)
Other comprehensive loss for the financial year		-	-	(4,359)	-	-	-	(4,359)	(4,359)
Net loss for the financial year		-	-	-	-	(160,649)	(9,541)	(160,649)	(170,190)
Total comprehensive loss for the financial year		-	-	(4,359)	-	(160,649)	(9,541)	(165,008)	(174,549)
<b>Balance at 31 March 2021 (restated)</b>		161,778	(5,962)	75,738	51,467	(8,230)	(9,609)	274,791	265,182
Revaluation of land and buildings	21	-	-	(8,919)	-	-	-	(8,919)	(8,919)
Derecognised of property, plant and equipment	21	-	-	(445)	-	445	-	-	-
Other comprehensive loss for the financial year		-	-	(9,364)	-	445	-	(8,919)	(8,919)
Net loss for the financial year		-	-	-	-	(95,032)	(2,085)	(95,032)	(97,117)
Total comprehensive loss for the financial year		-	-	(9,364)	-	(94,587)	(2,085)	(103,951)	(106,036)
<b>Balance at 31 March 2022</b>		161,778	(5,962)	66,374	51,467	(102,817)	(11,694)	170,840	159,146

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Attributable to owners of the Company						
	Share capital RM'000	Distributable		Non- distributable		Total RM'000
		Treasury shares RM'000	Revaluation reserve RM'000	Warrant reserve RM'000	Distributable Retained earnings/ (accumulated losses) RM'000	
<b>Company</b>						
<b>Balance at 1 April 2020</b>	161,778	(5,962)	33,767	51,467	66,672	307,722
Net loss for the financial year/ total comprehensive loss for the financial year	-	-	-	-	(62,388)	(62,388)
<b>Balance at 31 March 2021</b>	161,778	(5,962)	33,767	51,467	4,284	245,334
Derecognised of property, plant and equipment	-	-	(445)	-	445	-
Other comprehensive loss for the financial year	-	-	(445)	-	445	-
Net loss for the financial year	-	-	-	-	(68,241)	(68,241)
Total comprehensive loss for the financial year	-	-	(445)	-	(67,796)	(68,241)
<b>Balance at 31 March 2022</b>	161,778	(5,962)	33,322	51,467	(63,512)	177,093

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

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Note	Group		Company	
	2022 RM'000	Restated 2021 RM'000	2022 RM'000	2021 RM'000
<b>OPERATING ACTIVITIES</b>				
Loss before tax	(93,506)	(147,022)	(68,241)	(62,979)
<b>Adjustments for:</b>				
Biological assets written off	234	132	–	–
Depreciation of investment properties	20	26	–	–
Depreciation of property, plant and equipment	10,105	9,589	12	19
Depreciation of biological assets	182	315	–	–
Fair value adjustments on investment properties	(2,790)	8,770	(2,670)	8,770
Finance cost	21,408	23,936	446	743
Finance income	(11,154)	(220)	–	–
Gain on disposal of biological assets	–	(165)	–	–
Gain on disposal of investment properties	(32)	(114)	–	–
Gain on disposal of subsidiary companies	(271)	–	–	–
Goodwill written off	3	–	–	–
Impairment loss on investment in subsidiary companies	–	–	32,083	6,100
Impairment loss on trade and other receivables	291	11,878	–	–
Impairment loss on property, plant and equipment	28,294	–	–	–
Impairment loss on amount due from subsidiary companies	–	–	36,574	45,426
Impairment loss on contract assets	–	3,279	–	–
Loss on remeasurement of inventories	14,573	23,366	–	–
Loss on disposal of property, plant and equipment	–	747	–	–
Property, plant and equipment written off	186	–	–	–
Provision for onerous contract	1,555	9,331	–	–
Receivables written off	51	184	–	–
Reversal of impairment loss on amount due from subsidiary companies no longer required	–	–	(280)	–
Reversal of impairment loss on other receivables no longer required	–	(581)	–	–

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	Group		Company	
		2022 RM'000	Restated 2021 RM'000	2022 RM'000	2021 RM'000
Operating loss before working capital changes		(30,851)	(56,549)	(2,076)	(1,921)
Changes in working capital:					
Inventories		32,021	48,061	–	–
Contract assets/liabilities		(3,222)	44,083	–	–
Contract costs		(3,188)	(3,102)	–	–
Receivables		43,255	(11,565)	(43)	13
Payables		7,639	(11,955)	1,061	33
Cash generated from/(used in) operations		45,654	8,973	(1,058)	(1,875)
Finance income received		75	220	–	–
Finance cost paid		(7,330)	(4,069)	(446)	(743)
Tax paid		(4)	(1,475)	–	(20)
Tax refunded		942	–	7	–
Net cash from/(used in) operating activities		39,337	3,649	(1,497)	(2,638)
<b>INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment		(9,224)	(2,977)	–	–
Purchase of biological assets		–	(35)	–	–
Uplift/(placement) of fixed deposits with licensed banks		4,246	(110)	–	–
Net cash outflow from disposal of subsidiary companies		(6)	–	–	–
Proceeds from disposal of property, plant and equipment		–	1,527	–	–
Proceeds from disposal of investment properties		179	734	–	–
Proceeds from disposal of biological assets		52	401	–	–
Proceeds from disposal of non-current asset held for sale		1,000	–	1,000	–
Advances to subsidiary companies		–	–	(3,349)	(3,255)
Net cash used in investing activities		(3,753)	(460)	(2,349)	(3,255)
<b>FINANCING ACTIVITIES</b>					
Repayment from subsidiary companies		–	–	3,281	7,567
Repayment of lease liabilities		(382)	(467)	–	–
Repayment of borrowings		(47,227)	(9,639)	(2,933)	(3,148)
Drawdown of borrowings		–	2,609	–	–
Net cash (used in)/from financing activities		(47,609)	(7,497)	348	4,419



# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	Group 2022 RM'000	2021 RM'000	Company 2022 RM'000	2021 RM'000
<b>CASH AND CASH EQUIVALENTS</b>					
Net changes		(12,025)	(4,308)	(3,498)	(1,474)
At beginning of financial year		(49,818)	(45,510)	(21,975)	(20,501)
At end of financial year	<b>A</b>	(61,843)	(49,818)	(25,473)	(21,975)

## NOTES TO THE STATEMENTS OF CASH FLOWS

### A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	Group 2022 RM'000	2021 RM'000	Company 2022 RM'000	2021 RM'000
Cash and bank balances	5,554	10,511	32	12
Bank overdrafts	(67,397)	(60,329)	(25,505)	(21,987)
	(61,843)	(49,818)	(25,473)	(21,975)

### B. CASH OUTFLOWS FOR LEASES AS A LESSEE

	Group 2022 RM'000	2021 RM'000	Company 2022 RM'000	2021 RM'000
<i>Included in net cash from/(used in)</i> <i>operating activities:</i>				
Payment relating to short-term leases	1,157	7,440	–	–
<i>Included in net cash from/(used in)</i> <i>financing activities:</i>				
Payment of lease liabilities	382	467	–	–
Interest paid in relation to lease liabilities	61	146	–	–
Total cash outflows for leases	1,600	8,053	–	–

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

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 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 year.

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 18 July 2022.

## 2. GOING CONCERN

The Group and the Company had incurred a net loss attributable to owners of the Company of RM95,032,000 and RM68,241,000 respectively during the financial year then ended. As at 31 March 2022, the Group's and the Company's total current liabilities exceeded its total current assets by RM442,067,000 and RM102,073,000 respectively.

These financial indicators were compounded by the outbreak of the COVID-19 pandemic since beginning of 2020, which affected operations of the Group in the Property Development Division and Leisure and Hospitality Division during the financial year.

The Group and the Company implemented several restructuring measures during the financial year in response to these conditions, including seeking financial support from financial institutions, vendors and business partners. 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**

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 until January 2021 when Malaysian Government has continued to imposed Movement Control Order ("MCO"). The Group plan to re-open certain of its theme parks in the second half of next financial year.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 2. GOING CONCERN (CONT'D)

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

### **Operational recovery from the COVID-19 pandemic (Cont'd)**

As disclosed in Note 5 to the financial statements, the construction work-in-progress amounting to RM87,184,000 of the Group has also been slowed down by the COVID-19 pandemic and the Group plans to fund and complete the construction work in progress as disclosed in the Note 33 to the financial statements from its internal generated fund. The Group will also seek the supports of shareholders and bankers for the necessary extra funding.

The Group anticipates business operations from its Property Development Division and Leisure and Hospitality Division to take at least 24 months from the date of this report for their business to return to pre-Covid-19 revenue performance levels.

### **Funding**

The Group and the Company proactively engaged with its existing lenders during the financial year 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 disclosed in Note 40.2 to the financial statements, on 27 August 2020, Corporate Debt Restructuring Committee ("CDRC") under the purview of Bank Negara Malaysia had accepted the Group's application for assistance to mediate with the lenders to restructure or renegotiate the respective financial facilities held by the Company and certain of its subsidiary companies.

In term of this advisory, existing lenders are required to observe an informal standstill with immediate effect and withhold litigation proceedings against the Group.

On 28 March 2022, the Company and relevant subsidiary companies signed the Supplementary Agreements ("SAs") and relevant agreements with their lenders, which formed part of the restructuring scheme under the CDRC purview. The salient terms of the restructuring are disclosed in Note 23 to the financial statements of the Group. On 13 July 2022, the Company and relevant subsidiary companies fulfilled all the conditions precedents of the SAs. The total outstanding borrowings under CDRC purview is RM431,050,000 as at 31 March 2022.

The successful completion of the SAs is beneficial to improve the Group's financial position to weather the current challenging market condition and to sustain the Group's businesses.

### **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 date 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 supports the notion that the Group is able to generate sufficient cash flows for the next 12 months after the end of the reporting date to meet cash flow requirements, realise assets and discharge liabilities in the normal course of business of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 2. GOING CONCERN (CONT'D)

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

### Working capital management (Cont'd)

As disclosed in Notes 40.3 and 40.4 to the financial statements, Sentoria Bina Sdn. Bhd. ("SBSB") and Sentoria Themeparks and Resorts Sdn. Bhd. ("STAR"), wholly-owned subsidiaries of the Company, who have applied to the High Court of Malaya at Kuala Lumpur pursuant to Sections 366 and Section 368 of the Companies Act 2016 in order to formulate and finalise a proposed Scheme of Arrangement between SBSB, STAR with its Creditors, respectively, pursuant to Section 366 of the Act to settle the claims of Creditors while at the same time maintaining SBSB and STAR as a going concern and the Orders allows SBSB and STAR to negotiate terms with its lenders and creditors without having the threat of any proceedings and actions being brought against SBSB and STAR.

On 3 May 2021 and 13 April 2022, the High Court granted an order to SBSB and STAR respectively for the approval of the Scheme of SBSB and STAR ("the Approval Order") and the Scheme shall be binding on SBSB and STAR and their scheme creditors.

The ability of the Group and of the Company to continue as going concern are highly dependent on successful implementation of above restructuring measures. 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

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

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 and the Company determine 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 year.

For the purpose of fair value disclosures, the Group and the Company have 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 Group's and the Company's functional currency and all values are rounded to the nearest RM'000, except when otherwise stated.

### 3.4 Adoption of new standards/amendments/improvements to MFRS

The Group and the Company have consistently applied the accounting policies set out in Note 4 to all years presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRS which are mandatory for the financial years beginning on or after 31 March 2021.

Initial application of the new standards/amendments/improvements to the standards did not have material impact to the financial statements of the Group and of the Company, except for:

#### Agenda Decision on IAS 23 Borrowing Costs ("Agenda Decision")

In March 2019, IFRS Interpretations Committee ("IFRIC") concluded that inventories, once made available for intended sale, are not qualifying assets even though they are still under construction. Accordingly, an entity should not capitalise borrowing costs on these inventories in accordance with the principles and requirements in IAS 23 (MFRS 123).

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

### 3.4 Adoption of new standards/amendments/improvements to MFRS (Cont'd)

Initial application of the new standards/amendments/improvements to the standards did not have material impact to the financial statements of the Group and of the Company, except for (Cont'd):

#### Agenda Decision on IAS 23 Borrowing Costs ("Agenda Decision") (Cont'd)

In previous financial years, borrowings cost incurred were capitalised in inventories until the physical completion of the development units. On 1 April 2021, the Group changed its accounting policy with retrospective effect as a result of the Agenda Decision and accordingly, the financial statements for the previous financial years included herein as comparatives have been restated.

The effects of the change in accounting policy on the comparative financial statements are disclosed in Note 39 to the financial statements.

### 3.5 Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards, if applicable, when they become effective in the respective financial year.

#### Amendments to MFRSs effective 1 January 2022:

Amendments to MFRS 3#	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137#	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018-2020	

#### MFRS and amendments to MFRSs effective 1 January 2023:

Amendments to MFRS 4*#	Insurance Contracts: Extension of the Temporary Exemption from Applying MFRS 9
MFRS 17 and Amendments to MFRS 17*#	Insurance Contracts
Amendments to MFRS 17*#	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

#### 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 Group's operations

# Not applicable to the Company's operations

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

### 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 2022, management assessed that the useful lives represent the expected utility of the assets to the Group and the Company. The carrying amounts of the Group's and the Company'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 and the Company'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 include any compensation for liquidated ascertained damages 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, 14 and 15 to the financial statements respectively.



# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 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 asset'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.

The Group assessed whether there are any indications of impairment of property, plant and equipment during the financial year. In doing this, management considered the current environment, taking into consideration the impact of COVID-19 pandemic and performance of Cash Generating Units ("CGUs"). Management considered certain CGUs which are loss-making as impairment indications.

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections derived from financial budgets approved by management. Management has made estimates about future results and key assumptions applied to cash flow projections of the CGUs. These key assumptions are applied to cash flow projections of the CGUs and include forecast growth in future revenues and operating profit margins, as well as determining appropriate pre-tax discount rates and growth rates.

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, 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 35 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

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

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

##### 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 result to change.

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

##### 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 their 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.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

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

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

##### Fair value valuation of investment properties

The Group's and the Company's measure their 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.

##### Provision of onerous contracts

The Group estimates the provision for its non-cancellable rental guarantee schemes when it is inevitable that a loss will be incurred on performance of the contract. The provision is measured according to management's best estimate of expected future occupancy rates and is measured at net present value. The estimate includes an assessment of current market conditions, historical trends as well as future expectation and is therefore subject to significant uncertainty.

#### 3.6.2 Significant management judgements

The following are 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 determine 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 account 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.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

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

#### 3.6.2 Significant management judgements (Cont'd)

##### 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 the 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 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 date.

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.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

### 4.1 Consolidation (Cont'd)

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

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 ("SOFP"). 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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

### 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 Company 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 date.

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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

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

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 right-of-use asset held under a lease contract 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 year 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.

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 year of retirement or disposal.



# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

### 4.4 Investment properties (Cont'd)

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 or the Company account 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 year 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

### 4.6 Goodwill (Cont'd)

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 of assets

At the end of each reporting year, the Group and the Company review 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 2022

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

### 4.8 Financial instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 4.8.1 Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets are classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group or the Company commit to purchase or sell the asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

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

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

### 4.8 Financial instruments (Cont'd)

#### 4.8.1 Financial assets (Cont'd)

##### Subsequent measurement (Cont'd)

##### Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's financial assets at amortised cost include trade and other receivables, amount due from subsidiary companies, fixed deposit with licensed banks and cash and cash equivalents.

##### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset but have transferred control of the asset.

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement.

In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

##### Impairment

The Group and the Company recognise an allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

### 4.8 Financial instruments (Cont'd)

#### 4.8.1 Financial assets (Cont'd)

##### Impairment (Cont'd)

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

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

The Group and the Company estimate the expected credit losses on trade receivables and contract assets using a provision matrix with reference to historical credit loss experience.

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

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

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

#### 4.8.2 Financial liabilities

##### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

### 4.8 Financial instruments (Cont'd)

#### 4.8.2 Financial liabilities (Cont'd)

##### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

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

##### Financial liabilities at amortised cost

After initial recognition, carrying amounts are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of profit or loss.

##### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of profit or loss.

#### 4.8.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a 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.

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

### 4.9 Inventories (Cont'd)

#### 4.9.1 Leisure and hospitality (Cont'd)

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 2022

## 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 and service 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).



# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

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

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

Revenue from property development is measured based on the transaction price net of expected variable consideration due to discounts, rebates, refunds, credits, incentives, penalties, liquidated ascertained damages or other similar items.

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

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 year 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.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

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

#### 4.10.6 Other revenue

Finance income is recognised on time proportion basis, by references to the principal outstanding and at interest rate applicable.

Rental income is recognised on a straight line basis over the lease term.

#### 4.10.7 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 with 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.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

### 4.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances, 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.

### 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.

#### 4.12.1 Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

### 4.13 Leases

The Group and the Company assess at contract inception whether a contract is, or contains a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### As a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

### 4.13 Leases (Cont'd)

#### Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

• Long term leasehold land	88-99 years
• Long term leasehold buildings	2%
• Motor vehicles	20%
• Plant and machinery	33%

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment test as set out in Note 4.7 to the financial statements.

On the statements of financial position, right-of-use assets have been included in property, plant and equipment. For right-of-use assets that meet the definition of investment properties are classified under investment properties in accordance with MFRS 140 as stated in Note 4.4 to the financial statements.

#### Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

### 4.13 Leases (Cont'd)

#### Short-term leases

The Group and the Company apply the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expenses on a straight-line basis over the lease term.

### 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.

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 year's loss and prior 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 year in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

### 4.16 Non-current asset held for sale

Non-current asset that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale.

Classification of the asset as held for sale occurs only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary and the sale must be highly probable. Management must be committed to a plan to sell the asset which are expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

Immediately before classification as held for sale, the asset is remeasured in accordance with the Group's accounting policies. Thereafter, the asset is generally measured at the lower of their carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale are not amortised or depreciated.

### 4.17 Employees benefits

#### 4.17.1 Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year/period 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.

#### 4.17.2 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 financial year and preceding financial years.

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.

### 4.18 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.

#### 4.18.1 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 year and are measured using the tax rates that have been enacted or substantively enacted by the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

### 4.18 Tax expenses (Cont'd)

#### 4.18.2 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.

### 4.19 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.

### 4.20 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.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 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 April 2020	409,037	12,445	7,913	36,371	1,501	100,573	567,840
Additions	2,233	388	–	8	–	348	2,977
Transfer from land held for property development	5,600	–	–	–	–	–	5,600
Disposals	(13,648)	(154)	(1,962)	(1,217)	(113)	–	(17,094)
Reversals	(1,722)	–	–	–	–	–	(1,722)
At 31 March 2021	401,500	12,679	5,951	35,162	1,388	100,921	557,601
Additions	6,276	448	–	19	–	2,481	9,224
Transfer to non-current asset held for sale	(574)	–	–	–	–	–	(574)
Reversals	(1,148)	–	–	–	–	–	(1,148)
Written off	–	(511)	(7)	–	–	–	(518)
Reclassification	5,764	–	–	–	–	(5,764)	–
Revaluation	(5,259)	–	–	–	–	–	(5,259)
At 31 March 2022	406,559	12,616	5,944	35,181	1,388	97,638	559,326
<b>Accumulated depreciation</b>							
At 1 April 2020	4,453	10,366	7,091	32,346	915	–	55,171
Charge for the financial year	7,090	638	276	1,467	118	–	9,589
Disposals	(606)	(154)	(1,821)	(1,214)	(97)	–	(3,892)
At 31 March 2021	10,937	10,850	5,546	32,599	936	–	60,868
Charge for the financial year	8,298	508	245	942	112	–	10,105
Transfer to non-current asset held for sale	(11)	–	–	–	–	–	(11)
Written off	–	(325)	(7)	–	–	–	(332)
At 31 March 2022	19,224	11,033	5,784	33,541	1,048	–	70,630



# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 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	
Accumulated impairment							
At 1 April 2020	3,356	124	70	341	-	-	3,891
Disposals	-	-	(70)	-	-	-	(70)
At 31 March 2021	3,356	124	-	341	-	-	3,821
Charge for the financial year	22,487	-	-	-	-	10,454	32,941
At 31 March 2022	25,843	124	-	341	-	10,454	36,762
Net carrying amount							
At 31 March 2022	361,492	1,459	160	1,299	340	87,184	451,934
At 31 March 2021	387,207	1,705	405	2,222	452	100,921	492,912

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 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	Total RM'000
<b>Cost or valuation</b>					
At 1 April 2020	17,000	18,706	97,701	275,055	409,037
Additions	–	–	–	2,233	2,233
Transfer from land held for property development	–	–	5,600	–	5,600
Disposals	–	(1,148)	(582)	(11,918)	(13,648)
Reversals	–	(1,722)	–	–	(1,722)
At 31 March 2021	17,000	15,836	102,719	265,370	401,500
Additions	–	–	–	6,276	6,276
Transfer to non-current asset held for sale	–	(574)	–	–	(574)
Reversals	–	(1,148)	–	–	(1,148)
Reclassification	–	–	–	5,764	5,764
Revaluation	–	–	224	(5,483)	(5,259)
At 31 March 2022	17,000	14,114	102,943	271,927	406,559

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 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 April 2020	-	-	1,416	2,476	561	4,453
Charge for the financial year	-	-	1,186	5,897	7	7,090
Disposals	-	-	(9)	(597)	-	(606)
At 31 March 2021	-	-	2,593	7,776	568	10,937
Charge for the financial year	-	294	1,186	6,811	7	8,298
Transfer to non-current asset held for sale	-	(11)	-	-	-	(11)
At 31 March 2022	-	283	3,779	14,587	575	19,224
<b>Accumulated impairment</b>						
At 1 April 2020/31 March 2021	-	-	-	3,356	-	3,356
Charge for the financial year	-	-	1,942	20,545	-	22,487
At 31 March 2022	-	-	1,942	23,901	-	25,843
<b>Net carrying amount</b>						
At 31 March 2022	17,000	13,831	97,222	233,439	-	361,492
At 31 March 2021	17,000	15,836	100,126	254,238	7	387,207

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

Company	At cost				Total RM'000
	Furniture, fittings and office equipment RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovations RM'000	
<b>Cost</b>					
At 1 April 2020/ 31 March 2021/ 31 March 2022	1,289	44	326	638	2,297
<b>Accumulated depreciation</b>					
At 1 April 2020	1,251	44	326	632	2,253
Charge for the financial year	15	–	–	4	19
At 31 March 2021	1,266	44	326	636	2,272
Charge for the financial year	10	–	–	2	12
At 31 March 2022	1,276	44	326	638	2,284
<b>Net carrying amount</b>					
At 31 March 2022	13	–	–	–	13
At 31 March 2021	23	–	–	2	25

Freehold land, leasehold land and buildings including work-in-progress of the Group with net carrying amount of RM291,594,000 (31.3.2021: RM305,597,000) have been charged to licensed banks to secure banking facilities granted to the Group and the Company. The details of these banking facilities are disclosed in Note 23 to the financial statements.

Included in the construction work-in-progress of the Group is interest expenses of RM3,084,000 (31.3.2021: RM2,378,000) capitalised during the financial year.

The construction work-in progress of the Group has also been slowed down by the COVID-19 pandemic and the Group plans to fund and complete the construction work in progress from its internal generated fund. The Group will also seek the supports of its shareholders and potential investors for the necessary extra funding.

Information on right-of-use assets are as follows:

	Carrying amount RM'000	Current depreciation RM'000	Additions RM'000
<b>Group</b>			
<u>31.3.2022</u>			
Long term leasehold land	97,222	1,186	–
Long term leasehold buildings	233,439	6,811	6,276
Motor vehicles	7	220	–
Plant and machinery	346	145	–
Total right-of-use assets	331,014	8,362	6,276

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

Information on right-of-use assets are as follows (Cont'd):

	Carrying amount RM'000	Current depreciation RM'000	Additions RM'000
<b>Group (Cont'd)</b>			
<u>31.3.2021</u>			
Long term leasehold land	100,126	1,186	5,600*
Long term leasehold buildings	254,238	5,897	2,233
Motor vehicles	227	226	–
Plant and machinery	728	301	–
<b>Total right-of-use assets</b>	<b>355,319</b>	<b>7,610</b>	<b>7,833</b>

\* Addition in long term leasehold land is a transfer from land held for property development in prior year.

The right-of-use assets are included in the same items as where the corresponding underlying assets would be presented if they were owned.

### Revaluation of freehold and leasehold land and buildings

The Group's freehold and 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 and leasehold land and buildings of the Group and of the Company in September 2019.

The fair value of the Group's and Company's freehold and 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.

Freehold and leasehold land and buildings as at 31 March 2022 are stated at fair value based on an assessment by the Board of Directors ("BOD") by reference to the full valuations carried out by registered independent valuers in September 2019 who having appropriate recognised professional qualification. 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.

In view of the above and taking into account current market conditions, the BOD assessed that the existing book values of the freehold and leasehold land and buildings as at 31 March 2022 ("Book Values") were not materially different from the valuation performed and are fair. Hence, Book Values were not adjusted and were taken to represent the fair values of the freehold and leasehold land and buildings at the same date, except for leasehold land and buildings under Leisure and Hospitality Division.

The management performed an assessment on the carrying amount of the leasehold land and buildings for Leisure and Hospitality Division as at year end and the impairment loss amounting to RM32,941,000 are recognised as the management was in the view that the market conditions will be worse than expected which resulted to the carrying amount is higher than the value in use.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

### Revaluation of freehold and leasehold land and buildings (Cont'd):

#### 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 freehold and leasehold 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 certain 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 has been no change in valuation methods during the financial year.

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

Group	Level 2	
	31.3.2022 RM'000	31.3.2021 RM'000
<b>Recurring fair value measurements</b>		
Freehold land	17,000	17,000
Freehold land and buildings	13,831	15,836
Long term leasehold land	97,222	100,126
Long term leasehold buildings	89,954	94,965
	Level 3	
	31.3.2022 RM'000	31.3.2021 RM'000
<b>Recurring fair value measurements</b>		
Long term leasehold buildings	143,485	159,273

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

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

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 year.

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

	Group 31.3.2022 RM'000	31.3.2021 RM'000
Freehold land	3,464	3,464
Freehold land and buildings	14,114	15,836
Accumulated depreciation	(283)	–
Carrying amount	13,831	15,836
Long term leasehold land	37,508	38,249
Accumulated depreciation	(2,503)	(2,114)
Carrying amount	35,005	36,135
Long term leasehold buildings	250,378	250,711
Accumulated depreciation	(47,135)	(40,372)
Carrying amount	203,243	210,339

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 6. BIOLOGICAL ASSETS

	31.3.2022 RM'000	Group 31.3.2021 RM'000
<b>Cost</b>		
At beginning of the financial year	2,611	3,989
Additions	–	35
Disposals	(342)	(1,013)
Written off	(649)	(400)
At end of the financial year	1,620	2,611
<b>Accumulated depreciation</b>		
At beginning of the financial year	1,573	2,046
Charge for the financial year	182	315
Disposals	(290)	(520)
Written off	(415)	(268)
At end of the financial year	1,050	1,573
<b>Accumulated impairment</b>		
At beginning of the financial year	109	366
Disposals	–	(257)
At end of the financial year	109	109
<b>Net carrying amount</b>	461	929

## 7. INVENTORIES

	Note	31.3.2022 RM'000	Group Restated 31.3.2021 RM'000	Restated 1.4.2020 RM'000
<b>Non-current</b>				
Land held for property development	7.1	147,201	150,066	156,714
<b>Current</b>				
Food, beverages and other hotel supplies		–	440	808
Property development costs	7.2	62,746	102,150	164,832
Completed properties held for sale	7.3	7,199	7,439	11,060
		69,945	110,029	176,700
		217,146	260,095	333,414



# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 7. INVENTORIES (CONT'D)

### 7.1 Land held for property development

	31.3.2022 RM'000	Group 31.3.2021 RM'000	1.4.2020 RM'000
At beginning of the financial year:			
- freehold land, at cost	19,200	19,200	–
- leasehold land, at cost	75,694	80,268	33,547
- development costs	55,172	57,246	21,686
	150,066	156,714	55,233
Costs incurred during the financial year:			
- freehold land, at cost	–	–	19,200
- leasehold land, at cost	241	1,029	457
- development costs	2,506	8,425	17,174
- transfer from investment properties	–	–	5,600
- transfer from property development costs	7,134	–	59,050
- transfer to property, plant and equipment	–	(5,600)	–
- cost recognised as expense during the financial year	–	(4,856)	–
- loss on remeasurement of land held for property development	(12,746)	(5,646)	–
At end of the financial year	147,201	150,066	156,714

### 7.2 Property development costs

	31.3.2022 RM'000	Restated 31.3.2021 RM'000	Restated 1.4.2020 RM'000
At beginning of the financial year:			
- freehold land, at cost	43,075	40,645	36,808
- leasehold land, at cost	83,741	120,426	106,876
- development costs	695,340	657,815	632,985
- cost recognised as expenses in prior years	(720,006)	(654,054)	(572,992)
	102,150	164,832	203,677
Costs incurred during the financial year:			
- freehold land, at cost	10	2,430	3,837
- leasehold land, at cost	2,382	(36,767)	42,862
- development costs	16,156	22,754	52,072
- cost recognised as expenses during the financial year	(48,991)	(33,236)	(81,062)
- transfer to completed properties	–	(143)	(11,655)
- transfer from property, plant and equipment	–	–	13,149
- transfer to land held for property development	(7,134)	–	(59,050)
- transfer from investment properties	–	–	1,002
- loss on remeasurement of property development costs	(1,827)	(17,720)	–
At end of the financial year	62,746	102,150	164,832

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 7. INVENTORIES (CONT'D)

### 7.2 Property development costs (Cont'd)

Included in the land held for property development is interest expenses of RM2,497,000 (31.3.2021: RM3,700,000; 1.4.2020: RM6,903,000) capitalised during the financial year.

The title deeds to the freehold land and leasehold land under land held for development and property development cost amounting to RM27,170,000 (31.3.2021: RM24,729,000; 1.4.2020: RM31,345,000) and RM35,000 (31.3.2021: RM35,000; 1.4.2020: RM764,000) 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 RM49,501,000 (31.3.2021: RM76,830,000; 1.4.2020: RM92,422,000) and RM90,779,000 (31.3.2021: RM83,693,000; 1.4.2020: RM84,247,000) respectively are charged to licensed banks to secure the bank borrowings referred to in Note 23 to the financial statements.

### 7.3 Completed properties held for sales

The title deeds for the completed properties held for sales totalling to RM266,000 (31.3.2021: RM363,000; 1.4.2020: RM603,000) are registered in the name of a third party.

The completed properties held for sales amounting to RM5,057,000 (31.3.2021: RM5,057,000; 1.4.2020: RM5,057,000) are charged to licensed banks to secure the bank borrowings referred to in Note 23 to the financial statements whereas Nil (31.3.2021: Nil; 1.4.2020: RM3,093,000) are charged to a third party to secure the allotment of redeemable preference shares of a subsidiary company.

## 8. INVESTMENT PROPERTIES

Group	Freehold land RM'000	Freehold land and buildings RM'000	Leasehold buildings RM'000	Long term leasehold land RM'000	Total RM'000
<b>Cost or fair value</b>					
At 1 April 2020	48,120	12,000	3,101	894	64,115
Transfer to non-current asset held for sale	–	–	(1,000)	–	(1,000)
Disposals	–	–	(399)	(335)	(734)
Fair value adjustments	(7,770)	–	(1,000)	–	(8,770)
At 31 March 2021	40,350	12,000	702	559	53,611
Disposals	–	–	(100)	(79)	(179)
Fair value adjustments	2,790	–	–	–	2,790
At 31 March 2022	43,140	12,000	602	480	56,222

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 8. INVESTMENT PROPERTIES (CONT'D)

Group (Cont'd)	Freehold land RM'000	Freehold land and buildings RM'000	Leasehold buildings RM'000	Long term leasehold land RM'000	Total RM'000
<b>Accumulated depreciation</b>					
At 1 April 2020	–	–	205	88	293
Charge for the financial year	–	–	18	8	26
Disposals	–	–	(79)	(35)	(114)
At 31 March 2021	–	–	144	61	205
Charge for the financial year	–	–	14	6	20
Disposals	–	–	(22)	(10)	(32)
At 31 March 2022	–	–	136	57	193
<b>Net carrying amount</b>					
At 31 March 2022	43,140	12,000	466	423	56,029
At 31 March 2021	40,350	12,000	558	498	53,406

Company	Freehold land RM'000	Freehold land and buildings RM'000	Leasehold buildings RM'000	Total RM'000
<b>Fair value</b>				
At 1 April 2020	47,104	12,000	1,996	61,100
Fair value adjustments on investment properties	(7,774)	–	(996)	(8,770)
Transfer to non-current asset held for sale	–	–	(1,000)	(1,000)
At 31 March 2021	39,330	12,000	–	51,330
Fair value adjustments on investment properties	2,670	–	–	2,670
At 31 March 2022	42,000	12,000	–	54,000

The investment properties of the Group and of the Company with net carrying amounts of RM55,140,000 (31.3.2021: RM52,350,000) and RM54,000,000 (31.3.2021: RM51,330,000) respectively are pledged to licensed banks to secure banking facilities granted to subsidiary companies. The details of these banking facilities are disclosed in Note 23 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 8. INVESTMENT PROPERTIES (CONT'D)

Included in the above are:

	Group		Company	
	31.3.2022 RM'000	31.3.2021 RM'000	31.3.2022 RM'000	31.3.2021 RM'000
<b>At fair value</b>				
Freehold land	43,140	40,350	42,000	39,330
Freehold land and buildings	12,000	12,000	12,000	12,000
	55,140	52,350	54,000	51,330
<b>At cost</b>				
Leasehold buildings	466	558	–	–
Long term leasehold land	423	498	–	–
	56,029	53,406	54,000	51,330

### 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 and the Company's investment properties have been arrived at on the basis of valuations carried out by a firm of independent professional valuers on 31 March 2022 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	Level 2	
	31.3.2022 RM'000	31.3.2021 RM'000
<b>Recurring fair value measurement</b>		
Freehold land	43,140	40,350
Freehold land and buildings	12,000	12,000
Company	Level 2	
	31.3.2022 RM'000	31.3.2021 RM'000
<b>Recurring fair value measurement</b>		
Freehold land	42,000	39,330
Freehold land and buildings	12,000	12,000

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

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 8. INVESTMENT PROPERTIES (CONT'D)

### Investment properties at cost

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.

### Income and expenses recognised in profit or loss

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Rental income	–	124	–	–
Direct operating expenses: - quit rent and assessment	64	8	58	6

## 9. SUBSIDIARY COMPANIES

### (a) Investment in subsidiary companies

	<b>Company</b>	
	<b>31.3.2022</b>	<b>31.3.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Unquoted shares - at cost</b>		
At beginning of the financial year	272,975	272,975
Disposed during the financial year	(750)	–
At end of the financial year	272,225	272,975
<b>Accumulated impairment</b>		
At beginning of the financial year	(6,950)	(850)
Impairment loss during the financial year	(32,083)	(6,100)
Reversal of impairment loss during the financial year	750	–
At end of the financial year	(38,283)	(6,950)
At end of the financial year	233,942	266,025

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 9. SUBSIDIARY COMPANIES (CONT'D)

### (a) Investment in subsidiary companies (Cont'd)

Details of the subsidiary companies which principal place of business are located in Malaysia, are as follows:

Name of subsidiary company	Effective equity interest		Principal activities
	31.3.2022	31.3.2021	
	%	%	
Sentoria Property Service Sdn. Bhd.	100	100	Property development
Sentoria Bina Sdn. Bhd.	100	100	General contractor
Sentoria Harta Sdn. Bhd.	100	100	Property development
Sentoria Alam Sdn. Bhd.	100	100	Property development
Sentoria Leisure Langkawi Sdn. Bhd.	100	100	Nature park operator
Sentoria Alfa Sdn. Bhd.	100	100	Property development and project management services
Sentoria Vacation Club Berhad	100	100	Vacation club operator
Sentoria Morib Bay Sdn. Bhd.	100	100	Yet to commence active operations
Sentoria Land Sdn. Bhd.	100	100	Investment holding company
Sentoria Borneo Samariang Sdn. Bhd.	100	100	Water park operator
Sentoria Borneo Land Sdn. Bhd.	100	100	Property development
Sentoria Themeparks and Resorts Sdn. Bhd.	100	100	Hotel, water park, safari park operator and investment holding
Excellent Projects Sdn. Bhd. (formerly known as Sentoria Projects Sdn. Bhd.)	–	100	General contractor
Ataria Asia Sdn. Bhd.	100	100	Hospitality operator
Sentoria Langkawi Sdn. Bhd.	75	75	Theme park operator and property development
Sentoria Utara Sdn. Bhd.	75	75	Property development
Sentoria IBS Sdn. Bhd.	100	100	General contractor
Active Academy Sdn. Bhd.	–	100	Yet to commence active operations
<u>Subsidiary companies of Sentoria Themeparks and Resorts Sdn. Bhd.</u>			
Blue Sky Leisure Sdn. Bhd.	–	100	Travel agent
Star Wholesale Sdn. Bhd.	–	100	Wholesaler and general merchant

### Disposal of subsidiary companies

#### 31.3.2022

On 31 March 2022, the Company and its subsidiary company, Sentoria Themeparks and Resorts Sdn. Bhd., have entered into Share Sales Agreement ("SSA") with a third party to dispose 100% of equity interest in Excellent Projects Sdn. Bhd. (formerly known as Sentoria Projects Sdn. Bhd.), Active Academy Sdn. Bhd., Blue Sky Leisure Sdn. Bhd. and Star Wholesale Sdn. Bhd. for a total cash consideration of RM8. The disposal was completed on 31 March 2022.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 9. SUBSIDIARY COMPANIES (CONT'D)

### (a) Investment in subsidiary companies (Cont'd)

#### Disposal of subsidiary companies (Cont'd)

#### 31.3.2022 (Cont'd)

The effect of the disposal on the financial position of the Group as at the date of disposal is as follows:

	RM'000
Other receivables	414
Cash and bank balances	6
Trade payables	(599)
Other payables	(92)
Net liabilities disposed	(271)
Gain on disposal	271
Proceeds from disposal	–*
Less: Cash and cash equivalents disposed	(6)
Net cash outflows from disposal	(6)

\* Cash consideration consists of RM8

### (b) Amounts due from/to subsidiary companies

	Company 31.3.2022 RM'000	31.3.2021 RM'000
<u>Amount due from subsidiary companies</u>		
Non-trade	188,766	184,231
<b>Accumulated impairment:</b>		
At beginning of the financial year	(45,426)	–
Impairment loss during the financial year	(36,574)	(45,426)
Reversal of impairment loss during the financial year	280	–
At end of the financial year	(81,720)	(45,426)
At end of the financial year	107,046	138,805
<u>Amount due to subsidiary companies</u>		
Non-trade	106,874	103,593

The amounts due from/to subsidiary companies are unsecured, interest-free and receivable/repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 9. SUBSIDIARY COMPANIES (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:

	<b>Sentoria Utara Sdn. Bhd.</b>	<b>Sentoria Langkawi Sdn. Bhd.</b>	<b>Total</b>
<b>31.3.2022</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)	(8,465)	(3,229)	(11,694)
Loss allocated to NCI (RM'000)	(623)	(1,462)	(2,085)
<b>31.3.2021</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)	(7,841)	(1,768)	(9,609)
Loss allocated to NCI (RM'000)	(8,297)	(1,244)	(9,541)

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.**

	<b>31.3.2022 RM'000</b>	<b>31.3.2021 RM'000</b>
<b>Financial position as at reporting date</b>		
Current assets	133	43,669
Current liabilities	(33,992)	(75,035)
Net liabilities	(33,859)	(31,366)
<b>Summary of financial performance for the financial year ended 31 March</b>		
Net loss/total comprehensive loss for the financial year	(2,493)	(33,187)
<b>Summary of cash flows for the financial year ended 31 March</b>		
Net cash from/(used in) operating activities	4,902	(100)
Net cash (used in)/from financing activities	(4,791)	101
Net increase in cash and cash equivalents	111	1



# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 9. SUBSIDIARY COMPANIES (CONT'D)

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

#### Group (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):

#### (ii) **Sentoria Langkawi Sdn. Bhd.**

	31.3.2022 RM'000	31.3.2021 RM'000
<b>Financial position as at reporting date</b>		
Non-current assets	75,959	77,915
Current assets	30	57
Current liabilities	(88,903)	(85,041)
Net liabilities	(12,914)	(7,069)
<b>Summary of financial performance for the financial year ended 31 March</b>		
Net loss/total comprehensive loss for the financial year	(5,846)	(4,976)
<b>Summary of cash flows for the financial year ended 31 March</b>		
Net cash used in operating activities	(9,049)	(38)
Net cash from investing activities	–	42
Net cash from/(used in) financing activities	9,048	(4)
Net decrease in cash and cash equivalents	(1)	–

## 10. DEFERRED TAX ASSETS/LIABILITIES

### Deferred tax assets

	31.3.2022 RM'000	Group 31.3.2021 RM'000
<b>Cost</b>		
At beginning of the financial year	20,837	43,980
Transferred to profit or loss	–	(23,143)
Transferred to other comprehensive income	988	–
At end of the financial year	21,825	20,837

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## 10. DEFERRED TAX ASSETS/LIABILITIES (CONT'D)

### Deferred tax assets (Cont'd)

The deferred tax assets are made up of tax impact on temporary differences arising from:

	Group	
	31.3.2022 RM'000	31.3.2021 RM'000
Carrying amount of qualifying property, plant and equipment in excess of their tax base	(21,081)	(21,130)
Unutilised capital allowances	20,122	20,096
Unutilised investment tax allowances	26,373	26,448
Revaluation of property, plant and equipment	(3,589)	(4,577)
	21,825	20,837

### Deferred tax liabilities

	Group		Company	
	31.3.2022 RM'000	31.3.2021 RM'000	31.3.2022 RM'000	31.3.2021 RM'000
At beginning of the financial year	3,446	3,433	3,792	4,402
Transferred to/(from) profit or loss	537	13	–	(610)
At end of the financial year	3,983	3,446	3,792	3,792

The deferred tax liabilities are made up of tax impact on temporary differences arising from:

	Group		Company	
	31.3.2022 RM'000	31.3.2021 RM'000	31.3.2022 RM'000	31.3.2021 RM'000
Carrying amount of qualifying property, plant and equipment in excess of their tax base	186	185	–	–
Revaluation of property, plant and equipment	1,361	1,361	–	–
Revaluation of investment properties	3,808	3,808	3,792	3,792
Other temporary differences	(1,372)	(1,908)	–	–
	3,983	3,446	3,792	3,792

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## 11. GOODWILL ON CONSOLIDATION

	Group	
	31.3.2022 RM'000	31.3.2021 RM'000
At beginning of the financial year	3	3
Written off during the financial year	(3)	–
At end of the financial year	–	3

## 12. TRADE RECEIVABLES

	Group		Company	
	31.3.2022 RM'000	31.3.2021 RM'000	31.3.2022 RM'000	31.3.2021 RM'000
Trade receivables	33,788	43,796	84	84
Retention sums	5,120	8,370	–	–
	38,908	52,166	84	84
<b>Accumulated impairment</b>				
At beginning of financial year	(365)	(365)	(84)	(84)
Recognised during the financial year	(129)	–	–	–
At end of the financial year	(494)	(365)	(84)	(84)
	38,414	51,801	–	–

The normal trade credit terms granted by the Group range from 1 day to 60 days (31.3.2021: 1 day to 60 days).

## 13. OTHER RECEIVABLES

	Group		Company	
	31.3.2022 RM'000	31.3.2021 RM'000	31.3.2022 RM'000	31.3.2021 RM'000
Non-trade receivables	22,137	55,239	205	161
Deposits	11,168	11,650	30	31
Prepayments	4,851	13,606	3	3
GST recoverable	360	360	–	–
	38,516	80,855	238	195
<b>Accumulated impairment</b>				
At beginning of the financial year	(11,878)	(2,070)	–	–
Recognised during the financial year	(162)	(11,878)	–	–
Bad debt written off	11,878	1,489	–	–
Reversal of impairment loss no longer required	–	581	–	–
At end of the financial year	(162)	(11,878)	–	–
	38,354	68,977	238	195

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## 13. OTHER RECEIVABLES (CONT'D)

The reversal of impairment loss no longer required in prior year represented the amount recovered from debtors previously impaired.

Included in the other receivables is an amount of RM13,639,000 (31.3.2021: RM17,278,000) due from a customer of which the Group 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, as part of the project arrangement. This banking facility is also secured against the legal charges over assets of the customer and debenture on the customer as disclosed in Note 23 to the financial statements.

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 RM7,418,000 (31.3.2021: RM7,668,000).

Included in prepayments is an amount of RM2,598,000 (31.3.2021: RM9,241,000) paid to certain suppliers as an advance deposit to the suppliers.

## 14. CONTRACT ASSETS/(LIABILITIES)

	31.3.2022 RM'000	Group Restated 31.3.2021 RM'000	Restated 1.4.2020 RM'000
<b>Contract assets/(liabilities) arising from:</b>			
(i) <u>Construction contracts</u>			
At beginning of the financial year	(47,030)	(42,291)	38,474
Revenue recognised during the financial year	16,258	12,997	59,962
Progress billings issued during the financial year	(5,094)	(17,736)	(140,727)
At end of the financial year	(35,866)	(47,030)	(42,291)
(ii) <u>Property development</u>			
At beginning of the financial year	(6,737)	37,277	39,811
Revenue recognised during the financial year	43,781	17,112	86,892
Progress billings issued during the financial year	(51,858)	(57,847)	(89,426)
Impairment loss on contract assets	–	(3,279)	–
At end of the financial year	(14,814)	(6,737)	37,277
(iii) <u>Rental guarantee scheme</u>			
At beginning of the financial year	–	(1,259)	–
Progress billing issued during the financial year	–	–	(1,259)
Reversal during the financial year	–	1,259	–
At end of the financial year	–	–	(1,259)
(iv) <u>Unutilised hotel room vouchers</u>			
At beginning of the financial year	(1,546)	(1,546)	–
Addition during the financial year	–	–	(1,546)
At end of the financial year	(1,546)	(1,546)	(1,546)

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## 14. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

	31.3.2022 RM'000	Group Restated 31.3.2021 RM'000	Restated 1.4.2020 RM'000
<b>Contract assets/(liabilities) arising from (Cont'd):</b>			
(v) <u>Vacation club membership</u>			
At beginning of the financial year	(664)	(864)	–
Addition during the financial year	(9)	(23)	(943)
Revenue recognised during the financial year	162	223	79
At end of the financial year	(511)	(664)	(864)
Total	(52,737)	(55,977)	(8,683)
Presented as:			
Contract assets	15,725	9,484	17,455
Less: Impairment loss	(3,279)	(3,279)	–
	12,446	6,205	17,455
Contract liabilities			
- non-current	(278)	(525)	(695)
- current	(64,905)	(61,657)	(25,443)
	(65,183)	(62,182)	(26,138)
	(52,737)	(55,977)	(8,683)

Included in the above are interest expenses of RM18,000 (31.3.2021: RM68,000; 1.4.2020: RM3,357,000) capitalised during the financial year.

The significant increase in contract assets is the result of billings yet to be issued to customers in respect of work already performed. The significant increase in contract liabilities is the result of milestone billings to customers were higher than revenue recognised for property development.

Rental guarantee scheme consisted a combination of contracts inclusive of rental guarantee scheme that being negotiated as a package with a single commercial objective which formed part of the contract arising from property development activities. The rental guarantee scheme had been terminated in prior financial year.

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 refer to advance payment from customers for the membership and the revenue are expected to be recognised within 19 (31.3.2021: 19; 1.4.2020: 19) years when the performance obligations are fulfilled subsequently.

# NOTES TO THE FINANCIAL STATEMENTS

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## 15. CONTRACT COSTS

	31.3.2022 RM'000	Group Restated 31.3.2021 RM'000	Restated 1.4.2020 RM'000
Contract costs for property development	889	970	669
Contract costs for construction contracts	10,819	7,550	4,749
	11,708	8,520	5,418

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 year, RM210,000 (31.3.2021: RM44,000) was amortised to cost of sales and RM961,000 (31.3.2021: RM837,000) was amortised against revenue.

## 16. FIXED DEPOSITS WITH LICENSED BANKS

### Group

In prior financial year, the fixed deposits with licensed banks were pledged to licensed banks for banking facilities granted to a subsidiary company and bore interest at rates ranging from Nil (31.3.2021: 1.05% to 2.50%) per annum.

## 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 RM3,663,000 (31.3.2021: RM4,096,000).

Included in the cash and bank balances of the Group and of the Company is an amount of RM1,782,000 (31.3.2021: RM1,782,000) being minimum balance required in the Deposit Service Reserve Account ("DSRA") for loans purposes.

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## 18. NON-CURRENT ASSET HELD FOR SALE

	Group		Company	
	31.3.2022 RM'000	31.3.2021 RM'000	31.3.2022 RM'000	31.3.2021 RM'000
Leasehold building	563	1,000	–	1,000

On 13 April 2022, the Group entered into a Sale and Purchase Agreement with a third party for the disposal of freehold building for a total cash consideration of RM600,000. The transaction has yet to be completed as at reporting date.

On 31 March 2021, the Company entered into a Sale and Purchase Agreement with a third party for the disposal of leasehold building for a total cash consideration of RM1,000,000. The transaction has been completed during the financial year.

## 19. SHARE CAPITAL

	Group and Company	
	31.3.2022 RM'000	31.3.2021 RM'000
<b>Issued and paid-up with no par value:</b>		
567,277,991 ordinary shares at beginning/end of the financial year	161,778	161,778

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.

### 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:

- 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 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;
- 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
- 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 (31.3.2021: 205,867,236) Warrants-B remained outstanding as of the end of the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

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## 20. TREASURY SHARES

	Group and Company	
	31.3.2022	31.3.2021
	RM'000	RM'000
9,596,900 treasury shares at beginning/end of the financial year	5,962	5,962

There was no purchase of its own ordinary shares during the financial year.

There was no cancellation or reissuance of treasury shares during the financial year.

As at the end of the financial year:

- (a) out of the Company's total 567,277,991 (31.3.2021: 567,277,991) issued ordinary shares, 9,596,900 (31.3.2021: 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 (31.3.2021: 557,681,091) ordinary shares.

The details of treasury shares of the Company were as follows:

	Group and Company		
	Number of shares Unit'000	Amount RM'000	Average Price* RM
At beginning/end of the financial year	9,597	5,962	0.621

\* Includes stamp duty, brokerage, clearing fees and service tax, where applicable

## 21. REVALUATION RESERVE

	Group		Company	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
	RM'000	RM'000	RM'000	RM'000
<u>Non-distributable:</u>				
At beginning of the financial year	75,738	80,097	33,767	33,767
Revaluation surplus on land and buildings	224	–	–	–
Reversal of revaluation surplus	(9,143)	–	–	–
Disposal of property, plant and equipment	–	(4,359)	–	–
Disposal of non-current asset held for sale	(445)	–	(445)	–
At end of the financial year	66,374	75,738	33,322	33,767



# NOTES TO THE FINANCIAL STATEMENTS

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## 22. WARRANT RESERVE

	<b>Group and Company</b>	
	<b>31.3.2022</b>	<b>31.3.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Arising from Issuance of Warrants-B</u>		
At beginning/end of the financial year	51,467	51,467

The details of Warrants-B are disclosed in Note 19 to the financial statements.

## 23. BORROWINGS (SECURED)

	<b>Group</b>		<b>Company</b>	
	<b>31.3.2022</b>	<b>31.3.2021</b>	<b>31.3.2022</b>	<b>31.3.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Current</b>				
Lease liabilities	1,572	1,813	–	–
Bank overdrafts	67,397	60,329	25,505	21,987
Bankers' acceptance	26,310	27,496	–	–
Revolving credit	52,776	60,447	24,096	25,676
Bridging loans	19,629	11,610	–	–
Term loans	266,038	294,663	50,486	49,552
	433,722	456,358	100,087	97,215
<b>Non-current</b>				
Lease liabilities	4	215	–	–
Bridging loans	4,997	6,098	4,997	6,098
	5,001	6,313	4,997	6,098
	438,723	462,671	105,084	103,313

The above borrowings are secured by way of:

- (i) joint and several guarantees by certain Directors;
- (ii) corporate guarantees by the Company for banking facilities granted to certain subsidiary companies;
- (iii) corporate guarantees by certain subsidiary companies for banking facilities granted to the Company;
- (iv) legal charges over freehold land, long term leasehold land and buildings of the Company, subsidiary companies (Notes 5, 7 and 8) and a customer;
- (v) assignment of contract proceeds from certain projects;
- (vi) charges over the project bank accounts of a customer; and
- (vii) debentures on certain projects undertaken by certain subsidiary companies and a customer.

The bridging loans and term loans, and bank overdrafts bore interest at rates ranging from 0.50% to 2.50% (31.3.2021: 0.50% to 2.50%) 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% (31.3.2021: 5.13% to 5.85%) per annum.

Revolving credit bore interest at rates ranging from 1.50% to 2.50% (31.3.2021: 1.50% to 2.50%) per annum above the respective banks' cost of funds.

# NOTES TO THE FINANCIAL STATEMENTS

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## 23. BORROWINGS (SECURED) (CONT'D)

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.

As disclosed in Notes 2 and 40.2 to the financial statements, on 27 August 2020, Corporate Debt Restructuring Committee ("CDRC") under the purview of Bank Negara Malaysia had accepted the Group's application for assistance to mediate with the lenders to restructure or renegotiate the respective financial facilities held by the Company and certain of its subsidiary companies. In term of this advisory, existing lenders are required to observe an informal standstill with immediate effect and withhold litigation proceedings against the Group.

On 28 March 2022, the Company and relevant subsidiary companies signed the Supplementary Agreements ("SAs") and relevant agreements with their respective lenders to restructure their borrowings, which formed part of the restructuring scheme under the CDRC purview. The outstanding borrowings under CDRC purview is RM431,050,000 (31.3.2021: RM461,000,000) as at year end.

On 13 July 2022, the Company and relevant subsidiary companies fulfilled all the conditions precedents of the SAs.

The restructuring scheme involved, amongst others, the relevant lenders extending the repayment period of borrowings with a repayment term to three (3) year tenure from the date of the SAs, the restructured facilities continuing to secured against existing charged assets/securities and the restructured facilities being settled from the sale proceeds or cash generated from the charged assets/securities.

The interest rates on the outstanding sums are capped at 5% per annum under the SAs signed.

Set out below are the movements of lease liabilities during the financial year:

	Group	
	31.3.2022 RM'000	31.3.2021 RM'000
At beginning of the financial year	2,028	2,495
Lease payments/cash outflow	(382)	(467)
Reversal of overprovision of lease interest in prior year	(70)	–
Lease interest	61	146
Payment for lease interest	(61)	(146)
At end of the financial year	1,576	2,028
Presented as:		
- Current	1,572	1,813
- Non-current	4	215
	1,576	2,028

The lease liabilities are secured by the related underlying assets.

The maturity analysis of lease liabilities is disclosed in Note 35 to the financial statements.

With the exception of short-term leases, the Group has recognised leases for equipment, machinery, motor vehicle, premises, staff quarters and hotel suites in profit or loss as disclosed in Note 29 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

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## 23. BORROWINGS (SECURED) (CONT'D)

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use assets can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as securities.

The Group's leasing activities by type of right-of-use assets are recognised in property, plant and equipment on the statements of financial position as disclosed in Note 5 to the financial statements.

The effective interest rates of the lease liabilities are ranged from 2.35% to 3.66% (31.3.2021: 2.28% to 3.57%) per annum.

## 24. TRADE PAYABLES

	Group	
	31.3.2022 RM'000	31.3.2021 RM'000
<b>Non-current</b>		
Trade payables	67,538	–
<b>Current</b>		
Trade payables	13,118	103,844
Retention sums	16,874	15,783
	29,992	119,627
<b>Total trade payables</b>	<b>97,530</b>	<b>119,627</b>
<b>Presented as:</b>		
- current	29,992	119,627
- non-current	67,538	–
	97,530	119,627

The normal trade credit terms granted to the Group range from 14 days to 6 years (31.3.2021: 14 to 90 days).

Included in the above are amounts of approximately RM88,539,000 and RM2,634,000 (31.12.2021: RM104,000,000 and RM3,000,000), being the trade payables of Sentoria Bina Sdn. Bhd. ("SBSB") and Sentoria Themeparks and Resorts Sdn Bhd ("STAR") respectively, wholly-owned subsidiaries of the Company who have applied to the High Court of Malaya at Kuala Lumpur pursuant to Sections 366 and Section 368 of the Companies Act 2016 in order to formulate and finalise a proposed Scheme of Arrangement between SBSB and STAR with their trade creditors, respectively, pursuant to Section 366 of the Act to settle the claims of creditors while at the same time maintaining SBSB and STAR as a going concern and the Order allows SBSB and STAR to negotiate terms with its lenders and creditors without having the threat of any proceedings and actions being brought against SBSB and STAR as disclosed in Notes 40.3 and 40.4 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

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## 25. OTHER PAYABLES

		Group		Company	
	Note	31.3.2022 RM'000	31.3.2021 RM'000	31.3.2022 RM'000	31.3.2021 RM'000
<b>Non-current</b>					
Provision of onerous contracts	25.1	–	1,789	–	–
<b>Current</b>					
Non-trade payables		50,350	33,049	2,053	1,049
Accruals		39,165	31,594	2,180	2,123
Advances received		1,184	1,189	–	–
Provision of onerous contracts	25.1	3,986	7,542	–	–
		94,685	73,374	4,233	3,172
		94,685	75,163	4,233	3,172

All of the above amounts are unsecured, interest-free and repayable on demand.

Included in the above, is an amount of approximately RM5,963,000 (31.12.2021: RM1,000,000), being the non-trade payables of STAR who has applied to the High Court of Malaya at Kuala Lumpur pursuant to Sections 366 and Section 368 of the Companies Act 2016 in order to formulate and finalise a proposed Scheme of Arrangement between STAR with its creditors pursuant to Section 366 of the Act to settle the claims of creditors while at the same time maintaining STAR as a going concern and the Order allows STAR to negotiate terms with its lenders and creditors without having the threat of any proceedings and actions being brought against STAR as disclosed in Note 40.4 to the financial statements.

### 25.1 Provisions of onerous contracts

Provision of onerous contracts represents the estimated loss that will be incurred on the unavoidable operating lease of the leaseback premises in which the Group had entered into agreement with owners act as the Operator of the premises and to provide fixed guaranteed rental return to the owners.

The movement in the provision is as follows:

	Group	
	31.3.2022 RM'000	31.3.2021 RM'000
At beginning of the financial year	9,331	–
Arose during the financial year	1,555	9,331
Realised during the financial year	(6,900)	–
At end of the financial year	3,986	9,331
Presented as:		
- current	3,986	7,542
- non-current	–	1,789
	3,986	9,331

# NOTES TO THE FINANCIAL STATEMENTS

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## 26. REVENUE

### 26.1 Disaggregated revenue information

	Group	
	2022	Restated
	RM'000	2021 RM'000
<b>Types of revenue</b>		
Property development revenue	37,371	17,053
Construction contract revenue	16,258	12,997
Rendering of services	198	5,121
	53,827	35,171
<b>Timing of recognition</b>		
Performance obligations:		
- satisfied over time	22,921	14,932
- satisfied at a point in time	30,906	20,239
	53,827	35,171

All of the Group's revenue are generated from Malaysia.

### 26.2 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 12 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.

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## 26. REVENUE (CONT'D)

### 26.2 Property development and construction contract revenue (Cont'd)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the reporting date are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Construction contract revenue	30,632	244,315
Property development revenue	107,024	109,193

In accordance with the agreed time frame stated in the sales and purchase agreements signed with customers, normally the housing development projects will be completed within 1 to 3 years. However, as a result of COVID-19 pandemic as detailed in Note 40.1 to the financial statements has caused significant delay on the housing development projects.

## 27. COST OF SALES

	Group	
	2022	Restated 2021
	RM'000	RM'000
Property development costs	53,399	42,345
Construction contract costs	16,952	22,656
Rendering of services	3,151	10,918
	73,502	75,919

## 28. OTHER EXPENSES AND FINANCE COSTS

### 28.1 Other expenses

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Biological assets written off	234	132	–	–
Impairment loss on investment in subsidiary companies	–	–	32,083	6,100
Impairment loss on property, plant and equipment	28,294	–	–	–
Loss on disposal of property, plant and equipment	–	747	–	–
Loss on remeasurement of inventories	14,573	23,366	–	–
Property, plant and equipment written off	186	–	–	–
Provision made for onerous contracts	1,555	9,331	–	–
Receivables written off	54	184	–	–
	44,896	33,760	32,083	6,100

# NOTES TO THE FINANCIAL STATEMENTS

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## 28. OTHER EXPENSES AND FINANCE COSTS (CONT'D)

### 28.2 Finance costs

	Group		Company	
	2022	Restated 2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
- bank overdraft	4,703	3,146	–	–
- lease liabilities	(29)	111	–	–
- bankers' acceptance	1,856	2,261	–	–
- bridging loan	741	1,052	–	–
- revolving credit	123	2,400	356	584
- term loans	14,002	14,965	90	159
- others	12	1	–	–
	21,408	23,936	446	743

## 29. LOSS BEFORE TAX

Loss before tax has been determined after charging/crediting amongst others, the following items:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>After charging:</u>				
Auditors' remuneration				
- statutory audit	207	202	37	35
- non-statutory audit	3	3	–	–
- overprovision in prior year	–	(115)	–	(26)
Short-term leases				
- equipment	–	33	–	–
- machinery	89	2,103	–	–
- premises	(7)	33	–	–
- staff quarters	–	5	–	–
- hotel suites	1,075	5,266	–	–
<u>And crediting:</u>				
Rental income – premises	9	58	–	42

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## 30. TAX (EXPENSE)/INCOME

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current tax:				
- Current year	–	(4)	–	–
- Underprovision in prior financial year	(3,074)	(8)	–	(19)
Deferred tax:				
- Origination and reversal of temporary differences	(537)	(23,156)	–	610
	(3,611)	(23,168)	–	591

Malaysian income tax is calculated at the statutory rate of 24% (2021: 24%) of the estimated assessable profit for the financial year.

A reconciliation of the tax (expense)/income on loss before tax with the applicable statutory income tax rate is as follows:

	Group		Company	
	2022 %	2021 %	2022 %	2021 %
Applicable statutory income tax rate	(24.0)	(24.0)	(24.0)	(24.0)
Tax effects in respect of:				
Expenses not deductible for tax purposes	19.8	20.1	24.0	24.0
Income not subject to tax	(3.6)	(0.4)	–	–
Reversal of deferred tax assets recognised in prior financial year	(2.0)	15.6	–	–
Deferred tax assets not recognised	10.4	4.4	–	–
Underprovision of taxation in prior financial year	3.3	–	–	–
Average effective tax rate	3.9	15.7	–	–

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	31.3.2022 RM'000	31.3.2021 RM'000
Unabsorbed business losses	129,050	91,695
Unutilised capital allowances	4,084	3,235
Unutilised investment tax allowances	77,921	69,745
Other temporary differences	2,474	8,320
	213,529	172,995



# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 30. TAX (EXPENSE)/INCOME (CONT'D)

Deferred tax assets in respect of these items have not been recognised as they are not probable that whether sufficient future taxable profits will be available against which the Group can utilise the benefits. The above deferred tax assets can be carried forward to offset against their respective future taxable profits. However, these amounts are subject to agreement by the Inland Revenue Board of Malaysia.

The unabsorbed business losses of the Group is available for offsetting against future taxable profits of the Group, subject to no substantial changes in shareholdings of those entities under the Income Tax Act 1967 and subject to the relevant provision of Income Tax Act 1967. The expiry terms of the unabsorbed business losses of the Group as of 31 December 2018 and thereafter has been extended from 7 years to 10 years, the unabsorbed business losses will now available for carry forward for a period of 10 (2020: 7) consecutive years. Upon expiry of the 10 (2020: 7) years, the unabsorbed business losses will be disregarded.

The expiry of the unrecognised unabsorbed business losses are as follows:

	Group	
	31.3.2022	31.3.2021
	RM'000	RM'000
Year of assessment 2025	–	25,998
Year of assessment 2026	–	15,080
Year of assessment 2027	–	15,179
Year of assessment 2028	25,998	35,438
Year of assessment 2029	15,080	–
Year of assessment 2030	15,179	–
Year of assessment 2031	31,202	–
Year of assessment 2032	41,591	–
	129,050	91,695

## 31. LOSS PER SHARE

### Basic loss per ordinary share

The basic loss per ordinary share for the financial year has been calculated based on the loss attributable to ordinary equity holders of the Company divided by the weighted average number of ordinary shares in issue during the financial year:

	Group	
	2022	Restated 2021
Net loss attributable to equity holders of the Group (RM'000)	(95,032)	(160,649)
Weighted average number of ordinary shares in issue (unit'000)	557,681	557,681
Basic loss per share (sen)	(17.04)	(28.81)

# NOTES TO THE FINANCIAL STATEMENTS

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## 31. LOSS PER SHARE (CONT'D)

### Diluted loss per ordinary share

For the purpose of calculating diluted loss per ordinary share, the net loss for the financial year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares arising consequent to the exercise of warrants.

	Group 2022	Restated 2021
Net loss attributable to equity holders of the Company (RM'000)	(95,032)	(160,649)
Weighted average number of ordinary shares in issue (unit'000)	557,681	557,681
Diluted loss per share (sen)	(17.04)*	(28.81)*

\* The diluted loss per share are anti-dilutive as the fair value of the ordinary shares of the Company during the reporting year 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 year exceeds the exercise price of these potential ordinary shares.

## 32. EMPLOYEE BENEFITS EXPENSES

	Group 2022 RM'000	2021 RM'000	Company 2022 RM'000	2021 RM'000
Directors' remuneration	5,970	6,150	429	798
Salaries, wages and other emoluments	6,682	9,466	–	–
Defined contribution plan	703	848	–	–
Social security contributions	86	272	–	–
Other staff related expenses	60	246	–	90
	13,501	16,982	429	888

The details of Directors' remuneration are as follows:

	Group 2022 RM'000	2021 RM'000	Company 2022 RM'000	2021 RM'000
Executive Directors:				
- Salaries	4,800	4,800	144	302
- Defined contribution plan	908	912	23	58
	5,708	5,712	167	360

# NOTES TO THE FINANCIAL STATEMENTS

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## 32. EMPLOYEE BENEFITS EXPENSES (CONT'D)

The details of Directors' remuneration are as follows (Cont'd):

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-Executive Directors:				
- Fees	216	252	216	252
- Attendance allowances	46	60	46	60
	262	312	262	312
Former Non-Executive Directors:				
- Fees	–	96	–	96
- Attendance allowances	–	30	–	30
	–	126	–	126
Total	5,970	6,150	429	798

The estimated monetary value of benefits-in-kind received and receivable by the Executive Directors otherwise than in cash from the Group and the Company amounted to RM20,000 (2021: RM20,000).

Included in the above are the following key management personnel's remuneration (other than Directors):

	Group	
	2022 RM'000	2021 RM'000
Salaries, wages and other emoluments	621	722
Defined contribution plan	75	86
Social security contributions	4	4
	700	812

## 33. COMMITMENTS

	Group	
	2022 RM'000	2021 RM'000
<b>Capital commitments</b>		
<u>Authorised and contracted for:</u>		
- property, plant and equipment	15,707	15,529
<u>Authorised but not contracted for:</u>		
- property, plant and equipment	36,168	35,996

# NOTES TO THE FINANCIAL STATEMENTS

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## 34. RELATED PARTY DISCLOSURES

(a) Significant related party transactions during the financial year are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>Transactions with companies in which Dato' Chan Kong San and Dato' Gan Kim Leong have interests:</u>				
- Rental expenses paid/payable	9	35	–	–
<u>Transactions with persons/entities connected with Dato' Gan Kim Leong:</u>				
- Rental expenses paid/payable	–	12	–	–
- Tax consulting fees paid/payable	88	97	10	3
- Advisory fees/ Staff secondment paid/payable	802	1,192	400	353
- Commission paid/payable	–	5	–	–

The related party transactions have been entered into in the normal course of business under normal trade terms.

(b) During the financial 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 year was approximately RM4,813,000 (31.3.2021: RM3,850,000). 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 (31.3.2021: 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 year amounted to RM12,089,686 (31.3.2021: RM11,695,885).

(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 respectively in Note 32 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

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## 35. FINANCIAL INSTRUMENTS

### 35.1 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>31.3.2022</b>		
<b>Financial assets</b>		
Trade and non-trade receivables	71,557	71,557
Cash and bank balances	7,336	7,336
	78,893	78,893
<b>Financial liabilities</b>		
Borrowings	438,723	438,723
Trade and other payables	187,045	187,045
	625,768	625,768
<b>31.3.2021</b>		
<b>Financial assets</b>		
Trade and non-trade receivables	106,812	106,812
Fixed deposits with licensed banks	4,246	4,246
Cash and bank balances	12,293	12,293
	123,351	123,351
<b>Financial liabilities</b>		
Borrowings	462,671	462,671
Trade and other payables	184,270	184,270
	646,941	646,941
<b>Company</b>		
<b>31.3.2022</b>		
<b>Financial assets</b>		
Non-trade receivables	235	235
Amount due from subsidiary companies	107,046	107,046
Cash and bank balances	1,814	1,814
	109,095	109,095
<b>Financial liabilities</b>		
Borrowings	105,084	105,084
Other payables	4,233	4,233
Amount due to subsidiary companies	106,874	106,874
	216,191	216,191

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.1 Categories of financial instruments (Cont'd)

The table below provides an analysis of financial instruments categorised as follows (Cont'd):

	Carrying amount RM'000	Amortised cost RM'000
<b>Company (Cont'd)</b>		
<b>31.3.2021</b>		
<b>Financial assets</b>		
Non-trade receivables	192	192
Amount due from subsidiary companies	138,805	138,805
Cash and bank balances	1,794	1,794
	140,791	140,791
<b>Financial liabilities</b>		
Borrowings	103,313	103,313
Other payables	3,172	3,172
Amount due to subsidiary companies	103,593	103,593
	210,078	210,078

### 35.2 Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing their risks. The Group and the Company operate within policies that are approved by the Directors and the Group's and the Company's policies are not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the Company 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 and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's and the Company'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 and the Company do 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 and the Company's total credit exposure. The Group's and the Company's transactions are entered into with diverse creditworthy counterparties, thereby mitigating any significant concentration of credit risk.

It is the Group's and the Company's policies that all customers who wish to trade on credit terms are subject to credit verification procedures.

# NOTES TO THE FINANCIAL STATEMENTS

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## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.2 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company 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 and the Company are 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 statements of financial position.

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 and the Company use 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.

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 and the Company until the purchase consideration is fully settled. As such, expected credit losses is minimum as at the reporting date. Generally, the receivables are written off if the Directors deemed them uncollectable.

# NOTES TO THE FINANCIAL STATEMENTS

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## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.2 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company 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 and the Company are 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 and 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>Group</b>			
<u>31.3.2022</u>			
Not past due	–	9,317	–
Past due 1 to 30 days	–	3,387	–
Past due 31 to 60 days	–	4	–
Past due more than 60 days	–	25,706	–
		38,414	–
Credit impaired	100	494	494
		38,908	494
<b>Contract assets</b>		15,725	3,279
<u>31.3.2021</u>			
Not past due	–	10,217	–
Past due 1 to 30 days	–	19,567	–
Past due 31 to 60 days	–	3,419	–
Past due more than 60 days	–	18,598	–
		51,801	–
Credit impaired	100	365	365
		52,166	365
<b>Contract assets</b>		9,484	3,279



# NOTES TO THE FINANCIAL STATEMENTS

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## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.2 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company 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 and the Company are 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 and the Company's trade receivables and contract assets using a provision matrix (Cont'd):

	Expected credit loss rate %	Total gross carrying amount RM'000	Expected credit loss RM'000
<b>Company</b>			
<u>31.3.2022</u>			
Past due more than 1 year	100	84	84
<u>31.3.2021</u>			
Past due more than 1 year	100	84	84

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 with credit 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.

In respect of trade receivables, the Group has significant concentration of credit risk of which RM24,686,000 (31.3.2021: RM29,031,000) were due from 2 (31.3.2021: 3) customers. As at the reporting date, there was no indication that these receivables are not recoverable.

In respect of other receivables, the Group has significant concentration of credit risk of which RM23,642,000 (31.3.2021: RM32,235,000) were due from 1 (31.3.2021: 2) counterparties. As at the reporting date, there was no indication that these receivables are not recoverable.

##### ii. Intercompany receivables

The maximum exposure to credit risk for intercompany receivables is represented by their carrying amounts in the statements of financial position.

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 other than those disclosed in Note 9 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

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## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.2 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company 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 and the Company are exposed to credit risk (Cont'd):

##### 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 RM246,052,000 (31.3.2021: RM248,858,000) which is in respect of corporate guarantees given to financial institutions for banking facilities and the suppliers for credit facilities granted to and utilised by subsidiary companies as at the end of the reporting year.

The Company monitors on an on-going basis the results of the said subsidiary companies and the utilisation of the banking facilities concerned. The Group and the Company have restructured the repayment on the outstanding borrowings with financial institutions as detailed in Notes 23 and 40.2 to the financial statements.

#### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company'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 and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group's and the Company'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 and the Company target a mix of fixed and floating debts based on assessment of their existing exposure and desired interest rate profile.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.2 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company 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 interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year are as follows:

	Group RM'000	Company RM'000
<u>31.3.2022</u>		
<b>Fixed rate instrument</b>		
Lease liabilities	1,576	–
<b>Floating rate instrument</b>		
Borrowings	437,147	105,084
<u>31.3.2021</u>		
<b>Fixed rate instruments</b>		
Fixed deposits with licensed banks	4,246	–
Lease liabilities	2,028	–
<b>Floating rate instrument</b>		
Borrowings	460,643	103,313

The Group and the Company do 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 year would not affect profit or loss.

The following table illustrates the sensitivity of loss 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:

	Increase/(decrease) in net loss for the financial year			
	Group		Company	
	RM'000 +0.5%	RM'000 -0.5%	RM'000 +0.5%	RM'000 -0.5%
<b>Floating rate instrument</b>				
31.3.2022	2,186	(2,186)	525	(525)
31.3.2021	2,303	(2,303)	517	(517)

The changes of above interest rate will have opposite effect in equity as compare to net loss of the Group and of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

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## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.2 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Cont'd):

#### (c) Liquidity risk

Liquidity risk is the risk that the Group and the Company 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 and the Company maintain 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.

As disclosed in Note 2 to the financial statements, the Group and the Company have taken restructuring measures and have achieved the finalisation of the proposed debt restructuring scheme ("PDRS") with its lenders.

Accordingly, the Directors have prepared the cash flow forecast for the next twelve months in accordance with the terms of the PDRS and forecast of future operating cash flows of the Group and the Company based on past performance and estimated growth rate. Based on the cash flow forecast, the Directors are of the view that the Group and the Company are able to generate sufficient cash flows for the next twelve months from the reporting date to meet their cash flows requirements, to realise their assets and discharge their liabilities in the normal course of business.

At the end of the reporting 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>31.3.2022</u>					
<b>Secured:</b>					
Borrowings	438,723	463,286	457,597	5,689	–
<b>Unsecured:</b>					
Trade payables	97,530	108,609	38,727	69,882	–
Other payables	89,515	89,515	89,515	–	–
	187,045	198,124	128,242	69,882	–
<b>Total</b>	625,768	661,410	585,839	75,571	–
<u>31.3.2021</u>					
<b>Secured:</b>					
Borrowings	462,671	504,462	496,568	7,295	599
<b>Unsecured:</b>					
Trade payables	119,627	119,627	119,627	–	–
Other payables	64,643	64,643	64,643	–	–
	184,270	184,270	184,270	–	–
<b>Total</b>	646,941	688,732	680,838	7,295	599

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## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.2 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company 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 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>31.3.2022</u>					
<b>Secured:</b>					
Borrowings	105,084	108,813	103,128	5,685	–
<b>Unsecured:</b>					
Other payables	4,233	4,233	4,233	–	–
Amount due to subsidiary companies	106,874	106,874	106,874	–	–
	111,107	111,107	111,107	–	–
<b>Total</b>	216,191	219,920	214,235	5,685	–
Financial guarantees	–	246,052	246,052	–	–
<u>31.3.2021</u>					
<b>Secured:</b>					
Borrowings	103,313	105,694	98,018	7,077	599
<b>Unsecured:</b>					
Other payables	3,172	3,172	3,172	–	–
Amount due to subsidiary companies	103,593	103,593	103,593	–	–
	106,765	106,765	106,765	–	–
<b>Total</b>	210,078	212,459	204,783	7,077	599
Financial guarantees	–	248,858	248,858	–	–

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## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.3 Reconciliation of liabilities arising from financing activities

	At 1.4.2021 RM'000	Reversal of overprovision of lease interest RM'000	Interest payable RM'000	Repayment RM'000	At 31.3.2022 RM'000
<b>Group</b>					
Lease liabilities	2,028	(70)	–	(382)	1,576
Borrowings (excluding bank overdrafts)	400,314	–	16,663	(47,227)	369,750
	402,342	(70)	16,663	(47,609)	371,326
<b>Company</b>					
Borrowings (excluding bank overdrafts)	81,326	–	1,186	(2,933)	79,579
	At 1.4.2020 RM'000	Interest payable RM'000	Drawdown RM'000	Repayment RM'000	At 31.3.2021 RM'000
<b>Group</b>					
Lease liabilities	2,495	–	–	(467)	2,028
Borrowings (excluding bank overdrafts)	383,701	23,643	2,609	(9,639)	400,314
	386,196	23,643	2,609	(10,106)	402,342
<b>Company</b>					
Borrowings (excluding bank overdrafts)	81,772	2,702	–	(3,148)	81,326

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 36. 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 for the non-current trade payables as disclosed in Note 24 to the financial statements as shown in the table below.

	31.3.2022		31.3.2021	
	Carrying amount RM'000	Fair value at Level 3 RM'000	Carrying amount RM'000	Fair value at Level 3 RM'000
<b>Group</b>				
Trade payables	67,538	67,538	–	–

There was no transfer in fair value hierarchy during the financial year.

The fair value of trade payables is calculated as the present value of the estimated future cash flows based on weighted average cost of capital.

## 37. 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 year.

	Group		Company	
	31.3.2022 RM'000	Restated 31.3.2021 RM'000	31.3.2022 RM'000	31.3.2021 RM'000
Total borrowings	438,723	462,671	105,084	103,313
Cash and bank balances	(7,336)	(12,293)	(1,814)	(1,794)
Fixed deposits with licensed banks	–	(4,246)	–	–
	431,387	446,132	103,270	101,519
Total equity	159,146	265,182	177,093	245,334
Debt-to-equity ratio	2.71	1.68	0.58	0.41

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 38. 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 and construction 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.

	Note	Property development RM'000	Leisure and hospitality RM'000	Others RM'000	Eliminations/ adjustments RM'000	Consolidated RM'000
<b>31.3.2022</b>						
<b>Revenue</b>						
External revenue		53,629	198	–	–	53,827
Inter-segment	<b>A</b>	1,339	–	–	(1,339)	–
		54,968	198	–	(1,339)	53,827
<b>Results</b>						
Gross loss		(16,195)	(3,480)	–	–	(19,675)
Segment (loss)/profit	<b>B</b>	(41,869)	(42,514)	582	549	(83,252)
Finance income		11,154	–	–	–	11,154
Finance costs		(13,207)	(7,755)	(446)	–	(21,408)
Depreciation		(2,876)	(7,508)	(11)	88	(10,307)
Tax expense		(3,611)	–	–	–	(3,611)
Other non-cash (expense)/income	<b>C</b>	(16,726)	(29,399)	(65,706)	69,737	(42,094)



# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 38. 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
<u>31.3.2022</u> (Cont'd)						
<b>Assets</b>						
Segment assets	D	603,594	496,822	403,085	(669,110)	834,391
Additions to non-current assets	E	449	8,954	–	(179)	9,224
<b>Liabilities</b>						
Segment liabilities	F	473,521	180,613	111,107	(507,843)	257,398
<u>31.3.2021</u>						
<b>Revenue</b>						
External revenue		30,049	5,122	–	–	35,171
Inter-segment	A	873	–	–	(873)	–
		30,922	5,122	–	(873)	35,171
<b>Results</b>						
Gross loss		(34,189)	(6,559)	–	–	(40,748)
Segment loss	B	(94,451)	(17,416)	(10,713)	(726)	(123,306)
Finance income		220	–	–	–	220
Finance costs		(15,648)	(7,545)	(743)	–	(23,936)
Depreciation		(2,234)	(7,765)	(19)	88	(9,930)
Tax (expense)/income		(623)	(23,136)	591	–	(23,168)
Other non-cash (expense)/income	C	(48,883)	(235)	(8,770)	1,061	(56,827)
<b>Assets</b>						
Segment assets	D	688,597	546,771	459,173	(734,154)	960,387
Additions to non-current assets	E	390	5,425	–	(2,803)	3,012
<b>Liabilities</b>						
Segment liabilities	F	476,807	181,056	106,765	(507,656)	256,972

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 38. 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 loss to arrive at "loss before tax" presented in the consolidated statements of profit or loss and other comprehensive income:

	2022 RM'000	2021 RM'000
Segment loss	(83,252)	(123,306)
Finance income	11,154	220
Finance costs	(21,408)	(23,936)
Loss before tax	(93,506)	(147,022)

- C** Other non-cash (expenses)/income consist of the following items as presented in the respective notes to the financial statements:

	2022 RM'000	2021 RM'000
Biological assets written off	(234)	(132)
Fair value adjustments on investment properties	2,790	(8,770)
Gain on disposal of investment properties	32	114
Gain on disposal of subsidiary companies	271	–
Gain on disposal of biological assets	–	165
Goodwill written off	(3)	–
Impairment loss on trade and other receivables	(291)	(11,878)
Impairment loss on property, plant and equipment	(28,294)	–
Impairment loss on contract assets	–	(3,279)
Loss on remeasurement of inventories	(14,573)	(23,366)
Loss on disposal of property, plant and equipment	–	(747)
Property, plant and equipment written off	(186)	–
Provision for onerous contract	(1,555)	(9,331)
Receivables written off	(51)	(184)
Reversal of impairment loss on other receivables no longer required	–	581
	(42,094)	(56,827)

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 38. 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):

- D** The following items were added to segments assets to arrive at total assets reported in the consolidated statements of financial position:

	31.3.2022 RM'000	31.3.2021 RM'000
Segment assets	834,391	960,387
Deferred tax assets	21,825	20,837
Tax recoverable	3,034	7,051
<b>Total assets</b>	<b>859,250</b>	<b>988,275</b>

- E** Additions to non-current assets other than financial instruments and deferred tax assets consist of:

	31.3.2022 RM'000	31.3.2021 RM'000
Property, plant and equipment	9,224	2,977
Biological assets	–	35
	<b>9,224</b>	<b>3,012</b>

- F** The following items were added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	31.3.2022 RM'000	31.3.2021 RM'000
Segment liabilities	257,398	256,972
Borrowings	438,723	462,671
Tax payable	–	4
Deferred tax liabilities	3,983	3,446
<b>Total liabilities</b>	<b>700,104</b>	<b>723,093</b>

### 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 RM17,439,000 (2021: RM12,742,000) from a major customer has contributed more than 10% of the Group's total revenue.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 39. COMPARATIVE INFORMATION

The following comparative figures have been restated as a result of effect on adoption of the Agenda Decision on IAS 23 Borrowing Costs ("Agenda Decision") for the financial year ended 31 March 2021 and 31 March 2020.

The effects on the adoption of the Agenda Decision on IAS 23 Borrowing Costs on the Group's comparative financial statements are disclosed below:

### Statements of financial position

	As previously reported RM'000	Prior year adjustments RM'000	As restated RM'000
<b>31.3.2021</b>			
<b>Current assets</b>			
Inventories	115,516	(5,487)	110,029
Contract costs	8,437	83	8,520
<b>Equity</b>			
Accumulated losses	(2,827)	(5,403)	(8,230)
<b>1.4.2020</b>			
<b>Current assets</b>			
Inventories	183,149	(6,449)	176,700
Contract assets	17,399	56	17,455
<b>Equity</b>			
Retained earnings	158,811	(6,392)	152,419

### Statement of profit or loss and other comprehensive income

	As previously reported RM'000	Prior year adjustments RM'000	As restated RM'000
<b>31.3.2021</b>			
Revenue	35,150	21	35,171
Cost of sales	(76,895)	976	(75,919)
Finance costs	(23,928)	(8)	(23,936)

### Statement of cash flows

	As previously reported RM'000	Prior year adjustments RM'000	As restated RM'000
<b>31.3.2021</b>			
<u>Changes in working capital</u>			
Inventories	49,023	(962)	48,061
Contract assets/liabilities	44,027	56	44,083
Contract costs	(3,019)	(83)	(3,102)

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND AFTER THE REPORTING DATE

### 40.1 COVID-19 Pandemic

The COVID-19 pandemic 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.

This has affected business and economic activities in Malaysia and beyond.

The COVID-19 Pandemic also resulted in various travel restrictions and other precautionary measures imposed in Malaysia and various other countries.

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, the leisure and hospitality businesses under leisure and hospitality segment of the Group have been financially affected during the current financial year mainly arose from its diminished sources of income as most of its business operations were suspended whilst the fixed overhead costs that include salary, security personnel expenses, and rental expense continued to be incurred. For leisure segment, the Group has temporary ceased its themeparks, nature park and waterparks operations at Bukit Gambang, Langkawi and Kuching respectively. As Malaysia transitioned to the "endemic phase" of COVID-19 with effect from 1 April 2022 and following the reopening of international borders, the outlook of Malaysia tourism industry is expected to improve. Moreover, the higher vaccination rates worldwide and the introduction of vaccine passports in certain countries will support the recovery of the tourism, leisure and hospitality industries. The Group plan to re-open certain of its theme parks in the second half of next financial year.

For disruption in the property development operations due to COVID-19 and various movement control orders implemented by the Government throughout the year have led to delay in completing the property development projects. As a result, the Group has recognised significant liquidated ascertained damages in the financial statements. The Group has resumed operations for certain areas of property development projects while adhering to the standard operating procedures and directives issued by the Government of Malaysia throughout the year.

Barring unforeseen circumstances, the Group anticipates business operations from its property development division and leisure and hospitality division to take at least 24 months from the date of this report for their business to return to pre-COVID-19 revenue performance levels. 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 2023.

### 40.2 Proposed Debt Restructuring Scheme - Corporate Debt Restructuring Committee ("CDRC")

The Group has sought the assistance of the Corporate Debt Restructuring Committee ("CDRC") under the purview of Bank Negara Malaysia to mediate with the financial institutions to restructure or renegotiate for the settlement of the respective financing facilities held by the Company and certain of its subsidiaries of approximately RM428,313,000 at 31 March 2022.

The CDRC has vide its letter dated 27 August 2020 approved the Group's application for assistance to mediate between the Company and certain of its subsidiary companies with their respective lenders ("CDRC Mediation").

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND AFTER THE REPORTING DATE (CONT'D)

### 40.2 Proposed Debt Restructuring Scheme - Corporate Debt Restructuring Committee ("CDRC") (Cont'd)

On 28 March 2022, the Company and relevant subsidiary companies signed the Supplementary Agreements ("SAs") and relevant agreements with their lenders, which formed part of the restructuring scheme under the CDRC purview. The salient terms of the restructuring are disclosed in Note 23 to the financial statements of the Group. On 13 July 2022, the Company and relevant subsidiary companies fulfilled all the conditions precedents of the SAs.

The successful CDRC Mediation would enable the Group to strengthen its financial position and to ensure that the post restructuring debts are at a sustainable level to safeguard the Group.

### 40.3 Sentoria Bina Sdn. Bhd. - Scheme of Arrangement with its creditors pursuant to Section 366 of the Companies Act 2016 and Restraining Order under Section 368 of the Companies Act 2016

On 12 November 2020, a subsidiary company, Sentoria Bina Sdn. Bhd. ("SBSB") had applied to the High Court of Malaysia at Kuala Lumpur for the following orders:

- (a) An Order to summon creditors' meetings of the creditors of SBSB or any class of creditors for the purpose of considering and if thought fit and appropriate, approving with or without modification, a proposed scheme of compromise and arrangement between SBSB and its creditors; and
- (b) A Restraining Order to forthwith restrain and stay all and further and future proceedings in any action or proceedings against SBSB, its assets, its guarantor guaranteeing the performance of SBSB's obligations under any documents and security documents.

On 29 January 2021, SBSB has convened the Creditors' Meeting pursuant to the Orders of the High Court of Malaya at Kuala Lumpur ("the High Court") Orders dated 12 November 2020 and 22 January 2021 pursuant to Section 366 of the Companies Act 2016 (the "Act") and the Proposed Scheme of Arrangement ("the Scheme") was agreed by the requisite majority of the creditors present and voting at the Creditors' Meeting in accordance with Section 366 of the Act.

Pursuant to Section 366 of the Act, the requisite majority required is 75% and SBSB managed to obtain the agreement of approximately 93% in value of the creditors who voted at the Creditors' Meeting. SBSB had filed an application to the High Court under Section 366 of the Act on 5 February 2021 to seek the High Court's approval of the Scheme.

On 3 May 2021, the High Court granted an order for the approval of the Scheme and the Scheme shall be binding on SBSB and its scheme creditors. The Scheme amount in respect of the Scheme Creditors amounts to approximately RM104,000,000 and repayable over a period of 6 years.

### 40.4 Sentoria Themeparks and Resorts Sdn. Bhd. – Proposed Scheme of Arrangement with its creditors pursuant to Section 366 of the Companies Act 2016 and Restraining Order under Section 368 of the Companies Act 2016

On 5 April 2021, Sentoria Themeparks and Resorts Sdn. Bhd. ("STAR"), a wholly owned subsidiary of the Company has applied to the High Court of Malaya at Kuala Lumpur ("the High Court") pursuant to Sections 366 and Section 368 of the Companies Act 2016 ("the Act") for the following orders:

- (a) An Order to summon creditors' meetings of the creditors of STAR or any class of creditors for the purpose of considering and if thought fit and appropriate, approving with or without modification, a proposed scheme of compromise and arrangement between STAR and its creditors; and
- (b) A Restraining Order to forthwith restrain and stay all and further and future proceedings in any action or proceedings against STAR, its assets, its guarantor guaranteeing the performance of STAR's obligations under any documents and security documents.

# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2022

## 40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND AFTER THE REPORTING DATE (CONT'D)

### 40.4 Sentoria Themeparks and Resorts Sdn. Bhd. – Proposed Scheme of Arrangement with its creditors pursuant to Section 366 of the Companies Act 2016 and Restraining Order under Section 368 of the Companies Act 2016 (Cont'd)

The Orders commenced on 5 April 2021 and shall be in effect for a period of 3 months and it was subsequently extended to 4 April 2022.

The Orders were applied by STAR in order to formulate and finalise a proposed Scheme of Arrangement between STAR and its Creditors pursuant to Section 366 of the Act to settle the claims of Creditors while at the same time maintaining STAR as a going concern and the Order allows STAR to negotiate terms with its lenders and creditors without having the threat of any proceedings and actions being brought against STAR.

On 13 April 2022, the High Court granted an order for the approval of the STAR Scheme and the STAR Scheme shall be binding on STAR and its scheme creditors. The Scheme amount in respect of the Scheme Creditors amounts to approximately RM8,871,000 and repayable over a period of 6 years.

## 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 year ended 31 March 2022 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 year and of their financial performance and cash flows for the financial year ended 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 18 July 2022.



# LIST OF MATERIAL PROPERTIES

HELD BY THE GROUP

Location	Description/ Existing use	Date of acquisition / Date of Valuation	Land area (sq metres)	Tenure	NBV 2022 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	23/8/2013 / 28/2/2019	813,459	99 years leasehold	131.9
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 / 18/1/2019	567,600	Freehold	102.4
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	559,478	99 years leasehold	73.1
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	352,077	99 years leasehold	73.4
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	27,027	99 years leasehold	55.6
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	390,630	Freehold	51.2
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	46.9
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	1,049,634	99 years leasehold	39.7
PT 3124 Bandar Kuah 07000 Langkawi	Langkawi Nature Park	17/11/2017 / 30/9/2018	202,343	15 years	15.8
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	13.2

# ANALYSIS OF SHAREHOLDINGS

AS AT 13 July 2022

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	89	5.973	3,260	0.001
100 - 1,000	242	16.242	83,953	0.015
1,001 - 10,000	436	29.262	2,170,886	0.389
10,001 - 100,000	544	36.510	20,078,257	3.600
100,001 - 27,884,053*	176	11.812	218,695,137	39.215
27,884,054 and above**	3	0.201	316,649,598	56.780
<b>Total</b>	<b>1,490</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	219,560,428	39.370		
Dato' Chan Kong San			219,560,428 <sup>^</sup>	39.370
Dato' Gan Kim Leong			219,627,268 <sup>^^</sup>	39.382
State Secretary, Pahang	87,666,024	15.720		
TWL Capital Berhad	50,624,000	9.078		

### 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.

# ANALYSIS OF SHAREHOLDINGS

AS AT 13 July 2022

## DIRECTORS' SHAREHOLDINGS

Name	Direct Interest		Indirect Interest	
	No. of Shares	%#	No. of Shares	%#
Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad	—	—	—	—
Dato' Chan Kong San	—	—	219,560,428 <sup>^</sup>	39.370
Dato' Gan Kim Leong	—	—	219,627,268 <sup>^^</sup>	39.382
Tan Lee Chin	—	—	17,050,000 <sup>@</sup>	3.057
Wong Yoke Nyen	—	—	—	—
Datin Sri Lim Mooi Lang	2,000,000	0.359	3,000,000 <sup>*</sup>	0.538
Chua Eng Chin	—	—	—	—
Lee Swee Meng	—	—	—	—
S Nagaraju A/L Sinniah	—	—	—	—

### Notes:-

- # 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.
- <sup>@</sup> Deemed interested by virtue of her interest in TWL Holdings Berhad pursuant to Section 8 of the Companies Act 2016.
- <sup>\*</sup> 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 13 July 2022.

## 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>	191,965,574	34.422
2	State Secretary, Pahang	87,666,024	15.720
3	TWL Capital Berhad	37,018,000	6.638
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>	22,517,100	4.038
6	TWL Holdings Berhad	17,050,000	3.057
7	Perbadanan Kemajuan Pertanian Negeri Pahang	12,100,000	2.170
8	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Francis Chai Kim Lung</i>	10,650,000	1.910
9	LKPP Corporation Sendirian Berhad	9,484,400	1.701
10	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Hoo Chun Moi</i>	6,850,000	1.228
11	Ng Eng Siong	6,110,500	1.096
12	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for TWL Capital Berhad</i>	5,386,000	0.966
13	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Low Swee Foong</i>	4,897,000	0.878

# ANALYSIS OF SHAREHOLDINGS

AS AT 13 July 2022

## LIST OF TOP THIRTY (30) SHAREHOLDERS (CONT'D)

(Without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name	Shareholdings	% <sup>#</sup>
14	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Wei Lian</i>	4,650,000	0.834
15	Tan Siew Bee	4,345,000	0.779
16	So Bee Hwe	4,250,000	0.762
17	Hoo Chun Moi	3,941,000	0.707
18	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Yap Maow Jun (7004923)</i>	3,250,000	0.583
19	Lim Thean Keong	2,964,000	0.531
20	Hou Kok Chung	2,700,000	0.484
21	Wong Jing Yi	2,400,000	0.430
22	Fan Pik Wah	2,000,000	0.359
23	Lim Mooi Lang	2,000,000	0.359
24	Tan Soo Lan	1,953,500	0.350
25	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for So Bee Hwe (B Puteri-CL)</i>	1,900,000	0.341
26	Hoo Chun Moi	1,875,000	0.336
27	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Ambank (M) Berhad for Tan Wei Lian (Smart)</i>	1,550,000	0.278
28	Hoo Chun Moi	1,550,000	0.278
29	Hoo Chun Moi	1,540,000	0.276
30	Chan Lai Jeng	1,500,000	0.268
<b>TOTAL</b>		<b>483,563,098</b>	<b>86.710</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 13 JULY 2022

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	1.910	180	0.000
100 - 1,000	19	12.102	10,320	0.005
1,001 - 10,000	51	32.484	271,920	0.132
10,001 - 100,000	61	38.854	2,251,228	1.094
100,001 – 10,293,360*	21	13.376	22,446,454	10.903
10,293,361 and above**	2	1.274	180,887,134	87.866
<b>Total</b>	<b>157</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	%	No. of Warrants	%
Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad	–	–	–	–
Dato' Chan Kong San	–	–	180,887,134 <sup>^</sup>	87.866
Dato' Gan Kim Leong	–	–	181,739,094 <sup>^^</sup>	88.280
Tan Lee Chin	–	–	–	–
Wong Yoke Nyen	–	–	–	–
Datin Sri Lim Mooi Lang	–	–	–	–
Chua Eng Chin	–	–	–	–
Lee Swee Meng	–	–	–	–
S Nagaraju A/L Sinniah	–	–	–	–

**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 13 JULY 2022

## 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	77.874
2	Sentoria Capital Sdn Bhd	20,571,072	9.992
3	Ng Say Piyu	7,068,334	3.433
4	H.A. Properties Sdn Bhd	6,265,000	3.043
5	LKPP Corporation Sendirian Berhad	4,380,000	2.128
6	Base Rock Sdn Bhd	851,960	0.414
7	Ewe Hong Khoon	543,700	0.264
8	Lim Hon Seng	420,100	0.204
9	Lim Kok Leang	400,000	0.194
10	Chin Yoke Kook	349,500	0.170
11	Lee Chee Siong	283,000	0.137
12	HSBC Nominees (Asing) Sdn Bhd <i>Morgan Stanley &amp; Co. International PLC (Firm A/C)</i>	246,000	0.119
13	Tan Phei Yien	232,700	0.113
14	M & A Nominees (Asing) Sdn Bhd <i>Pledged Securities Account for Sae Wang Ahui (PNG)</i>	219,700	0.107
15	Ngu Leh Ing	200,000	0.097
16	Lim Thiam Sang	152,800	0.074
17	Fadhli Bin Sulaiman	137,900	0.067
18	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Siew Kim Lim (MY2848)</i>	128,000	0.062
19	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Tan Tian Meng (PB)</i>	120,000	0.058
20	Grinterra Sdn Bhd	119,100	0.058
21	Yap Poh Lay	110,400	0.054
22	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Goh Hong Hwa</i>	110,100	0.053
23	Lee Guan Hock	108,160	0.053
24	Lee Kok Hoi	100,000	0.049
25	Wong Ching Huu	100,000	0.049
26	Maybank Nominees (Tempatan) Sdn Bhd Kua Song Tuck	91,400	0.044
27	Tan Tian Meng	88,000	0.043
28	Goh Eng Seong	80,000	0.039
29	Seah Sook Sun	75,088	0.036
30	Wong Sau Fah	72,900	0.036
<b>TOTAL</b>		<b>203,940,976</b>	<b>99.064</b>

# NOTICE OF 23RD ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Third (23rd) Annual General Meeting of **SENTORIA GROUP BERHAD** ("Company") will be held and conducted on a fully virtual basis through live streaming with an online remote participation and voting provided by V-Cube Malaysia Sdn Bhd from the Streaming Venue at B01-A-09, Menara 2, KL Eco City, 3, Jalan Bangsar, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia, on Wednesday, 28 September 2022 at 10:30 a.m. to transact the following businesses:

## ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2022 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 23rd Annual General Meeting until the conclusion of the 24th 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 23rd Annual General Meeting until the conclusion of the 24th 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:
  - (i) Dato' Gan Kim Leong
  - (ii) Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad**Ordinary Resolution 3**  
**Ordinary Resolution 4**  
*(Explanatory Note 4)*
5. To re-elect the following Directors who retire pursuant to Article 103 of the Company's Constitution and who have offered themselves for re-election:
  - (i) Ms. Tan Lee Chin
  - (ii) Mr. Chua Eng Chin
  - (iii) Mr. Lee Swee Meng
  - (iv) Mr. S Nagaraju A/L Sinniah**Ordinary Resolution 5**  
**Ordinary Resolution 6**  
**Ordinary Resolution 7**  
**Ordinary Resolution 8**  
*(Explanatory Note 5)*  
**Ordinary Resolution 9**  
*(Explanatory Note 6)*
6. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 31 March 2023 at such remuneration to be determined by the Directors.

## SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions, with or without modifications:

7. **Continuation in office as Senior Independent Non-Executive Director** **Ordinary Resolution 10**  
*(Explanatory Note 7)*  

"**THAT** approval be and is hereby given to Mr. Wong Yoke Nyen who has served as Senior Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Senior Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

## NOTICE OF 23RD ANNUAL GENERAL MEETING

8. **Authority to Directors pursuant to Sections 75 and 76 of the Companies Act 2016** **Ordinary Resolution 11**  
(Explanatory Note 8)

**"THAT** subject always to the Companies Act 2016 (**"Act"**), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (**"Bursa Securities"**) and any other relevant governmental and/or regulatory authorities, the Directors of the Company be hereby authorised and empowered pursuant to the Act, to issue and allot shares in the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, to be utilised until 31 December 2022 as empowered by Bursa Securities pursuant to Bursa Securities's letter dated 23 December 2021 to grant an extension for the additional temporary relief measures to the listed issuers and thereafter, unless extended by Bursa Securities, does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being as stipulated under Paragraph 6.03(1) of Bursa Securities Main Market Listing Requirements (**"MMLR"**) to be utilised at the time of issuance of shares and such authority under this resolution shall continue in force until the conclusion of the 24th 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 Securities."

9. **Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature with the following related parties:**

- (i) **Directors and/or Major Shareholders of Sentoria Group Berhad and/or Persons Connected to them** **Ordinary Resolution 12**
- (ii) **Companies in which Dato' Gan Kim Leong and persons connected to him have interests** **Ordinary Resolution 13**  
(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 each of the abovementioned related parties, respectively pursuant to ordinary resolutions 12 and 13 as specified in Section 2.3 of the Circular to Shareholders dated 29 July 2022, 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,



# NOTICE OF 23RD ANNUAL 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.

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  
29 July 2022

## Notes:

1. *The 23rd AGM will be held and conducted on a fully virtual basis through live streaming with an online remote participation and voting provided by V-Cube Malaysia Sdn Bhd from the Streaming Venue at B01-A-09, Menara 2, KL Eco City, 3, Jalan Bangsar, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia. Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 23rd AGM. Shareholders are advised to refer to the Administrative Guide.*
2. *For the purpose of determining who shall be entitled to attend this AGM remotely, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 20 September 2022** (which is not less than three clear market days before the date of this AGM). Only a shareholder whose name appears on this Record of Depositors, shall be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her behalf at the AGM.*
3. *A shareholder entitled to attend, speak and vote at this AGM, who is the holder of two (2) or more shares is entitled to appoint not more than 2 proxies to attend, speak and vote at this AGM in his/her stead. A proxy may but need not be a shareholder of the Company and there shall be no restriction as to the qualification of the proxy.*
4. *Where a shareholder appoints two (2) 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 shareholder personally attends this AGM, his/her proxy shall be precluded from the meeting. Such attendance by the shareholder has to be informed by the shareholder at least forty-eight (48) hours before the convening of the AGM.*
5. *Where a shareholder 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.*
6. *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.*

## NOTICE OF 23RD ANNUAL GENERAL MEETING

7. A shareholder who has appointed a proxy(ies) or attorney(s) or authorised representative(s) to attend, speak and vote at this virtual AGM, must request his/her proxy(ies) or attorney(s) or authorised representative(s) to register himself/herself at <https://cutt.ly/MLHdnRq>. Please follow the procedures in Administrative Guide.
8. The appointment of proxy may be made in a hard copy form or by electronic form. In the case of an appointment made in hard copy form, the Form of Proxy must be deposited at the following address:-  
  
Poll Administrator of Sentoria Group Berhad  
54B, Damai Complex,  
Jalan Lumut, 50400 Kuala Lumpur,  
W.P. Kuala Lumpur, Malaysia.  
  
In the case of electronic appointment, the Form of Proxy must be electronically lodged to the Company, by emailing to [investor@sentoria.com.my](mailto:investor@sentoria.com.my) or e-registered at <https://cutt.ly/MLHdnRq>  
  
Kindly refer to the Administrative Guide on the procedures for electronic lodgement of Form of Proxy. All Form of Proxy submitted must be received by the Company, not less than forty-eight (48) hours before the time appointed for holding this AGM or any adjournment thereof.
9. Please ensure ALL the particulars as required in the hard copy of the Form of Proxy are completed, signed and dated accordingly.
10. Last date and time for lodging the Form of Proxy is on **Monday, 26 September 2022 at 10:30 a.m.**
11. Pursuant to Paragraph 8.29A(1) of the **MMLR**, all the resolutions set out in the Notice of this AGM will be put to vote by poll.

### Explanatory Notes

#### 1. Audited Financial Statements for the financial year ended 31 March 2022

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 23rd Annual General Meeting until the conclusion of the 24th 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 year ended 31 March 2022 are further disclosed on page 31 of this Annual Report.

#### 3. Ordinary Resolution 2 – Payment of attendance allowances to the Non-Executive Directors from the conclusion of the 23rd Annual General Meeting until the conclusion of the 24th 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 year ended 31 March 2022 are further disclosed on page 31 of this Annual Report.

# NOTICE OF 23RD ANNUAL GENERAL MEETING

## 4. Ordinary Resolutions 3 and 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, Dato' Gan Kim Leong ("Dato' Gan") and Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad ("Dato' Abdul Rahman") being eligible, have offered themselves for re-election at this AGM pursuant to the above article.

Dato' Gan is the Joint Managing Director and he is jointly responsible in managing the Group's business operation and is able to provide valuable input to boost the Group's performance.

Dato' Abdul Rahman as the Chairman of the Board has demonstrated his exercise of independence at the Board and Board Committees meetings and has met the criteria of independence as set out in the MMLR of Bursa Malaysia Securities Berhad.

Both, Dato' Gan and Dato' Abdul Rahman have undergone an annual assessment on their performance and contribution for the financial year ended 31 March 2022 by the Company's Nomination Committee ("NC") and based on this assessment, the Board has recommended the re-election of Dato' Gan and Dato' Abdul Rahman. Both, Dato' Gan and Dato' Abdul Rahman have abstained from all deliberations and decisions on their respective eligibility to stand for re-election at the relevant NC and/or Board meetings, and will continue to abstain from all deliberations and decisions on their respective eligibility to stand for re-election at this AGM.

## 5. Ordinary Resolutions 5 to 8 – Re-election of Directors Pursuant to Article 103 of the Company's Constitution

Article 103 of the Constitution expressly states that the Directors shall have power at any time and from time to time to appoint any other qualified person as Director, 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 or pursuant to Article 102 and any Director so appointed shall hold office only until the next annual general meeting 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.

Ms Tan Lee Chin ("Ms Tan") was appointed as Executive Director of the Company and Messrs Chua Eng Chin ("Mr Chua"), Lee Swee Meng ("Mr Lee") and S Nagaraju A/L Sinniah ("Mr Nagaraju") were appointed as Independent Non-Executive Directors of the Company on 6 May 2022. Ms Tan, Mr Chua, Mr Lee and Mr Nagaraju are standing for re-election at the 23rd AGM and being eligible, have offered themselves for re-election as Directors of the Company pursuant to the above article.

## 6. Ordinary Resolution 9 – Re-appointment of Auditors

Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Grant Thornton Malaysia PLT, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office. Grant Thornton Malaysia PLT, have indicated their willingness to be appointed as Auditors for the financial year ending 31 March 2023. The appointment of Grant Thornton Malaysia PLT as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the MMLR.

This proposed Ordinary Resolution 9, if passed, will also give the Directors, the authority to determine the remuneration of the Auditors.

## NOTICE OF 23RD ANNUAL GENERAL MEETING

### 7. **Ordinary Resolution 10 – Continuation in office as Senior Independent Non-Executive Director**

Mr Wong Yoke Nyen ("Mr Wong") was appointed as Independent Non-Executive Director ("INED") since 8 October 2012 and was re-designated as Senior INED on 30 September 2020.

The Board had assessed the independence of Mr Wong and had via the Nomination Committee conducted an assessment on the contribution of Mr Wong at meetings held on 26 May 2022 and has recommended that Mr Wong, who has served as Senior Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be allowed to continue to act as Senior Independent Non-Executive Director of the Company based on the following justifications:-

- a) He fulfils the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and thus, he is able to provide a check and balance by bringing an element of objectivity and independent judgement to the Board's deliberations;
- b) His vast experience in the accounting, finance and audit enables him to provide the Board and Board Committees with a diverse set of experience, expertise and independent judgement;
- c) He has shown high commitment and devoted sufficient time and efforts and attended all the Board and Board Committees Meetings for informed and balanced decision making;
- d) He actively participated in Board and Board Committees' discussion and provided an independent voice; and
- e) He fulfilled his role with due care and diligence and has carried out his professional duties as Senior Independent Non-Executive Director of the Company in the interest of the Company and shareholders.

The proposed Ordinary Resolution 10, if passed, will allow Mr Wong to continue to act as Senior Independent Non-Executive Director of the Company.

### 8. **Ordinary Resolution 11 - 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 Section 75 and 76 of the Act which was approved at the 22nd AGM held on 8 September 2021 and which will lapse at the conclusion of this AGM. A renewal of this mandate is sought at this AGM as Ordinary Resolution 11.

The proposed Ordinary Resolution 11, if passed, will give authority to the Directors of the Company to issue and allot shares from the unissued share capital of the Company for such purposes as the Directors of the Company in their absolute discretion, consider to be in the interest of the Company without having to convene a general meeting. The 20% general mandate shall continue to be in force until 31 December 2022, unless extended by Bursa Securities, and shall be reinstated to 10% general mandate from 1 January 2023 until the conclusion of the next AGM. This authority, unless revoked or varied by the Company in general meeting will expire at the conclusion of the 24th AGM.

This general mandate, if passed, will provide flexibility to the Directors to allot and issue shares for any possible fundraising 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.

### 9. **Ordinary Resolutions 12 and 13 - Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature**

The proposed Ordinary Resolutions 12 and 13, if approved, will allow the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue and trading nature with each of the related parties as specified in Section 2.3 of the Circular to Shareholders dated 29 July 2022, which is issued with this Annual Report. The details of this proposal are set out in the Circular to Shareholders dated 29 July 2022.

# 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 23rd 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 8 of the Notice of AGM.

# ADMINISTRATIVE GUIDE

## VIRTUAL 23RD ANNUAL GENERAL MEETING OF SENTORIA GROUP BERHAD ("the Company") ("23RD AGM")

**Date** : Wednesday, 28 September 2022  
**Time** : 10.30 a.m.

A)	STREAMING LOCATION	B)	CHAIRMAN LOCATION
	Streaming Venue Address: V-Cube Malaysia Sdn Bhd BO1-A-09, Menara 2, KL Eco City, 3, Jalan Bangsar, 59200 Kuala Lumpur WP, Malaysia		Conference Room No. 56 & 58, Jalan Dagang SB 4/2, Taman Sg. Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia,

## **SAFETY MEASURES DUE TO COVID-19 OUTBREAK**

1. In light of the Covid-19 endemic and the Company's initiative to curb the spread, the Board of Directors of the Company has decided to convene the 23rd AGM of the Company via live streaming.

No shareholders are allowed to attend the Streaming or Chairman Location on the day of the Virtual 23rd AGM.

Kindly note that the quality of the live streaming would depends on the bandwidth and stability of the internet connection of the participants.

2. Shareholders are encouraged to appoint the Chairman of the Meeting as proxy to attend and vote, at the 23rd AGM.

## **REGISTRATION FOR THE VIRTUAL 23RD AGM**

1. Shareholders are required to register ahead of the virtual 23rd AGM to allow the Company to make the necessary arrangement in relation to the meeting by registering online on or before 10.30 a.m. on 26 September 2022 ("**Cut-off date**"):-

### **REGISTRATION URL:**

Shareholder's E-Registration : <https://cutt.ly/mLHdScx>



Proxy E-Registration : <https://cutt.ly/MLHdnRq>



*An acknowledged receipt email will be sent to you after the completion and submission of your e-registration.*

If you do not receive an email acknowledgement after your e-registration, it means your e-registration is not successful. Please check your spam/junk email folder or try to register again.

# ADMINISTRATIVE GUIDE

## **REGISTRATION FOR THE VIRTUAL 23RD AGM (CONT'D)**

2. Following the verification, authenticated parties (shareholders and proxy holders) will receive an email from [agm@vcube.com.my](mailto:agm@vcube.com.my) containing your Unique Security (US) **Link, Identifier (ID), Voting password** and instructions to be used to enter the AGM at the date and time specified.
3. Please check your inbox or spam-box on the night before the said AGM.
4. You must not forward **your US link, ID and or Voting password**. This will be in breach of terms of usage. This is also to avoid any technical disruptions to your personalized usage. Such mis-usage will void your vote and you may be prosecuted under the PDPA Act 2010.
5. Shareholders who register by the Cut-off date but do not receive an email response by 27 September 2022, may contact us for assistance at the Hotline via WhatsApp Message to +60 11 – 5655 2899 (Monday to Friday: from 9.00 a.m. to 5.00 p.m.) or at email address: [investor@sentoria.com.my](mailto:investor@sentoria.com.my).

### Notes:

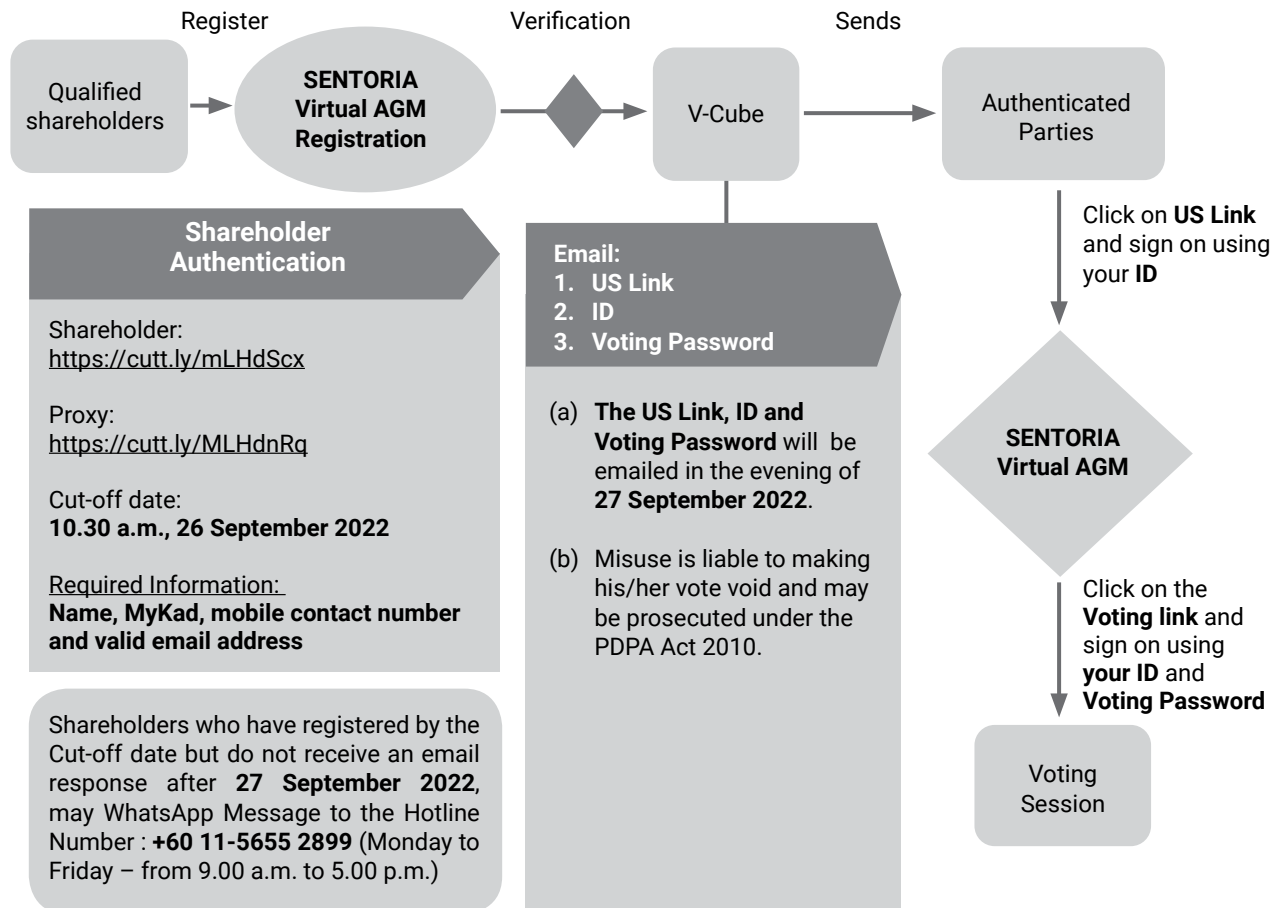
- (a) *Eligibility of participants will be verified against the General Meeting's Record of Depository as at 20 September 2022.*
- (b) *Participants must not forward your **ID, Voting Password or US Link** to any other persons. This will be in breach of terms of usage. This is also to avoid any technical disruptions to your personalized usage. Such mis-usage will void your vote and you may be prosecuted under the Personal Data Protection Act 2010. The link is trackable and will be erased after the virtual AGM has concluded.*
- (c) *Shareholders who are unable to participate in the virtual AGM are encouraged to appoint the Chairman as their proxies.*
- (d) *Browser: You will need a browser that is HTML5-compatible (e.g. Microsoft Edge, Chrome, Firefox) and a stable WIFI or LAN connection to participate in the virtual AGM which is device agnostic. A pre-environment test is attached with the **Meeting details email**.*

*For best user experience, you are strongly advised to join via a laptop or computer to engage fully in the proceedings and interactively download important information presented during the virtual AGM.*

- (e) *All virtual AGM user data are recorded for compliance purpose.*

# ADMINISTRATIVE GUIDE

## FLOW CHART – 23RD VIRTUAL AGM OF SENTORIA GROUP BERHAD



*Powered by V-Cube Malaysia*

### **E-VOTING PROCEDURES:**

1. Click on the **Voting Link**, enter your **ID** and your **Voting password** which has been emailed to you.
2. During the session, the Chairperson of the Meeting or the Board will answer questions pertaining to each resolution within a certain timeframe. Upon completion of the Q & A session, shareholders and proxy holders can click on the clickable voting link on the right-hand side of the screen to proceed with the voting process.
3. Shareholders and/or proxy holders must submit the e-vote during the live polling session for each Resolution through clicking the box :-

**FOR**

**AGAINST**

**ABSTAIN**



# ADMINISTRATIVE GUIDE

## **E-VOTING PROCEDURES (CONT'D):**

4. A fixed time for voting is allocated depending on the Chairperson's decision.
5. A shareholder is allowed to vote either by Form of Proxy or online during this AGM.
6. The shareholder or proxy holder is only allowed to vote once. In the event, the shareholder or proxy holder had pre-voted by Form of Proxy, he/she will not have access to the online voting platform.
7. Once e-voting is completed for all the resolutions by polling, the AGM will be adjourned for the vote counting compliance.
8. During the adjournment period, the voting data in CSV format will be checked and validated by the Scrutineer.
9. The Chairperson will provide details of the overall results.

## **UPDATES ON 23RD AGM ARRANGEMENT**

1. Shareholders are reminded to monitor the Company's website or announcements from time to time for the latest updates on the status or changes to the arrangement of the 23rd AGM process <http://sentoria.com.my/investor-relations/announcement.php>

## **ENQUIRY**

1. If you have any enquiries prior to the AGM, please email to [investor@sentoria.com.my](mailto:investor@sentoria.com.my) and to include the following details when you email :-
  - i) Full name as per MyKad;
  - ii) Mobile Contact Number; and
  - iii) CDS Account Number.

We would like to thank all parties for your understanding and cooperation in conducting the AGM virtually. V-cube Malaysia is an experienced independent virtual AGM service provider in full compliance of Securities Commission, MKN, SSM, ROS and COB Malaysia Guidelines. It is an associate company of V-cube Inc listed on the Tokyo Stock Exchange and its local partner in Malaysia is the credible Institute of Corporate Directors Malaysia (ICDM).



**SENTORIA GROUP BERHAD**  
Registration Number: 199801007217 (463344-K)  
(Incorporated in Malaysia)

**FORM OF PROXY**

Number of ordinary shares held	
CDS Account No.	

I/We, \_\_\_\_\_ NRIC No. / Passport No. / Company No.. \_\_\_\_\_  
of \_\_\_\_\_

being a Member/Members of **SENTORIA GROUP BERHAD**, hereby appoint :-

Full Name (in Block)	NRIC/Passport No.	* Proportion of Shareholdings	
Address		No. of Shares	%
Email Address			
Mobile Phone No.			

or failing him/her

Full Name (in Block)	NRIC/Passport No.	* Proportion of Shareholdings	
Address		No. of Shares	%
Email Address			
Mobile Phone No.			

(\*Where two (2) proxies are appointed, please indicate the proportion of your shareholdings to be represented by each proxy.)

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-Third Annual General Meeting of the Company to be held and conducted on a fully virtual basis through live streaming with an online remote participation and voting provided by V-Cube Malaysia Sdn Bhd from the Streaming Venue at B01-A-09, Menara 2, KL Eco City, 3, Jalan Bangsar, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia, on Wednesday, 28 September 2022 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 23rd Annual General Meeting until the conclusion of the 24th Annual General Meeting.	Ordinary Resolution 1		
2.	To approve the payment of attendance allowances to the Non-Executive Directors from the conclusion of the 23rd Annual General Meeting until the conclusion of the 24th Annual General Meeting on the basis as set out in the Notice of this Annual General Meeting.	Ordinary Resolution 2		
3.	To re-elect Dato' Gan Kim Leong as Director.	Ordinary Resolution 3		
4.	To re-elect Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad as Director.	Ordinary Resolution 4		
5.	To re-elect Ms Tan Lee Chin as Director.	Ordinary Resolution 5		
6.	To re-elect Mr Chua Eng Chin as Director.	Ordinary Resolution 6		
7.	To re-elect Mr Lee Swee Meng as Director.	Ordinary Resolution 7		
8.	To re-elect Mr S Nagaraju A/L Sinniah as Director.	Ordinary Resolution 8		
9.	To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company.	Ordinary Resolution 9		
Special Business				
10.	To approve the continuation in office of Mr Wong Yoke Nyen as Senior Independent Non-Executive Director.	Ordinary Resolution 10		
11.	To authorise the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.	Ordinary Resolution 11		
12.	To approve the renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature with Directors and/or Major Shareholders of Sentoria Group Berhad and/or Persons Connected to them.	Ordinary Resolution 12		
13.	To approve the renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature with Companies in which Dato' Gan Kim Leong and persons connected to him have interests.	Ordinary Resolution 13		

(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)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2022

Signature \_\_\_\_\_  
(If shareholder is a corporation, this part should be executed under seal)

**Notes:**

- The 23rd AGM will be held and conducted on a fully virtual basis through live streaming with an online remote participation and voting provided by V-Cube Malaysia Sdn Bhd from the Streaming Venue at B01-A-09, Menara 2, KL Eco City, 3, Jalan Bangsar, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia. Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 23rd AGM. Shareholders are advised to refer to the Administrative Guide.



2. For the purpose of determining who shall be entitled to attend this AGM remotely, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 20 September 2022** (which is not less than three clear market days before the date of this AGM). Only a shareholder whose name appears on this Record of Depositors, shall be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her behalf at the AGM.
3. A shareholder entitled to attend, speak and vote at this AGM, who is the holder of two (2) or more shares is entitled to appoint not more than 2 proxies to attend, speak and vote at this AGM in his/her stead. A proxy may but need not be a shareholder of the Company and there shall be no restriction as to the qualification of the proxy.
4. Where a shareholder appoints two (2) 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 shareholder personally attends this AGM, his/her proxy shall be precluded from the meeting. Such attendance by the shareholder has to be informed by the shareholder at least forty-eight (48) hours before the convening of the AGM.
5. Where a shareholder 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.
6. 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.
7. A shareholder who has appointed a proxy(ies) or attorney(s) or authorised representative(s) to attend, speak and vote at this virtual AGM, must request his/her proxy(ies) or attorney(s) or authorised representative(s) to register himself/herself at <https://cutt.ly/MLHdnRq>. Please follow the procedures in Administrative Guide.
8. The appointment of proxy may be made in a hard copy form or by electronic form. In the case of an appointment made in hard copy form, the Form of Proxy must be deposited at the following address:-  
Poll Administrator of Sentoria Group Berhad  
54B, Damai Complex,  
Jalan Lumut, 50400 Kuala Lumpur,  
W.P. Kuala Lumpur, Malaysia.  
*In the case of electronic appointment, the Form of Proxy must be electronically lodged to the Company, by emailing to [investor@sentoria.com.my](mailto:investor@sentoria.com.my) or e-registered at <https://cutt.ly/MLHdnRq>. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of Form of Proxy. All Form of Proxy submitted must be received by the Company, not less than forty-eight (48) hours before the time appointed for holding this AGM or any adjournment thereof.*
9. Please ensure ALL the particulars as required in the hard copy of the Form of Proxy are completed, signed and dated accordingly.
10. Last date and time for lodging the Form of Proxy is on **Monday, 26 September 2022 at 10:30 a.m.**
11. Pursuant to Paragraph 8.29A(1) of the **MMLR**, all the resolutions set out in the Notice of this AGM will be put to vote by poll.

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AFFIX  
STAMP



**SENTORIA GROUP BERHAD**

Registration Number: 199801007217 (463344-K)

Poll Administrator of Sentoria Group Berhad  
54B, Damai Complex,  
Jalan Lumut, 50400 Kuala Lumpur,  
W.P. Kuala Lumpur, Malaysia.

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Fold This Flap For Sealing



### Head Office:

#### **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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Email • [sales\\_enquiry@sentoria.com.my](mailto:sales_enquiry@sentoria.com.my)

[www.sentoria.com.my](http://www.sentoria.com.my)