

SENTORIA

Build a Better Tomorrow

SENTORIA GROUP BERHAD

[Registration No : 199801007217 (463344-K)]



ANNUAL REPORT 2023



CONTENTS

- 02** Corporate Information
- 03** Group Corporate Structure
- 04** Financial Highlights
- 05** Management Discussion and Analysis of Business Operations and Financial Performance
- 12** Chairman's Statement
- 15** Board of Directors' Profile
- 18** Key Senior Management's Profile
- 20** Sustainability Statement
- 26** Corporate Governance Overview Statement
- 34** Additional Disclosure Requirements
- 35** Statement on Risk Management and Internal Control
- 38** Audit and Risk Management Committee Report
- 42** Directors' Report
- 48** Statement by Directors and Statutory Declaration

FINANCIAL STATEMENTS

- 49** Independent Auditors' Report
- 55** Statements of Financial Position
- 56** Statements of Profit or Loss and Other Comprehensive Income
- 57** Statements of Changes in Equity
- 59** Statements of Cash Flows
- 61** Notes to the Financial Statements
- 130** Statement of Directors' Responsibility
- 131** List of Material Properties
- 133** Analysis of Shareholdings
- 136** Analysis of Warrant B Holdings
- 138** Notice of Annual General Meeting
- 144** Statement Accompanying Notice of Annual General Meeting
- 145** Administrative Guide
Form of Proxy

CORPORATE INFORMATION

BOARD OF DIRECTORS

**DATUK DR. RAS ADIBA
BINTI MOHD RADZI**

*Independent Non-Executive Chairman
(Appointed on 05.01.2024)
(Re-designated on 12.01.2024)*

DATO' CHAN KONG SAN

Joint Managing Director

DATO' GAN KIM LEONG

Joint Managing Director

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

*Independent Non-Executive Director
(Re-designated on 12.01.2024)*

DATIN SRI LIM MOOI LANG

Independent Non-Executive Director

DR. LIM ZHAO QI

*Independent Non-Executive Director
(Appointed on 05.01.2024)*

MR. LIM POH SEONG

*Independent Non-Executive Director
(Appointed on 05.01.2024)*

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. Lim Poh Seong (*Chairman*) (*Appointed on 12.01.2024*)
Datin Sri Lim Mooi Lang
Dr. Lim Zhao Qi (*Appointed on 12.01.2024*)

NOMINATION AND REMUNERATION COMMITTEE

Datin Sri Lim Mooi Lang (*Chairman*)
Mr. Lim Poh Seong (*Appointed on 12.01.2024*)
Dr. Lim Zhao Qi (*Appointed on 12.01.2024*)

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
Email : is.enquiry@my.tricorglobal.com

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

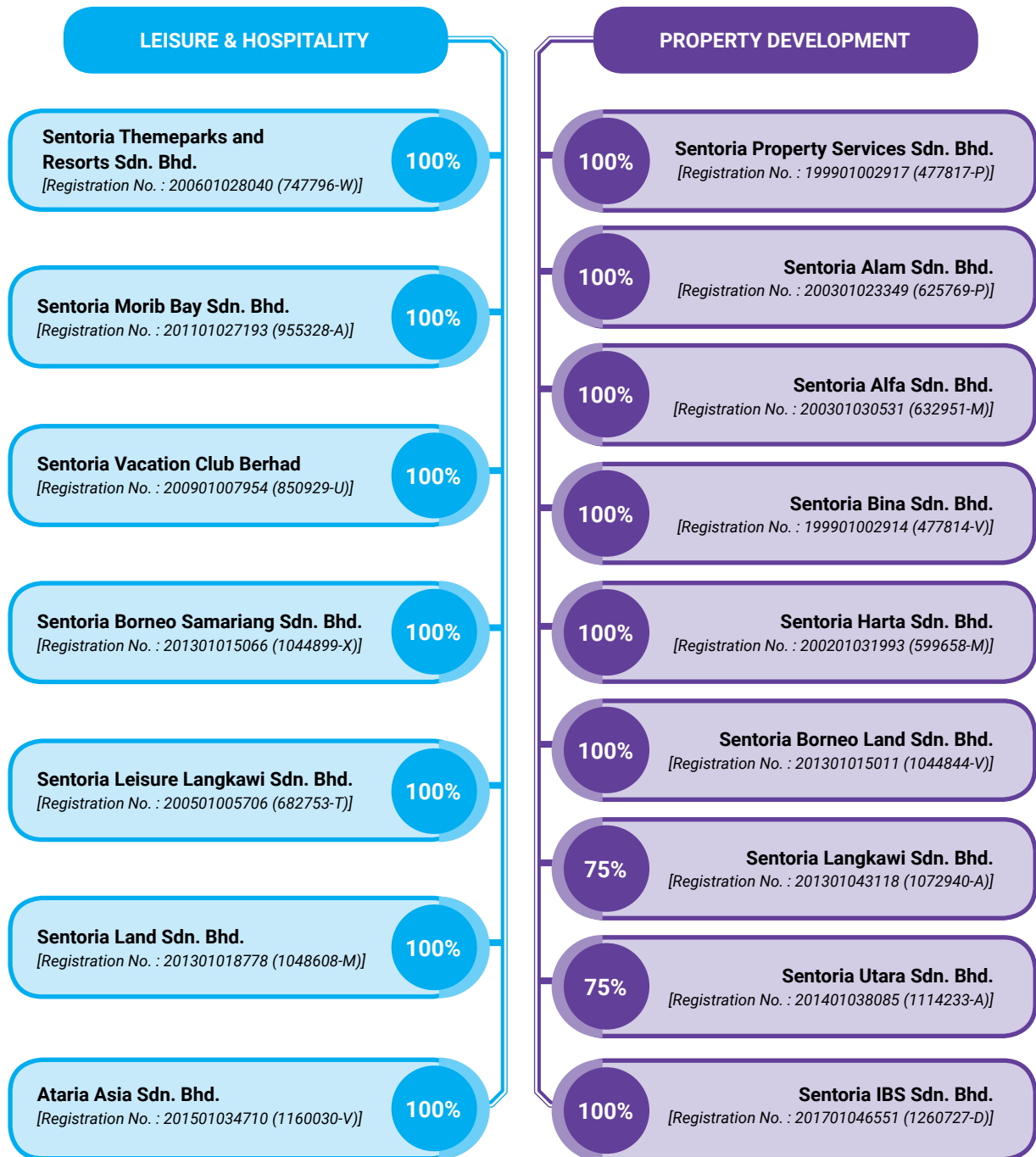
GROUP CORPORATE STRUCTURE

SENTORIA

Build a Better Tomorrow

SENTORIA GROUP BERHAD

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

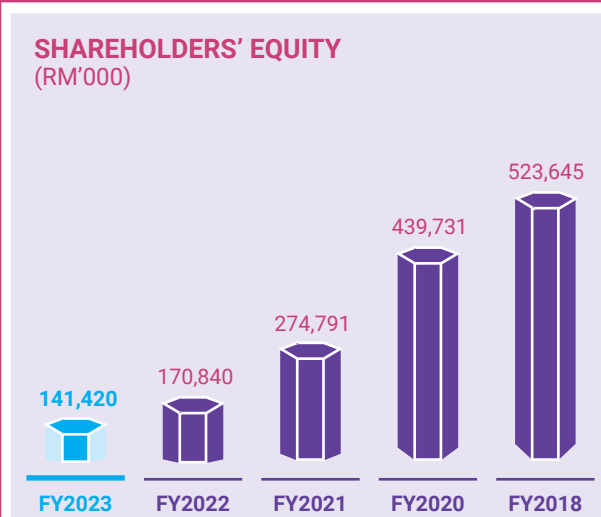
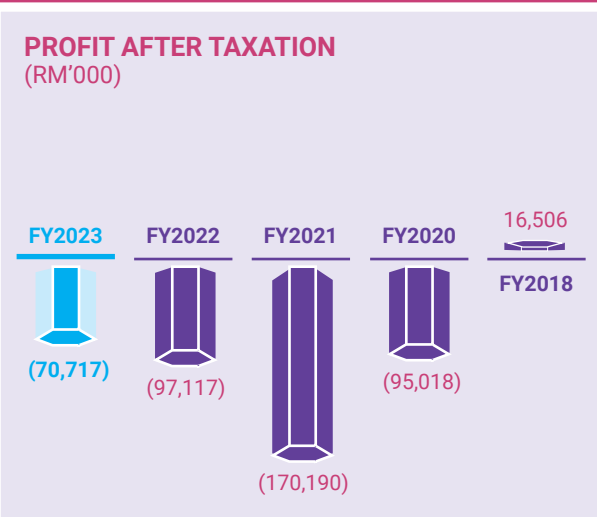
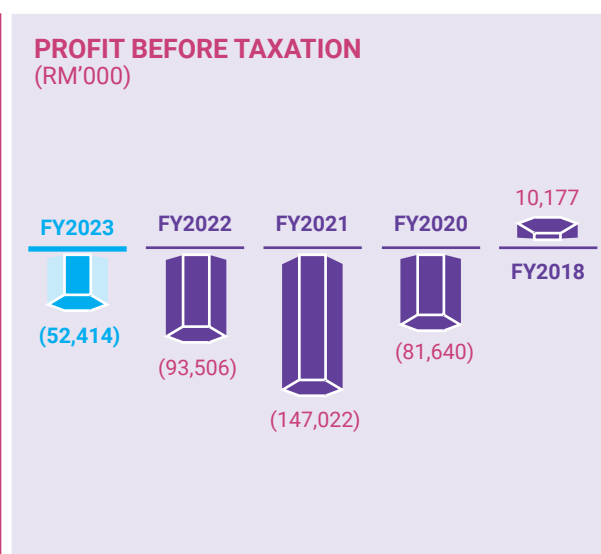
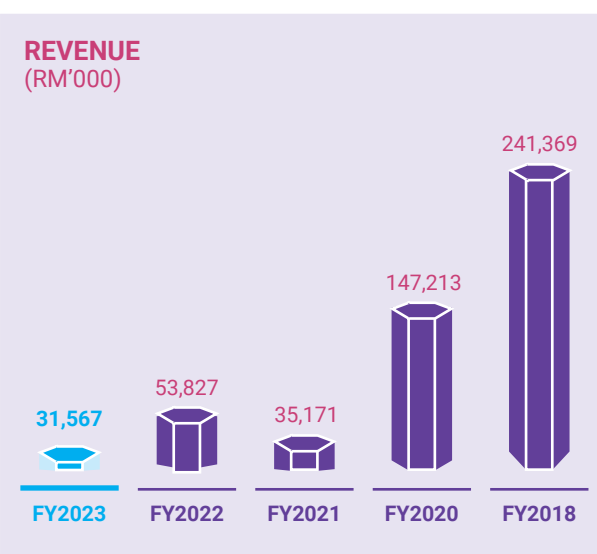


FINANCIAL HIGHLIGHTS

| FYE | restated | 18 months restated | restated | 18 months restated | 2023 ⁽⁴⁾ |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------------|
| | 2018 ⁽¹⁾ RM'000 | 2020 ⁽²⁾ RM'000 | 2021 ⁽³⁾ RM'000 | 2022 ⁽³⁾ RM'000 | RM'000 |
| Revenue | 241,369 | 147,213 | 35,171 | 53,827 | 31,567 |
| Profit/(Loss) before taxation | 10,177 | (81,640) | (147,022) | (93,506) | (52,414) |
| Profit/(Loss) after taxation | 16,506 | (95,018) | (170,190) | (97,117) | (70,717) |
| Net profit/(loss) attributable to owners of the Company | 16,508 | (93,999) | (160,649) | (95,032) | (62,406) |
| Shareholders' equity | 523,645 | 439,731 | 274,791 | 170,840 | 141,420 |
| Total assets | 1,203,907 | 1,116,236 | 988,275 | 859,250 | 808,014 |

Notes:

- (1) For the financial year ended 30 September
- (2) For the financial period ended 1 October 2018 to 31 March 2020
- (3) For the financial year ended 31 March
- (4) For the financial period ended 1 April 2022 to 30 September 2023



MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

ECONOMIC REVIEW

Overview and Outlook of the Malaysian Economy

The Malaysian economy faced its most severe challenge with the advent of the COVID-19 pandemic, marking the most impactful shock since the Asian Financial Crisis. In the midst of a daunting global and domestic scenario, the nation grappled with widespread weaknesses in exports, production, and domestic demand throughout 2020.

Consequently, there were substantial income losses, and both households and businesses curtailed spending significantly. Despite these challenges, the Malaysian economy has made commendable progress in bouncing back from the impacts of the COVID-19 pandemic.

The pandemic constrained economic activities, causing adverse effects on sectoral production due to supply and demand shocks. As these shocks gradually diminished, the economy embarked on a recovery journey, primarily spearheaded by the manufacturing sector and several key services sub-sectors.

The revival of the economy was spearheaded by the manufacturing sector, rebounding as early as the third quarter of 2020. The surge in global demand for semiconductor equipment in telecommunication, medical devices, and cloud computing during the pandemic proved advantageous for Malaysia's Electrical and Electronics ("E&E") industry. Given the country's strong integration into the global value chain for these segments and a robust domestic ecosystem, Malaysia efficiently met the escalating demand. Additionally, the pandemic-driven demand for health-related products, such as rubber gloves and pharmaceuticals, benefited the primary cluster, while the consumer-related cluster thrived on the resurgence of domestic household spending, particularly in food & beverages and passenger cars, following the reopening of the economy.



MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

ECONOMIC REVIEW (CONT'D)

Overview and Outlook of the Malaysian Economy (Cont'd)

As the global economy decelerated in 2023, manufacturing activities, especially in export-oriented industries, experienced a moderation. Nevertheless, the sector remained a pivotal driver of growth, surpassing pre-pandemic levels.

As a small and open economy, Malaysia felt the significant shock to global trade caused by the pandemic. In the second quarter of 2020, the country's exports experienced their sharpest decline since the Global Financial Crisis. However, as the global economy gradually improved, Malaysia's exports became a key engine of growth in 2021 and 2022. Notably, Electronic and Electrical ("E&E") products, constituting over a third of total exports, demonstrated robust growth amid accelerated global technology adoption. Non-E&E exports, such as petroleum and palm oil products, also showed improvement.

Although Malaysia's exports declined in 2023 due to softening global trade, weak demand in key trading partners, a shift from goods to services spending, and a downturn in the global tech cycle, they continued to trend above pre-pandemic levels in real terms. This resilience reflects Malaysia's ability to navigate external challenges through highly diversified exports in terms of both products and destinations.

Looking forward, Malaysia's exports are anticipated to gradually improve in 2024, driven by a global trade upturn and increased demand for E&E products in sync with the expected recovery in the global tech cycle. Furthermore, ongoing improvements in tourism are expected to further boost overall exports.

The nation's robust economic fundamentals have successfully steered it through the moderation in external demand. The economic recovery serves as a litmus test for our country's underlying strengths, showcasing Malaysia's adaptability in navigating the post-pandemic landscape. With a well-diversified economy, anchored by the services and manufacturing sectors, Malaysia has proven resilient. Strengthening this resilience involves the pursuit of high-value added industries, increased technology adoption, and leveraging the country's comparative advantage to reduce vulnerability to industry-specific downturns.

Despite a more moderate external demand in 2023, Malaysia's exports have experienced a slowdown, aligning with trends in regional countries. Nevertheless, exports have remained robust compared to pre-pandemic levels. The labor market has remained strong, contributing to sustained growth in income and employment. This, in turn, has bolstered domestic demand, complemented by the recovery in tourism-related sectors and the realisation of multi-year investment projects.

Throughout these economic dynamics, Malaysia's financial sector has played a crucial role in supporting businesses and households. This support includes providing repayment and financial assistance, underscoring the integral role of the country's robust financial sector. Looking ahead, Malaysia's resilient financial sector is poised to continue playing a vital role in facing future economic shocks, contributing to the overall economic stability and well-being of the nation.

In conclusion, the COVID-19 pandemic and its aftermath have provided important insights into the resilience of the economy. The diversification of economic activities played a pivotal role in the recovery process. Looking ahead, the "Ekonomi MADANI: Memperkasa Rakyat" framework has been meticulously designed with the paramount goal of empowering the rakyat (citizens). Serving as the cornerstone for recently unveiled policies, including the National Energy Transition Roadmap, the New Industrial Master Plan 2030, and the Mid-Term Review of the Twelfth Malaysia Plan, this framework is poised to shape the economic landscape.

Within the framework, the Government has outlined seven ambitious targets to be accomplished within the next decade. These targets represent a strategic vision aimed at propelling the nation's economy forward. It is anticipated that the successful implementation of these initiatives will contribute to the country's economic growth, with a projected rate of 4% to 5% in the year 2024.

(Source: BNM Quarterly Bulletin, Third Quarter of 2023; Economic Outlook 2024, Ministry of Finance)

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

ECONOMIC REVIEW (CONT'D)

Overview and Outlook of the Construction Industry in Malaysia

The construction sector improved steadily by 6.8% in the first half of 2023. This positive trend was predominantly propelled by the civil engineering and special construction activities subsectors. The rebound in the civil engineering subsector was notably driven by the acceleration of infrastructure and utilities projects, including the East Coast Rail Link ("ECRL") and Large-Scale Solar 4 projects. Both the non-residential buildings and residential buildings subsectors also experienced positive growth, aligning with the vibrancy of economic activities.

Anticipated to expand by 5.9% in the second half of 2023, the sector is poised for growth across all subsectors. The residential buildings subsector is expected to remain robust, thanks to government initiatives such as i-MILIKI and the Housing Credit Guarantee Scheme, aimed at assisting first-time home buyers and stimulating demand for home ownership. Similarly, the non-residential buildings subsector is projected to see an increase, particularly with the realisation of approved private investments.

The continuous implementation of strategic infrastructure and utilities projects will provide additional support to the civil engineering subsector. Overall, the sector's performance throughout the 2023 is forecasted to remain steady, with an anticipated growth rate of 6.3%

(Source: Economic Outlook 2024, Ministry of Finance)

Overview and Outlook of the Tourism Industry in Malaysia

Tourist arrivals in Malaysia have achieved approximately 70% of the pre-pandemic level as of the first half of 2023. Malaysia's tourism industry bore significant repercussions from the pandemic. With the reopening of international borders and the resumption of travel abroad, the country's tourism sector has shown steady improvement. In 2022, tourism contributed 14% to GDP (compared to 12.8% in 2022 and 15.9% in 2019), and travel receipts constituted 2.1% of nominal exports (in contrast to 0.03% in 2022 and 8.3% in 2019).

By the first half of 2023, tourist arrivals had reached around 70% of the pre-pandemic level, primarily driven by regional tourists from Singapore, Indonesia, and Thailand. Malaysia also experienced a positive impact from China's outbound travel following the lifting of its COVID-19 restrictions. Notably, in the second quarter of 2023, per capita spending by foreign tourists surpassed its pre-pandemic level, with Chinese visitors allocating more spending toward experiences rather than goods. The recovery in tourist arrivals and spending has contributed to job creation and income growth in the industry.

However, the overall impact on the economy was somewhat mitigated by the increasing number of Malaysians traveling abroad. In the forthcoming quarters, a further improvement in tourist arrivals is anticipated. This improvement will be supported by higher international travel demand and an expansion in flight capacity to meet the growing demand.

(Source: BNM Quarterly Bulletin, Third Quarter of 2023; Economic Outlook 2024, Ministry of Finance)

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

OVERVIEW OF GROUP'S BUSINESS

The Group is involved in property development and construction (with its own construction arm) and the leisure and hospitality industry. Its existing major property development and construction projects are 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. 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.

FINANCIAL REVIEW

In 2023, the Group announced a change in financial year end from March to September to facilitate the Group corporate exercise. The financial results reported here are therefore for the 18-month period from April 2022 to September 2023.

Financial Performance

For the financial period ended 30 September 2023 ("**FY2023**"), the Group achieved a revenue of RM31.6 million, representing a decrease of approximately 70.5% from FY2022. Property Development Division ("**PDD**") continued to be the major contributor to the Group's revenue with RM29.3 million for FY2023.

The Group recorded loss before tax of RM52.4 million for FY2023 as compared to loss before tax of RM93.5 million in FY2022. This was primarily attributed to the improved margin of the Property Development Division ("**PDD**") in FY2023, resulted from reduced construction and development cost.

The increased revenue for LHD in FY2023, amounting to RM2.3 million, was a consequence of the Group has resumed its water park operation at Bukit Gambang during the financial period. This resumption was facilitated through outsourcing to a third-party operator, a strategy implemented by the Group during FY2023.

The loss attributable to the equity owners was RM62.4 million for FY2023, representing a decrease in loss of RM32.6 million from a loss of RM95.0 million in FY2022.

Due to the improvements in market conditions, the Group recognised total net gain of RM20.2 million arising from: 1) fair value adjustments on investment properties (RM18.9 million); 2) reversal of impairment loss on non-financial assets (RM9. million); and offset by impairment loss on financial assets (RM8.5 million). This has contributed to the lower loss in FY2023 as compared to FY2022.

The loss position was weighed down by higher finance costs and reversal of tax assets from Sentoria Themeparks and Resorts Sdn. Bhd.

Premised on the above, the basic and diluted earnings per share of the Group was negative 11.2 sen in FY2023, an improvement from a negative 17.0 sen in FY2022.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

FINANCIAL REVIEW (CONT'D)

Financial Position

Equity attributable to owners of the Company decreased from RM170.8 million as of 31 March 2022 to RM141.4 million as of 30 September 2023, mainly due to the net losses for the current financial period.

The Group's total assets had decreased by RM51.2 million or 6.3% to RM808.0 million as of 30 September 2023, mainly due to disposal of inventories, decrease in trade and other receivables balances as at the financial period end.

The total liabilities of the Group had decreased from RM700.1 million as of 31 March 2022 to RM685.6 million as of 30 September 2023, primarily contributed by partial payment made to trade payables.

Consolidating the above, the net assets per share of the Group had decreased from 28 sen to 22 sen.

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

The Group's current ratio had decreased slightly from 0.29 times as of 31 March 2022 to 0.26 times as of 30 September 2023, due to impairment of certain receivables during the financial.

On the other hand, the Group's gearing ratio (calculated as total borrowings divided by shareholders' equity) as at 30 September 2023 was 305% as compared to that of 257% as at 31 March 2022 primarily due to the lower shareholder funds as of 30 September 2023.

Liquidity and capital resources

The Group has net increase in cash and cash equivalents of RM65 million for FY2023 as compared to net cash used of RM12.0 million for FY2022. The details of these changes in cash flows are as follows:

- (i) Net cash generated from operating activities for FY2023 was RM29.6 million, as compared to RM39.3 million in FY2022. This was mainly due to the net inflows from working capital changes of RM47.7 million (FY2022: inflow of RM76.5 million) mitigated by the overall loss before tax from operations during FY2023.
- (ii) Net cash used in investing activities for FY2023 was RM2.4 million, as compared to a net cash used of RM3.8 million for FY2022 due to capital expenditure during the financial period.
- (iii) Net cash generated from financing activities for FY2023 amounting to RM37.6 million, as compared to cash used in financing activities of RM47.6 million in FY2022, due to restructuring of bank overdrafts, set off by repayment of borrowings and finance lease liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

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 2023 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 2022 to September 2023, 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 consists a ‘**design & build**’ contract for Pembangunan Perumahan Rakyat 1Malaysia (PR1MA) Project (“**PR1MA 3**”) (196 units) amounted to RM25.3 million; and a development project, known as Taman Bukit Rangin 1 Phase B (20 units) with total GDV of RM

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 RM155.8 million.

Kuching

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

The current development of BSRC includes BSWP, service apartments and MICE facilities, 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 RM182.4 million.

As at 30 September 2023, the total outstanding order book and unbilled sales amounted to RM160.0 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 FY2023 as the leisure park facilities are capital intensive in nature with fixed or semi-fixed operating costs. The losses in this segment of RMxx.xx million was partly attributable to the reversal of deferred tax assets of RM21.8 million, the impact of this was partially offset by other non-cash income, resulting from the reversal of impairment loss amounting to RMxx.x million on property, plant, and equipment, as well as other assets under LHD.

Finance costs and fixed overhead continued to be incurred by LHD despite limited revenue from its theme parks.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

PROSPECTS AND OUTLOOK

The global economy has faced adverse impacts from the COVID-19 pandemic, and the Group has not been immune to its negative effects. However, with the gradual subsiding of the pandemic and the easing of containment measures, including the reopening of international borders, there is an expectation of a gradual recovery in the global economy in the near future.

In its recently released Economic Outlook 2024 report, the Malaysia Government anticipates a steady improvement in Malaysia's economic momentum in the coming year, driven by a potential upturn in external demand. The report highlights the resilience of domestic demand, buoyed by favorable inflation and interest rates, as a significant factor propelling growth momentum. The Government projects a growth range of 4% to 5% in 2024, compared to an estimated 4.0% for the 2023.

Despite the positive developments, the Group continues to exercise caution regarding the overall global outlook, primarily due to the ongoing conflicts in Ukraine-Russia and Israel-Palestine. These geopolitical conflicts have contributed to an escalation in oil prices. While direct significant impacts on Malaysia are not anticipated, potential consequential effects may manifest, especially in terms of heightened construction material prices and increased logistics costs resulting from disruptions in the global supply chain.

However, we do foresee that these 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 30 September 2023 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.

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.

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**"). We present you the Annual Report and Audited Financial Statements of the Group for the financial period ended 30 September 2023 ("**FY2023**").



CHAIRMAN'S STATEMENT

Our 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 global economy is navigating through a challenging environment marked by the enduring impact of the COVID-19 pandemic. Deepened geopolitical tensions and ongoing efforts to address inflation through monetary policy tightening have heightened the risk of a worldwide economic slowdown. This situation is further complicated by uncertainties in major economies, particularly affecting developing nations, and a diminishing trade dynamism amid supply chain disruptions and trade tensions.

Malaysia, as an open economy with a robust financial system, is not immune to these global challenges. However, the diversified structure of the Malaysian economy and its solid fundamentals, built over the years through the collective efforts of the rakyat, have fortified its resilience and positioned it on a stable growth trajectory. The positive factors, coupled with the continuous implementation of pragmatic measures and initiatives by the Government, are expected to uphold the strength and resilience of Malaysia's economy in the face of global uncertainties.

During these challenging times, our employees have been the cornerstone of our resilience, persevering in the face of adversity to consistently deliver results. In today's rapidly evolving and dynamic operating environment, individuals with technological acumen and a mindset aligned with the triple bottom line focusing on people, planet, and profit are indispensable. Their contributions are crucial for ensuring the organisation's long-term value creation and success.

REVIEW OF GROUP'S PERFORMANCE

FY2023 proved to be another extraordinary year as the world and the country grappled with the ongoing effects of a new normal scenario shaped by the ebbs and flows of the post COVID-19 pandemic.

In FY2023, a labour shortage, as well as rising raw material costs and the weaker ringgit have continued to weigh on the local property development and construction sector despite the economy rebounding post-pandemic.

Similarly, the business performance of the Leisure and Hospitality Division ("LHD") had also taken a significant hit due to disruptions in demand. 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 period 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.

On 28 March 2022, the Company and relevant subsidiaries signed Supplementary Agreements ("SAs") and other relevant agreements with their lenders, forming part of the restructuring scheme under Corporate Debt Restructuring Committee's (CDRC) purview. By 13 July 2022, the Company and relevant subsidiaries fulfilled all conditions precedent of the SAs. The successful completion of the SAs is deemed beneficial for improving the Group's financial position, enabling it to navigate the challenging market conditions and sustain its businesses.

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.

PROSPECTS

The economic stimulus packages introduced by the Malaysian Government are anticipated to aid local businesses to recoup earnings as the economy recovers.

The property development and construction industry is currently in the process of recovering from the impact of the pandemic. Several challenges persist, including the rise in the prices of certain building materials, a shortage of workers and increased minimum wage for workers.

CHAIRMAN'S STATEMENT

PROSPECTS (CONT'D)

In addressing these concerns, there is an expressed hope for increased allocations for infrastructure development and other construction projects. Such investments are seen as crucial for fostering the growth of these industries, which, in turn, is expected to catalyse the growth of numerous other economic sectors. The anticipation is that robust support for construction projects will not only aid industry recovery but also contribute to broader economic development.

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 FY2023, the Property Development Division ("PDD") is expected to continue to contribute positively to the Group and help weather through the current challenges faced by the Group.

The outlook of Malaysia's tourism industry is expected to improve. It was reported by the Department of Statistics Malaysia that Malaysia's domestic tourism experienced a significant surge in the second quarter of 2023. The number of domestic visitors reached a record-breaking 54.5 million, reflecting a notable 20% increase compared to the same period in the previous year. Domestic tourism expenditure for the same period amounted to RM21.9 billion, marking a substantial 23.9% year-on-year increase and a quarterly rise of 13.9%. Domestic visitor arrivals surged to 171.6 million, a remarkable 160.1% increase compared to the previous year. Domestic tourism receipts reached RM64.1 billion, showcasing a significant 248.1% increase from 2021, indicating a positive rebound in domestic tourism post-COVID-19. These statistics highlight the robust recovery and growth of Malaysia's domestic tourism sector.

The Group implemented several restructuring measures 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 improving economy and the operating environment being eased, we look forward to better years ahead. Let's **Build a Better Tomorrow** together.

APPRECIATION

We and our 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, we wish to express our sincere appreciation for their invaluable assistance and advice throughout FY2023.

Lastly, we thank our fellow Directors and all Sentorians for their loyal and dedicated services in overcoming challenges despite the challenging operating conditions. May we continue to step forward, moving together towards developing shared value creation for the Group, all stakeholders and buyers of Sentoria homes.

Datuk Dr. Ras Adiba Binti Mohd Radzi (Chairman of the Board)
Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad (Former Chairman of the Board)
 31 January 2024

BOARD OF DIRECTORS' PROFILE

Datuk Dr. Ras Adiba Binti Mohd Radzi

Independent Non-Executive Chairman

| | | |
|----------------------|-----------------|---------------|
| ■ Nationality | ■ Gender | ■ Aged |
| Malaysian | Female | 55 |

Datuk Dr. Ras Adiba Mohd Radzi, who was appointed as Independent Non-Executive Director of the Company on 5 January 2024 and was re-designated as Independent Non-Executive Chairman of the Company on 12 January 2024.

Datuk Dr. Ras is a distinguished figure renowned for her resilience and diverse expertise, brings a wealth of experience and a compassionate vision to the table. Her journey from a celebrated news anchor to a paralympic athlete and, presently, a devoted advocate for the disabled community is a testament to her tenacity. Following a life-changing spinal injury, she not only overcame adversities but excelled, participating in international para-sporting events and setting records, including wheeling her wheelchair 490km from Johor Bahru to Putrajaya in a mere 10 days. This remarkable journey symbolizes her unwavering determination and strength.

In her role as a Senator (R) and Chairperson of the National News Agency of Malaysia (BERNAMA), Datuk Dr. Ras's commitment to inclusivity and social enhancement is evident. Her strategic leadership, honed over two decades in broadcast journalism, coupled with her advocacy for educational reform, infrastructure development, and socio-economic empowerment, marks her as an invaluable asset. Additionally, her academic pursuits, including an MBA and an Honorary Doctorate, underscore her commitment to lifelong learning, making her uniquely positioned to contribute insight and drive impactful initiatives that align with the vision of a progressive property developer seeking inclusive and community-centric development paradigms.

Dato' Chan Kong San

Joint Managing Director

| | | |
|----------------------|-----------------|---------------|
| ■ Nationality | ■ Gender | ■ Aged |
| Malaysian | Male | 62 |

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 eight (8) out of nine (9) Board meetings held during the financial period ended 30 September 2023.

Dato' Gan Kim Leong

Joint Managing Director

| | | |
|----------------------|-----------------|---------------|
| ■ Nationality | ■ Gender | ■ Aged |
| Malaysian | Male | 62 |

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

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

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

He attended all nine (9) Board meetings held during the financial period ended 30 September 2023.

BOARD OF DIRECTORS' PROFILE

Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad

Independent Non-Executive Director

| | | |
|-----------------------------------|-------------------------|---------------------|
| ■ Nationality Malaysian | ■ Gender Male | ■ Aged 73 |
|-----------------------------------|-------------------------|---------------------|

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 was then re-designated as Independent Non-Executive Director and was resigned as member of Audit and Risk Management and Nomination and Remuneration Committee on 12 January 2024.

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

He started his career as an Assistant Secretary in the Finance Division of the Ministry of Education Malaysia. In 1978, he moved on to the Ministry of Health Malaysia where he served until 1986. During this period, he was the Senior Administrator in the Institute for Medical Research Malaysia. In 1983, Dato' Hj. Abdul Rahman was promoted to the Principal Assistant Secretary in the Procurement Division of the same Ministry. He was then posted to Development Division of the Ministry of Works Malaysia in 1986 where he served until 1988. He then took sabbatical leave for two years to study for his Master of Public Administration (MPA).

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

He attended all Nine (9) Board meetings held during the financial period ended 30 September 2023.

Datin Sri Lim Mooi Lang

Independent Non-Executive Director

| | | |
|-----------------------------------|---------------------------|---------------------|
| ■ Nationality Malaysian | ■ Gender Female | ■ Aged 55 |
|-----------------------------------|---------------------------|---------------------|

Datin Sri Lim was appointed as an Independent Non-Executive Director, a member of the Audit and Risk Management, Nomination and Remuneration Committee on 16 January 2020 and was re-designated as Chairman of Nomination and Remuneration 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 nine (9) Board meetings held during the financial period ended 30 September 2023.

BOARD OF DIRECTORS' PROFILE

Dr. Lim Zhao Qi

Independent Non-Executive Director

| | | |
|----------------------|-----------------|---------------|
| ▪ Nationality | ▪ Gender | ▪ Aged |
| Malaysian | Male | 37 |

Dr. Lim Zhao Qi was appointed as an Independent Non-Executive Director on 5 January 2024 and was appointed as the member of Audit and Risk Management and Nomination and Remuneration Committee on 12 January 2024.

Dr. Lim is a highly accomplished professional with an impressive educational background and exceptional contributions in the financial sector. He obtained his Bachelor's degree from the University Technology of Sydney, and continued to pursue further executive studies with Harvard Business School. He also completed additional studies with the National University of Singapore in Financial Technologies, where he specialized in innovative financial services.

Dr. Lim's multifaceted career reflects a diverse range of experiences in industries pivotal to global economic landscapes. His extensive involvement in sectors such

as medical disposables, tourism and hotel management, palm oil (both edible oil and biodiesel), showcases a profound versatility that sets him apart.

In the year 2014, Dr. Lim assumed the pivotal role of Executive Director at European Credit Investment Bank Ltd, a licensed investment bank based in Malaysia. Under his astute guidance, the organization has witnessed substantial growth and success, marking his tenure as a period of remarkable achievement. Dr. Lim's strategic vision and industry insight have been instrumental in steering the bank towards new heights.

He was appointed as Labuan Investment Banking Association (LIBA) Deputy Chairman on 28 December 2023.

Mr. Lim Poh Seong

Independent Non-Executive Director

| | | |
|----------------------|-----------------|---------------|
| ▪ Nationality | ▪ Gender | ▪ Aged |
| Malaysian | Male | 57 |

Mr Lim Poh Seong was appointed as an Independent Non-Executive Director on 5 January 2024 and was appointed as the Chairman of the Audit and Risk Management and member of the Nomination and Remuneration Committee on 12 January 2024.

Mr Lim is a Fellow of The Association of Chartered Certified Accountants (ACCA) and member of Malaysian Institute of Accountants (MIA). He has over 25 years of experience in the fields of auditing, accounting, corporate finance and overall administration of business operations.

He began his career as an auditor with a major accounting firm in Kuala Lumpur in 1989. Subsequently, he joined the commercial sector where he held various

positions in the finance and operations divisions of several Malaysian public listed companies. He was appointed as an Executive Director of Pantai Holdings Berhad, a public listed company involved in healthcare and was put in charge of the group's overall operations and finance from April 2001 to September 2005. He left the group in February 2007 as the Group Chief Operating Officer. He was an Executive Director of Paos Holdings Berhad from April 2007 to April 2008 and Asia Poly Holdings Berhad from October 2007 to April 2008, respectively.

Currently he is also the Independent Non-Executive Director for Hup Seng Industries Berhad and Samaiden Group Berhad, both public listed companies.

Notes to Board of Directors' Profile:

- 1. Family Relationship**
None of the Directors has any family relationship with any other Director and/or major shareholder of the Company.
- 2. Conflict of Interest**
None of the Directors has any personal interest or conflict of interest in any business arrangement involving the Group.
- 3. Conviction of Offences**
None of the Directors has been convicted of any offences within the past five (5) years, other than traffic offences (if any) and no public sanctions or penalties were imposed on them by the relevant regulatory bodies during the financial period ended 30 September 2023.

KEY SENIOR MANAGEMENT'S PROFILE

Dato' Chan Kong San

Joint Managing Director

- **Nationality**
Malaysian
- **Gender**
Male
- **Aged**
62

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.

Dato' Gan Kim Leong

Joint Managing Director

- **Nationality**
Malaysian
- **Gender**
Male
- **Aged**
62

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.

Dato' Loh Yuen Tuck

Group Chief Executive Officer

- **Nationality**
Malaysian
- **Gender**
Male
- **Aged**
60

Dato' Loh joined the Group in January 2024. He heads the new transformation team to revive and revitalise the Group with core experiences in operational turnaround and corporate finance gathered from over 30 years relevant experiences in investments and strategic partnerships. He oversees the strategic direction, business development and diversification of the group, leveraging on his extensive knowledge and network in the finance, property and technology sectors. His extensive experience ranges from mergers and acquisitions, research and investments successes in Quilter Goodison London UK, SJ Securities Malaysia, Jupiter Securities, Phileo Peregrine Securities, Sun Hung Kai Hong Kong and Robertson Stephens Inc. His early years was nurtured in Singapore attending Anglo Chinese Junior College, one year tertiary education in National University of Singapore before transferring to University of London specialising in Economics and Accounting. He was conferred the Dato'ship title in 2014 and the Malaysian Retail Chain Association CEO 2016 award for his immense contribution to the retail/property sector and in recognition of his international community service especially in Nepal. Preceding this appointment he led the family investment office which invests in properties in Malaysia, United Kingdom and Australia, and the position of CEO Office of V-cube Malaysia (paid up capital RM 11.7 million), an affiliate company of Tokyo Stock Exchange listed group V-cube Inc. (market capitalization RM 250 million), a digital applications company that has won multiple global Frost & Sullivan awards.

KEY SENIOR MANAGEMENT'S PROFILE

Ms. Lim Soo Yoon

Assistant General Manager – Finance Operation

| | | |
|----------------------|-----------------|---------------|
| ■ Nationality | ■ Gender | ■ Aged |
| Malaysian | Female | 59 |

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.

Notes:-

None of the above Key Senior Management has any:

- directorships in public companies and listed issuers except for Dato' Chan Kong San and Dato' Gan Kim Leong;
- 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 30 September 2023.

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 2022 to 30 September 2023, 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 FY2023 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 FY2023 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") / Group Chief Executive Officer ("Group CEO"). 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 / Group CEO

- 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

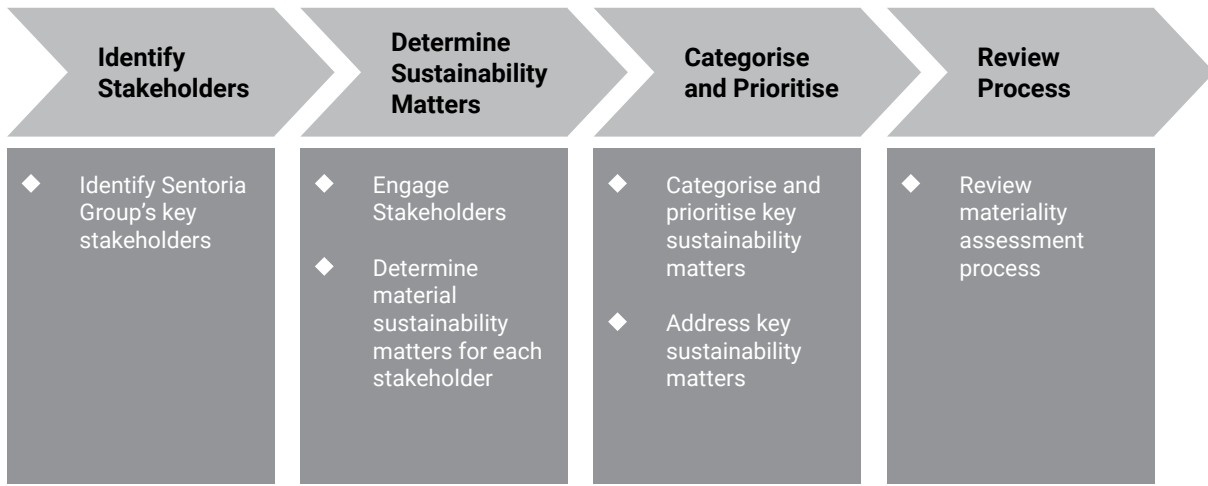
- Implements sustainability initiatives and activities to manage EES risks and opportunities;
- Implements any change in sustainability initiatives, activities and method of implementation as advised by the JMD / Group CEO;
- Carries out Materiality Assessment based on the data collected for monitoring and managing of EES risks;
- Reports the results /status of the action plan to the JMD / Group CEO 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"> Quality Competitive price Business continuity Timely project completion | <ul style="list-style-type: none"> Corporate website Brochures Email and phone calls |
| Employees | <ul style="list-style-type: none"> Work-life balance Competitive salary and benefits Career development and trainings Health and safety | <ul style="list-style-type: none"> Formal and informal meetings Performance appraisals Community projects Email and mobile Trainings |
| Shareholders and Investors | <ul style="list-style-type: none"> Sustainable profitability and matters Company's performance against industry Compliance with regulatory requirements | <ul style="list-style-type: none"> Annual general meetings Regular updates and communication Investor relation initiatives Annual reports Quarterly announcements |

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

MATERIAL SUSTAINABILITY MATTERS

ECONOMIC

Commitment to Quality

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

Sustainable Procurement

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

SUSTAINABILITY STATEMENT

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

ENVIRONMENT

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

Our standard operating procedures for environmental management include:

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

As a means to increase the efficiency of our construction processes and reduce energy emissions, 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 and to reduce the chances of virus contamination, the management has encouraged virtual meetings with stakeholders, customers, suppliers and/or vendors. Other precautionary measures such as placing of hand sanitisers at common areas as well as regular sanitisation, have been widely practiced.

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 organised by management.

SUSTAINABILITY STATEMENT

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

SOCIAL (CONT'D)

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.

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 30 September 2023, more than 50% 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 organisation.

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 period ended 30 September 2023 (“FY2023”). 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 2023 (“CG Report”) which is accessible online at the Company’s website www.sentoria.com.my.

The CG Report provides the explanations on how the Group applied each Practice set out in the Code during FY2023.

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”) / Group Chief Executive Officer (“Group CEO”), 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 and Remuneration Committee (“NRC”)

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 / Group CEO 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 / Group CEO takes on the primary responsibility of managing the Group’s businesses and resources as well as overseeing and managing the day-today operations of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(a) Board Responsibilities (Cont'd)

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 can report through telephone or via e-mail to Head of Human Resources or JMDs / Group CEO.

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

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

Currently, there is an informal succession plan for key management put in place by the JMDs / Group CEO. Going forward, the Board will, with the JMDs / Group CEO, 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 / Group CEO; 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(a) Board Responsibilities (Cont'd)

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 FY2023 were as follows:

| Directors | Training Programmes |
|--|---|
| Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad | <ul style="list-style-type: none"> • Bursa Malaysia Immersive Experience The Board "Agender" |
| Dato' Chan Kong San | <ul style="list-style-type: none"> • Advocacy Session on the Continuing Disclosure Requirements & Corporate Disclosure Policy of the Listing Requirements |
| Dato' Gan Kim Leong | <ul style="list-style-type: none"> • Advocacy Session on the Continuing Disclosure Requirements & Corporate Disclosure Policy of the Listing Requirements • Kursus Integriti Dan Kod Etika Kontraktor |
| Datin Sri Lim Mooi Lang | <ul style="list-style-type: none"> • Investment In Asean : Making Investment Decisions In A New Hybrid Business World • Transfer Pricing And Intra Group Financing • Accountants Fighting Corruption • Board Benchmarking For Sustainability • Unclaimed Money Act 1965 • An Update On Malaysian Case Law And Its Impact On Commercial Contracts • Global Minimum Tax In South East Asia |
| Mr. Wong Yoke Nyen (Appointed on 8.10.2012 & Resigned on 9.11.2023) | <ul style="list-style-type: none"> • PKJ002: Assessing Financial System Integrity-Anti-Money Laundering and Combating the Financing of Terrorism, Corruption & Bribery, Customer Information and Permitted Disclosure • Board Briefing on Integrated Reporting • PKJ003: 12 Malaysia Plan – Challenges and Opportunities • KSY013: ChatGPT: A Game-Changer for Wealth Managers and Investors: Maximizing Returns through Intelligent Investment Decisions • PKJ004: Success, Survival and Sustainability Strategies in Competitive Environment using Sun Zi's Art of War's Approach • Compliance with Listing Requirements- Reporting of Financial Statements |
| Datuk Chu Boon Tiong (Appointed on 9.5.2023 & Resigned on 17.11.2023) | <ul style="list-style-type: none"> • None |
| Mr . Gan Boon Koo @ Gan Boon Kiu (Appointed on 10.3.2023 & Resigned on 15.7.2023) | <ul style="list-style-type: none"> • Equity Funding : CFO Perspective of Equity Crowd Funding and Venture Capital by Stanley Ng |

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(a) Board Responsibilities (Cont'd)

The external training programmes, seminars and/or conferences attended by the Directors in office at the end of FY2023 were as follows: (Cont'd)

| Directors | Training Programmes |
|--|--|
| Mr. Chow Zee Neng (Appointed on 15.2.2023 & Resigned on 15.7.2023) | • None |
| Ms Tan Lee Chin (Appointed on 6.5.2022 & Retired on 28.9.2022) | • None |
| Mr Lee Swee Meng (Appointed on 6.5.2022 & Retired on 28.9.2022) | • None |
| Mr Chua Eng Chin (Appointed on 6.5.2022 & Retired on 28.9.2022) | • Investment Megatrends in the Post Pandemic World • Anti Money Laundering – Risks & Vulnerabilities in the Securities Sector |
| Mr S Nagaraju A/L Sinniah (Appointed on 6.5.2022 & Retired on 28.9.2022) | • None |

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

(b) Board Composition

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

The Board (via the NRC) 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
- Environmental, Social and Governance ("ESG") or Sustainability

Directors

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(b) Board Composition (Cont'd)

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 NRC 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 FY2023, the NRC 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 NRC having reviewed the self and peer evaluations of the ARMC members, has informed the Board that the ARMC is performing effectively.

The Chairman of the Board should not be a member of the Board Committees

The Board took note on the recommendation on Practice 1.4 of the MCCG 2021 which states that the Chairman of the Boards should not be a member of the Board Committees.

Datuk Dr. Ras Adiba Binti Mohd Radzi was appointed as Independent Non-Executive Director of the Company on 5 January 2024 and was re-designated as Independent Non-Executive Chairman of the Board on 12 January 2024. Datuk Dr. Ras Adiba Binti Mohd Radzi is not a member of any of our Board Committees. Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad was re-designated from Independent Non-Executive Chairman to Independent Non-Executive Director and was resigned as member of ARMC and NRC on 12 January 2024. This is to promote check and balance as well as objective review by the Board on deliberations and decisions from the Board Committees.

Gender Diversity

The Board supports diversity on the Board and in key senior management. Currently, Sentoria has 28.6%, i.e. two (2) female Directors on the Board out of its seven (7) members, reflects the Group's commitment on gender diversity.

It is also worth noting that the 25% or one (1) out of four (4) key senior management members is women.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(c) Remuneration

The Board (via the NRC) 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 NRC is guided by market norms and industry practices when making recommendations for the compensation and benefits of Directors and Executive Management.

The NRC'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 FY2023 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 |
|----------------------------|--------------------|---|------------------------------|--|--------------|
| Executive Directors | | | | | |
| Dato Chan Kong San | – | 1,999 | – | – | 1,999 |
| Dato Gan Kim Leong | – | 1,999 | – | – | 1,999 |
| Tan Lee Chin | 48 | – | – | – | 48 |

| Non-Executive Directors | | | | | |
|---|-----|---|----|---|-----|
| Dato' Hj Abdul Rahman bin Hj. Imam Arshad | 108 | – | 26 | – | 134 |
| Datin Sri Lim Mooi Lang | 108 | – | 23 | – | 131 |
| Wong Yoke Nyen | 108 | – | 26 | – | 134 |
| Datuk Chu Boon Tiong | – | – | – | – | – |
| Gan Boon Koo @ Gan Boon Kiu | 25 | – | 2 | – | 27 |
| Chow Zee Neng | 30 | – | 3 | – | 33 |
| Lee Swee Meng | 29 | – | 4 | – | 33 |
| Chua Eng Chin | 29 | – | 3 | – | 32 |
| S Nagaraju A/L Sinniah | 29 | – | 4 | – | 33 |

* 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 (3) members, all of whom are Independent Directors, comprising Mr. Lim Poh Seong, the Chairman of the ARMC, Dr. Lim Zhao Qi, both was appointed on 12 January 2024 and Datin Sri Lim Mooi Lang.

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 FY2023 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 / Group CEO, 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 / Group CEO and/or the Board where necessary.

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

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

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

Our Independent Director, Mr Lim Poh Seong 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 24th AGM to address shareholders' queries at the meeting. The external auditors will also be present at the meeting to answer shareholders' queries on their audit process and report, the accounting policies adopted by the Group, and their independence.

In line with Practice 12.1 of the Code, the Company's Notice of the forthcoming 24th 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 30 January 2024.

ADDITIONAL DISCLOSURE REQUIREMENTS

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

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

During the FY2023, the Company has undertaken the Private Placement and a total of 55,700,000 Placement Shares have been issued and allotted on 29 March 2023 and 11 May 2023 respectively. The details of the 2 tranches are as follows:-

| No. | Date of allotment | Issue price per share (RM) | Total Number of Private Placement | Proceeds (RM) |
|--------------|-------------------|----------------------------|-----------------------------------|------------------|
| 1. | 29 March 2023 | 0.0600 | 25,000,000 | 1,500,000 |
| 2. | 11 May 2023 | 0.0550 | 30,700,000 | 1,688,500 |
| TOTAL | | | 55,700,000 | 3,188,500 |

The Company has successfully raised RM3.19 million from the Private Placement. Details and status of utilisation of the proceeds raised from the placement are as follows:

| Purpose | Initial allocation (RM'000) | Actual utilisation (RM'000) | Balance to be utilised (RM'000) | Timeframe for utilisation |
|---|-----------------------------|-----------------------------|---------------------------------|---------------------------|
| Working capital ⁽¹⁾ | 3,115 | 3,115 | – | Within 12 months |
| Estimated expenses for the Previous Private Placement | 73 | 73 | – | Immediate |
| Total | 3,188 | 3,188 | – | |

Note:

(1) The working capital expenses included, amongst others, sales and marketing expenses, finance costs and administrative costs.

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 FY2023 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 FY2023 amounted to RM40,000 and RM213,000 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 FY2023, the amount concerned was RM5,000 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**") / Group Chief Executive Officer ("**Group CEO**"), the 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 FY2023, 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
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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT (CONT'D)

For FY2023, the Group's key business risks identified and the measures taken to manage these risks were as follows: (Cont'd)

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 / Group CEO 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 FY2023, 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 / Group CEO and senior management;
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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ASSURANCE

The ARMC and Board has reviewed the adequacy and effectiveness of the Group's risk management framework and system of internal control for FY2023 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 / Group CEO 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 30 January 2024.

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.

MEMBERSHIP AND MEETINGS

The ARMC comprises three (3) Independent Non-Executive Directors. The present members of the Audit Committee are as follows:-

| Name | Designation | Status of Directorship |
|---|-------------|---|
| Lim Poh Seong (Appointed on 12 January 2024) | Chairman | <i>Independent Non-Executive Director</i> |
| Datin’ Sri Lim Mooi Lang | Member | <i>Independent Non-Executive Director</i> |
| Dr. Lim Zhao Qi (Appointed on 12 January 2024) | Member | <i>Independent Non-Executive Director</i> |

During the financial period ended 30 September 2023 (“FY2023”), the ARMC held a total of eight (8) meetings. The details of attendance of the ARMC members at meetings held during FY2023 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> | 8/8 |
| Dato’ Hj. Abdul Rahman bin Hj. Imam Arshad ** | Member | <i>Independent Non-Executive Director</i> | 8/8 |
| Datin’ Sri Lim Mooi Lang | Member | <i>Independent Non-Executive Director</i> | 8/8 |

Note:-

* Following the resignation of Mr Wong Yoke Nyen from the Board on 9 November 2023 and he also ceased to be Chairman of ARMC.

** Dato’ Hj. Abdul Rahman bin Hj. Imam Arshad was resigned as member of ARMC on 12 January 2024.

All current Independent Non-Executive 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 eight times during FY2023. 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 FY2023:

(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 occasions in FY2023, 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 party transactions of a revenue and trading nature ("RRPT").

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ARMC'S ACTIVITIES (CONT'D)

The following were activities carried out by the ARMC for FY2023: (Cont'd)

(e) Annual Report

- Reviewed and issued this Report for inclusion in the FY2023 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 FY2023 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 FY2023.
- 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, GovernAce Advisory & Solutions Sdn. Bhd. [Registration No. 201701029561 (1243730-W)] 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"), Fellow Certified Practising Accountant with CPA Australia ("FCPA"), a Chartered Member of Institute of Internal Auditors Malaysia ("CMIIA"), Accountant 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")

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION (CONT'D)

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.

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 FY2023, the internal audit scope covered the review of the adequacy and effectiveness of the system of internal controls of the following:

- (a) Corporate Governance practices adopted by the Group with the practices set out in the Malaysian Code on Corporate Governance (MCCG)
- (b) Follow-up review on Property & Construction Division: Sales & Collection (Kuantan Project)
- (c) Follow-up review on Property & Construction Division: Project Management (Kuantan Project)

The total costs paid or payable for the internal audit function for FY2023 was RM54,000.

MR. LIM POH SEONG

Chairman of Audit and Risk Management Committee

30 January 2024

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period from 1 April 2022 to 30 September 2023.

PRINCIPAL ACTIVITIES

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

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

CHANGE OF FINANCIAL YEAR END

The Group and the Company changed its financial year end from 31 March 2023 to 30 September 2023 to facilitate the financial reporting.

FINANCIAL RESULTS

| | Group RM'000 | Company RM'000 |
|-----------------------------------|----------------------|-------------------|
| Net loss for the financial period | <u>70,717</u> | <u>48,588</u> |
| Attributable to: | | |
| Owners of the Company | 62,406 | |
| Non-controlling interests | <u>8,311</u> | |
| | <u><u>70,717</u></u> | |

RESERVES AND PROVISIONS

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

DIVIDENDS

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

HOLDING COMPANY

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

DIRECTORS' REPORT

DIRECTORS

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

Dato' Hj. Abdul Rahman bin Hj. Imam Arshad
 Dato' Chan Kong San
 Dato' Gan Kim Leong
 Datin Sri Lim Mooi Lang
 Lim Poh Seong (appointed on 2 January 2024)
 Datuk Dr Ras Adiba binti Mohd Radzi (appointed on 5 January 2024)
 Dr Lim Zhao Qi (appointed on 5 January 2024)
 Chua Eng Chin (appointed on 6 May 2022 and retired on 28 September 2022)
 Lee Swee Meng (appointed on 6 May 2022 and retired on 28 September 2022)
 S Nagaraju A/L Sinniah (appointed on 6 May 2022 and retired on 28 September 2022)
 Chow Zee Neng (appointed on 15 February 2023 and resigned on 15 July 2023)
 Gan Boon Koo @ Gan Boon Kiu (appointed on 10 March 2023 and resigned on 15 July 2023)
 Tan Lee Chin (appointed on 6 May 2022 and retired on 28 September 2022)
 Datuk Chu Boon Tiong (appointed on 9 May 2023 and resigned on 17 November 2023)
 Dato Sri Ngu Tieng Ung, JP (appointed on 20 November 2023 and resigned on 8 January 2024)
 Dato Sri Dr Mohmad Isa bin Hussain (appointed on 20 November 2023 and resigned on 8 January 2024)
 Wong Yoke Nyen (resigned on 9 November 2023)

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

DIRECTORS' INTERESTS

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

| Shares in the Company | Number of ordinary shares | | | At 30.9.2023 |
|-----------------------------|---------------------------|------------|--------------|-----------------|
| | At 1.4.2022 | Bought | Sold | |
| Direct interest | | | | |
| Datin Sri Lim Mooi Lang | 2,000,000 | - | - | 2,000,000 |
| Datuk Chu Boon Tiong | - | 10,427,600 | (2,700,000) | 7,727,600 |
| Indirect interest | | | | |
| Dato' Chan Kong San* | 280,700,428 | - | (61,140,000) | 219,560,428 |
| Dato' Gan Kim Leong** | 299,427,268 | - | (79,800,000) | 219,627,268 |
| Datin Sri Lim Mooi Lang*** | 7,300,000 | - | (4,300,000) | 3,000,000 |
| Tan Lee Chin ^ | 25,212,400 | 6,037,600 | (14,200,000) | 17,050,000 |
| Number of Warrants-B | | | | |
| | At 1.4.2022 | Bought | Sold | At 30.9.2023 |
| Indirect interest | | | | |
| 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 his interest in Sentoria Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016

** 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

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

^ Deemed interest by virtue of her interest in TWL Holdings Berhad pursuant to Section 8 of the Companies Act 2016

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONT'D)

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

| Shares in Sentoria Capital Sdn. Bhd. | At <u>1.4.2022</u> | Number of ordinary shares | | At <u>30.9.2023</u> |
|---|-----------------------|---------------------------|-------------|------------------------|
| | | <u>Bought</u> | <u>Sold</u> | |
| <u>Direct interest</u> | | | | |
| Dato' Chan Kong San | 250,000 | - | - | 250,000 |
| Dato' Gan Kim Leong | 250,000 | - | - | 250,000 |

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

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

DIRECTORS' BENEFITS

During and at the end of the financial period, there was no arrangements subsisted to which the Company is a party, 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 31 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 33 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 period.

ISSUE OF SHARES AND DEBENTURES

The details and salient terms of Warrants-A and Warrants-B are disclosed in Note 17 to the financial statements.

On 29 March 2023, the Company issued 25,000,000 new ordinary shares at an issue price of RM0.06 per ordinary shares for a total cash consideration of RM1,500,000 for working capital purposes.

On 11 May 2023, the Company issued 30,700,000 new ordinary shares at an issue price of RM0.055 per ordinary shares for a total cash consideration of RM1,688,500 for working capital purposes.

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

There were no issuance of debentures during the financial period.

DIRECTORS' REPORT

TREASURY SHARES

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

As at the end of the financial period:

- (a) out of the Company's total 622,977,991 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 613,381,091 ordinary shares.

OPTIONS GRANTED OVER UNISSUED SHARES

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

OTHER STATUTORY INFORMATION

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

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

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

- (a) which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

In the opinion of the Directors:

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the Directors (cont'd):

- (b) the results of the Group's and of the Company's operations during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (c) there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the financial period in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND AFTER THE REPORTING DATE

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

DIRECTORS' REPORT

AUDITORS

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

The amount of audit and other fees paid or payable to the Auditors and its member firms by the Group and the Company for the financial period from 1 April 2022 to 30 September 2023 amounted to RM318,000 and RM85,000 respectively.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provision of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial period.

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
31 January 2024

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 55 to 129 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2023 and of their financial performance and cash flows for the financial period from 1 April 2022 to 30 September 2023.

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
31 January 2024

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 55 to 129 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 day of)
31 January 2024)
).....
DATO' GAN KIM LEONG

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SENTORIA GROUP BERHAD

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Sentoria Group Berhad, which comprise the statements of financial position as at 30 September 2023 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 129.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 September 2023, 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 Qualified Opinion

As at 30 September 2023, Sentoria Morib Bay Sdn. Bhd., a wholly-owned subsidiary of the Group recorded work-in-progress for water park ("WIP") at Morib under property, plant and equipment with total carrying amount of RM63,030,000 as disclosed in Note 5 to the financial statements. The construction efforts of the WIP halted since October 2019. Based on capital commitments disclosed in Note 34 to the financial statements, further costs of RM45,244,000 are required in order to complete the WIP. As disclosed in Note 2 to the financial statements, the Group plans to complete the construction of the WIP using a combination of internal generated funds and proposed redeemable convertible bonds.

However, we are unable to obtain sufficient appropriate audit evidence in relation to the timing of the completion of the WIP and its consequential effects on the forecasted realisation of the value-in-use of the WIP as mentioned in Note 5 to the financial statements. Accordingly, we are unable to evaluate the necessity for impairment losses of the WIP, if any, as at 30 September 2023.

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SENTORIA GROUP BERHAD

Report on the Audit of the Financial Statements (cont'd)

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 RM62,406,000 and RM48,588,000 respectively during the financial period from 1 April 2022 to 30 September 2023. As at 30 September 2023, the Group's and the Company's total current liabilities also exceeded its total current assets by RM463,241,000 and RM142,899,000 respectively.

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 disclosed in Note 2 to the financial statements, the ability of the Group and the Company to continue as a going concern are highly dependent on successful implementation of key restructuring measures which include obtaining the approval from Bursa Malaysia and shareholders for and implementation of the proposed issuance of redeemable convertible bonds; operational recovery from Property Development Division, and Leisure and Hospitality Division; expedite the completion of housing development projects from further delay; settlement of the overdue payables under restraining order arrangement; 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.

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 Basis for Qualified Opinion section and 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SENTORIA GROUP BERHAD

Group (cont'd)

Revenue and expense recognition for property development activities and construction contracts (cont'd)

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, 11, 12, 25 and 26 to the financial statements.

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 RM393,233,000 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, 4.6 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SENTORIA GROUP BERHAD

Report on the Audit of the Financial Statements (cont'd)

Information other than the Financial Statements and Auditors' Report Thereon (cont'd)

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. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate audit evidence about the carrying amount of property, plant and equipment of the Group as at 30 September 2023. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SENTORIA GROUP BERHAD

Report on the Audit of the Financial Statements (cont'd)

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

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.

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.

**INDEPENDENT
AUDITORS' REPORT**
TO THE MEMBERS OF SENTORIA GROUP BERHAD

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)

LIM SOO SIM
(NO: 03335/11/2025 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
31 January 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

| | Note | Group | | Company | |
|---|------|---------------------|---------------------|---------------------|---------------------|
| | | 30.9.2023 RM'000 | 31.3.2022 RM'000 | 30.9.2023 RM'000 | 31.3.2022 RM'000 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 5 | 491,315 | 451,934 | 2 | 13 |
| Biological assets | 6 | 268 | 461 | - | - |
| Inventories | 7 | 81,061 | 147,201 | - | - |
| Investment properties | 8 | 74,213 | 56,029 | 72,880 | 54,000 |
| Investment in subsidiary companies | 9 | - | - | 207,593 | 233,942 |
| Deferred tax assets | 10 | - | 21,825 | - | - |
| Total non-current assets | | 646,857 | 677,450 | 280,475 | 287,955 |
| Current assets | | | | | |
| Inventories | 7 | 76,571 | 69,945 | - | - |
| Contract assets | 11 | 8,667 | 12,446 | - | - |
| Contract costs | 12 | 12,727 | 11,708 | - | - |
| Trade receivables | 13 | 15,658 | 38,414 | - | - |
| Other receivables | 14 | 43,664 | 38,354 | 68 | 238 |
| Amount due from subsidiary companies | 9 | - | - | 84,189 | 107,046 |
| Tax recoverable | | 175 | 3,034 | - | 23 |
| Cash and bank balances | 15 | 3,696 | 7,336 | 118 | 1,814 |
| Total current assets | | 161,158 | 181,237 | 84,375 | 109,121 |
| Non-current asset held for sale | 16 | - | 563 | - | - |
| Total assets | | 808,015 | 859,250 | 364,850 | 397,076 |
| EQUITY AND LIABILITIES | | | | | |
| Equity attributable to owners of the Company | | | | | |
| Share capital | 17 | 164,967 | 161,778 | 164,967 | 161,778 |
| Treasury shares | 18 | (5,962) | (5,962) | (5,962) | (5,962) |
| Revaluation reserve | 19 | 96,171 | 66,374 | 33,322 | 33,322 |
| Warrant reserve | 20 | 51,467 | 51,467 | 51,467 | 51,467 |
| Accumulated losses | | (165,223) | (102,817) | (112,100) | (63,512) |
| | | 141,420 | 170,840 | 131,694 | 177,093 |
| Non-controlling interests | 9 | (19,031) | (11,694) | - | - |
| Total equity | | 122,389 | 159,146 | 131,694 | 177,093 |
| Non-current liabilities | | | | | |
| Contract liabilities | 11 | 115 | 278 | - | - |
| Deferred tax liabilities | 10 | 10,056 | 3,983 | 5,882 | 3,792 |
| Borrowings | 21 | - | 5,001 | - | 4,997 |
| Trade payables | 22 | 47,303 | 67,538 | - | - |
| Other payables | 23 | 3,753 | - | - | - |
| Total non-current liabilities | | 61,227 | 76,800 | 5,882 | 8,789 |
| Current liabilities | | | | | |
| Trade payables | 22 | 33,660 | 29,992 | - | - |
| Other payables | 23 | 88,874 | 94,685 | 5,347 | 4,233 |
| Contract liabilities | 11 | 70,365 | 64,905 | - | - |
| Amount due to subsidiary companies | 9 | - | - | 113,483 | 106,874 |
| Amount due to a Director | 24 | 161 | - | - | - |
| Tax payable | | 491 | - | 3 | - |
| Borrowings | 21 | 430,848 | 433,722 | 108,441 | 100,087 |
| Total current liabilities | | 624,399 | 623,304 | 227,274 | 211,194 |
| Total liabilities | | 685,626 | 700,104 | 233,156 | 219,983 |
| Total equity and liabilities | | 808,015 | 859,250 | 364,850 | 397,076 |

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2022 TO 30 SEPTEMBER 2023

| | Note | Group | | Company | |
|---|------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | | 1.4.2022 to 30.9.2023 RM'000 | 1.4.2021 to 31.3.2022 RM'000 | 1.4.2022 to 30.9.2023 RM'000 | 1.4.2021 to 31.3.2022 RM'000 |
| Revenue | 25 | 31,567 | 53,827 | - | - |
| Cost of sales | 26 | <u>(21,939)</u> | <u>(73,502)</u> | - | - |
| Gross profit/(loss) | | 9,628 | (19,675) | - | - |
| Other income | | 2,798 | 225 | - | 1 |
| Finance income | | 11,697 | 11,154 | - | - |
| Fair value adjustments on investment properties | | 18,880 | 2,790 | 18,880 | 2,670 |
| Impairment loss on financial assets | | (8,502) | (396) | (33,893) | (36,294) |
| Reversal of impairment loss on non-financial assets | | 9,775 | - | - | - |
| Distribution expenses | | (41) | (33) | - | - |
| Administration expenses | | (30,376) | (21,267) | (4,557) | (2,089) |
| Other expenses | 27 | (30,827) | (44,896) | (26,349) | (32,083) |
| Finance costs | 27 | <u>(35,446)</u> | <u>(21,408)</u> | <u>(579)</u> | <u>(446)</u> |
| Loss before tax | 28 | (52,414) | (93,506) | (46,498) | (68,241) |
| Tax expense | 29 | <u>(18,303)</u> | <u>(3,611)</u> | <u>(2,090)</u> | - |
| Net loss for the financial period/year | | <u>(70,717)</u> | <u>(97,117)</u> | <u>(48,588)</u> | <u>(68,241)</u> |
| Items that will not be reclassified subsequently to profit or loss | | | | | |
| Revaluation of land and buildings | | 30,014 | (8,919) | - | - |
| Crystallisation of revaluation reserve | | <u>(217)</u> | - | - | - |
| Other comprehensive income/(loss) for the financial period/year | | <u>29,797</u> | <u>(8,919)</u> | - | - |
| Total comprehensive loss for the financial period/year | | <u>(40,920)</u> | <u>(106,036)</u> | <u>(48,588)</u> | <u>(68,241)</u> |
| Net loss for the financial period/year attributable to: | | | | | |
| Owners of the Company | | (62,406) | (95,032) | | |
| Non-controlling interests | | <u>(8,311)</u> | <u>(2,085)</u> | | |
| | | <u>(70,717)</u> | <u>(97,117)</u> | | |
| Total comprehensive loss attributable to: | | | | | |
| Owners of the Company | | (32,609) | (103,951) | | |
| Non-controlling interests | | <u>(8,311)</u> | <u>(2,085)</u> | | |
| | | <u>(40,920)</u> | <u>(106,036)</u> | | |
| Loss per share attributable to equity holders of the Company (Sen) | | | | | |
| - Basic | 30 | <u>(11.13)</u> | <u>(17.04)</u> | | |
| - Diluted | 30 | <u>(11.13)</u> | <u>(17.04)</u> | | |

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2022 TO 30 SEPTEMBER 2023

| | Attributable to owners of the Company | | | | | | Total RM'000 | Non-controlling interests RM'000 | Total RM'000 |
|---|---------------------------------------|---|---|------------------------------|--|-----------------|-----------------|--|-----------------|
| | Share capital RM'000 | Distributable Treasury shares RM'000 | Non-distributable Revaluation reserve RM'000 | Warrant reserve RM'000 | Distributable Accumulated losses RM'000 | Total RM'000 | | | |
| Group | | | | | | | | | |
| Balance at 1 April 2021 | 161,778 | (5,962) | 75,738 | 51,467 | (8,230) | 274,791 | (9,609) | 265,182 | |
| Revaluation of land and buildings | - | - | (8,919) | - | - | (8,919) | - | (8,919) | |
| Derecognised of property, plant and equipment | - | - | (445) | - | 445 | - | - | - | |
| Other comprehensive loss for the financial year | - | - | (9,364) | - | 445 | (8,919) | - | (8,919) | |
| Net loss for the financial year | - | - | - | - | (95,032) | (95,032) | (2,085) | (97,117) | |
| Total comprehensive loss for the financial year | - | - | (9,364) | - | (94,587) | (103,951) | (2,085) | (106,036) | |
| Balance at 31 March 2022 | 161,778 | (5,962) | 66,374 | 51,467 | (102,817) | 170,840 | (11,694) | 159,146 | |
| Revaluation of land and buildings | - | - | 30,014 | - | - | 30,014 | 974 | 30,988 | |
| Crystallisation of revaluation reserve | - | - | (217) | - | - | (217) | - | (217) | |
| Other comprehensive loss for the financial period | - | - | 29,797 | - | - | 29,797 | 974 | 30,771 | |
| Net loss for the financial period | - | - | - | - | (62,406) | (62,406) | (8,311) | (70,717) | |
| Total comprehensive loss for the financial year | - | - | 29,797 | - | (62,406) | (32,609) | (7,337) | (39,946) | |
| Transaction with owners: | | | | | | | | | |
| Issuance of ordinary shares | 3,189 | - | - | - | - | 3,189 | - | 3,189 | |
| Balance at 30 September 2023 | 164,967 | (5,962) | 96,171 | (5,962) | (165,223) | 141,420 | (19,031) | 122,389 | |

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2022 TO 30 SEPTEMBER 2023

| | Attributable to owners of the Company | | | | | Total RM'000 |
|---|---------------------------------------|---------------------------|-------------------------------|---------------------------|--|-----------------|
| | Share capital RM'000 | Treasury shares RM'000 | Revaluation reserve RM'000 | Warrant reserve RM'000 | Distributable retained earnings/ (accumulated losses) RM'000 | |
| Company | | | | | | |
| Balance at 1 April 2021 | 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) |
| Balance at 31 March 2022 | 161,778 | (5,962) | 33,322 | 51,467 | (63,512) | 177,093 |
| Issuance of ordinary shares | 3,189 | - | - | - | - | 3,189 |
| Net loss for the financial period/ total comprehensive loss for the financial period | - | - | - | - | (48,588) | (48,588) |
| Balance at 30 September 2023 | 164,967 | (5,962) | 33,322 | 51,467 | (112,100) | 131,694 |

Company

Balance at 1 April 2021

Derecognised of property, plant and equipment
Other comprehensive loss for the financial year
Net loss for the financial year

Total comprehensive loss for the financial year

Balance at 31 March 2022

Issuance of ordinary shares

Net loss for the financial period/
total comprehensive loss for the financial period

Balance at 30 September 2023

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2022 TO 30 SEPTEMBER 2023

| | Group | | Company | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | 1.4.2022 to 30.9.2023 RM'000 | 1.4.2021 to 31.3.2022 RM'000 | 1.4.2022 to 30.9.2023 RM'000 | 1.4.2021 to 31.3.2022 RM'000 |
| OPERATING ACTIVITIES | | | | |
| Loss before tax | (52,414) | (93,506) | (46,498) | (68,241) |
| Adjustments for: | | | | |
| Biological assets written off | | 234 | - | - |
| Depreciation of investment properties | 16 | 20 | - | - |
| Depreciation of property, plant and equipment | 13,543 | 10,105 | 11 | 12 |
| Depreciation of biological assets | 190 | 182 | - | - |
| Fair value adjustments on investment properties | (18,880) | (2,790) | (18,880) | (2,670) |
| Finance cost | 35,446 | 21,408 | 579 | 446 |
| Finance income | (11,697) | (11,154) | - | - |
| Gain on disposal of investment properties | (159) | (32) | - | - |
| Gain on disposal of property, plant and equipment | (246) | - | - | - |
| Gain on disposal of subsidiary companies | - | (271) | - | - |
| Gain on disposal of non-current asset held for sale | (75) | - | - | - |
| Goodwill written off | - | 3 | - | - |
| Impairment loss on investment in subsidiary companies | - | - | 26,349 | 32,083 |
| Impairment loss on trade and other receivables | 8,502 | 291 | 158 | - |
| Impairment loss on property, plant and equipment | 12,071 | 28,294 | - | - |
| Reversal of impairment loss on property, plant and equipment | (12,698) | - | - | - |
| Impairment loss on amount due from subsidiary companies | - | - | 33,735 | 36,574 |
| Inventory written off | 680 | - | - | - |
| Loss on remeasurement of inventories | - | 14,573 | - | - |
| Property, plant and equipment written off | - | 186 | - | - |
| Provision for onerous contract | - | 1,555 | - | - |
| Receivables written off | 4 | 51 | - | - |
| Reversal of impairment loss on amount due from subsidiary companies no longer required | - | - | - | (280) |
| Operating loss before working capital changes | (25,717) | (30,851) | (4,546) | (2,076) |
| Changes in working capital: | | | | |
| Inventories | 58,834 | 32,021 | - | - |
| Contract assets/liabilities | 9,076 | (3,222) | - | - |
| Contract costs | (1,019) | (3,188) | - | - |
| Receivables | 8,940 | 43,255 | 12 | (43) |
| Payables | (7,079) | 7,639 | 1,114 | 1,061 |
| Cash generated from/(used in) operations | 43,035 | 45,654 | (3,420) | (1,058) |
| Finance income received | 155 | 75 | - | - |
| Finance cost paid | (15,383) | (7,330) | - | (446) |
| Tax paid | - | (4) | - | - |
| Tax refunded | 2,873 | 942 | 26 | 7 |
| Net cash from/(used in) operating activities | 30,680 | 39,337 | (3,394) | (1,497) |

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2022 TO 30 SEPTEMBER 2023

| | Group | | Company | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 1.4.2022 to 30.9.2023 | 1.4.2021 to 31.3.2022 | 1.4.2022 to 30.9.2023 | 1.4.2021 to 31.3.2022 |
| Note | RM'000 | RM'000 | RM'000 | RM'000 |
| INVESTING ACTIVITIES | | | | |
| Purchase of property, plant and equipment | (10,221) | (9,224) | - | - |
| Uplift of fixed deposits with licensed banks | | 4,246 | - | - |
| Net cash outflow from disposal of subsidiary companies | - | (6) | - | - |
| Proceeds from disposal of property, plant and equipment | 794 | - | - | - |
| Proceeds from disposal of investment properties | 841 | 179 | - | - |
| Proceeds from disposal of biological assets | 3 | 52 | - | - |
| Proceeds from disposal of non-current asset held for sale | 638 | 1,000 | - | 1,000 |
| Advances to subsidiary companies | - | - | (8,119) | (3,349) |
| Net cash used in investing activities | <u>(7,945)</u> | <u>(3,753)</u> | <u>(8,119)</u> | <u>(2,349)</u> |
| FINANCING ACTIVITIES | | | | |
| Proceeds from issuance of ordinary shares | 3,189 | - | 3,189 | - |
| Repayment from subsidiary companies | - | - | 6,609 | 3,281 |
| Advances from Directors | 161 | - | - | - |
| Repayment of lease liabilities | (368) | (382) | - | - |
| Repayment of borrowings | (38,731) | (47,227) | (102) | (2,933) |
| Drawdown of borrowings | 4,295 | - | - | - |
| Net cash (used in)/from financing activities | <u>(31,454)</u> | <u>(47,609)</u> | <u>9,696</u> | <u>348</u> |
| CASH AND CASH EQUIVALENTS | | | | |
| Net changes | (8,719) | (12,025) | (1,817) | (3,498) |
| At beginning of financial period/year | <u>(61,843)</u> | <u>(49,818)</u> | <u>(25,473)</u> | <u>(21,975)</u> |
| At end of financial period/year | <u>A</u> <u>(70,562)</u> | <u>(61,843)</u> | <u>(27,290)</u> | <u>(25,473)</u> |

NOTES TO THE STATEMENTS OF CASH FLOWS

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

| | Group | | Company | |
|------------------------|-----------------|-----------------|-----------------|-----------------|
| | 30.9.2023 | 31.3.2022 | 30.9.2023 | 31.3.2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Cash and bank balances | 3,614 | 5,554 | 35 | 32 |
| Bank overdrafts | (74,176) | (67,397) | (27,325) | (25,505) |
| | <u>(70,562)</u> | <u>(61,843)</u> | <u>(27,290)</u> | <u>(25,473)</u> |

B. CASH OUTFLOWS FOR LEASES AS A LESSEE

| | Group | | Company | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 1.4.2022 to 30.9.2023 | 1.4.2021 to 31.3.2022 | 1.4.2022 to 30.9.2023 | 1.4.2021 to 31.3.2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <i>Included in net cash from/(used in) operating activities:</i> | | | | |
| Payment relating to short-term leases | - | 1,157 | - | - |
| <i>Included in net cash from/(used in) financing activities:</i> | | | | |
| Payment of lease liabilities | 368 | 382 | - | - |
| Interest paid in relation to lease liabilities | 420 | 61 | - | - |
| Total cash outflows for leases | <u>788</u> | <u>1,600</u> | <u>-</u> | <u>-</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

1. GENERAL INFORMATION

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

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

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

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

The Group and the Company changed its financial year end from 31 March 2023 to 30 September 2023 to facilitate the financial reporting.

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 in 31 January 2024.

2. GOING CONCERN

The Group and the Company had incurred a net loss attributable to owners of the Company of RM62,406,000 and RM48,588,000 respectively during the financial period from 1 April 2022 to 30 September 2023. As at 30 September 2023, the Group's and the Company's total current liabilities also exceeded its total current assets by RM463,241,000 and RM142,899,000 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 period.

The Group and the Company implemented several restructuring measures during the financial period 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 undertaken by the Group are as follows:

Operational recovery

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 has re-opened one of its theme parks during the financial period.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

2. GOING CONCERN (CONT'D)

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

Operational recovery (cont'd)

As disclosed in Note 5 to the financial statements, the construction work-in-progress amounting to RM105,252,000 of the Group has also been slowed down since 2019 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 and source of fund from redeemable convertible bonds as disclosed in Note 38.3. The Group will also seek the supports of shareholders and bankers for the necessary extra funding.

Despite our best efforts, unforeseen circumstances have arisen, impacting our ability to adhere to the initially proposed timeline in completing the development projects and paying certain due payables of RM3.0 million. We understand the implications of Late Delivery Charges (LAD) arising from the delay in completing housing development and construction projects undertaken by the Group and are committed to minimising any additional costs associated with this delay. The group is actively working to expedite the project's progress and the Group are taking all necessary measures to complete the projects and settle the due payables as soon as possible.

Funding

The Group and the Company proactively engaged with its existing lenders during the financial period 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 38.1 to the financial statements, 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. 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").

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 the CDRC Mediation is RM430,848,000 as at 30 September 2023.

As disclosed in Note 41.3, on 18 January 2024, the Company announced that the Company proposes to undertake the proposed issuance of redeemable convertible bonds ("Bonds") with an aggregate principal amount of up to RM150.0 million. On 18 January 2024, the Company had entered into a conditional subscription agreement with a subscriber, pursuant to which the Bonds will be issued by the Company in 3 main tranches, subject to the terms and conditions of the Subscription Agreement.

The successful completion of the SAs and issuance of Bonds are 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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

2. GOING CONCERN (CONT'D)

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

Working capital management (cont'd)

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.

Depending the circumstances and requirements, the Company may vary the utilisation of the Bonds proceed for working capital requirement and capital expenditure.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

3. BASIS OF PREPARATION (CONT'D)

3.2 Basis of measurement (cont'd)

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 period.

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 period/year presented in these financial statements.

At the beginning of the current financial period, 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 2022.

Initial application of the amendments/improvements to the standards did not have material impact to the financial statements of the Group and of the Company.

3.5 Standards issued but not yet effective

The new and amended standards and interpretations 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 and interpretations, if applicable, when they become effective in the respective financial period.

MFRS and amendments to MFRSs effective 1 January 2023:

MFRS 17 and Amendments to MFRS 17*# Insurance Contracts

Amendments to MFRS 101 Initial Application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 108 Presentation of Financial Statements - Disclosure of Accounting Policies

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

3. BASIS OF PREPARATION (CONT'D)

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

MFRS and amendments to MFRSs effective 1 January 2023 (cont'd):

| | |
|--------------------------|---|
| Amendments to MFRS 112 | Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to MFRS 112*# | Income Taxes - International Tax Reform: Pillar Two Model Rules |

Amendments to MFRSs effective 1 January 2024:

| | |
|------------------------------------|--|
| Amendments to MFRS 16# | Leases - Lease Liability in a Sale and Leaseback |
| Amendments to MFRS 101 | Presentation of Financial Statements - Non-Current Liabilities with Covenants |
| Amendments to MFRS 101 | Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current |
| Amendments to MFRS 107 and MFRS 7# | Statement of Cash Flows and Financial Instruments: Disclosure - Supplier Finance Arrangements |

Amendments to MFRSs effective 1 January 2025:

| | |
|--------------------------|--|
| Amendments to MFRS 121*# | The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability |
|--------------------------|--|

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 |
|---------------------------------|---|

* Not applicable to the Group's operations

Not applicable to the Company's operations

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 30 September 2023, 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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

3. BASIS OF PREPARATION (CONT'D)

3.6 Significant accounting estimates and judgements (cont'd)

3.6.1 Estimation uncertainty (cont'd)

Property development activities and construction contracts (cont'd)

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, 11 and 12 to the financial statements respectively.

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 period. In doing this, management considered the current environment, taking into consideration the 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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

3. BASIS OF PREPARATION (CONT'D)

3.6 Significant accounting estimates and judgements (cont'd)

3.6.1 Estimation uncertainty (cont'd)

Provision for expected credit losses (“ECLs”) of trade receivables and contract assets (cont'd)

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 34 to the financial statements.

Inventories

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

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

– 30 SEPTEMBER 2023

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.

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 of 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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below consistently throughout all financial period/year 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Subsidiary companies (cont'd)

Besides, the Group considers that it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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

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

4.3 Property, plant and equipment

All property, plant and equipment except for land and buildings are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the 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 4.14 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% |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Property, plant and equipment (cont'd)

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

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

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

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

4.4 Investment properties

Investment properties are properties which are owned or 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 period in which they arise. The fair values are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and are supported by market evidence.

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

| | |
|--------------------------|---------------|
| Buildings | 2% |
| Long term leasehold land | over 96 years |

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Biological assets

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

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

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

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

4.6 Impairment of non-financial of assets

At the end of each reporting date, 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.

4.7 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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Financial instruments (cont'd)

4.7.1 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.

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 and cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Financial instruments (cont'd)

4.7.1 Financial assets (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Financial instruments (cont'd)

4.7.1 Financial assets (cont'd)

Impairment (cont'd)

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.

4.7.2 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, amounts due to subsidiary companies and Director, and borrowings.

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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Financial instruments (cont'd)

4.7.3 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.

4.8 Inventories

Inventories comprise of land held for development, property development costs and completed properties held for sale.

4.8.1 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.

4.8.2 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.

4.9 Revenue from contracts with customers

4.9.1 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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Revenue from contracts with customers (cont'd)

4.9.1 Revenue recognition (cont'd)

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.

4.9.2 Revenue from property development

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total development costs of the contract, i.e. the stage of completion).

Revenue from 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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Revenue from contracts with customers (cont'd)

4.9.3 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.

4.9.4 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.

4.9.5 Leisure and hospitality

Revenue is recognised upon sales of goods and/or performance of services, through profit sharing basis. The sharing of revenue shall be derived from the nett operating revenue where gross operating revenue less all payable taxes including but not limited to service tax, entertainment tax and tourism tax.

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

4.9.6 Other revenue

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

4.9.7 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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Revenue from contracts with customers (cont'd)

4.9.7 Contract assets, contract liabilities and contract costs (cont'd)

Contract costs for property development

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

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

Contract costs for construction contracts

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

4.10 Cash and cash equivalents

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

4.11 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.

4.11.1 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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Provisions (cont'd)

4.11.1 Onerous contracts (cont'd)

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).

4.12 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.

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 4.6 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 4.3 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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Leases (cont'd)

As a lessee (cont'd)

Lease liabilities (cont'd)

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.

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.

4.13 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.

Accumulated losses include all current period's loss and prior years' accumulated losses.

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.

4.14 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

– 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 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.

4.16 Employees benefits

4.16.1 Short-term benefits

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

4.16.2 Defined contribution plans

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

4.17 Tax expenses

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

4.17.1 Current tax

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 Tax expenses (cont'd)

4.17.2 Deferred tax

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

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

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

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

4.18 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

4.19 Contingencies

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

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 | | |
| Cost or valuation | | | | | | | | |
| At 1 April 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 |
| Additions | - | - | - | - | - | 6 | | 6 |
| Disposals | (574) | - | (751) | - | - | - | | (1,325) |
| Written off | - | (76) | (57) | - | - | - | | (133) |
| Revaluation | 38,378 | - | - | - | - | 62 | | 38,440 |
| At 30 September 2023 | 444,363 | 12,540 | 5,136 | 35,181 | 1,388 | 97,706 | | 596,314 |
| Accumulated depreciation | | | | | | | | |
| At 1 April 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 |
| Charge for the financial period | 11,946 | 629 | 31 | 810 | 127 | - | | 13,579 |
| Disposals | - | - | (751) | - | - | - | | (777) |
| Written off | (26) | (76) | (56) | - | - | - | | (132) |
| At 30 September 2023 | 31,144 | 11,586 | 5,008 | 34,351 | 1,175 | - | | 83,264 |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

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

| Group (cont'd) | At cost/valuation | | At cost | | Renovations RM'000 | Work-in-progress RM'000 | 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 | | | |
| Accumulated impairment | | | | | | | |
| At 1 April 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 |
| (Reversal)/charge for the financial period | (9,908) | - | - | - | - | 9,476 | (432) |
| At 30 September 2023 | 15,935 | 124 | - | 341 | - | 19,930 | 36,330 |
| Net carrying amount | | | | | | | |
| At 30 September 2023 | 397,284 | 830 | 128 | 489 | 213 | 77,776 | 491,315 |
| At 31 March 2022 | 361,492 | 1,459 | 160 | 1,299 | 340 | 87,184 | 451,934 |
| Analysis of land and buildings | | | | | | | |
| Group | At valuation | | At cost | | Long term leasehold buildings RM'000 | Cabins RM'000 | Total RM'000 |
| | Freehold land RM'000 | Freehold land and building RM'000 | Long term leasehold land RM'000 | Freehold land and building RM'000 | | | |
| Cost or valuation | | | | | | | |
| At 1 April 2021 | 17,000 | 15,836 | 102,719 | 265,370 | 575 | 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 | 575 | 406,559 | |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

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

Analysis of land and buildings (cont'd)

| Group (cont'd) | At valuation | | | At cost | | |
|---|--|---------------------------------------|---|--|------------------|-----------------|
| | Freehold land and buildings RM'000 | Long term leasehold land RM'000 | Long term leasehold buildings RM'000 | Freehold land and buildings RM'000 | Cabins RM'000 | Total RM'000 |
| Cost or valuation (cont'd) | | | | | | |
| Disposals | - | - | - | (574) | - | (574) |
| Revaluation | 2,170 | 53,004 | (15,733) | (1,063) | - | 38,378 |
| At 30 September 2023 | 19,170 | 155,947 | 256,194 | 12,477 | 575 | 444,363 |
| Accumulated depreciation | | | | | | |
| At 1 April 2021 | - | 2,593 | 7,776 | - | 568 | 10,937 |
| Charge for the financial year | - | 1,186 | 6,811 | 294 | 7 | 8,298 |
| Transfer to non-current asset held for sale | - | (11) | - | (11) | - | (11) |
| At 31 March 2022 | - | 3,779 | 14,587 | 283 | 575 | 19,224 |
| Charge for the financial period | - | 1,604 | 9,921 | 421 | - | 11,946 |
| Disposal | - | (26) | - | (26) | - | (26) |
| At 30 September 2023 | - | 5,383 | 24,508 | 678 | 575 | 31,144 |
| Accumulated impairment | | | | | | |
| At 1 April 2021 | - | - | 3,356 | - | - | 3,356 |
| Charged for the financial year | - | 1,942 | 20,545 | - | - | 22,487 |
| At 31 March 2022 | - | 1,942 | 23,901 | - | - | 25,843 |
| Charge for the financial period | - | - | (9,908) | - | - | (9,908) |
| At 30 September 2023 | - | 1,942 | 13,993 | - | - | 15,935 |
| Net carrying amount | | | | | | |
| At 30 September 2023 | 19,170 | 11,799 | 217,693 | 148,622 | - | 397,284 |
| At 31 March 2022 | 17,000 | 13,831 | 233,439 | 97,222 | - | 361,492 |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

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

| Company | Furniture, fittings and office equipment RM'000 | Plant and machinery RM'000 | Motor vehicles RM'000 | Renovations RM'000 | Total RM'000 |
|---|---|----------------------------------|--------------------------|-----------------------|-----------------|
| | ← | At cost | | → | |
| Cost | | | | | |
| At 1 April 2021/31 March 2022/30 September 2023 | 1,289 | 44 | 326 | 638 | 2,297 |
| Accumulated depreciation | | | | | |
| At 1 April 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 |
| Charge for the financial period | 11 | - | - | - | 11 |
| At 30 September 2023 | 1,287 | 44 | 326 | 638 | 2,295 |
| Net carrying amount | | | | | |
| At 30 September 2023 | 2 | - | - | - | 2 |
| At 31 March 2022 | 13 | - | - | - | 13 |

Freehold land, leasehold land and buildings including work-in-progress of the Group with net carrying amount of RM311,950,000 (31.3.2022: RM291,594,000) 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 21 to the financial statements.

In prior year, there was interest expenses of RM3,084,000 capitalised in the construction work-in-progress of the Group,

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

Management performed impairment assessment on a waterpark under work in progress of RM63,030,000 by applying value in use calculations determined by discounted cash flow projections assuming that the WIP is on completed basis. Assumptions used including estimated cost and year of completion, source of internal and external funding, revenue and costs of operations derived from historical results of similar operations and etc. Based on the assessment, no impairment loss is required because the estimated recoverable amount is higher than its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

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

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

| | Carrying <u>amount</u> RM'000 | Current <u>depreciation</u> RM'000 | <u>Additions</u> RM'000 |
|-------------------------------|-------------------------------------|--|----------------------------|
| Group | | | |
| <u>30.9.2023</u> | | | |
| Long term leasehold land | 119,385 | 1,604 | - |
| Long term leasehold buildings | 242,880 | 9,921 | 30 |
| Motor vehicles | - | 7 | - |
| Plant and machinery | 338 | 94 | - |
| | <u>362,603</u> | <u>11,626</u> | <u>30</u> |
| <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 | - |
| | <u>331,014</u> | <u>8,362</u> | <u>6,276</u> |

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 and November 2023.

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.

The reversal of the impairment loss of the leasehold land and buildings and work-in-progress for Leisure and Hospitality Division as at period end amounting to RM432,000 is based on the valuation carried out by the independent professional valuers in November 2023.

Level 2 fair value

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

Fair values of freehold and leasehold buildings were derived by using the Comparison 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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

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

Revaluation of freehold and leasehold land and buildings (cont'd)

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 period/year.

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

| Group | <u>Level 2</u> | |
|--|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Recurring fair value measurements | | |
| Freehold land | 19,170 | 17,000 |
| Freehold land and buildings | 11,799 | 13,831 |
| Long term leasehold land | 119,385 | 97,222 |
| Long term leasehold buildings | 20,130 | 89,954 |
| | <hr/> | <hr/> |
| | <u>Level 3</u> | |
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Recurring fair value measurements | | |
| Long term leasehold buildings | 222,749 | 143,485 |
| Construction work in progress | 41,184 | - |
| | <hr/> | <hr/> |

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

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

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

| | Group | |
|-------------------------------|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Freehold land | 3,464 | 3,464 |
| Freehold land and buildings | 12,477 | 14,114 |
| Accumulated depreciation | (678) | (283) |
| Carrying amount | 11,799 | 13,831 |
| Long term leasehold land | 37,508 | 37,508 |
| Accumulated depreciation | (3,086) | (2,503) |
| Carrying amount | 34,422 | 35,005 |
| Long term leasehold buildings | 250,378 | 250,378 |
| Accumulated depreciation | (56,748) | (47,135) |
| Carrying amount | 193,630 | 203,243 |

6. BIOLOGICAL ASSETS

| | Group | |
|---|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Cost | | |
| At beginning of the financial period/year | 1,620 | 2,611 |
| Disposals | (4) | (342) |
| Written off | - | (649) |
| At end of the financial period/year | 1,616 | 1,620 |
| Accumulated depreciation | | |
| At beginning of the financial period/year | 1,050 | 1,573 |
| Charge for the financial period/year | 190 | 182 |
| Disposals | (1) | (290) |
| Written off | - | (415) |
| At end of the financial period/year | 1,239 | 1,050 |
| Accumulated impairment | | |
| At beginning/end of the financial period/year | 109 | 109 |
| Net carrying amount | 268 | 461 |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

7. INVENTORIES

| | Note | Group | |
|------------------------------------|------|----------------------------|----------------------------|
| | | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Non-current | | | |
| Land held for property development | 7.1 | 81,061 | 147,201 |
| Current | | | |
| Property development costs | 7.2 | 65,458 | 62,746 |
| Completed properties held for sale | 7.3 | 11,113 | 7,199 |
| | | <u>76,571</u> | <u>69,945</u> |
| | | <u>157,632</u> | <u>217,146</u> |

7.1 Land held for property development

| | Group | |
|---|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| At beginning of the financial period/year: | | |
| - freehold land, at cost | 19,200 | 19,200 |
| - leasehold land, at cost | 75,935 | 75,694 |
| - development costs | 52,066 | 55,172 |
| | 147,201 | 150,066 |
| Costs (reversed)/incurred during the financial period/year: | | |
| - leasehold land, at cost | (92) | 241 |
| - development costs | (3,878) | 2,506 |
| - transfer from property development costs | - | 7,134 |
| - transfer to other receivables | (31,251) | - |
| - transfer to other payables | (28,900) | - |
| - cost recognised as expense during the financial period/year | (1,339) | - |
| - loss on remeasurement of land held for property development | (680) | (12,746) |
| | 81,061 | 147,201 |

7.2 Property development costs

| | Group | |
|--|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| At beginning of the financial period/year: | | |
| - freehold land, at cost | - | 43,075 |
| - leasehold land, at cost | 86,136 | 83,741 |
| - development costs | 702,993 | 695,340 |
| - cost recognised as expenses in prior years | (719,249) | (720,006) |
| - transfer to land held for property development | (7,134) | - |
| | 62,746 | 102,150 |
| Costs incurred during the financial period/year: | | |
| - freehold land, at cost | - | 10 |
| - leasehold land, at cost | 1,267 | 2,382 |
| - development costs | 15,948 | 16,156 |
| - cost recognised as expenses during the financial period/year | (14,503) | (48,991) |
| - transfer to land held for property development | - | (7,134) |
| - loss on remeasurement of property development costs | - | (1,827) |
| | 65,458 | 62,746 |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

7. INVENTORIES (CONT'D)

In prior year, there was interest expenses of RM2,497,000 capitalised in the land held for property development.

The title deeds to the freehold land and leasehold land under land held for development and property development cost amounting to RM28,438,000 (31.3.2022: RM27,170,000) and RM35,000 (31.3.2022: RM35,000) 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 RM50,768,000 (31.3.2022: RM49,501,000) and RM66,674,000 (31.3.2022: RM90,779,000) respectively are charged to licensed banks to secure the bank borrowings referred to in Note 21 to the financial statements.

7.3 Completed properties held for sales

The title deeds for the completed properties held for sales totalling to RM415,000 (31.3.2022: RM266,000) are registered in the name of a third party.

The completed properties held for sales amounting to RM5,057,000 (31.3.2022: RM5,057,000) are charged to licensed banks to secure the bank borrowings referred to in Note 21 to the financial statements.

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 |
|---------------------------------|----------------------------|--|----------------------------------|---------------------------------------|-----------------|
| Cost or fair value | | | | | |
| At 1 April 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 |
| Disposals | - | - | (465) | (376) | (841) |
| Fair value adjustments | 18,880 | - | - | - | 18,880 |
| At 30 September 2023 | 62,020 | 12,000 | 137 | 104 | 74,261 |
| Accumulated depreciation | | | | | |
| At 1 April 2021 | - | - | 144 | 61 | 205 |
| Charge for the financial year | - | - | 14 | 6 | 20 |
| Disposals | - | - | (22) | (10) | (32) |
| At 31 March 2022 | - | - | 136 | 57 | 193 |
| Charge for the financial period | - | - | 7 | 8 | 15 |
| Disposals | - | - | (112) | (48) | (160) |
| At 30 September 2023 | - | - | 31 | 17 | 48 |
| Net carrying amount | | | | | |
| At 30 September 2023 | 62,020 | 12,000 | 106 | 87 | 74,213 |
| At 31 March 2022 | 43,140 | 12,000 | 466 | 423 | 56,029 |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

8. INVESTMENT PROPERTIES (CONT'D)

| Company | Freehold land RM'000 | Freehold land and buildings RM'000 | Total RM'000 |
|---|----------------------------|---|-----------------|
| Fair value | | | |
| At 1 April 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 |
| Fair value adjustments on investment properties | 21,200 | (2,320) | 18,880 |
| At 30 September 2023 | 63,200 | 9,680 | 72,880 |

The investment properties of the Group and of the Company with net carrying amounts of RM74,020,000 (31.3.2022: RM55,140,000) and RM72,880,000 (31.3.2022: RM54,000,000) respectively are pledged to licensed banks to secure banking facilities granted to subsidiary companies. The details of these banking facilities are disclosed in Note 21 to the financial statements.

Included in the above are:

| | Group | | Company | |
|-----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| At fair value | | | | |
| Freehold land | 62,020 | 43,140 | 63,200 | 42,000 |
| Freehold land and buildings | 12,000 | 12,000 | 9,680 | 12,000 |
| | 74,020 | 55,140 | 72,880 | 54,000 |
| At cost | | | | |
| Leasehold buildings | 106 | 466 | - | - |
| Long term leasehold land | 87 | 423 | - | - |
| | 74,213 | 56,029 | 72,880 | 54,000 |

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 30 September 2023 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 | |
|---|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Recurring fair value measurement | | |
| Freehold land | 62,020 | 43,140 |
| Freehold land and buildings | 12,000 | 12,000 |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

8. INVESTMENT PROPERTIES (CONT'D)

Fair value basis of investment properties (cont'd)

Fair value measurement of the investment properties are categorised as follows (cont'd):

| Company | Level 2 | |
|---|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Recurring fair value measurement | | |
| Freehold land | 63,200 | 42,000 |
| Freehold land and buildings | <u>9,680</u> | <u>12,000</u> |

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

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

| | Group | | Company | |
|----------------------------|--|--|--|--|
| | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 To <u>31.3.2022</u> RM'000 |
| Direct operating expenses: | | | | |
| - quit rent and assessment | <u>10</u> | <u>64</u> | <u>9</u> | <u>58</u> |

9. SUBSIDIARY COMPANIES

(a) Investment in subsidiary companies

| | Company | |
|--|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Unquoted shares - at cost | | |
| At beginning of the financial period/year | 272,225 | 272,975 |
| Disposed during the financial period/year | <u>-</u> | <u>(750)</u> |
| At end of the financial period/year | <u>272,225</u> | <u>272,225</u> |
| Accumulated impairment | | |
| At beginning of the financial period/year | (38,283) | (6,950) |
| Impairment loss during the financial period/year | (26,349) | (32,083) |
| Reversal of impairment loss during the financial period/year | <u>-</u> | <u>750</u> |
| At end of the financial period/year | <u>(64,632)</u> | <u>(38,283)</u> |
| | <u>207,593</u> | <u>233,942</u> |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

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:

| <u>Name of subsidiary company</u> | <u>Effective equity interest</u> | | <u>Principal activities</u> |
|---|----------------------------------|------------------|--|
| | <u>30.9.2023</u> | <u>31.3.2022</u> | |
| | % | % | |
| 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 |
| 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 |

(b) Amounts due from/to subsidiary companies

| | Company | |
|--|------------------|------------------|
| | <u>30.9.2023</u> | <u>31.3.2022</u> |
| | RM'000 | RM'000 |
| <u>Amount due from subsidiary companies</u> | | |
| Non-trade | 199,644 | 188,766 |
| Accumulated impairment: | | |
| At beginning of the financial period/year | (81,720) | (45,426) |
| Impairment loss during the financial period/year | (33,735) | (36,574) |
| Reversal of impairment loss during the financial period/year | - | 280 |
| At end of the financial period/year | <u>(115,455)</u> | <u>(81,720)</u> |
| At end of the financial period/year | <u>84,189</u> | <u>107,046</u> |
| <u>Amount due to subsidiary companies</u> | | |
| Non-trade | <u>113,483</u> | <u>106,874</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

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:

| | Sentoria Utara Sdn. Bhd. | Sentoria Langkawi Sdn. Bhd. | Total |
|---|---|--|--------------|
| 30.9.2023 | | | |
| Percentage of ownership interest and voting interest held by NCI as at end of financial period | 25% | 25% | |
| Carrying amount of NCI (RM'000) | (8,376) | (10,655) | (19,031) |
| Profit/(loss) allocated to NCI (RM'000) | 88 | (8,399) | (8,311) |
| 31.3.2022 | | | |
| Percentage of ownership interest and voting interest held by NCI as at end of financial year | 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) |

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.**

| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
|--|----------------------------|----------------------------|
| Financial position as at reporting date | | |
| Current assets | 35 | 133 |
| Current liabilities | (33,540) | (33,992) |
| Net liabilities | (33,505) | (33,859) |
| Summary of financial performance for the financial period/year ended 31 December/31 March | | |
| Net profit/(loss)/total comprehensive income/(loss) for the financial period/year | 353 | (2,493) |
| Summary of cash flows for the financial period/year ended 31 December/31 March | | |
| Net cash (used in)/from operating activities | (44) | 4,902 |
| Net cash used in financing activities | (63) | (4,791) |
| Net (decrease)/increase in cash and cash equivalents | (107) | 111 |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

9. SUBSIDIARY COMPANIES (CONT'D)

(c) Non-controlling interests (“NCI”) in subsidiary companies (cont’d)

Group (cont’d)

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

| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
|--|----------------------------|----------------------------|
| Financial position as at reporting date | | |
| Non-current assets | 18,001 | 75,959 |
| Current assets | 4,237 | 30 |
| Non-current liabilities | (1,231) | - |
| Current liabilities | <u>(64,854)</u> | <u>(88,903)</u> |
| Net liabilities | <u>(43,847)</u> | <u>(12,914)</u> |
| Summary of financial performance for the financial period/year ended 31 December/31 March | | |
| Net loss/total comprehensive loss for the financial period/year | <u>(33,599)</u> | <u>(5,846)</u> |
| Summary of cash flows for the financial period/year ended 31 December/31 March | | |
| Net cash used in operating activities | (36) | (9,049) |
| Net cash from financing activities | <u>35</u> | <u>9,048</u> |
| Net decrease in cash and cash equivalents | <u>(1)</u> | <u>(1)</u> |

10. DEFERRED TAX ASSETS/LIABILITIES

Deferred tax assets

| | Group | |
|---|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Cost | | |
| At beginning of the financial period/year | 21,825 | 20,837 |
| Transferred to profit or loss | (16,319) | - |
| Transferred to other comprehensive income | <u>(5,506)</u> | <u>988</u> |
| At end of the financial period/year | <u>-</u> | <u>21,825</u> |

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

| | Group | |
|---|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Carrying amount of qualifying property, plant and equipment in excess of their tax base | - | (21,081) |
| Unutilised capital allowances | - | 20,122 |
| Unutilised investment tax allowances | - | 26,373 |
| Revaluation of property, plant and equipment | <u>-</u> | <u>(3,589)</u> |
| | <u>-</u> | <u>21,825</u> |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

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

Deferred tax liabilities

| | Group | | Company | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| At beginning of the financial period/year | 3,983 | 3,446 | 3,792 | 3,792 |
| Arising from revaluation of landed properties | 4,149 | - | - | - |
| Transferred to profit or loss | <u>1,924</u> | <u>537</u> | <u>2,090</u> | <u>-</u> |
| At end of the financial period/year | <u>10,056</u> | <u>3,983</u> | <u>5,882</u> | <u>3,792</u> |

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

| | Group | | Company | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Carrying amount of qualifying property, plant and equipment in excess of their tax base | 186 | 186 | - | - |
| Revaluation of property, plant and equipment | 5,391 | 1,361 | - | - |
| Revaluation of investment properties | 5,957 | 3,808 | 5,882 | 3,792 |
| Other temporary differences | <u>(1,478)</u> | <u>(1,372)</u> | <u>-</u> | <u>-</u> |
| | <u>10,056</u> | <u>3,983</u> | <u>5,882</u> | <u>3,792</u> |

11. CONTRACT ASSETS/(LIABILITIES)

| | Group | |
|---|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Contract assets/(liabilities) arising from: | | |
| (i) <u>Construction contracts</u> | | |
| At beginning of the financial period/year | (35,866) | (47,030) |
| Revenue recognised during the financial period/year | 18,506 | 16,258 |
| Progress billings issued during the financial period/year | (4,701) | (5,094) |
| Reversal of contract billing during the year | <u>3,898</u> | <u>-</u> |
| At end of the financial period/year | <u>(18,161)</u> | <u>(35,866)</u> |
| (ii) <u>Property development</u> | | |
| At beginning of the financial period/year | (14,814) | (6,737) |
| Revenue recognised during the financial period/year | 15,641 | 43,781 |
| Progress billings issued during the financial period/year | (41,386) | (51,858) |
| Written off | <u>(2,695)</u> | <u>-</u> |
| At end of the financial period/year | <u>(43,254)</u> | <u>(14,814)</u> |
| (iii) <u>Unutilised hotel room vouchers</u> | | |
| At beginning of the financial period/year | (1,546) | (1,546) |
| Realised during the financial period/year | <u>1,546</u> | <u>-</u> |
| At end of the financial period/year | <u>-</u> | <u>(1,546)</u> |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

11. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

| | Group | |
|---|------------------|------------------|
| | <u>30.9.2023</u> | <u>31.3.2022</u> |
| | RM'000 | RM'000 |
| Contract assets/(liabilities) arising from (cont'd): | | |
| (iv) <u>Vacation club membership</u> | | |
| At beginning of the financial period/year | (511) | (664) |
| Addition during the financial period/year | (3) | (9) |
| Revenue recognised during the financial period/year | 116 | 162 |
| At end of the financial period/year | (398) | (511) |
| Total | (61,813) | (52,737) |
| Presented as: | | |
| Contract assets | 11,946 | 15,725 |
| Less: Impairment loss | (3,279) | (3,279) |
| | 8,667 | 12,446 |
| Contract liabilities | | |
| - non-current | (115) | (278) |
| - current | (70,365) | (64,905) |
| | (70,480) | (65,183) |
| | (61,813) | (52,737) |

Included in the above are interest expenses of RM1,000 (31.3.2022: RM18,000) capitalised during the financial period/year.

The significant decrease in contract assets is the result of billings 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.

Contract liabilities arising from unutilised hotel room vouchers are recognised as revenue when the vouchers are utilised by customers.

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 (31.3.2022: 19) years when the performance obligations are fulfilled subsequently.

Contract liabilities mainly refer to liquidated ascertained damages provided based on the expected completion date and the terms stated in the sale and purchase agreements.

12. CONTRACT COSTS

| | Group | |
|---|------------------|------------------|
| | <u>30.9.2023</u> | <u>31.3.2022</u> |
| | RM'000 | RM'000 |
| Contract costs for property development | 1,063 | 889 |
| Contract costs for construction contracts | 11,664 | 10,819 |
| | 12,727 | 11,708 |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

12. CONTRACT COSTS (CONT'D)

Contract costs for property development comprises the following costs which were resulted from obtaining contracts:

- sales commission paid to intermediaries; and
- expenses borne on behalf of customers (i.e. legal fees and other expenses).

Sales commission paid to intermediaries are amortised to cost of sales when the related revenues are recognised.

Expenses borne on behalf of customers are considered as consideration payable to customers and are amortised against revenue when the related revenues are recognised.

Contract costs for construction consist of costs incurred for direct labours, direct materials and other related costs in order to fulfil a contract. These costs are charged out to profit or loss when the related revenue is being recognised.

During the financial period/year, RM147,000 (31.3.2022: RM210,000) was amortised to cost of sales and RM370,000 (31.3.2022: RM961,000) was amortised against revenue.

13. TRADE RECEIVABLES

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | <u>30.9.2023</u> | <u>31.3.2022</u> | <u>30.9.2023</u> | <u>31.3.2022</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Trade receivables | 9,963 | 33,788 | 84 | 84 |
| Retention sums | 6,189 | 5,120 | - | - |
| | <u>16,152</u> | <u>38,908</u> | <u>84</u> | <u>84</u> |
| Accumulated impairment | | | | |
| At beginning of financial period/year | (494) | (365) | (84) | (84) |
| Recognised during the financial period/year | - | (129) | - | - |
| At end of the financial period/year | <u>(494)</u> | <u>(494)</u> | <u>(84)</u> | <u>(84)</u> |
| | <u>15,658</u> | <u>38,414</u> | <u>-</u> | <u>-</u> |

The normal trade credit terms granted by the Group range from 1 day to 60 days (31.3.2022: 1 day to 60 days).

14. OTHER RECEIVABLES

| | Group | | Company | |
|-----------------------|------------------|------------------|------------------|------------------|
| | <u>30.9.2023</u> | <u>31.3.2022</u> | <u>30.9.2023</u> | <u>31.3.2022</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Non-trade receivables | 27,897 | 22,137 | 179 | 205 |
| Deposits | 10,901 | 11,168 | 45 | 30 |
| Prepayments | 5,212 | 4,851 | 2 | 3 |
| GST recoverable | 21 | 360 | - | - |
| | <u>44,031</u> | <u>38,516</u> | <u>226</u> | <u>238</u> |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

14. OTHER RECEIVABLES (CONT'D)

| | Group | | Company | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Accumulated impairment | | | | |
| At beginning of the financial period/year | (162) | (11,878) | - | - |
| Recognised during the financial period/year | (225) | (162) | (158) | - |
| Bad debt written off | - | 11,878 | - | - |
| At end of the financial period/year | <u>(39)</u> | <u>(162)</u> | <u>(158)</u> | <u>-</u> |
| | <u>43,664</u> | <u>38,354</u> | <u>68</u> | <u>238</u> |

Included in the other receivables is an amount of RM14,954,000 (31.3.2022: RM13,639,000) 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 21 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 RM7,468,000 (31.3.2022: RM7,418,000).

Included in prepayments is an amount of RM1,251,000 (31.3.2022: RM2,598,000) paid to certain suppliers as an advance deposit to the suppliers.

15. 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 RM3,251,000 (31.3.2022: RM3,663,000).

Included in the cash and bank balances of the Group and of the Company is an amount of RM82,000 (31.3.2022: RM1,782,000) being minimum balance required in the Deposit Service Reserve Account ("DSRA") for loans purposes.

16. NON-CURRENT ASSET HELD FOR SALE

| | Group | | Company | |
|--------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Leasehold building | <u>-</u> | <u>563</u> | <u>-</u> | <u>-</u> |

In the prior year, 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 been completed during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

17. SHARE CAPITAL

| | Group and Company | | Group and Company | |
|--|--------------------------|--------------------|--------------------------|------------------|
| | <u>30.9.2023</u> | <u>31.3.2022</u> | <u>30.9.2023</u> | <u>31.3.2022</u> |
| | Units | Units | RM'000 | RM'000 |
| Issued and paid-up with no par value: | | | | |
| At beginning of the financial period/year | 567,277,991 | 567,277,991 | 161,778 | 161,778 |
| Issued during the financial period | <u>55,700,000</u> | <u>-</u> | <u>3,189</u> | <u>-</u> |
| | <u>622,977,991</u> | <u>567,277,991</u> | <u>164,967</u> | <u>161,778</u> |

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:

- (a) each warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share in the Company at an exercise price of 60 sen;
- (b) the warrants shall be exercisable at any time within 7 years commencing on and including the date of the issuance of the warrants. Any warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid;
- (c) the exercise price and the number of warrants is subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions set out in the deed poll of 15 November 2018; and
- (d) all new ordinary shares to be issued arising from the exercise of the warrants shall rank pari passu in all respects with the existing ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the warrants.

All 205,867,236 (31.3.2022: 205,867,236) Warrants-B remained outstanding as of the end of the financial period/year.

18. TREASURY SHARES

| | Group and Company | |
|---|--------------------------|------------------|
| | <u>30.9.2023</u> | <u>31.3.2022</u> |
| | RM'000 | RM'000 |
| 9,596,900 treasury shares at beginning/end of the financial period/year | <u>5,962</u> | <u>5,962</u> |

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

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

As at the end of the financial period/year:

- (a) out of the Company's total 622,977,991 (31.3.2022: 567,277,991) issued ordinary shares, 9,596,900 (31.3.2022: 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 613,381,091 (31.3.2022: 557,681,091) ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

18. TREASURY SHARES (CONT'D)

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 period/year | 9,597 | 5,962 | 0.621 |

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

19. REVALUATION RESERVE

| | Group | | Company | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Non-distributable: | | | | |
| At beginning of the financial period/year | 66,374 | 75,738 | 33,322 | 33,767 |
| Revaluation surplus on land and buildings | 30,983 | 224 | - | - |
| Reversal of revaluation surplus | (212) | (9,143) | - | - |
| Disposal of non-current asset held for sale | - | (445) | - | (445) |
| Disposal of investment properties | (974) | - | - | - |
| At end of the financial period/year | <u>96,171</u> | <u>66,374</u> | <u>33,322</u> | <u>33,322</u> |

20. WARRANT RESERVE

| | Group and Company | |
|---|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Arising from Issuance of Warrants-B | | |
| At beginning/end of the financial period/year | <u>51,467</u> | <u>51,467</u> |

The details of Warrants-B are disclosed in Note 17 to the financial statements.

21. BORROWINGS (SECURED)

| | Group | | Company | |
|---------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Current | | | | |
| Lease liabilities | 1,294 | 1,572 | - | - |
| Bank overdrafts | 74,176 | 67,397 | 27,325 | 25,505 |
| Bankers' acceptance | 29,918 | 26,310 | - | - |
| Revolving credit | 53,371 | 52,776 | 22,837 | 24,096 |
| Bridging loans | 15,207 | 19,629 | - | - |
| Term loans | <u>256,882</u> | <u>266,038</u> | <u>58,279</u> | <u>50,486</u> |
| | <u>430,848</u> | <u>433,722</u> | <u>108,441</u> | <u>100,087</u> |
| Non-current | | | | |
| Lease liabilities | - | 4 | - | - |
| Bridging loans | - | 4,997 | - | 4,997 |
| | <u>-</u> | <u>5,001</u> | <u>-</u> | <u>4,997</u> |
| | <u>430,848</u> | <u>438,723</u> | <u>108,441</u> | <u>105,084</u> |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

21. BORROWINGS (SECURED) (CONT'D)

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 0.50% to 2.50% (31.3.2022: 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% (31.3.2022: 5.13% to 5.85%) per annum.

Revolving credit bore interest at rates ranging 2.50% (31.3.2022: 1.50% to 2.50%) per annum above the respective banks' cost of funds.

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 39.1 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 RM414,563,000 (31.3.2022: RM431,050,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

21. BORROWINGS (SECURED) (CONT'D)

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

| | Group | |
|---|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| At beginning of the financial period/year | 1,576 | 2,028 |
| Additions | 86 | - |
| Lease payments/cash outflow | (368) | (382) |
| Reversal of overprovision of lease interest in prior year | - | (70) |
| Lease interest | 420 | 61 |
| Payment for lease interest | (420) | (61) |
| | <u>1,294</u> | <u>1,576</u> |
| At end of the financial period/year | | |
| Presented as: | | |
| - Current | 1,294 | 1,572 |
| - Non-current | - | 4 |
| | <u>1,294</u> | <u>1,576</u> |

The lease liabilities are secured by the related underlying assets.

The maturity analysis of lease liabilities is disclosed in Note 34 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 28 to the financial statements.

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 3.57% (31.3.2022: 2.35% to 3.66%) per annum.

22. TRADE PAYABLES

| | Group | |
|----------------------|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Non-current | | |
| Trade payables | <u>47,303</u> | <u>67,538</u> |
| Current | | |
| Trade payables | 15,220 | 13,118 |
| Retention sums | 18,440 | 16,874 |
| | <u>33,660</u> | <u>29,992</u> |
| Total trade payables | <u>80,963</u> | <u>97,530</u> |
| Presented as: | | |
| - current | 33,660 | 29,992 |
| - non-current | 47,303 | 67,538 |
| | <u>80,963</u> | <u>97,530</u> |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

22. TRADE PAYABLES (CONT'D)

The normal trade credit terms granted to the Group range from 14 days to 6 years (31.3.2022: 14 days to 6 years).

Included in the above are amounts of approximately RM76,816,000 and RM423,000 (31.12.2022: RM88,539,000 and RM2,634,000), 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 41.2 to the financial statements.

23. OTHER PAYABLES

| | Note | Group | | Company | |
|--------------------------------|------|---------------------|---------------------|---------------------|---------------------|
| | | 30.9.2023 RM'000 | 31.3.2022 RM'000 | 30.9.2023 RM'000 | 31.3.2022 RM'000 |
| Non-current | | | | | |
| Non-trade payables | | 3,753 | - | - | - |
| Current | | | | | |
| Non-trade payables | | 41,222 | 50,350 | 2,537 | 2,053 |
| Accruals | | 43,936 | 39,165 | 2,810 | 2,180 |
| Advances received | | 3,716 | 1,184 | - | - |
| Provision of onerous contracts | 23.1 | - | 3,986 | - | - |
| | | <u>88,874</u> | <u>94,685</u> | <u>5,347</u> | <u>4,233</u> |
| | | <u>92,627</u> | <u>94,685</u> | <u>5,347</u> | <u>4,233</u> |

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

Included in the above, is an amount of approximately RM5,453,000 (31.12.2022: RM5,963,000), 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 39.2 to the financial statements.

23.1 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 | |
|---|---------------------|---------------------|
| | 30.9.2023 RM'000 | 31.3.2022 RM'000 |
| At beginning of the financial period/year | 3,986 | 9,331 |
| Arose during the financial period/year | - | 1,555 |
| Realised during the financial period/year | <u>(3,986)</u> | <u>(6,900)</u> |
| At end of the financial period/year | <u>-</u> | <u>3,986</u> |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

24. AMOUNT DUE TO A DIRECTOR

The amount due to a Director is unsecured, interest-free and repayable on demand.

25. REVENUE

25.1 Disaggregated revenue information

| | Group | |
|--------------------------------|--|--|
| | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 |
| Types of revenue | | |
| Property development revenue | 18,720 | 37,371 |
| Construction contract revenue | 10,538 | 16,258 |
| Rendering of services | 2,309 | 198 |
| | 31,567 | 53,827 |
| Timing of recognition | | |
| Performance obligations: | | |
| - satisfied over time | 22,673 | 22,921 |
| - satisfied at a point in time | 8,894 | 30,906 |
| | 31,567 | 53,827 |

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

25.2 Property development and construction contract revenue

For sale of development properties under construction and construction contracts, the performance obligations are satisfied over time as the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

For the sale of completed properties, the performance obligation is satisfied at a point in time upon delivery of the properties.

The payment terms for progress billings made to purchasers are disclosed in Note 13 to the financial statements.

The nature of the properties and services that the Group have promised to transfer to purchasers are residential houses, commercial units/buildings, civil construction works for residential houses and commercial units/buildings.

The Group's properties and projects are subject to Defects Liability Period of generally twenty-four (24) months from the sale and completion of the project. These require the Group to make good on any defects which may appear and which are due to design, materials, goods, workmanship or equipment not in accordance with the sale and purchase agreements and contracts.

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

| | Group | |
|-------------------------------|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Construction contract revenue | 215,634 | 30,632 |
| Property development revenue | 103,904 | 107,024 |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

25. **REVENUE (CONT'D)**

25.2 **Property development and construction contract revenue (cont'd)**

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, despite our best efforts, unforeseen circumstances have arisen, impacting our ability to adhere to the initially proposed timeline. We understand the implications of Late Delivery Charges (LAD) arising from the delay in completing housing development and construction projects undertaken by the Group and are committed to minimising any additional costs associated with this delay. The group is actively working to expedite the project's progress and the Group are taking all necessary measures to complete the projects as soon as possible.

26. **COST OF SALES**

| | Group | |
|-----------------------------|--|--|
| | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 |
| Property development costs | 24,092 | 53,399 |
| Construction contract costs | (2,980) | 16,952 |
| Rendering of services | 827 | 3,151 |
| | <u>21,939</u> | <u>73,502</u> |

27. **OTHER EXPENSES AND FINANCE COSTS**

27.1 **Other expenses**

| | Group | | Company | |
|---|--|--|--|--|
| | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 |
| Biological assets written off | - | 234 | - | - |
| Impairment loss on investment in subsidiary companies | | - | 26,349 | 32,083 |
| Impairment loss on property, plant and equipment | 1,587 | 28,294 | - | - |
| Loss on remeasurement of inventories | 680 | 14,573 | - | - |
| Inventories written off | 18,782 | - | - | - |
| Property, plant and equipment written off | - | 186 | - | - |
| Provision made for onerous contracts | | 1,555 | - | - |
| Receivables written off | 4 | 54 | - | - |
| | <u>30,827</u> | <u>44,896</u> | <u>26,349</u> | <u>32,083</u> |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

27. OTHER EXPENSES AND FINANCE COSTS (CONT'D)

27.2 Finance costs

| | Group | | Company | |
|-----------------------|--|--|--|--|
| | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 |
| Interest expense on: | | | | |
| - bank overdraft | 7,026 | 4,703 | - | - |
| - lease liabilities | 420 | (29) | - | - |
| - bankers' acceptance | 3,608 | 1,856 | - | - |
| - bridging loan | 695 | 741 | - | - |
| - revolving credit | 2,345 | 123 | 479 | 356 |
| - term loans | 19,702 | 14,002 | 100 | 90 |
| - others | 1,650 | 12 | - | - |
| | <u>35,446</u> | <u>21,408</u> | <u>579</u> | <u>446</u> |

28. LOSS BEFORE TAX

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

| | Group | | Company | |
|--------------------------|--|--|--|--|
| | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 |
| <u>After charging:</u> | | | | |
| Short-term leases | | | | |
| - machinery | - | 89 | - | - |
| - premises | - | (7) | - | - |
| - hotel suites | - | 1,075 | - | - |
| <u>And crediting:</u> | | | | |
| Rental income – premises | - | 9 | - | - |

29. TAX EXPENSE

| | Group | | Company | |
|---|--|--|--|--|
| | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 |
| Current tax: | | | | |
| - Current year | - | - | - | - |
| - Underprovision in prior financial year | 16,319 | 3,074 | - | - |
| Deferred tax: | | | | |
| - Origination and reversal of temporary differences | 1,924 | 537 | - | - |
| - Transfer from deferred tax liabilities | - | - | 2,090 | - |
| | <u>18,303</u> | <u>3,611</u> | <u>2,090</u> | <u>-</u> |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

29. TAX EXPENSE (CONT'D)

Malaysian income tax is calculated at the statutory rate of 24% (31.3.2022: 24%) of the estimated assessable profit for the financial period/year.

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

| | Group | | Company | |
|---|---|---|---|---|
| | 1.4.2022 to <u>30.9.2023</u> % | 1.4.2021 to <u>31.3.2022</u> % | 1.4.2022 to <u>30.9.2023</u> % | 1.4.2021 to <u>31.3.2022</u> % |
| Applicable statutory income tax rate | (24.0) | (24.0) | (24.0) | (24.0) |
| Tax effects in respect of: | | | | |
| Expenses not deductible for tax purposes | 35.7 | 19.8 | 34.2 | 24.0 |
| Income not subject to tax | (8.9) | (3.6) | - | - |
| Reversal of deferred tax assets recognised in prior financial year | 27.9 | (2.0) | - | - |
| Deferred tax assets not recognised | 9.0 | 10.4 | - | - |
| Difference between income tax rate and RPGT rate applicable on fair value gain on investment properties | - | - | (5.7) | - |
| Underprovision of taxation in prior financial year | - | 3.3 | - | - |
| Average effective tax rate | <u>39.7</u> | <u>3.9</u> | <u>4.5</u> | <u>-</u> |

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

| | Group | |
|--------------------------------------|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Unabsorbed business losses | 161,583 | 129,050 |
| Unutilised capital allowances | 95,945 | 4,084 |
| Unutilised investment tax allowances | 192,130 | 77,921 |
| Other temporary differences | (76,620) | 2,474 |
| | <u>373,038</u> | <u>213,529</u> |

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 unabsorbed business losses of the Group as of 31 December 2018 will available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unabsorbed business losses will be disregarded.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

29. TAX EXPENSE (CONT'D)

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

| | Group | |
|-------------------------|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Year of assessment 2028 | 32,037 | 25,998 |
| Year of assessment 2029 | 14,221 | 15,080 |
| Year of assessment 2030 | 10,700 | 15,179 |
| Year of assessment 2031 | 34,267 | 31,202 |
| Year of assessment 2032 | 36,175 | 41,591 |
| Year of assessment 2033 | 34,183 | - |
| | <u>161,583</u> | <u>129,050</u> |

30. LOSS PER SHARE

Basic loss per ordinary share

The basic loss per ordinary share for the financial period/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 period/year:

| | Group | |
|--|------------------|------------------|
| | <u>30.9.2023</u> | <u>31.3.2022</u> |
| Net loss attributable to equity holders of the Group (RM'000) | (62,406) | (95,032) |
| Weighted average number of ordinary shares in issue (unit'000) | 560,870 | 557,681 |
| Basic loss per share (sen) | (11.13) | (17.04) |

Diluted loss per ordinary share

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

| | Group | |
|---|------------------|------------------|
| | <u>30.9.2023</u> | <u>31.3.2022</u> |
| Net loss attributable to equity holders of the Company (RM'000) | (62,406) | (95,032) |
| Weighted average number of ordinary shares in issue (unit'000) | 560,870 | 557,681 |
| Diluted loss per share (sen) | (11.13)* | (17.04)* |

* The diluted loss per share are anti-dilutive as the fair value of the ordinary shares of the Company during the reporting period is lower than the exercise price of the outstanding warrants. These potential ordinary shares have a dilutive effect only if the fair values of the ordinary shares during the reporting period exceeds the exercise price of these potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

31. EMPLOYEE BENEFITS EXPENSES

| | Group | | Company | |
|--------------------------------------|--|--|--|--|
| | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 |
| Directors' remuneration | 4,450 | 5,970 | 708 | 429 |
| Salaries, wages and other emoluments | 9,457 | 6,682 | - | - |
| Defined contribution plan | 996 | 703 | - | - |
| Social security contributions | 160 | 86 | - | - |
| Other staff related expenses | 120 | 60 | - | - |
| | <u>15,183</u> | <u>13,501</u> | <u>708</u> | <u>429</u> |

The details of Directors' remuneration are as follows:

| | Group | | Company | |
|---------------------------------|--|--|--|--|
| | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 |
| Executive Directors: | | | | |
| - Salaries | 2,816 | 4,800 | 216 | 144 |
| - Defined contribution plan | 535 | 908 | 41 | 23 |
| | <u>3,351</u> | <u>5,708</u> | <u>257</u> | <u>167</u> |
| Non-Executive Directors: | | | | |
| - Fees | 1,020 | 216 | 372 | 216 |
| - Attendance allowances | 79 | 46 | 79 | 46 |
| | <u>1,099</u> | <u>262</u> | <u>451</u> | <u>262</u> |
| Total | <u>4,450</u> | <u>5,970</u> | <u>708</u> | <u>429</u> |

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 RM28,000 (31.3.2022: RM20,000).

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

| | Group | |
|--------------------------------------|--|--|
| | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 |
| Salaries, wages and other emoluments | 867 | 621 |
| Defined contribution plan | 111 | 75 |
| Social security contributions | 13 | 4 |
| | <u>991</u> | <u>700</u> |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

32. COMMITMENTS

| | Group | |
|---|------------------|------------------|
| | <u>30.9.2023</u> | <u>31.3.2022</u> |
| | RM'000 | RM'000 |
| Capital commitments | | |
| <u>Authorised and contracted for:</u> | | |
| - property, plant and equipment | 17,496 | 15,707 |
| <u>Authorised but not contracted for:</u> | | |
| - property, plant and equipment | 35,896 | 36,168 |

33. RELATED PARTY DISCLOSURES

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

| | Group | | Company | |
|---|--|--|--|--|
| | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> 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 | - | - |
| <u>Transactions with persons/entities connected with Dato' Gan Kim Leong:</u> | | | | |
| - Tax consulting fees paid/payable | 72 | 88 | 13 | 10 |
| - Advisory fees/ Staff secondment paid/payable | 2,089 | 802 | 1,755 | 400 |

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

(b) During the financial period/year:

- (i) the holding company's shares in the Company were pledged as security for the construction and completion of a joint venture development project of the Group. The market value of these shares as at the end of the financial period/year was approximately RM2,200,000 (31.3.2022: RM1,788,000). 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 (31.3.2022: RM30,000,000) due to the land owner for the project concerned.
- (ii) Dato' Chan Kong San and Dato' Gan Kim Leong jointly and severally guaranteed banking facilities granted to a subsidiary company. The amount of these facilities as at the end of the financial period/year amounted to RM11,187,000 (31.3.2022: RM12,090,000).

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

33. RELATED PARTY DISCLOSURES (CONT'D)

- (c) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly, and includes any Director (whether executive or otherwise). The detailed information on the Directors' and other key management personnel's remuneration are disclosed respectively in Note 31 to the financial statements.

34. FINANCIAL INSTRUMENTS

34.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

| | <u>Carrying amount</u> RM'000 | <u>Amortised cost</u> RM'000 |
|--------------------------------------|----------------------------------|---------------------------------|
| Group | | |
| <u>30.9.2023</u> | | |
| Financial assets | | |
| Trade and non-trade receivables | 54,088 | 54,088 |
| Cash and bank balances | 3,696 | 3,696 |
| | 57,784 | 57,784 |
| Financial liabilities | | |
| Borrowings | 430,848 | 430,848 |
| Trade and other payables | 169,874 | 169,874 |
| | 600,722 | 600,722 |
| <u>31.3.2022</u> | | |
| Financial assets | | |
| Trade and non-trade receivables | 71,557 | 71,557 |
| Cash and bank balances | 7,336 | 7,336 |
| | 78,893 | 78,893 |
| Financial liabilities | | |
| Borrowings | 438,723 | 438,723 |
| Trade and other payables | 187,045 | 187,045 |
| | 625,768 | 625,768 |
| Company | | |
| <u>30.9.2023</u> | | |
| Financial assets | | |
| Non-trade receivables | 66 | 66 |
| Amount due from subsidiary companies | 84,189 | 84,189 |
| Cash and bank balances | 118 | 118 |
| | 84,373 | 84,373 |
| Financial liabilities | | |
| Borrowings | 108,441 | 108,441 |
| Other payables | 5,347 | 5,347 |
| Amount due to subsidiary companies | 113,483 | 113,483 |
| | 227,271 | 227,271 |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 Categories of financial instruments (cont'd)

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

| | <u>Carrying amount</u> RM'000 | <u>Amortised cost</u> RM'000 |
|--------------------------------------|----------------------------------|---------------------------------|
| Company (cont'd) | | |
| <u>31.3.2022</u> | | |
| Financial assets | | |
| 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 |
| Financial liabilities | | |
| Borrowings | 105,084 | 105,084 |
| Other payables | 4,233 | 4,233 |
| Amount due to subsidiary companies | 106,874 | 106,874 |
| | 216,191 | 216,191 |

34.2 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

34. FINANCIAL INSTRUMENTS (CONT'D)

34.2 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

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.

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:

| | <u>Total gross carrying amount</u> RM'000 | <u>Expected credit loss</u> RM'000 |
|----------------------------|--|---|
| Group | | |
| <u>30.9.2023</u> | | |
| Not past due | 7,838 | - |
| Past due 1 to 30 days | 133 | - |
| Past due 31 to 60 days | - | - |
| Past due more than 60 days | 7,687 | - |
| | 15,658 | - |
| Credit impaired | 494 | 494 |
| | 16,152 | 494 |
| Contract assets | 11,946 | 3,279 |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

34. FINANCIAL INSTRUMENTS (CONT'D)

34.2 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):

| | Total gross carrying amount RM'000 | Expected credit loss RM'000 |
|----------------------------|--|-----------------------------------|
| Group | | |
| <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 | 494 | 494 |
| | 38,908 | 494 |
| Contract assets | 15,725 | 3,279 |
| Company | | |
| <u>30.9.2023</u> | | |
| Past due more than 1 year | 84 | 84 |
| <u>31.3.2022</u> | | |
| Past due more than 1 year | 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 RM19,078,000 (31.3.2022: RM24,686,000) were due from 1 (31.3.2022: 2) 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 RM12,814,000 (31.3.2022: RM23,642,000) were due from 1 (31.3.2022: 1) 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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

34. FINANCIAL INSTRUMENTS (CONT'D)

34.2 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):

ii. Intercompany receivables (cont'd)

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.

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 RM234,602,000 (31.3.2022: RM246,052,000) 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 date.

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 21 and 39.1 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.

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 period are as follows:

| | Group RM'000 | Company RM'000 |
|---------------------------------|------------------------|--------------------------|
| <u>30.9.2023</u> | | |
| Fixed rate instrument | | |
| Lease liabilities | 1,294 | - |
| Floating rate instrument | | |
| Borrowings | 429,554 | 108,441 |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

34. FINANCIAL INSTRUMENTS (CONT'D)

34.2 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 period are as follows (cont'd):

| | Group RM'000 | Company RM'000 |
|---------------------------------|------------------------|--------------------------|
| <u>31.3.2022</u> | | |
| Fixed rate instrument | | |
| Lease liabilities | 1,576 | - |
| Floating rate instrument | | |
| Borrowings | 437,147 | 105,084 |

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 period/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:

| | <u>Increase/(decrease) in net loss for the financial</u> | | | |
|---------------------------------|--|---------|----------------|--------|
| | <u>period/year</u> | | | |
| | Group | | Company | |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| | +0.5% | -0.5% | +0.5% | -0.5% |
| Floating rate instrument | | | | |
| 30.9.2023 | 2,148 | (2,148) | 542 | (542) |
| 31.3.2022 | 2,186 | (2,186) | 525 | (525) |

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

– 30 SEPTEMBER 2023

34. FINANCIAL INSTRUMENTS (CONT'D)

34.2 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 also proposes to undertake the proposed issuance of redeemable convertible bonds (“Bonds”) with an aggregate principal amount of up to RM150.0 million as disclosed in Note 39.3. 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.

At the end of the reporting period, 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 |
|-------------------|------------------------------|-------------------------------------|--|--|
| Group | | | | |
| <u>30.9.2023</u> | | | | |
| Secured: | | | | |
| Borrowings | 430,848 | 458,395 | 458,395 | - |
| Unsecured: | | | | |
| Trade payables | 80,963 | 89,819 | 33,961 | 55,858 |
| Other payables | 88,911 | 90,384 | 85,738 | 4,646 |
| | 169,874 | 180,203 | 119,699 | 60,504 |
| Total | 600,722 | 638,598 | 485,860 | 152,738 |
| <u>31.3.2022</u> | | | | |
| Secured: | | | | |
| Borrowings | 438,723 | 463,286 | 457,597 | 5,689 |
| Unsecured: | | | | |
| 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 |
| Total | 625,768 | 661,410 | 585,839 | 75,571 |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

34. FINANCIAL INSTRUMENTS (CONT'D)

34.2 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 period, the Group's and the Company's non-derivative financial liabilities which have contractual maturities (including interest payments) are summarised below (cont'd):

| | Carrying <u>amount</u> RM'000 | Contractual <u>cash flows</u> RM'000 | Current Less than <u>1 year</u> RM'000 | Non-current Between 1 <u>to 5 years</u> RM'000 |
|---------------------------------------|-------------------------------------|--|---|---|
| Company | | | | |
| <u>30.9.2023</u> | | | | |
| Secured: | | | | |
| Borrowings | 108,441 | 112,643 | 112,643 | - |
| Unsecured: | | | | |
| Other payables | 5,347 | 5,347 | 5,347 | - |
| Amount due to subsidiary companies | 113,483 | 113,483 | 113,483 | - |
| | 118,830 | 118,830 | 118,830 | - |
| Total | 227,271 | 231,473 | 231,473 | - |
| Financial guarantees | - | 234,602 | 234,602 | - |
| <u>31.3.2022</u> | | | | |
| Secured: | | | | |
| Borrowings | 105,084 | 108,813 | 103,128 | 5,685 |
| Unsecured: | | | | |
| 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 | - |
| Total | 216,191 | 219,920 | 214,235 | 5,685 |
| Financial guarantees | - | 246,052 | 246,052 | - |

34.3 Reconciliation of liabilities arising from financing activities

| | At <u>1.4.2022</u> RM'000 | <u>Additions</u> RM'000 | Interest <u>payable</u> RM'000 | <u>Repayment</u> RM'000 | At <u>30.9.2023</u> RM'000 |
|---|---------------------------------|----------------------------|--------------------------------------|----------------------------|----------------------------------|
| Group | | | | | |
| Lease liabilities | 1,576 | 86 | - | (368) | 1,294 |
| Borrowings (excluding bank overdrafts) | 369,750 | 4,295 | 20,064 | (38,731) | 355,378 |
| | 371,326 | 4,381 | 20,064 | (39,099) | 356,672 |
| Company | | | | | |
| Borrowings (excluding bank overdrafts) | 79,579 | - | 1,639 | (102) | 81,116 |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

34. FINANCIAL INSTRUMENTS (CONT'D)

34.3 Reconciliation of liabilities arising from financing activities (cont'd)

| | 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 |
|--|--------------------------|---|-------------------------------|---------------------|---------------------------|
| Group | | | | | |
| Lease liabilities | 2,028 | (70) | - | (382) | 1,576 |
| Borrowings (excluding bank overdrafts) | 400,314 | - | 16,663 | (47,227) | 369,750 |
| | <u>402,342</u> | <u>(70)</u> | <u>16,663</u> | <u>(47,609)</u> | <u>371,326</u> |
| Company | | | | | |
| Borrowings (excluding bank overdrafts) | 81,326 | - | 1,186 | (2,933) | 79,579 |

35. 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 22 to the financial statements as shown in the table below.

| | 30.9.2023 | | 31.3.2022 | |
|----------------|------------------------------|------------------------------------|------------------------------|------------------------------------|
| | Carrying amount RM'000 | Fair value at Level 3 RM'000 | Carrying amount RM'000 | Fair value at Level 3 RM'000 |
| Group | | | | |
| Trade payables | <u>47,303</u> | <u>47,303</u> | <u>67,538</u> | <u>67,538</u> |

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

36. 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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

36. CAPITAL MANAGEMENT (CONT'D)

There were no changes in the Group's approach to capital management during the financial period/year.

| | Group | | Company | |
|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
| Total borrowings | 430,848 | 438,723 | 108,441 | 105,084 |
| Cash and bank balances | <u>(3,696)</u> | <u>(7,336)</u> | <u>(118)</u> | <u>(1,814)</u> |
| | <u>427,152</u> | <u>431,387</u> | <u>108,323</u> | <u>103,270</u> |
| Total equity | <u>122,390</u> | <u>159,146</u> | <u>131,694</u> | <u>177,093</u> |
| Debt-to-equity ratio | <u>3.49</u> | <u>2.71</u> | <u>0.82</u> | <u>0.58</u> |

37. 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 | <u>Property development</u> RM'000 | <u>Leisure and hospitality</u> RM'000 | <u>Others</u> RM'000 | <u>Eliminations/ adjustments</u> RM'000 | <u>Consolidated</u> RM'000 |
|---------------------------------|------|---|--|-------------------------|--|-------------------------------|
| <u>30.9.2023</u> | | | | | | |
| Revenue | | | | | | |
| External revenue | | 37,219 | 2,309 | - | - | 39,600 |
| Inter-segment | A | <u>(63)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(63)</u> |
| | | <u>37,228</u> | <u>2,309</u> | <u>-</u> | <u>-</u> | <u>39,537</u> |
| Results | | | | | | |
| Gross loss | | 3,760 | 5,868 | - | - | 9,628 |
| Segment (loss)/profit | B | <u>(32,374)</u> | <u>(12,758)</u> | <u>14,165</u> | <u>2,302</u> | <u>(28,665)</u> |
| Finance income | | 9,011 | 2,686 | - | - | 11,697 |
| Finance costs | | <u>(20,153)</u> | <u>(14,715)</u> | <u>(578)</u> | <u>-</u> | <u>(35,446)</u> |
| Depreciation | | <u>(3,823)</u> | <u>(9,760)</u> | <u>(11)</u> | <u>35</u> | <u>(13,557)</u> |
| Tax expense | | 106 | <u>(16,319)</u> | <u>(2,090)</u> | <u>-</u> | <u>18,303</u> |
| Other non-cash (expense)/income | C | | | | | |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

37. 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>30.9.2023 (cont'd)</u> | | | | | | |
| Assets | | | | | | |
| Segment assets | D | 510,944 | 517,509 | 364,851 | (585,464) | 807,840 |
| Additions to non-current assets | E | 449 | 3,472 | - | (180) | 3,741 |
| Liabilities | | | | | | |
| Segment liabilities | F | 443,499 | 178,460 | 118,830 | (496,558) | 244,231 |
| <u>31.3.2022</u> | | | | | | |
| Revenue | | | | | | |
| External revenue | | 53,629 | 198 | - | - | 53,827 |
| Inter-segment | A | 1,339 | - | - | (1,339) | - |
| | | 54,968 | 198 | - | (1,339) | 53,827 |
| Results | | | | | | |
| Gross loss | | (16,195) | (3,480) | - | - | (19,675) |
| Segment (loss)/profit | 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 | C | (16,726) | (29,399) | (65,706) | 69,737 | (42,094) |
| Assets | | | | | | |
| 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 |
| Liabilities | | | | | | |
| Segment liabilities | F | 473,521 | 180,613 | 111,107 | (507,843) | 257,398 |

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:

| | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 |
|-----------------|--|--|
| Segment loss | (28,665) | (83,252) |
| Finance income | 11,697 | 11,154 |
| Finance costs | (35,446) | (21,408) |
| Loss before tax | <u>(52,414)</u> | <u>(93,506)</u> |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

37. 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):

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

| | 1.4.2022 to <u>30.9.2023</u> RM'000 | 1.4.2021 to <u>31.3.2022</u> RM'000 |
|---|--|--|
| Biological assets written off | - | (234) |
| Fair value adjustments on investment properties | 18,880 | 2,790 |
| Gain on disposal of investment properties | 159 | 32 |
| Gain on disposal of subsidiary companies | 271 | 271 |
| Goodwill written off | - | (3) |
| Impairment loss on trade and other receivables | (8,502) | (291) |
| Impairment loss on property, plant and equipment | (14,284) | (28,294) |
| Loss on remeasurement of inventories | - | (14,573) |
| Property, plant and equipment written off | - | (186) |
| Provision for onerous contract | - | (1,555) |
| Receivables written off | (4) | (51) |
| Reversal of impairment loss on other receivables no longer required | (680) | - |
| Inventories-property development costs written off | <u>(4,160)</u> | <u>-</u> |
| | <u>(8,320)</u> | <u>(42,094)</u> |

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

| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
|---------------------|----------------------------|----------------------------|
| Segment assets | 807,840 | 834,391 |
| Deferred tax assets | - | 21,825 |
| Tax recoverable | <u>175</u> | <u>3,034</u> |
| Total assets | <u>808,015</u> | <u>859,250</u> |

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

| | <u>30.9.2023</u> RM'000 | <u>31.3.2022</u> RM'000 |
|-------------------------------|----------------------------|----------------------------|
| Property, plant and equipment | <u>6</u> | <u>9,224</u> |

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

37. 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):

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

| | <u>30.9.2023</u> | <u>31.3.2022</u> |
|--------------------------|------------------|------------------|
| | RM'000 | RM'000 |
| Segment liabilities | 244,231 | 257,398 |
| Borrowings | 430,848 | 438,723 |
| Tax payable | 491 | - |
| Deferred tax liabilities | 10,056 | 3,983 |
| Total liabilities | 685,626 | 700,104 |

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 RM10,218,000 (31.3.2022: RM17,439,000) from a major customer has contributed more than 10% of the Group's total revenue.

38. COMPARATIVE INFORMATION

The financial year end of the Group and of the Company was changed from 31 March 2023 to 30 September 2023 to facilitate the efficiency in the financial reporting. The comparative figures are for the period from 1 April 2021 to 31 March 2022. Consequently, the comparative figures for the statement of comprehensive income, statement of cash flows, statement of changes in equity and related notes are not comparable.

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND AFTER THE REPORTING DATE

39.1 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. The total outstanding borrowings under the CDRC Mediation is RM430,848,000 as at 30 September 2023.

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").

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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

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

39.2 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.

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.

39.3 Proposed Share Consolidation and Proposed issuance of redeemable convertible bonds (“Bonds”) with an aggregate principal amount of up to RM150.0 million (“Proposed RCB”)

- a) On 18 January 2024, the Company announced the proposed consolidation of every 4 existing ordinary shares in the Company into 1 ordinary share of the Company.
- b) On 18 January 2024, the Company announced that the Company proposes to undertake the proposed issuance of redeemable convertible bonds (“Bonds”) with an aggregate principal amount of up to RM150.0 million. On 18 January 2024, the Company had entered into a conditional subscription agreement with a subscriber, pursuant to which the Bonds will be issued by the Company in 3 main tranches, subject to the terms and conditions of the Subscription Agreement.

The submission paper of this proposal (amongst others listed the intended utilisation of the RCB proceeds) is scheduled to be submitted to Bursa Malaysia for approval on 31 January 2024. Upon approval by the Bursa Malaysia, the Proposed RCB shall then be presented for approval by the Company’s shareholders in an Extraordinary General Meeting (EGM) to be convened tentatively is scheduled on 29 March 2024.

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

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

39.4 Receipt Of Notification letter from Affin Bank Berhad for Refund Of RM28,900,000 from Lembaga Pembangunan Langkawi ("LPL"), allegedly being the refund of the partial lease payment pursuant to the purported termination of Lease Agreements by LPL in relation to the Lease Agreements Between Sentoria Langkawi Sdn. Bhd. and LPL.

Sentoria Langkawi Sdn Bhd ("SLSB"), a 75% owned subsidiary of the Company has on 11 August 2022, through email, received a copy of the notification letter dated 10 August 2022 from Affin Bank Berhad ("Affin") informing SLSB that Affin had received RM28,900,000 from Lembaga Pembangunan Langkawi ("LPL"), allegedly being the refund of the partial lease premium pursuant to the purported termination of lease agreements by LPL as set out below:

- A) Lease Agreement with LPL to lease approximately 70 Acres of Malay Reservation Land located at Bandar Padang Mat Sirat, Kampung Kok Langkawi District of Langkawi, Kedah (hereinafter the "1st Land") for a lease premium consideration of RM30,492,000.00 with 90 years lease period from 1 September 2014 to 31 August 2104; and
- B) Lease Agreement between SLSB and LADA to lease approximately 50 acres of Malay Reservation Land located at Tempat Bukit Tekoh, Tempat Bukit Carok Nyak Mud, Tempat Charok Nyak Mud and Tempat Caruk Nyak Mud, Mukim Ulu Melaka, District of Langkawi, Kedah (hereinafter the "2nd Land") for a lease premium consideration of RM10,890,000.00 with 90 years lease period from 1 September 2014 to 31 August 2104.

The 1st Land and the 2nd Land are hereinafter collectively referred to as the "Lands". LPL is the registered owner of the Lands.

The total lease premium consideration for the Lands is RM41,382,000. SLSB has paid RM41,382,000 to LPL with a loan from Affin of RM28,900,000 (69.84% of RM41,382,000) and the remaining RM12,482,000 (30.16% of RM41,382,000) from internally generated funds.

SLSB leased the Lands from LPL in 2014 with the intention of developing the 1st Land into a project provisionally known as "Langkawi Geopark Resort City" and the 2nd Land into a project provisionally known as "Langkawi Medical Village".

Since 2014, SLSB has incurred property development cost and the carrying amount for the above two properties (including land lease premium and property development costs) as at to-date is RM60.2 million. Notwithstanding the receipt of the notices of refund from Affin, the Board of Directors had sought legal advice on the purported termination of the agreements by LPL.

Our solicitors agree that the purported termination is wrongful and invalid; SLSB has initiated the necessary actions to recover the costs incurred to-date together with the substantial losses we have suffered by reason of us not being able to develop the Lands as was intended. LPL as the Lessor is fully aware of our intended development.

SLSB ("Plaintiff") had through its solicitors commenced legal action by issuing a Writ of Summons and Statement of Claim (the "Claim") in the High Court of Malaya, Alor Setar on 22 November 2022, against the following defendants:

1. LPL ("1st Defendant"); and
2. Affin Bank Berhad ("Affin") ("2nd Defendant")
(collectively referred as "the Defendants")

NOTES TO THE FINANCIAL STATEMENTS

– 30 SEPTEMBER 2023

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

- 39.4 Receipt Of Notification letter from Affin Bank Berhad for Refund Of RM28,900,000 from Lembaga Pembangunan Langkawi ("LPL"), allegedly being the refund of the partial lease payment pursuant to the purported termination of Lease Agreements by LPL in relation to the Lease Agreements Between Sentoria Langkawi Sdn. Bhd. and LPL (cont'd)

As set out in the Claim, SLSB is claiming, among others, for the following:

1. A declaration that the 1st Defendant is liable for breaches of and putting an end to the Lease Agreements;
2. A declaration that the Plaintiff is the legitimate owner and holder of the Leases over the Lands;
3. A declaration that the 1st Defendant is liable for infringements of the Plaintiff's rights to property as the owner of the Leases;
4. Special damages of RM36.9 million (including the loss of RM12.5 million due to the difference between the land premium of RM41.4 million and the refund of RM28.9 million);
5. General damages in the sum of RM414.3 million or such sums that is assessed by this Honourable Court;
6. Interests on all sums awarded at the rate of 5% per annum from the date of the Purported Remedy Notices or the date of judgment or such other date as this Honourable Court deems fit, to the date of full settlement;
7. Plaintiff at liberty to apply;
8. Costs; and
9. Such further order or other relief as this Honourable Court deems fit to grant.

SLSB solicitors has advised SLSB that the solicitors are satisfied that SLSB has a strong case for its claims against LPL.

STATEMENT OF DIRECTORS' RESPONSIBILITY

PURSUANT TO PARAGRAPH 15.26(a) OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The Board of Directors of the Company ("**Board**") is required by the Companies Act 2016 ("**Act**") to make a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements for the financial period ended 30 September 2023 have been drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at the end of the financial period and of their financial performance and cash flows for the financial period from 1 April 2022 to 30 September 2023 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 30 January 2024.

LIST OF MATERIAL PROPERTIES

HELD BY THE GROUP

| No | Property | Location | Description/ Existing use | Date of acquisition / Date of Valuation | Land area (sq metres) | Tenure | NBV 2023 RM'mil (audited) |
|----|---|----------|---|--|--------------------------|--------------------------------------|---------------------------------|
| 1 | Bukit Gambang Safari Park, Jalan Bukit Gambang Utama, Bukit Gambang Resort City, 26300 Kuantan, Pahang Darul Makmur | Kuantan | Safari park known as Bukit Gambang Safari Park | 30/9/2013 / 30 Sept 2023 | 558,412 | 99 years leasehold | 72.60 |
| 2 | Bukit Gambang Water Park, Jalan Bukit Gambang Utama, Bukit Gambang Resort City, 26300 Kuantan, Pahang Darul Makmur | Kuantan | Water theme park known as Bukit Gambang Water Park | 18/11/2009 / 30 Sept 2023 | 566,505 | 99 years leasehold | 71.37 |
| 3 | Erected on Master Lot No. 22449, Mukim Ulu Lepar, District of Kuantan, State of Pahang (Master title No. PN 24815) | Kuantan | Ataria International Convention Centre, club house, commercial area and parking lots, within Arabian Bay Resort in Bukit Gambang Resort City | 14/9/2012 / 30 Sept 2023 | 23,529 | Leasehold expiring 27 Mar 2107 | 38.00 |
| 4 | Erected on Master Lot No. 22449, Mukim Ulu Lepar, District of Kuantan, State of Pahang (Master title No. PN 24815) | Kuantan | Sixty-six (66) units resort suites, 8 units deluxe suites and 2 units presidential suites within Arabian Bay Resort in Bukit Gambang Resort City | 14/9/2012 / 30 Sept 2023 | 3,538 | Leasehold expiring 27 Mar 2107 | 10.00 |

LIST OF MATERIAL PROPERTIES HELD BY THE GROUP

| No | Property | Location | Description/ Existing use | Date of acquisition / Date of Valuation | Land area (sq metres) | Tenure | NBV 2023 RM' mil (audited) |
|----|---|----------|--|--|--------------------------|--------------------------------|----------------------------------|
| 5 | Title lot no. PT 3220-3223 & PT 3236-3242 (South); and PT 3212-3219 (North), Mukim of Ulu Lepar, District of Kuantan, State of Pahang | Kuantan | Vacant land for project known as Global Heritage North and South in Bukit Gambang Resort City | 20/1/2012 / 30 Sept 2023 | 382,674 | Freehold | 63.20 |
| 6 | Sublot A6 of Lot 8578, Blok 9 Salak Land District, Kuching, Sarawak | Kuching | Borneo Samariang Water Park | 23/8/2013 / 28/2/2023 | 115,324 | 99 years leasehold | 76.00 |
| 7 | Part of Lot 8578, Blok 9 Salak Land District, Kuching, Sarawak | Kuching | Convention Centre and balance resort land for future development | 23/8/2013 / 28/2/2023 | 678,592 | 99 years leasehold | 74.12 |
| 8 | Lot 8579, Blok 9 Salak Land District, Kuching, Sarawak | Kuching | Land held for development/ mixed development project known as Borneo Samariang Garden | 30/9/2014 | 364,634 | 99 years leasehold | 12.52 |
| 9 | PT 1129 & PT 1130 Mukim Morib, Kuala Langat, Selangor | Morib | Water park, land held for development/mixed development project known as Morib Bay Resort City | 10/7/2018 / 18/1/2019 | 567,600 | Freehold | 102.36 |
| 10 | Erected on Parent Lot No. PT 4237, Mukim Ulu Lepar, District of Kuantan, State of Pahang (Master title No. HSD 44438) | Kuantan | Clubhouse and commercial centre within Caribbean Bay Resort in Bukit Gambang Resort City | 15/5/2009 / 30 Sept 2023 | 9,276 | Leasehold expiring 27 Mar 2107 | 8.80 |

ANALYSIS OF SHAREHOLDINGS

AS AT 29 DECEMBER 2023

| | | |
|-------------------------------|---|---|
| Total Number of Issued Shares | : | 622,977,991 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 | 94 | 5.991 | 3,350 | 0.000 |
| 100 - 1,000 | 229 | 14.595 | 81,328 | 0.013 |
| 1,001 - 10,000 | 420 | 26.768 | 2,073,216 | 0.337 |
| 10,001 - 100,000 | 599 | 38.177 | 23,865,467 | 3.890 |
| 100,001 - 30,669,053* | 225 | 14.340 | 307,726,132 | 50.168 |
| 30,669,054 and above** | 2 | 0.127 | 279,631,598 | 45.588 |
| Total | 1,569 | 100.000 | 613,381,091[^] | 100.000 |

Notes:-

- * less than 5% of issued shares
- ** 5% and above of issued shares
- [^] excluding treasury shares of 9,596,900

SUBSTANTIAL SHAREHOLDERS

| Name | ← Direct Interest → | | ← Indirect Interest → | |
|--------------------------|---------------------|----------------|---------------------------|----------------|
| | No. of Shares | % [#] | No. of Shares | % [#] |
| Sentoria Capital Sdn Bhd | 219,560,428 | 35.795 | | |
| Dato' Chan Kong San | | | 219,560,428 [^] | 35.795 |
| Dato' Gan Kim Leong | | | 219,627,268 ^{^^} | 35.806 |
| State Secretary, Pahang | 87,666,024 | 14.292 | | |

Notes:-

- [#] Calculated based on 613,381,091 shares, which do not include 9,596,900 treasury shares.
- [^] Deemed interested by virtue of his interest in Sentoria Capital Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- ^{^^} Deemed interested by virtue of his interest in Sentoria Capital Sdn Bhd and Base Rock Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

AS AT 29 DECEMBER 2023

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 [^] | 35.795 |
| Dato' Gan Kim Leong | - | - | 219,627,268 ^{^^} | 35.806 |
| Datin Sri Lim Mooi Lang | 2,000,000 | 0.326 | 3,000,000 [*] | 0.489 |
| Dato' Sri Ngu Tieng Ung, JP | - | - | - | - |
| Dato' Sri Dr. Mohamad Isa Bin Hussain | - | - | - | - |

Notes:-

- # Calculated based on 613,381,091 shares, which do not include 9,596,900 treasury shares.
- [^] Deemed interested by virtue of his interest in Sentoria Capital Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- ^{^^} Deemed interested by virtue of his interest in Sentoria Capital Sdn Bhd and Base Rock Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- ^{*} Deemed interested by virtue of her interest in shares of spouse and child pursuant to Section 59(11)(c) of the Companies Act 2016.

Other than as disclosed above, none of the other Directors of the Company had any interest in shares in the Company or its related corporations as at 29 December 2023.

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 | 31.296 |
| 2 | State Secretary, Pahang | 87,666,024 | 14.292 |
| 3 | MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Seriemas Development Sdn Bhd for Sentoria Capital Sdn Bhd</i> | 27,500,000 | 4.483 |
| 4 | Cartaban Nominees (Asing) Sdn Bhd <i>Exempt an for BOCI Securities LTD (Clients A/C)</i> | 22,517,100 | 3.670 |
| 5 | H.A Properties Sdn Bhd | 17,982,360 | 2.931 |
| 6 | Ooi Woon Chee | 15,000,000 | 2.445 |
| 7 | Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for TWL Capital Berhad</i> | 13,600,000 | 2.217 |
| 8 | Perbadanan Kemajuan Pertanian Negeri Pahang | 12,100,000 | 1.972 |
| 9 | Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Francis Chai Kim Lung</i> | 12,051,000 | 1.964 |
| 10 | Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Wei Lian</i> | 11,432,300 | 1.863 |

ANALYSIS OF SHAREHOLDINGS

AS AT 29 DECEMBER 2023

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

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

| No. | Name | Shareholdings | %# |
|--------------|---|--------------------|---------------|
| 11 | LKPP Corporation Sendirian Berhad | 9,184,400 | 1.497 |
| 12 | Jishan Capital Sdn Bhd | 8,500,000 | 1.385 |
| 13 | Ng Eng Siong | 7,383,500 | 1.203 |
| 14 | AMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Woon Jing Yu</i> | 6,491,000 | 1.058 |
| 15 | Data Pelita Sdn Bhd | 6,027,000 | 0.982 |
| 16 | Kong Tiong Kian | 5,700,000 | 0.929 |
| 17 | Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Low Swee Foong</i> | 5,577,000 | 0.909 |
| 18 | Tan Siew Bee | 4,345,000 | 0.708 |
| 19 | TA Nominess (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Wei Lian</i> | 4,292,000 | 0.699 |
| 20 | So Bee Hwe | 4,250,000 | 0.692 |
| 21 | AMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account-AMBANK (M) Berhad for Tan Wei Lian (SMART)</i> | 3,790,700 | 0.618 |
| 22 | Kenanga Nominees (Tempatan) Sdn Bhd <i>Kong Tiong Kian</i> | 3,500,000 | 0.570 |
| 23 | APEX Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Wei Lian (Margin)</i> | 3,429,400 | 0.559 |
| 24 | Pristine Goldhill Sdn Bhd | 3,384,600 | 0.551 |
| 25 | Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Sek Chian Nee</i> | 3,326,000 | 0.542 |
| 26 | Chan Lai Ling | 3,000,000 | 0.489 |
| 27 | Lee Zhou Yi | 3,000,000 | 0.489 |
| 28 | Lim Thean Keong | 2,964,000 | 0.483 |
| 29 | Hou Kok Chung | 2,700,000 | 0.440 |
| 30 | Wong Jing Yi | 2,400,000 | 0.391 |
| TOTAL | | 505,058,958 | 82.340 |

Notes:-

Calculated based on 613,381,091 shares, which do not include 9,596,900 treasury shares.

ANALYSIS OF WARRANT B HOLDINGS

AS AT 29 DECEMBER 2023

WARRANT B

| | | |
|-----------------------------|---|--|
| No. of Warrants | : | 205,867,236 |
| Exercise Price of Warrants | : | RM0.60 |
| Exercise Period of Warrants | : | 9 January 2018 to 9 January 2025 |
| Expiry Right | : | Each Warrant entitles the holder to subscribe for one (1) new ordinary share in the Company at the Exercise Price during the Exercise Period |
| Voting Rights | : | The holder of Warrants is not entitled to any voting rights |

| Size of Warrant Holdings | No. of Holders | % | No. of Warrants | % |
|--------------------------|----------------|----------------|--------------------|----------------|
| 1 - 99 | 4 | 2.684 | 240 | 0.000 |
| 100 - 1,000 | 19 | 12.751 | 10,320 | 0.005 |
| 1,001 - 10,000 | 49 | 32.885 | 257,620 | 0.125 |
| 10,001 - 100,000 | 52 | 34.899 | 1,805,768 | 0.877 |
| 100,001 – 10,293,360* | 23 | 15.436 | 22,906,154 | 11.126 |
| 10,293,361 and above** | 2 | 1.342 | 180,887,134 | 87.865 |
| Total | 149 | 100.000 | 205,867,236 | 100.000 |

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 [^] | 87.866 |
| Dato' Gan Kim Leong | - | - | 181,739,094 ^{^^} | 88.280 |
| Datin Sri Lim Mooi Lang | - | - | - | - |
| Dato' Sri Ngu Tieng Ung, JP | - | - | - | - |
| Dato' Sri Dr. Mohmad Isa Bin Hussain | - | - | - | - |

Notes:-

[^] Deemed interest by virtue of his interest in Sentoria Capital Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

^{^^} 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 29 DECEMBER 2023

LIST OF TOP THIRTY (30) WARRANT HOLDERS

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

| No. | Name | Warrant Holdings | % |
|--------------|---|--------------------|---------------|
| 1 | Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Sentoria Capital Sdn Bhd</i> | 160,316,062 | 77.873 |
| 2 | 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 | 2.127 |
| 6 | Base Rock Sdn Bhd | 851,960 | 0.413 |
| 7 | Ewe Hong Khoon | 633,800 | 0.307 |
| 8 | Lim Hon Seng | 420,100 | 0.204 |
| 9 | Lim Kok Leang | 400,000 | 0.194 |
| 10 | Chin Yoke Kook | 349,500 | 0.169 |
| 11 | Maybank Nominees (Tempatan) Sdn Bhd Kua Song Tuck | 270,300 | 0.131 |
| 12 | HSBC Nominees (Asing) Sdn Bhd <i>Morgan Stanley & Co. International PLC (Firm A/C)</i> | 246,000 | 0.119 |
| 13 | Tan Phei Yien | 232,700 | 0.113 |
| 14 | Lee Chee Siong | 232,300 | 0.112 |
| 15 | M & A Nominees (Asing) Sdn Bhd <i>Pledged Securities Account for Sae Wang Ahui (PNG)</i> | 219,700 | 0.106 |
| 16 | Ngu Leh Ing | 200,000 | 0.097 |
| 17 | Lim Thiam Sang | 152,800 | 0.074 |
| 18 | Lee Kok Hoi | 150,000 | 0.072 |
| 19 | Fadhli Bin Sulaiman | 137,900 | 0.066 |
| 20 | CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Siew Kim Lim (MY2848)</i> | 128,000 | 0.062 |
| 21 | CIMSEC Nominess (Tempatan) Sdn Bhd CIMB for Tan Tian Meng (PB) | 120,000 | 0.058 |
| 22 | Grinterra Sdn Bhd | 119,100 | 0.057 |
| 23 | Yap Poh Lay | 110,400 | 0.053 |
| 24 | Phillip Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Goh Hong Hwa</i> | 110,100 | 0.053 |
| 25 | Lee Guan Hock | 108,160 | 0.052 |
| 26 | Wong Ching Hui | 100,000 | 0.048 |
| 27 | Tan Tian Meng | 88,000 | 0.042 |
| 28 | Goh Eng Seong | 80,000 | 0.038 |
| 29 | Seah Sook Sun | 75,088 | 0.036 |
| 30 | Wong Sau Fah | 72,900 | 0.035 |
| TOTAL | | 204,209,276 | 99.194 |

NOTICE OF 24TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth (24th) 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 Friday, 29 March 2024 at 10:30 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial period ended 30 September 2023 together with the Directors’ and Auditors’ Reports thereon. *(Explanatory Note 1)*

2. To approve the payment of Directors’ fees of RM7,000 per month to the Non-Executive Chairman and RM6,000 per month to each of the Non-Executive Directors from the conclusion of the 24th Annual General Meeting until the conclusion of the 25th 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 24th Annual General Meeting until the conclusion of the 25th Annual General Meeting: **Ordinary Resolution 2**
(Explanatory Note 3)
 - (i) RM1,000 per Board/shareholders meeting for the Non-Executive Chairman of the Board and RM500 per Board/shareholders meeting for each of other Non-Executive Board Members; and
 - (ii) RM750 per Board committee meeting for the Non-Executive Board Members who are chairs of the Board committees and RM500 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: **Ordinary Resolution 3**
Ordinary Resolution 4
(Explanatory Note 4)
 - (i) Dato’ Chan Kong San
 - (ii) Datin Sri Lim Mooi Lang

5. To re-elect the following Directors who retire pursuant to Article 103 of the Company’s Constitution and who has offered themselves for re-election: **Ordinary Resolution 5**
Ordinary Resolution 6
Ordinary Resolution 7
(Explanatory Note 5)
 - (i) Datuk Dr. Ras Adiba Binti Mohd Radzi
 - (ii) Dr. Lim Zhao Qi
 - (iii) Mr. Lim Poh Seong

6. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 30 September 2024 at such remuneration to be determined by the Directors. **Ordinary Resolution 8**
(Explanatory Note 6)

NOTICE OF 24TH ANNUAL GENERAL MEETING

SPECIAL BUSINESS

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

7. **Authority to Directors pursuant to Sections 75 and 76 of the Companies Act 2016 and waiver of Pre-Emptive Rights pursuant to the Companies Act 2016**

Ordinary Resolution 9
(Explanatory Note 7)

“**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

AND THAT pursuant to Section 85 of the Companies Act 2016 read together with Article 68 of the Company’s Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new Company shares ranking equally to the existing issued Company shares arising from any issuance of the new Company shares pursuant to Sections 75 and 76 of the Companies Act 2016.”

8. 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
31 January 2024

NOTICE OF 24TH ANNUAL GENERAL MEETING

Notes:

1. The 24th 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 24th 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 22 March 2024** (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 bit.ly/Sentoria24thAGM_Proxy. 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
No. 6-2, Level 2, Plaza Crystalville II,
No. 6, Jalan 22B/70A, Desa Sri Hartamas,
50480 W.P. Kuala Lumpur, Malaysia.

In the case of electronic appointment, the Form of Proxy must be lodged to the Company, by emailing to investor@sentoria.com.my or e-registered at bit.ly/Sentoria24thAGM_Proxy.

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 **Wednesday, 27 March 2024 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.

NOTICE OF 24TH ANNUAL GENERAL MEETING

Explanatory Notes

1. Audited Financial Statements for the financial period ended 30 September 2023

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 24th Annual General Meeting until the conclusion of the 25th 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 Chairman and Non-Executive Directors are to commensurate and compensate them for their time and effort on an on-going basis for their service to the Company.

The full details of Directors’ Fees paid during the financial period ended 30 September 2023 are further disclosed in Corporate Governance Overview Statement of this Annual Report.

3. Ordinary Resolution 2 – Payment of attendance allowances to the Non-Executive Directors from the conclusion of the 24th Annual General Meeting until the conclusion of the 25th Annual General Meeting

The payment of attendance allowances to the Non-Executive Directors is to defray their travelling and other incidental costs for attending Board’s, Board committees’ and shareholders’ meetings.

The full details of attendance allowances paid to Non-Executive Directors during the financial period ended 30 September 2023 are further disclosed in Corporate Governance Overview Statement of this Annual Report.

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’ Chan Kong San (“Dato’ Chan”) and Datin Sri Lim Mooi Lang (“Datin Sri Lim”) being eligible, have offered themselves for re-election at this AGM pursuant to the above article.

Dato’ Chan 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.

Datin Sri Lim has demonstrated her 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’ Chan and Datin Sri Lim have undergone an annual assessment on their performance and contribution for the financial period ended 30 September 2023 by the Company’s Nomination and Remuneration Committee (“NRC”) and based on this assessment, the Board has recommended the re-election of Dato’ Chan and Datin Sri Lim. Both, Dato’ Chan and Datin Sri Lim have abstained from all deliberations and decisions on their respective eligibility to stand for re-election at the relevant NRC 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.

NOTICE OF 24TH ANNUAL GENERAL MEETING

Explanatory Notes (Cont'd)

5. Ordinary Resolutions 5 to 7 – 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.

Datuk Dr. Ras Adiba Mohd Radzi ("Datuk Dr. Ras Adiba"), Dr. Lim Zhao Qi ("Dr. Lim") and Mr. Lim Poh Seong ("Mr. Lim") were appointed as Independent Non-Executive Directors of the Company on 5 January 2024. Datuk Dr. Ras Adiba, Dr. Lim and Mr. Lim are standing for re-election at the 24th AGM and being eligible, have offered themselves for re-election as Directors of the Company pursuant to the above article.

6. Ordinary Resolution 8 – 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 30 September 2024. 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 8, if passed, will also give the Directors, the authority to determine the remuneration of the Auditors.

7. Ordinary Resolution 9 - Authority to Directors pursuant to Sections 75 and 76 of the Companies Act 2016 and waiver of Pre-Emptive Rights pursuant to the Companies Act 2016

The proposed Ordinary Resolution 9, if passed, will give the Directors of the Company, from the date of this AGM, the authority to issue and allot shares from the unissued shares of the Company of up to 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of issuance and for such purposes as the Directors may consider to be in the best interest of the Company without having to convene a general meeting. This authority, unless revoked or varied by the Company in general meeting will expire at the conclusion of the 25th 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.

The waiver of pre-emptive rights will allow the Directors to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

NOTICE OF 24TH ANNUAL GENERAL MEETING

Explanatory Notes (Cont'd)

7. Ordinary Resolution 9 - Authority to Directors pursuant to Sections 75 and 76 of the Companies Act 2016 and waiver of Pre-Emptive Rights pursuant to the Companies Act 2016 (Cont'd)

As at the date of this Notice, a total of 55,700,000 Placement Shares have been issued and allotted on 29 March 2023 and 11 May 2023 respectively pursuant to the mandate granted to the Directors at the 23rd AGM held on 28 September 2022 and which will lapse at the conclusion of the 24th AGM. The details of the 2 tranches are as follows:-

| No. | Date of allotment | Issue price per share (RM) | Total Number of Private Placement | Proceeds (RM) |
|--------------|--------------------------|-----------------------------------|--|----------------------|
| 1. | 29 March 2023 | 0.0600 | 25,000,000 | 1,500,000 |
| 2. | 11 May 2023 | 0.0550 | 30,700,000 | 1,688,500 |
| TOTAL | | | 55,700,000 | 3,188,500 |

For the details of the status of utilization of the proceeds, please refer to Additional Compliance Information of the Annual Report.

**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 24th 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 and waiver of Pre-Emptive Rights pursuant to the Companies Act 2016 are set out in Explanatory Note 7 of the Notice of AGM.

ADMINISTRATIVE GUIDE

VIRTUAL 24TH ANNUAL GENERAL MEETING OF SENTORIA GROUP BERHAD (“THE COMPANY”) (“24TH AGM”)

Date : **Friday, 29 March 2024**
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, |

HOUSE RULES

- The Board of Directors of the Company has decided to convene the 24th AGM of the Company via live streaming to save costs.

No shareholders are allowed to attend the Streaming or Chairman Location on the day of the Virtual 24th AGM.

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

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

REGISTRATION FOR THE VIRTUAL 24TH AGM

- Shareholders are required to register ahead of the virtual 24th 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 27 March 2024 (“**Cut-off date**”): -

REGISTRATION URL:

Shareholder’s E-Registration : bit.ly/Sentoria24thAGM_Shareholder



Proxy’s E-Registration : bit.ly/Sentoria24thAGM_Proxy



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 24TH AGM (CONT'D)

2. Following the verification, authenticated parties (shareholders and proxy holders) will receive an email from 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 28 March 2024, may contact us for assistance at the Hotline via WhatsApp Message to +60 11- 7287 7463 (Monday to Friday: from 9.00 a.m. to 5.00 p.m.) or at email address: investor@sentoria.com.my.

Notes:

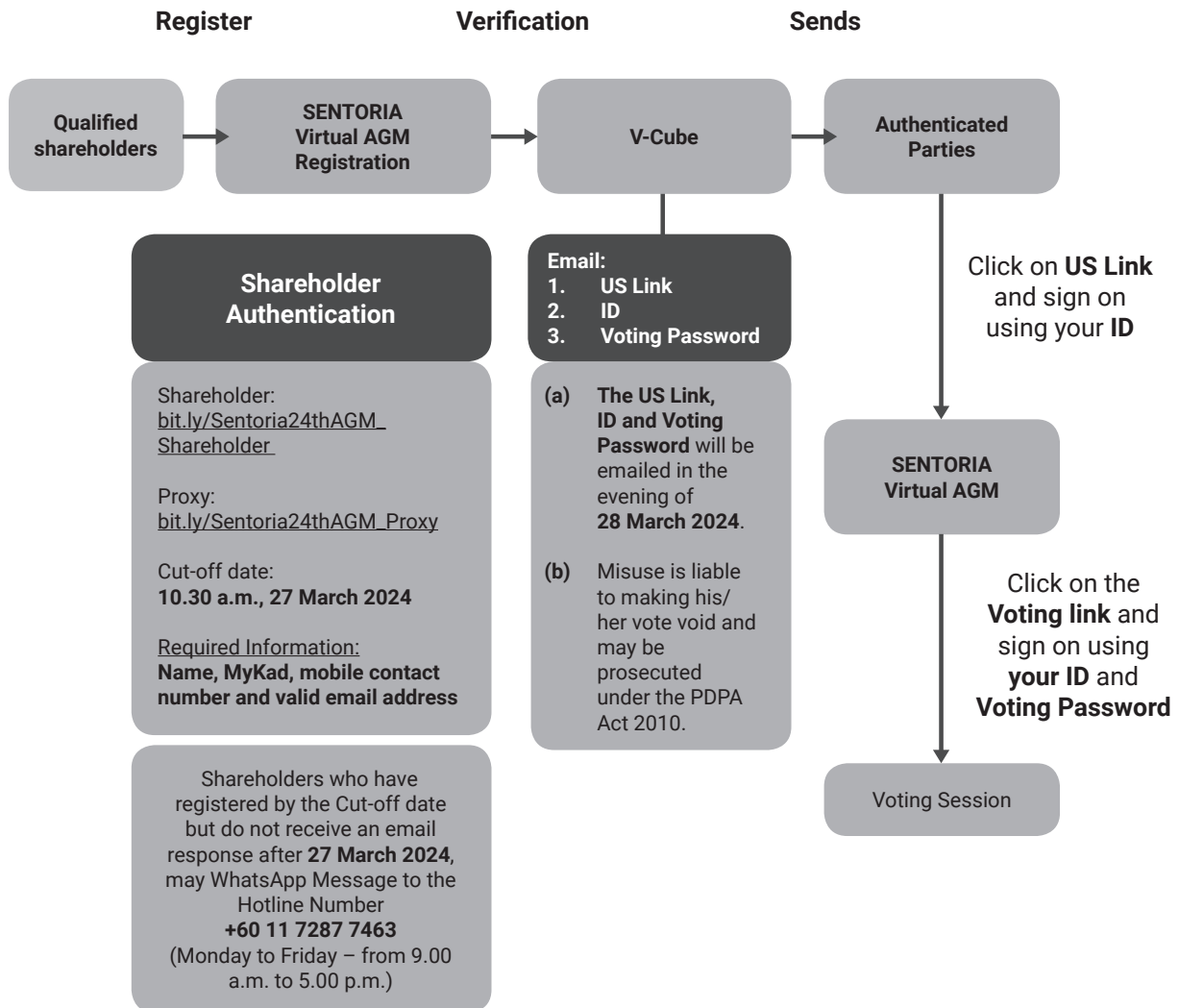
- (a) *Eligibility of participants will be verified against the General Meeting's Record of Depository as at 22 March 2024.*
- (b) *Participants must not forward **your ID, Voting Password or US Link** to any other persons. This will be in breach of terms of usage. This is also to avoid any technical 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 – 24TH VIRTUAL AGM OF SENTORIA GROUP BERHAD



Powered by V-Cube Malaysia

E-VOTING PROCEDURES:

- Click on the **Voting Link**, **enter your ID and your Voting password** which has been emailed to you.
- 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.
- 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 24TH 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 24th 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 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).

<https://icdm.com.my/membership/virtual-agm>

SENTORIA

Build a Better Tomorrow

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 below 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-Fourth 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 Friday, 29 March 2024 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 RM7,000 per month to the Non-Executive Chairman and RM6,000 per month to each of the Non-Executive Directors from the conclusion of the 24th Annual General Meeting until the conclusion of the 25th Annual General Meeting. | Ordinary Resolution 1 | | |
| 2. | To approve the payment of attendance allowances to the Non-Executive Directors from the conclusion of the 24th Annual General Meeting until the conclusion of the 25th 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' Chan Kong San as Director. | Ordinary Resolution 3 | | |
| 4. | To re-elect Datin Sri Lim Mooi Lang as Director. | Ordinary Resolution 4 | | |
| 5. | To re-elect Datuk Dr. Ras Adiba Binti Mohd Radzi as Director. | Ordinary Resolution 5 | | |
| 6. | To re-elect Dr. Lim Zhao Qi as Director. | Ordinary Resolution 6 | | |
| 7. | To re-elect Mr. Lim Poh Seong as Director. | Ordinary Resolution 7 | | |
| 8. | To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company. | Ordinary Resolution 8 | | |
| Special Business | | | | |
| 9. | To authorise the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 and waiver of Pre-Emptive Rights pursuant to the Companies Act 2016. | Ordinary Resolution 9 | | |

(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 _____, 2024

Signature

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

Notes:

- The 24th 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 24th AGM. Shareholders are advised to refer to the Administrative Guide.
- 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 22 March 2024** (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.
- 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.



Notes: (Cont'd)

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 bit.ly/Sentoria24thAGM_Proxy. 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
No. 6-2, Level 2, Plaza Crystalville II,
No. 6, Jalan 22B/70A, Desa Sri Hartamas,
50480 W.P. Kuala Lumpur, Malaysia.*
In the case of electronic appointment, the Form of Proxy must be lodged to the Company, by emailing to investor@sentoria.com.my or e-registered at bit.ly/Sentoria24thAGM_Proxy. 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 **Wednesday, 27 March 2024 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

Build a Better Tomorrow

SENTORIA GROUP BERHAD

Registration Number: 199801007217 (463344-K)

Poll Administrator of Sentoria Group Berhad
No. 6-2, Level 2, Plaza Crystalville II,
No. 6, Jalan 22B/70A, Desa Sri Hartamas,
50480 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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www.sentoria.com.my