

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, solicitor, accountant, bank manager or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused the sections pertaining to the Proposed Bonus Issue (as defined herein) and the Proposed Share Buy-Back (as defined herein) prior to the issuance of this Circular as it is prescribed as an Exempt Circular pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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SENTORIA GROUP BERHAD
(Company No.: 463344-K)
(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- I. **PROPOSED JOINT-VENTURE;**
- II. **PROPOSED DEVELOPMENT;**
- III. **PROPOSED BONUS ISSUE;**
- IV. **PROPOSED SHARE BUY-BACK;**
- V. **PROPOSED SHAREHOLDERS' RATIFICATION; AND**
- VI. **PROPOSED SHAREHOLDERS' MANDATE**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

OSK Investment Bank Berhad (14152-V)

(A member of RHB Banking Group)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("EGM") of Sentoria Group Berhad ("Sentoria" or the "Company") which is scheduled to be held at Arabian Ballroom 3, Bukit Gambang M.I.C.E Centre, Arabian Bay Resort, Bukit Gambang Resort City, 26300 Gambang, Pahang Darul Makmur on Friday, 29 March 2013 at 11.00 a.m., or immediately following the conclusion or adjournment of the Fourteenth Annual General Meeting ("AGM") of the Company which is scheduled to be held at the same venue and on the same date at 10.30 a.m., whichever is later, together with the Proxy Form are enclosed herein.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and to vote on his/ her behalf. In such event, the completed and signed Proxy Form must be lodged at the registered office of the Company at 56 & 58 (2nd Floor), Jalan Dagang SB 4/2, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan, not less than 48 hours before the time stipulated for holding the EGM, as indicated below. The lodging of the Proxy Form shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form ... : Wednesday, 27 March 2013 at 11.00 a.m.

Date and time of the EGM : Friday, 29 March 2013 at 11.00 a.m., or immediately following the conclusion or adjournment of the AGM, whichever is later

This Circular is dated 15 March 2013

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

- I. PROPOSED JOINT-VENTURE BETWEEN SENTORIA GROUP BERHAD ("SENTORIA" OR THE "COMPANY") AND SERIEMAS DEVELOPMENT SDN BERHAD ("SERIEMAS") IN CONNECTION WITH THE MIXED DEVELOPMENT ON A PARCEL OF LAND MEASURING APPROXIMATELY 204 ACRES OWNED BY SERIEMAS HELD UNDER THE MASTER TITLE NO. HS(D) 30726 PT 1082, MUKIM MORIB, DAERAH KUALA LANGAT, SELANGOR DARUL EHSAN ("MASTER TITLE") ("PROPOSED JOINT-VENTURE");**
- II. PROPOSED DEVELOPMENT OF A WATER THEME PARK, RESORT AND CONVENTION CENTRE, BOUTIQUE HOTEL AND SAFARI PARK (COLLECTIVELY, THE "COMPONENT(S)") BY SENTORIA ON THE REMAINING PARCEL OF FREEHOLD LAND MEASURING APPROXIMATELY 150 ACRES OWNED BY SERIEMAS HELD UNDER THE MASTER TITLE AND THE GRANTING OF THE CALL OPTIONS AND THE PUT OPTIONS BY SERIEMAS TO SENTORIA UNDER THE DEVELOPMENT RIGHTS AGREEMENT IN RESPECT OF THE FOUR (4) COMPONENTS, WHEREBY SENTORIA AND/ OR SERIEMAS SHALL HAVE THE RIGHT TO ENTER INTO FOUR (4) DIFFERENT SALE AND PURCHASE AGREEMENTS IN RESPECT OF THE FOUR (4) COMPONENTS ("PROPOSED DEVELOPMENT");**
- III. PROPOSED BONUS ISSUE OF 40,000,000 NEW ORDINARY SHARES OF RM0.20 EACH IN SENTORIA ("SENTORIA SHARE(S)" OR "SHARE(S)") ("BONUS SHARE(S)") TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TEN (10) EXISTING SENTORIA SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE");**
- IV. PROPOSED PURCHASE BY SENTORIA OF UP TO TEN PERCENT (10%) OF ITS ISSUED AND PAID-UP SHARE CAPITAL AT ANY POINT IN TIME ("PROPOSED SHARE BUY-BACK");**
- V. PROPOSED SHAREHOLDERS' RATIFICATION FOR THE RECURRENT RELATED PARTY TRANSACTION(S) ("RRPT(S)") OF A REVENUE OR TRADING NATURE ENTERED INTO BY SENTORIA AND ITS SUBSIDIARY COMPANIES FROM 23 FEBRUARY 2012, BEING THE DATE OF LISTING OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF SENTORIA ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD TO THE DATE OF THE FORTHCOMING EXTRAORDINARY GENERAL MEETING ("EGM") ("PROPOSED SHAREHOLDERS' RATIFICATION"); AND**
- VI. PROPOSED SHAREHOLDERS' MANDATE FOR THE RRPT(S) TO BE ENTERED INTO FROM THE DATE OF THE FORTHCOMING EGM TO THE NEXT ANNUAL GENERAL MEETING ("PROPOSED SHAREHOLDERS' MANDATE")**

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"Act"	: The Companies Act, 1965
"AGM"	: Annual General Meeting
"Board"	: The Board of Directors of Sentoria
"Bonus Share(s)"	: 40,000,000 new Sentoria Shares to be issued pursuant to the Proposed Bonus Issue
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	: Bursa Malaysia Securities Berhad
"Circular"	: This circular dated 15 March 2013
"Component(s)"	: A water theme park, resort and convention centre, boutique hotel and safari park (comprising of river and night safari)
"Dato' Chan"	: Dato' Chan Kong San
"Dato' Gan"	: Dato' Gan Kim Leong
"Development Land"	: Approximately 150 acres of freehold land held under the Master Title, earmarked for the development of the four (4) components, namely a water theme park, resort and convention centre, boutique hotel and safari park (comprising of river and night safari) pursuant to the Proposed Development
"Director(s)"	: The director(s) of Sentoria and shall have the meaning given in Section 4 of the Act and Paragraph 10.02(c) of the Listing Requirements
"DRA"	: Development rights agreement dated 31 December 2012 entered into between Sentoria and Seriemas in relation to the Proposed Development
"DRA SPA(s)"	: The sale and purchase agreements to be entered into between Seriemas and Sentoria pursuant to the exercise of the call options and/ or put options, if any, granted under the DRA in respect of the four (4) components, namely a water theme park, resort and convention centre, boutique hotel and safari park (comprising of river and night safari)
"EGM"	: Extraordinary General Meeting
"Entitlement Date"	: The date as at the close of business (to be determined and announced later by the Board) on which shareholders of Sentoria must be registered as a member and whose names appear in the Record of Depositors in order to participate in the Proposed Bonus Issue
"EPS"	: Earnings per Share
"FPE"	: Financial period ended
"FYE"	: Financial year ended/ ending

DEFINITIONS (CONT'D)

"JVA"	:	Joint venture agreement dated 31 December 2012 entered into between Sentoria and Seriemas in relation to the Proposed Joint-Venture
"JV Land"	:	Approximately 204 acres of freehold land held under the Master Title, earmarked for a mixed development of commercial and residential units pursuant to the Proposed Joint-Venture
"Land"	:	The JV Land and the Development Land, collectively
"Listing Date"	:	23 February 2012, being the date of listing of the entire issued and paid-up share capital of Sentoria on the Main Market of Bursa Securities
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	28 February 2013, being the latest practicable date prior to the printing and despatch of this Circular
"Market Day(s)"	:	Any day between Monday to Friday (inclusive), excluding public holidays, on which Bursa Securities is open for trading of securities
"Master Title"	:	Approximately 354 acres of freehold land held under the master title no. HS(D) 30726, PT 1082, Mukim of Morib, District of Kuala Langat, State of Selangor Darul Ehsan
"NA"	:	Net assets
"OSK" or the "Adviser"	:	OSK Investment Bank Berhad
"Proposals"	:	The Proposed Joint-Venture, the Proposed Development, the Proposed Bonus Issue, the Proposed Share Buy-Back, the Proposed Shareholders' Ratification and the Proposed Shareholders' Mandate, collectively
"Proposed Issue"	Bonus	: The proposed bonus issue of 40,000,000 Bonus Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every ten (10) existing Sentoria Shares held on the Entitlement Date
"Proposed Development"	:	The proposed development of a water theme park, resort and convention centre, boutique hotel and safari park (comprising of river and night safari) by Sentoria on the Development Land and the granting of the call options and the put options by Seriemas to Sentoria under the DRA in respect of the four (4) components, namely a water theme park, resort and convention centre, boutique hotel and safari park (comprising of river and night safari), whereby Sentoria and/ or Seriemas shall have the right to enter into four (4) different DRA SPAs in respect of the four (4) Components pursuant to the DRA
"Proposed Venture"	Joint-	: The proposed joint-venture between Sentoria and Seriemas in connection with the mixed development of commercial and residential units on the JV Land pursuant to the JVA
"Proposed Share Buy-Back"	:	The proposed purchase by Sentoria of up to ten percent (10%) of its issued and paid-up share capital at any point in time
"Proposed Shareholders' Mandate "	:	The proposed shareholders' mandate for the RRPT(s) to be entered into from the date of the forthcoming EGM to the next AGM

DEFINITIONS (CONT'D)

"Proposed Shareholders' Ratification"	:	The proposed shareholders' ratification for the RRPT(s) of a revenue or trading nature entered into by Sentoria Group from the Listing Date to the date of the forthcoming AGM
"Purchased Share(s)"	:	Shares purchased by Sentoria pursuant to the Proposed Share Buy-Back
"Rahim & Co" or the "Valuer"	:	Rahim & Co (Sel) Sdn Bhd, a firm of independent registered valuer
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
"RRPT(s)"	:	Recurrent related party transaction(s)
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"SASB"	:	Sentoria Alam Sdn Bhd, a wholly-owned subsidiary company of Sentoria
"Sentoria" or the "Company"	:	Sentoria Group Berhad
"Sentoria Alfa"	:	Sentoria Alfa Sdn Bhd, a 70%-owned subsidiary company of Sentoria
"Sentoria Capital"	:	Sentoria Capital Sdn Bhd, the holding company of Sentoria
"Sentoria Group" or the "Group"	:	Sentoria and its subsidiary companies, collectively
"Sentoria Share(s)" or "Share(s)"	:	Ordinary share(s) of RM0.20 each in Sentoria
"Seriemas"	:	Seriemas Development Sdn Berhad
"SHSB"	:	Sentoria Harta Sdn Bhd, a wholly-owned subsidiary company of Sentoria
"WAMP"	:	Weighted average market price

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified. All references to you in this Circular are to the shareholders of the Company.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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SENTORIA GROUP BERHAD
(Company No.: 463344-K)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

56 & 58 (2nd Floor)
Jalan Dagang SB 4/2
Taman Sungai Besi Indah
43300 Seri Kembangan
Selangor Darul Ehsan

15 March 2013

Board of Directors

Aznam Bin Mansor (*Independent Non-Executive Chairman*)
Dato' Chan Kong San (*Joint Managing Director*)
Dato' Gan Kim Leong (*Joint Managing Director*)
Lee Chaing Huat (*Independent Non-Executive Director*)
Chung Wai Choong (*Independent Non-Executive Director*)
Wong Yoke Nyen (*Independent Non-Executive Director*)

To: The Shareholders of Sentoria Group Berhad

Dear Sir/ Madam,

- I. **PROPOSED JOINT-VENTURE;**
- II. **PROPOSED DEVELOPMENT;**
- III. **PROPOSED BONUS ISSUE;**
- IV. **PROPOSED SHARE BUY-BACK;**
- V. **PROPOSED SHAREHOLDERS' RATIFICATION; AND**
- VI. **PROPOSED SHAREHOLDERS' MANDATE**

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

1. INTRODUCTION

On 31 December 2012, the Board had announced that Sentoria has entered into the following agreements with Seriemas:-

- i. A joint venture agreement to jointly undertake the development of 204 acres of land held under the Master Title into a mixed development of commercial and residential units; and

- ii. A development rights agreement for the development by Sentoria of the remaining 150 acres of land held under the Master Title, into the four (4) components namely, a water theme park, resort and convention centre, boutique hotel and safari park (comprising of river and night safari) and thereafter the sale of each Component by Seriemas to Sentoria individually and separately under four (4) different DRA SPAs pursuant to the call options and the put options granted under the DRA in respect of the four (4) Components.

On 25 January 2013, OSK had, on behalf of the Board, announced the following proposals:-

- i. Proposed bonus issue of 40,000,000 Bonus Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every ten (10) existing Sentoria Shares held on the Entitlement Date;
- ii. Proposed purchase by Sentoria of up to ten percent (10%) of its issued and paid-up share capital at any point in time;
- iii. Proposed shareholders' ratification for the RRPT(s) of a revenue or trading nature entered into by Sentoria Group from the Listing Date to the date of an EGM to be convened; and
- iv. Proposed shareholders' mandate for the RRPT(s) to be entered into from the date of the EGM to be convened to the next AGM.

Bursa Securities has vide its letter dated 19 February 2013 granted the Company an extension of time from the Listing Date to the next AGM or EGM, whichever is earlier, to obtain its shareholders' ratification for RRPT(s) entered into by the Group.

On 14 March 2013, OSK had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 13 March 2013, granted its approval for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF SENTORIA WITH THE RELEVANT INFORMATION ON THE PROPOSALS AS WELL AS TO SEEK THE APPROVAL FROM THE SHAREHOLDERS OF SENTORIA FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

SHAREHOLDERS OF SENTORIA ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Joint-Venture

Sentoria and Seriemas have entered into a conditional JVA for the undertaking of a mixed development of commercial and residential units on the JV Land, which shall be developed in accordance with the JVA. Further details of the Proposed Joint-Venture are set out in the ensuing sub-sections.

For the avoidance of doubt, there will be no joint-venture company to be incorporated for the purposes of the Proposed Joint-Venture.

2.1.1 Information on the JV Land

The JV Land measuring approximately 204 acres, which forms a parcel of the Land measuring approximately 143.4 hectares (354.349 acres), is earmarked for the mixed development of commercial and residential units pursuant to the Proposed Joint-Venture, further details of which are set out in Section 2.1.2 below.

The JV Land, together with the Development Land, owned by Seriemas is held under the Master Title identified as HS(D) 30726, PT 1082, Mukim of Morib, District of Kuala Langat, State of Selangor. The JV Land is of freehold agriculture status, free from encumbrances and is situated near the beach of Morib at the south-west of Selangor Darul Ehsan. It is also close in proximity to Pulau Carey, Banting, Port Dickson and Kota Seri Langat. The application for the conversion of the agriculture status of the JV Land to building status shall only be submitted to the state authority upon procuring Sentoria's shareholders' approval for the Proposed Joint-Venture at the forthcoming EGM.

The JV Land is also easily accessible from Kuala Lumpur via a network of highways such as the KESAS Highway, the South Klang Valley Expressway, the North-South Expressway and the Maju Expressway. In addition, the JV Land is located approximately 75 kilometres away from Kuala Lumpur City Centre, 45 kilometres from Putrajaya and 40 kilometres from the Kuala Lumpur International Airport.

The JV Land shall be developed by Sentoria in accordance with the agreed development plan, which may be varied subject to agreement and finalisation between the parties.

Sentoria is not privy to the information on Seriemas' net book value for the JV Land.

2.1.2 Information on the development in relation to the Proposed Joint-Venture

The Land is intended for a mixed development comprising different phases of development of residential, commercial, recreational and urban amenities to form an integrated resort city to be named as "Morib Beach Resort City".

The Proposed Joint-Venture on the JV Land, shall include residential components which consist of themed bungalows and condominium units with central club house facilities, all of which are connected with a river cruise to the theme parks and commercial centre comprising of commercial retail lots. The designs shall capitalise on the natural terrain with minimum infrastructure cost where lakes and major landscaping works are adopted to create a natural environment and quality lifestyle. Further details of the Proposed Joint-Venture are set out below:-

Components	Size acres	No. of units	Built-up area square feet	Main features
a) bungalow units	114	750	Ranges from 2,000 to 3,200	bungalow units with designs based on themes
b) condominium units	60	2,400	Ranges from 1,200 to 1,800	condominium with designs based on themes

Components	Size acres	No. of units	Built-up area square feet	Main features
c) commercial retail lots	30	240	24 x 75	international retail brands would be planned as a shopping paradise and to cater for the daily needs of the locals and tourists

The applications to the approving authorities, mainly the local municipal council and Land Office, shall only be submitted upon procuring Sentoria's shareholders' approvals for the Proposed Joint-Venture at the forthcoming EGM.

The estimated project cost (which is to be fully borne by Sentoria), expected sales/ revenue and expected gross profit of the Proposed Joint-Venture in accordance with the development plan agreed between Sentoria and Seriemas, which may be varied subject to agreement and finalisation between the parties, are set out below:-

	Estimated project cost	Expected sales/ revenue	Expected gross profit
Proposed Joint-Venture	RM1,140 million ^{*1}	RM1,585 million ^{*2}	RM445 million ^{*3}

Notes:-

^{*1} *Mainly derived based on the land premium costs, infrastructure costs, construction costs, professional fees and other expenses such as finance charges and sales and marketing expenses*

^{*2} *Based on the expected selling price per unit and the planned number of units to be constructed for sale, which is 750 bungalow units, 2,400 condominium units and 240 commercial retail units*

^{*3} *Based on the expected sales/ revenue less the estimated project cost*

The expected sales/ revenue above is derived after taking into consideration the following:-

- i. the future prospects of the Proposed Joint-Venture, including the number of units that may be constructed on the JV Land and expected sales price of the said units, coupled with the support of the attractions from the Proposed Development under the four (4) Components for the Development Land;
- ii. the estimated gross profit and cashflow required to be achieved by Sentoria Group and Seriemas to ensure the viability of the project under the Proposed Joint-Venture; and
- iii. no capital outlay is required by Sentoria for the Land cost, which will enable Sentoria to record higher profits. Meanwhile, as a return to Seriemas for supplying the Land, Seriemas shall benefit from the revenue shared between Sentoria and Seriemas for the Proposed Joint-Venture based on the revenue sharing ratio and minimum revenue guarantee, further details as set out in Sections 2.1.4 (i) and (ii) of this Circular.

2.1.3 Information on Seriemas

Seriemas is a private limited company incorporated in Malaysia under the Act with its registered office at Level 4, Balai PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan and its business address at No. 1, Persiaran Impian Perdana, Saujana Impian, 43000 Kajang, Selangor Darul Ehsan. The principal activity of Seriemas involves property development and Seriemas is the registered owner of the Land.

The authorised share capital of Seriemas is RM8,000,000 comprising 8,000,000 ordinary shares of RM1.00 each and its issued and paid-up share capital is RM2,500,000 comprising 2,500,000 ordinary shares of RM1.00 each.

As at the LPD, Seriemas is a 60%-owned subsidiary company of PNB Development Sdn Berhad and the remaining balance of 40% is owned by Sime Darby Berhad. As at the LPD, the directors of Seriemas are Tan Sri Dato' Mohd. Zuki Bin Haji Kamaluddin, Dato' Hj. Mohd Fauzi Bin Yusuf @ Mohd Yusof, Cheng Kee Check, Mohd Salem Bin Kailany, Ho Ee Lay and Rozman Bin Musa.

The latest audited revenue and profit after taxation of Seriemas for the FYE 31 December 2011 is RM45.43 million and RM26.93 million, respectively.

2.1.4 Salient terms of the JVA

- i. Sentoria and Seriemas, have agreed to carry out the Proposed Joint-Venture on the JV Land on the basis that all sales revenue received by Sentoria in respect of the sale or disposal of the units to external purchasers shall be shared between Sentoria and Seriemas. The revenue sharing ratio between Sentoria and Seriemas is set out below:-

Sales revenue	<--Revenue sharing ratio-->	
	Seriemas' percentage	Sentoria's percentage
Up to RM1.0 billion	10%	90%
Above RM1.0 billion and up to RM1.58 billion	12%	88%
Above RM1.58 billion	15%	85%

The aforementioned arrangement has been based on negotiation on a willing-buyer willing-seller basis after taking into consideration the following:-

- a) the maximum share of sales revenue of 15% agreed to be paid by Sentoria to Seriemas is to ensure the viability of the project based on the profitability required by Sentoria under the Proposed Joint-Venture;
- b) as set out in the table above, the progressive increase in percentage of sharing of sales revenue payable to Seriemas by the range of sales revenue enables Sentoria to maintain a higher percentage of sales and profitability during the early stages of the Proposed Joint-Venture and/ or in the event the sales revenue is at the lower range; and

- c) no capital outlay is required by Sentoria for the Land cost, which will enable Sentoria to record higher profits. Meanwhile, as a return to Seriemas for supplying the Land, Seriemas shall benefit from the revenue shared between Sentoria and Seriemas for the Proposed Joint-Venture based on the revenue sharing ratio above and the minimum revenue guarantee as set out in Section 2.1.4 (ii) below.

Further details on the basis and justification of deriving the expected sales/ revenue is set out in Section 2.1.2 of this Circular.

In addition, Sentoria also guarantees payment to Seriemas of a total minimum sales revenue from the project of RM75.0 million to be paid annually on a staggered basis over the duration of the JVA of ten (10) years, unless extended by Sentoria and Seriemas ("Minimum Revenue Guarantee"). For the avoidance of doubt, the Minimum Revenue Guarantee is not in addition to the revenue sharing ratio table above. However, the aforesaid amount is the minimum amount to be paid to Seriemas in the event that Seriemas' share of the sales revenue falls below RM75.0 million. The amount of RM75.0 million is determined based on negotiation on a willing-buyer willing-seller basis after taking into consideration that Sentoria will not be incurring any Land acquisition costs while Seriemas will be the party supplying the Land.

- ii. The payment of the Minimum Revenue Guarantee shall be made by Sentoria to Seriemas annually based on the payment schedule as set out below:-

Year	Yearly RM' million	Cumulative RM' million
1 and 2	0	0
3	5	5
4	5	10
5	10	20
6	10	30
7	10	40
8	10	50
9	10	60
10	15	75

The above staggered arrangement is derived based on the timing of the project construction and launches, which will be by phases over a period of ten (10) years, as well as to ensure that Seriemas is entitled to receive income every year in return for supplying the Land.

There is no provision in the JVA which imposes any interest charges in the event of delay in payments of the above by Sentoria to Seriemas. However, in the event of default in payment by Sentoria to Seriemas, the rights and remedies of Seriemas granted under the JVA includes, amongst others, the following remedies:-

- a) Remedy of specific performance of the JVA against Sentoria, damages and/ or monetary compensation for all losses suffered and/ or expenses incurred and all other reliefs flowing therefrom; and

- b) Damages and/ or monetary compensation for all losses suffered and/ or expenses incurred by Seriemas on account of the default.
- iii. In consideration of Sentoria agreeing to develop the JV Land **at its own costs and expense** in accordance with the agreed development plan as provided in the JVA, Seriemas shall provide and make available the JV Land for the project and appoint Sentoria to undertake, execute and complete the project.
- iv. All losses in respect of the project, including to the disposal or the sales of the units shall be solely borne by Sentoria.
- v. Sentoria undertakes, covenants and agrees that it shall obtain all approvals and/ or consents in respect of the project within two (2) years from the date of the execution of the JVA.
- vi. Sentoria undertakes that it shall complete the project including the sales of all units within ten (10) years from the date of the JVA subject to an extension of two (2) years, if required by Sentoria and approved by Seriemas or such other period as mutually agreed by Sentoria and Seriemas.

2.1.5 Source of funding

Sentoria intends to fund the estimated project cost amounting to RM1,140 million for the Proposed Joint-Venture as set out in Section 2.1.2 of this Circular, via internally generated funds and/ or external bank borrowings for which the detailed composition can only be determined at a later stage depending on the cost of funding and cash requirements of its business operations.

Notwithstanding the above, Sentoria shall use its best endeavours to optimise the funding mix for the Proposed Joint-Venture to minimise the interest cost and gearing of the Group.

2.1.6 Liabilities to be assumed

Save for the obligations and liabilities in and arising from, pursuant to or in connection with the JVA, there are no liabilities including contingent liabilities and guarantees to be assumed by Sentoria arising from the Proposed Joint-Venture.

2.2 Proposed Development

In consideration of the payment of a sum of RM2.25 million by Sentoria for the granting of the exclusive development rights by Seriemas to Sentoria, Sentoria and Seriemas had entered into a conditional DRA, whereby Sentoria shall undertake the development of the four (4) Components on the Development Land. The said sum of RM2.25 million was derived based on 10% of the total purchase consideration of RM22.50 million, which comprise of the granting of the exclusive development rights and purchase consideration of all four (4) Components, details of which are set out in Section 2.2.4 of this Circular.

The DRA also involves the granting of the call options and the put options by Seriemas to Sentoria in respect of each of the four (4) Components, whereby Sentoria and/ or Seriemas shall have the right to enter into four (4) different DRA SPAs on an "as is where is" basis, in accordance with the terms and conditions as set out in Sections 2.2.3 (ii) and 2.2.3 (iii) of this Circular.

Further details of the Proposed Development are set out in the ensuing sub-sections.

2.2.1 Information on the Development Land

The Development Land measuring approximately 150 acres, which forms the remaining parcel of the Land measuring approximately 143.4 hectares (354.349 acres), is earmarked for the development of the four (4) Components pursuant to the Proposed Development, further details of which are set out in Section 2.2.2 below.

The Development Land, together with the JV Land, owned by Seriemas is held under the Master Title identified as HS(D) 30726, PT 1082, Mukim of Morib, District of Kuala Langat, State of Selangor. The Development Land is of freehold agriculture status, free from encumbrances and is situated near the beach of Morib at the south-west of Selangor Darul Ehsan. It is also close in proximity to Pulau Carey, Banting, Port Dickson and Kota Seri Langat. The application for the conversion of the agriculture status of the Development Land to building status shall only be submitted to the state authority upon procuring Sentoria's shareholders' approval for the Proposed Development at the forthcoming EGM.

The Development Land is also easily accessible from Kuala Lumpur via a network of highways such as the KESAS Highway, the South Klang Valley Expressway, the North-South Expressway and the Maju Expressway. In addition, the Development Land is located approximately 75 kilometres away from Kuala Lumpur City Centre, 45 kilometres from Putrajaya and 40 kilometres from the Kuala Lumpur International Airport.

The Development Land shall be developed by Sentoria in accordance with the agreed development plan, which may be varied subject to agreement and finalisation between the parties.

Sentoria is not privy to the information on Seriemas' net book value for the Development Land.

2.2.2 Information on the development in relation to the Proposed Development

The Land is intended for a mixed development comprising different phases of development of residential, commercial, recreational and urban amenities to form an integrated resort city to be named as "Morib Beach Resort City".

The Proposed Development on the Development Land, shall include the following four (4) Components with the respective sizes and main features as set out below:-

Component	Size	Main features
a) a themed water theme park	22 acres	<ul style="list-style-type: none"> ▪ minimum of 20 features/ attractions
b) a resort and convention centre	38 acres	<ul style="list-style-type: none"> ▪ approximately 1,200 resort suites ▪ exhibition facilities (100 booths)/ banquet hall (2,000 pax) ▪ seminar rooms/ meeting rooms (2,000 pax)

Component	Size	Main features
		<ul style="list-style-type: none"> ▪ business center ▪ food and beverage outlets ▪ auditorium/ plenary hall ▪ interactive lobby ▪ service amenities ▪ active academy which promotes outdoor recreational and team building activities
c) a boutique hotel	12 acres	<ul style="list-style-type: none"> ▪ approximately 200 rooms ▪ wellness outlets
d) safari park	78 acres	<ul style="list-style-type: none"> ▪ comprising river safari (40 acres) and night safari (30 acres) ▪ minimum of 100 species ▪ animal habitation and rehabilitation facilities ▪ acts as a mode of transportation

Further details such as the built-up area sizes and the number of buildings for each of the Component are not available at this juncture as the Proposed Development is still at a preliminary stage.

The applications to the approving authorities, mainly the local municipal council and Land Office, shall only be submitted upon procuring Sentoria's shareholders' approvals for the Proposed Development at the forthcoming EGM.

The estimated project cost (which is to be fully borne by Sentoria), expected sales/ revenue and expected gross profit of the Proposed Development are set out below:-

	Estimated project cost	Expected sales/ revenue	Expected gross profit
Proposed Development	RM170 million ^{*1}	N/A ^{*2}	N/A ^{*2}

Notes:-

^{*1} *Estimated investment cost is based on cost experience from water theme park and the proposed jungle and night safari development in Bukit Gambang Resort City by the Group. The Proposed Development shall be the main attraction for the Proposed Joint-Venture and Sentoria is thereafter expected to maintain the four (4) Components, the maintenance cost of which is to be fully borne by Sentoria*

^{*2} *The expected sales/ revenue and the expected gross profit to be derived from the Proposed Development have not been projected at this juncture as the Proposed Development is still at a preliminary stage.*

Further, the expected sales/ revenue and the expected gross profit for the Proposed Development has not been based on Bukit Gambang Resort City's historical revenue and profits as the number of visitors to Bukit Gambang Resort City and the number of visitors to the Proposed Development may vary in view that they are both located at different states in Malaysia while both projects may have different attractions and different land sizes.

For the avoidance of doubt, the expected sales/ revenue to be derived from the Proposed Development will accrue entirely to Sentoria and there will be no profit sharing with Seriemas

2.2.3 Salient terms of the DRA

- i. Sentoria, at its own costs and expense, will develop the Development Land comprising the four (4) Components, namely:-
 - a) Water theme park;

- b) Resort and convention centre;
- c) Boutique hotel; and
- d) Safari park.

Further details on the Components above are set out in Section 2.2.2 of this Circular.

ii. The DRA also involves the granting of the call options and/ or put options by Sentoria and Seriemas as set out below:-

- a) In consideration of the payment of RM10.00 for the grant of options, Seriemas agrees to grant four (4) call options to Sentoria in respect of each of the four (4) Components. The call option shall only be exercisable by Sentoria strictly upon completion of 50% of the development and construction works in respect of each of the four (4) Components as outlined in the agreed development plan stipulated in the DRA. When the call option is exercised, Sentoria shall have the option and/ or right to require Seriemas to sell each of the four (4) Components under the Development Land to Sentoria subject to the entering of the four (4) different DRA SPA(s) by Sentoria and Seriemas;
- b) In consideration of the payment of RM10.00 for the grant of options, Sentoria agrees to grant four (4) put options to Seriemas in respect of each of the four (4) Components. The put option shall be exercisable by Seriemas at any time upon Sentoria obtaining all approvals and/ or consents in respect of the project under the DRA and/ or in respect of each Component thereof, including but not limited to the layout plan approval, subdivision approval, land use approval, building plan approval and all other requisite consents, including but not limited to, orders, permissions, permits, approvals, licenses, certificates and permits in legally effectual form for the Proposed Development and/ or each Component; or the expiry of two (2) years from the date of execution of the DRA, whichever is earlier. (For the avoidance of doubt, the applications to the approving authorities shall only be submitted upon procuring Sentoria's shareholders' approvals for the Proposed Development at the forthcoming EGM). When the put option is exercised, Seriemas shall have the option and/ or right to require Sentoria to purchase each of the four (4) Components under the Development Land from Seriemas subject to the entering of the four (4) different DRA SPA(s) by Sentoria and Seriemas; and
- c) The completion of the sale, purchase and transfer of each of the four (4) Components under the Development Land comprised in the call options and/ or put options, shall take place in accordance with the procedures and time-period stipulated under the relevant DRA SPA(s).

As set out above, the call options may only be exercised by Sentoria strictly upon completion of 50% of the development and construction works in respect of each of the four (4) Components. On the other hand, the put options may only be exercised by Seriemas at any time upon Sentoria obtaining all approvals and/ or consents in respect of the project under the DRA and/ or in respect of each Component.

In this respect, the granting of the call and put options shall provide assurance to a certain extent to Seriemas that the development on the Development Land will be implemented according to the agreed development plan as stipulated in the DRA, which may be varied subject to agreement and finalisation between the parties. As the Proposed Development is envisaged to support the Proposed Joint-Venture via the development of the four (4) Components as the main attractions, Seriemas may be assured of its entitlements to its share of sales revenue to be derived from the Proposed Joint-Venture as set out in Section 2.1.4 (i) and (ii) of this Circular.

- iii. In respect of the four (4) Components comprised in the call options and/ or put options, Sentoria and/ or Seriemas shall have the right to enter into four (4) different DRA SPAs in agreed form upon execution. The process of splitting into four (4) different DRA SPAs accommodates the four (4) options that can be exercised in respect of any of the four (4) Components, which may be exercised at different points in time subject to Section 2.2.3 (ii) above. Further, this will also, from an administrative perspective, facilitate future development of and dealings with each of the four (4) Components. The salient terms and conditions of the DRA SPAs are as set out below:-
- a) In consideration of the deposit to be paid by Sentoria to Seriemas upon the execution of the DRA SPA for the relevant Component for which an option shall be exercised, Seriemas agrees to sell and Sentoria agrees to purchase the relevant Component free from encumbrance, subject nevertheless to the terms, conditions and restrictions, if any, express or implied, in the document of title to the relevant Component, and to the conditions or restrictions as may be imposed by the appropriate authority in respect of the works at the relevant purchase price and upon the terms and subject to the conditions therein contained;
 - b) Sentoria shall immediately upon the execution of the DRA SPA pay a deposit amounting to ten percent (10%) of the purchase price for the relevant Component for which an option shall be exercised to Seriemas, being the deposit which forms part payment of the purchase price. The deposit is refundable if the DRA SPA is terminated by virtue of Seriemas being in breach of the terms of the DRA SPA but is forfeitable in the event that the DRA SPA is terminated by virtue of Sentoria being in breach of the terms of the DRA SPA. Sentoria shall pay to Seriemas the balance purchase price on or before the expiry of three (3) months from the date of the DRA SPA;
 - c) If:-
 - aa) Sentoria defaults in complying with the terms and conditions under the DRA SPA and/ or the DRA; or

- bb) the certificate of completion and compliance issued by the project architect and approved by the appropriate authority in respect of the work ("Certificate of Completion and Compliance") is not issued on or before the expiry of the time period for completion of the said work; or
- cc) any other events stipulated under the relevant clause of the DRA has occurred;

then without prejudice to any other rights or remedies available to Seriemas under the DRA SPA or at law or in equity, Seriemas shall be entitled at the costs and expense of Sentoria, including Seriemas's solicitors fees incurred on a solicitor and client basis, to any of the following:-

- aa) the remedy of specific performance^{*1} of the DRA SPA; or
- bb) annul the sale of the relevant Component and forthwith terminate the DRA SPA; or
- cc) to enforce such other rights and remedies available to Seriemas under the terms of the DRA SPA, the DRA and by law;

Note:-

^{*1} *Refers to the right of a party to seek an order of a court requiring a party to perform a specific act under a contract as an alternative to an award of damages for breach of contract*

- d) If Seriemas wilfully refuse to complete the sale of the relevant Component to Sentoria or if Seriemas commits material breaches of the terms and condition of the DRA SPA and the same cannot be remedied by Seriemas, Sentoria shall be entitled to terminate the DRA SPA by notice in writing to Seriemas;
- e) In the event that the transfer of the relevant Component shall be rejected by the appropriate authority for registration for any reason whatsoever due to no fault of either or both parties hereto and the same cannot be rectified or remedied by either party, then either party shall be at liberty to terminate the DRA SPA;
- f) Notwithstanding that Sentoria may have paid the purchase price in full, Sentoria agrees that it shall not, until the issuance of the Certificate of Completion and Compliance, under any guise or pretext whatsoever sell, transfer, assign, lease, let, license, grant easements or any other rights whatsoever or in any way dispose of the relevant Component or any part thereof or transfer or assign all or any of the rights, duties, obligations or interests of Sentoria under the DRA SPA or subject the relevant Component or part thereof to any other encumbrances or part possession of the same or allow any other person or persons, firm or corporation to enter upon the relevant Component without the prior written consent of Seriemas first had and obtained;

- g) Sentoria agrees and undertakes with Seriemas that in the event after the issuance of the Certificate of Completion and Compliance or after the consent of Seriemas has been obtained, Sentoria at any time thereafter, wishes to sell the Component to a third party(ies), Sentoria shall, prior to offering to sell the relevant Component to such said third party(ies), offer to sell the relevant Component to Seriemas in accordance with the terms and procedure stipulated in the DRA.
- iv. Sentoria undertakes to complete the construction of each of the four (4) Components within five (5) years from the date of the execution of the DRA. The time period stipulated in respect of each Component below (or any extension as mutually agreed by Sentoria and Seriemas) commences from the date of issuance of building plan approval for the respective Component:-
- | Components | Period to completion |
|------------------------------|-------------------------|
| Water theme park | 24 months |
| Resort and convention centre | 36 months |
| Boutique hotel | 36 months |
| Safari park | 36 months ^{*1} |
- Note:-**
- ^{*} *Being three (3) years from the date of issuance of the building plan approval for the safari park or the building plan approval for the water theme park, whichever is earlier*
- v. Sentoria undertakes, covenants and agrees that it shall obtain all approvals and/ or consents in respect of the project and/ or in respect of each Component within two (2) years from the date of the execution of the DRA.

2.2.4 Purchase consideration

The total purchase consideration of the four (4) Components under the Development Land comprises a payment sum for the development rights amounting to RM2.25 million as well as the amount payable for the four (4) Components comprised in the call options and/ or put options, which shall be exercisable by Sentoria and/ or Seriemas in accordance with the terms and conditions as set out in Section 2.2.3(ii) above.

Assuming all the above-mentioned call options and/ or put options are exercised, the total purchase consideration shall be as follows:-

Breakdown	Size acres	Total purchase consideration RM' million
Payment for development rights	-	2.25
Components:-		
Water theme park	22	2.97
Resort and convention centre	38	5.13
Boutique hotel	12	1.62
Safari park	78	10.53
Total	150	22.50

The breakdown of the purchase consideration of the respective Components is based on the proportion of the land size to the total purchase consideration for all four (4) Components (excluding the payment of development rights) of RM20.25 million.

The purchase consideration of RM22.50 million was determined based on a willing-buyer willing-seller basis after taking into consideration the valuation of the Development Land by Rahim & Co of RM23.00 million using the comparison method of valuation as at 24 December 2012 as set out in the valuation report prepared by Rahim & Co dated 16 January 2013.

The said market value of the Development Land as appraised by Rahim & Co was based on an "as is" basis, i.e. as a parcel of agricultural land zoned for residential use. The salient terms of the DRA is set out in Section 2.2.3 of this Circular, in particular the terms of payment is elaborated in Section 2.2.3(ii) of this Circular and the amount to be paid for each Component is set out in the table above.

As set out in the abovementioned sections, the call option may only be exercised by Sentoria strictly upon completion of 50% of the development and construction works in respect of each of the four (4) Components. On the other hand, the put options may only be exercised by Seriemas at any time upon Sentoria obtaining all approvals and/ or consents in respect of the project under the DRA and/ or in respect of each Component. It should be noted that Rahim & Co has not taken into consideration the deferred terms of payment relating to the four (4) call and put options granted under each of the four (4) Components as set out in Section 2.2.3 (ii) of this Circular, in assessing the said market value.

In addition, the total purchase consideration of RM22.50 million represents a discount of approximately RM0.50 million or 2.17% to the value of the Development Land appraised by Rahim & Co, of RM23.00 million.

2.2.5 Source of funding

Sentoria intends to fund the estimated project cost amounting to RM170 million for the Proposed Development as set out in Section 2.2.2 of this Circular, via internally generated funds and/ or external bank borrowings for which the detailed composition can only be determined at a later stage depending on the cost of funding and cash requirements of its business operations.

Further thereto and in the event the call options and the put options are exercised in accordance with the DRA, Sentoria intends to fund the purchase consideration amounting up to RM22.50 million as set out in Section 2.2.4 above, via internally generated funds and/ or external bank borrowings.

Notwithstanding the above, Sentoria shall use its best endeavours to optimise the funding mix for the Proposed Development as well as the call options and the put options upon exercise, if any, to minimise the interest cost and gearing of the Group.

2.2.6 Liabilities to be assumed

Save for the obligations and liabilities in and arising from, pursuant to or in connection with the DRA, there are no liabilities including contingent liabilities and guarantees to be assumed by Sentoria arising from the Proposed Development.

2.3 Proposed Bonus Issue

2.3.1 Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue will entail an issuance of 40,000,000 Bonus Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every ten (10) existing Sentoria Shares held by the shareholders of Sentoria whose names appear in the Record of Depositors on the Entitlement Date, after the approvals from relevant authorities and shareholders have been obtained.

Based on the issued and paid-up share capital of Sentoria as at the LPD of RM80,000,000 comprising 400,000,000 Sentoria Shares, a total of 40,000,000 Bonus Shares will be issued pursuant to the Proposed Bonus Issue. As at the LPD, there has been no option granted under the Company's employees' share option scheme ("ESOS Option(s)"). In addition, the Board has confirmed that there will be no ESOS Options to be granted by the Company until the completion of the Proposed Bonus Issue.

Fractional entitlements arising from the Proposed Bonus Issue, if any, shall be dealt with by the Board in such manner at its absolute discretion as it may deem fit and expedient and in the best interest of the Company.

The Proposed Bonus Issue will not be implemented in stages over a period of time.

2.3.2 Capitalisation of reserves

The Proposed Bonus Issue shall be wholly capitalised from the share premium account of the Company.

An illustration of the share premium account upon completion of the Proposed Bonus Issue based on the Company's latest audited financial statements for the FYE 30 September 2012 and the latest unaudited quarterly report for the three (3)-month FPE 31 December 2012 at the Company level, is set out below:-

Sentoria (Company level)	Audited as at 30 September 2012 RM'000	Unaudited as at 31 December 2012 RM'000
Share premium	37,582	37,582
Amount to be capitalised for the Proposed Bonus Issue	(8,000)	(8,000)
Estimated expenses for the Proposals	(330)	(330)
After the Proposed Bonus Issue	29,252	29,252

Based on the table above, Sentoria has adequate reserves available to be capitalised for the Proposed Bonus Issue pursuant to Paragraph 6.30(3) of the Listing Requirements.

Pursuant to Paragraph 6.30(1) of the Listing Requirements, a listed issuer intending to make a bonus issue of securities must ensure that the necessary reserves required for capitalisation of the bonus issue is unimpaired by losses on a consolidated basis, where applicable, based on the listed issuer's latest audited financial statements as well as its latest quarterly report.

The Board confirms that based on Sentoria's latest audited consolidated financial statements for the FYE 30 September 2012 and the latest unaudited quarterly report for the three (3)-month FPE 31 December 2012, the reserves available to be capitalised for the Proposed Bonus Issue are unimpaired by losses on a consolidated basis and is in compliance with Paragraph 6.30(1) of the Listing Requirements.

2.3.3 Ranking of the Bonus Shares

The Bonus Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing Sentoria Shares, except that the Bonus Shares will not be entitled to any dividends, rights, allotment and/ or other form of distributions ("Distributions") that may be declared, made or paid to shareholders where the entitlement date of the Distributions precedes the date of the allotment of the Bonus Shares.

2.3.4 Listing of and quotation for the Bonus Shares

The Company had, on 13 March 2013 obtained the approval from Bursa Securities for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities.

The Bonus Shares shall be listed and quoted on the Main Market of Bursa Securities on the next Market Day following the Entitlement Date of the Proposed Bonus Issue, to be determined by the Board after the approvals from the relevant authorities and shareholders have been obtained. The notice of allotment of the Bonus Shares will be issued and despatched to the entitled shareholders within four (4) Market Days after the date of listing of and quotation for the Bonus Shares, or such other period as may be prescribed by Bursa Securities.

As the Bonus Shares are prescribed securities under Section 14(5) of the Securities Industry (Central Depositories) Act, 1991, the Bonus Shares will be subjected to the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository. Accordingly, the Bonus Shares will be credited into the respective Central Depository System accounts of the entitled shareholders and no physical share certificates will be issued.

2.4 Proposed Share Buy-Back

The Board proposes to seek the shareholders' approval for the authority to purchase the Company's own Shares of up to ten percent (10%) of the issued and paid-up share capital of the Company as at the point of purchase.

The Proposed Share Buy-Back is subject to Section 67A of the Act, the Listing Requirements and any prevailing laws, guidelines, rules and regulations issued by the relevant authorities at the time of purchase. The Proposed Share Buy-Back would be effective immediately upon the passing of the ordinary resolution relating to the Proposed Share Buy-Back at the forthcoming EGM of the Company and shall be valid until:-

- i. the conclusion of the next AGM of the Company; or
- ii. the expiration of the period within which the next AGM of the Company is required by law to be held,

whichever is the earlier, unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting, but shall not prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and in any event in accordance with the provisions of the Act, the Listing Requirements and other prevailing laws, guidelines, rules and regulations issued by the relevant authorities.

2.4.1 Quantum

The maximum aggregate number of Shares, which may be purchased by the Company shall not exceed ten percent (10%) of the issued and paid-up share capital of the Company at any point in time.

The actual number of Shares to be purchased will depend on, amongst others, market conditions and sentiments of Bursa Securities as well as the share premium, retained earnings and financial resources available to the Company as at the point of purchase.

If the Board decides to cancel the Purchased Shares, the Company's issued and paid-up share capital shall be diminished by the said cancellation, and the amount diminished shall be transferred to the capital redemption reserve.

2.4.2 Funding

The funding of the Proposed Share Buy-Back will be from internally generated funds and/ or external bank borrowings, and the amount allocated for the Purchased Shares will not exceed the aggregate amount of the Company's share premium and retained earnings.

The actual amount of funds to be utilised for the Proposed Share Buy-Back will only be determined later depending on the actual number of Shares to be purchased, the availability of funds as at the point of purchase and other relevant cost factors.

The Proposed Share Buy-Back, if funded via internally-generated funds, is not expected to have a material impact on the Company's cash flow position. In the event the Proposed Share Buy-Back is to be financed via external bank borrowings, the Company within its capability shall ensure the repayment of such borrowings and that such repayment will not have a material effect on its cash flow position.

The Company's share premium and retained earnings accounts, based on the Company's latest audited financial statements for the FYE 30 September 2012 and the latest unaudited quarterly report for the three (3)-month FPE 31 December 2012 at the Company level, is set out below:-

Sentoria (Company level)	Audited as at 30 September 2012 RM'000	Unaudited as at 31 December 2012 RM'000
Share premium	37,582	37,582
Retained earnings	6,845	6,851

2.4.3 Pricing

Pursuant to Paragraph 12.17 of the Listing Requirements, the Company may only purchase its own shares on Bursa Securities at a price which is not more than 15% above the WAMP of Sentoria Shares for the five (5) Market Days immediately before the date of any purchase(s).

Pursuant to Paragraph 12.18 of the Listing Requirements and in the case of a resale of treasury shares, the Company may only resell any treasury shares on Bursa Securities at:-

- i. a price which is not less than the WAMP of Sentoria Shares for the five (5) Market Days immediately before the resale; or
- ii. a discounted price of not more than five percent (5%) to the WAMP of Sentoria Shares for the five (5) Market Days immediately before the resale provided that:-
 - a) the resale takes place no earlier than 30 days from the date of purchase; and
 - b) the resale price is not less than the cost of purchase of Sentoria Shares being resold.

2.4.4 Treatment of Purchased Shares

Pursuant to Section 67A of the Act, the Directors of the Company may deal with the Purchased Shares in the following manner:-

- i. Cancel the Purchased Shares; or
- ii. Retain the Purchased Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/ or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/ or be cancelled subsequently; or
- iii. Retain part of the Purchased Shares as treasury shares and cancel the remainder.

It is the present intention of the Board to retain the Purchased Shares as treasury shares and subsequently resell them on Bursa Securities if the opportunity arises for the Company to realise gains from the resale on Bursa Securities. However, the Board may distribute the Purchased Shares as share dividends, which will depend on the availability of, amongst others, retained earnings, share premium and tax credits of the Company, or cancel the Purchased Shares if the Board decides to change the capital structure of the Company.

In the event the Purchased Shares are held as treasury shares, the rights attaching to them in relation to voting, dividends and participation in any other distribution or otherwise, would be suspended and the treasury shares would not be taken into account in calculating the number of percentage of shares, or of a class of shares in the Company for any purposes including the determination of substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on resolution(s) at meetings.

An immediate announcement will be made to Bursa Securities in respect of the intention of the Directors to either retain the Purchased Shares as treasury shares or cancel them or a combination of both following any transaction(s) executed pursuant to the authority granted under the Proposed Share Buy-Back.

2.4.5 Public shareholding spread

The Proposed Share Buy-Back will be carried out in accordance with the prevailing laws at the point of purchase including compliance with the 25% shareholding spread in the hands of public shareholders as required under Paragraph 8.02(1) of the Listing Requirements.

As at the LPD, the Record of Depositors of Sentoria showed 102,020,000 Shares, representing 25.51% of its issued and paid-up share capital were held in the hands of public shareholders. The Company will endeavour to ensure that the Proposed Share Buy-Back will not breach Paragraph 12.14 of the Listing Requirements, which states that a listed company must not purchase its own shares on Bursa Securities if the purchase(s) will result in the listed company being in breach of the public shareholding spread requirements as set out under Paragraph 8.02(1) of the Listing Requirements.

2.4.6 Implication of the Malaysian Code on Take-Overs and Mergers, 2010 ("Code")

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory offer under the Code by any of the Company's substantial shareholders and/ or parties acting in concert with them, the Board will ensure that such number of Shares are purchased, retained as treasury shares, cancelled or distributed such that the Proposed Share Buy-Back would not result in triggering any mandatory offer obligation on the part of its substantial shareholders and/ or parties acting in concert with them. In this connection, the Board is mindful of the requirements when making any purchase of the Shares pursuant to the Proposed Share Buy-Back.

2.4.7 Potential advantages and disadvantages

The potential advantages of the Proposed Share Buy-Back to the Company and its shareholders are set out below:-

- i. It will allow the Company to take preventive measures against speculation particularly when the Shares are undervalued and would in turn, stabilise the market price of Sentoria Shares and hence, enhance investors' confidence;
- ii. It will allow the Company the flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity;
- iii. It will allow the Purchased Shares to be retained as treasury shares, and if distributed as share dividends by the Company, it may then serve to reward the shareholders of the Company; and
- iv. It will provide the Company with opportunities for potential gains if the Purchased Shares which are retained as treasury shares are resold at a higher price.

The potential disadvantages of the Proposed Share Buy-Back to the Company and its shareholders are set out below:-

- i. It will reduce the financial resources of Sentoria Group, which may result in the Group foregoing better investment opportunities that may emerge in the future; and

- ii. The Proposed Share Buy-Back can only be made out of retained earnings and/ or share premium of the Company and may result in the reduction of financial resources available for distribution to shareholders in the immediate future.

2.4.8 Previous purchases, resale and/ or cancellation of treasury shares

There have not been any previous purchases, resale and/ or cancellation of treasury shares of Sentoria in the previous 12 months preceding the date of this Circular. As at the date of this Circular, the Company does not hold any treasury shares.

2.5 Proposed Shareholders' Ratification and Proposed Shareholders' Mandate

Bursa Securities has vide its letter dated 19 February 2013 granted the Company an extension of time from the Listing Date to the next AGM or EGM, whichever is earlier, to obtain its shareholders' ratification for RRPT(s) entered into by the Group.

Pursuant to Paragraph 10.09 of the Listing Requirements, Sentoria may seek a mandate from its shareholders in respect of the RRPT(s) of a revenue or trading nature subject to, amongst others, the following:-

- a) The transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- b) The shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where:-
 - i. The consideration, value of the assets, capital outlay or costs of the RRPT(s) is RM1 million or more; or
 - ii. The percentage ratio of such RRPT is one percent (1%) or more,whichever is the higher; and
- c) In a meeting to obtain shareholder mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

Accordingly, the Board proposes to seek the shareholders' approval for the Proposed Shareholders' Ratification and the Proposed Shareholders' Mandate at the forthcoming EGM of the Company. In the ordinary course of business, Sentoria Group has entered and will enter into RRPT(s) with its related party as set out in Section 2.5.1 of this Circular, which are necessary for the day-to-day operations of the Group based on normal commercial terms that are not more favourable to its related party than those generally available to the public and on terms that are not detrimental to the minority shareholders of the Company.

The Proposed Shareholders' Mandate will take effect from the passing of the ordinary resolution at the forthcoming EGM of the Company and shall be valid until:-

- i. the conclusion of the next AGM of the Company following the general meeting at which the Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority for the Proposed Shareholders' Mandate is renewed;
- ii. the expiration of the period, within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- iii. revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

2.5.1 Details of the RRPT(s)

The principal activity of Sentoria is investment holding whilst the principal activities of its subsidiary companies are set out below:-

Name	Effective equity interest held %	Principal activities
Subsidiary companies of Sentoria:-		
Sentoria Properties Sdn Bhd	100.0	Property development
Sentoria Bina Sdn Bhd	100.0	General contractor
SHSB	100.0	Property development
SASB	100.0	Property development
Sentoria Resorts Sdn Bhd	100.0	Property development
Sentoria Alfa	70.0	Property development and project management services
Sentoria Themeparks and Resorts Sdn Bhd	100.0	Hotel and water park operator
Sentoria Vacation Club Berhad	100.0	Vacation club operator
Sentoria Morib Sdn Bhd	100.0	Hotel and water park operator ^{*1}
Subsidiary companies of Sentoria Themeparks and Resorts Sdn Bhd:-		
Blue Sky Leisure Sdn Bhd	100.0	Travel agent ^{*1}
Sempurna Resort Kuantan Sdn Bhd	100.0	Hotel operations ^{*1}
Star Wholesale Sdn Bhd	100.0	Wholesaler and general merchants ^{*1}

Note:-

*1 Presently dormant

The details of the RRPT(s) of a revenue or trading nature and their transaction value entered or to be entered into by Sentoria Group for the duration of the Proposed Shareholders' Ratification and the Proposed Shareholders' Mandate respectively, are set out below:-

		Transaction value----->			
Related party	Interested director/ substantial shareholder	Value ¹ incurred from the Listing Date up to the date of the EGM RM'000	Estimated value ² to be incurred from the forthcoming EGM to the next AGM RM'000		
	Nature of transaction	Nature of relationship			
HGH Property	Dato' Gan	Agency fees paid by SHSB to HGH Property for the sale of Arabian Bay Resort suites	Gan Hock Hoe who is a director of HGH Property is a brother of Dato' Gan	210	360

Notes:-

¹ The value incurred is derived from the sum of the actual transaction value from the Listing Date up to the LPD and the estimated transaction value from the LPD up to the date of the forthcoming EGM

² The estimated transaction value is based on the management of Sentoria's estimates after taking into consideration of the transactions which will be entered into in the foreseeable future, and hence may be subject to changes

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2.5.2 Threshold of authority

There is no specific threshold for approval of the RRPT(s) within the Group. However, all RRPT(s) are subject to the approval of the Board. Where any Director has any direct/ indirect interest in any RRPT(s), such Directors shall abstain from deliberation and voting on the matter. If it is determined that the guidelines and/ or procedures as set out in Section 2.5.3 below are inadequate, the Company will obtain a fresh shareholders' mandate to ensure that:-

- i. RRPT(s) will be conducted on an arms' length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public; and
- ii. such transaction(s) will not be detrimental to the minority shareholders of the Company or prejudicial to the interests of the shareholders.

2.5.3 Review procedures of the RRPT(s)

The Board will ensure that the methods or procedures adopted for pricing the transactions with related parties are determined in accordance with the normal procedures and standards currently adopted by the Group for transactions with non-related parties conducted on an arms' length willing-buyer willing-seller basis after taking into account prevailing market conditions and that such transactions are negotiated on the basis of prudent business practice to maximise profit margin or minimise costs and not to the detriment of the minority shareholders.

All RRPT(s) will be subject to periodic reviews by the Audit Committee to ensure that they have been transacted on arms' length basis and on commercial terms not detrimental to the Group and that proper disclosures will be made in the annual report of the Company in respect of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year.

The Group has implemented and will continue to implement the following procedures for RRPT(s) and the methods for which transaction prices are determined in order to ensure that RRPT(s) will be undertaken on an arms' length basis based on normal commercial terms that are not more favourable to its related parties than those generally available to the public and on terms that are not detrimental to the minority shareholders of the Company:-

- i. A list of related parties will be circulated within the Group and each related party will be notified that all RRPT(s) are required to be undertaken on arms' length basis based on normal commercial terms that are not more favourable to its related parties than those generally available to the public and on terms that are not detrimental to the minority shareholders of the Company;
- ii. All RRPT(s) to be entered into will be reviewed by the Board to ensure that the transactions are not more favourable to the related party and will not be detrimental to the minority shareholders of the Company;

- iii. At least two (2) other contemporaneous transactions with unrelated third parties for similar products, services and/ or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/ by the related parties are fair and reasonable and comparable to those offered to/ by other unrelated third parties for the same or substantially similar type of products, services and/ or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, to ensure that the RRPT(s) are not detrimental to the Group, the transaction price will be determined in accordance with applicable industry norms, prevailing commercial rates and at rates not more favourable to the related parties than those generally available to the public;
- iv. The annual internal audit plan shall incorporate a review of all RRPT(s) entered and/ or to be entered into pursuant to the shareholders' mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- v. Records will be maintained by the Company to capture all RRPT(s) which are entered into pursuant to the shareholders' mandate;
- vi. The Board and the Audit Committee shall have overall responsibility for the determination of the review procedures with authority to sub delegate to such responsibilities to individuals or committees within the Company as they deem appropriate. If a member of the Board or Audit Committee has an interest in a transaction, as the case may be, he will abstain from any decision making by the Board or Audit Committee in respect of the said transaction;
- vii. The prices, terms and conditions of a transaction will be determined by market force, under similar commercial terms in respect of transactions with third parties taking into consideration the demand and supply of the products and its availability in the domestic market; and
- viii. The cost plus method will be used to determine the transaction price. This method involves adding an appropriate mark-up to the cost of production and will best determine an arm's length price. The appropriate mark-up is the percentage earned by the Company on the RRPT(s)' sales.

2.5.4 Audit Committee's statement

The Audit Committee is of the view that:-

- i. The procedures adopted by the Group are sufficient to continue to ensure that the RRPT(s) is not more favourable to the related party than those generally available to the public and not be detrimental to the minority shareholders; and
- ii. The Group has in place adequate procedures and processes to monitor, track and identify the RRPT(s) in a timely and orderly manner, and the frequency of review of these procedures and processes are conducted on a quarterly basis.

The Audit Committee has seen and reviewed the RRPT(s) for the FYE 30 September 2012 and is of the view that the RRPT(s) was conducted according to the procedures as set out in Section 2.5.3 above.

3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSALS

3.1 Proposed Joint-Venture and the Proposed Development

The principal activity of Sentoria is investment holding, whilst its subsidiary companies are principally engaged in property development, general and civil engineering contractor services, project management and hospitality and theme park operations.

Sentoria Group has concentrated most of its development activities in the East Coast of Peninsular Malaysia and amongst the projects undertaken by the Group is the integrated resort known as Bukit Gambang Resort City located in Kuantan, Pahang Darul Makmur. The Bukit Gambang Resort City which spans a land area of 547 acres, comprises of resort suites, residential and commercial developments, theme parks and other attractions including the Bukit Gambang Safari Park and Bukit Gambang Water Park, one of the larger water parks in Malaysia.

The Proposed Joint-Venture and the Proposed Development provide an opportunity for Sentoria Group to participate in potentially viable development projects without having to bear the substantial upfront costs of acquiring lands. In addition, the Proposed Joint-Venture and the Proposed Development provide an opportunity for the Group to diversify its activities to include the West Coast of Peninsular Malaysia while leveraging on its track record on Bukit Gambang Resort City.

The four (4) Components will enhance the attractiveness and marketability of the mixed residential and commercial development on the JV Land pursuant to the JVA in addition to complementing and allowing Sentoria Group to derive economies of scale from the operations of the various elements of the theme parks to be completed under the DRA.

3.2 Proposed Bonus Issue

After due consideration, the Board is of the view that the Proposed Bonus Issue is the most appropriate avenue of rewarding the existing shareholders of the Company while at the same time enhance the Company's capital base as the Proposed Bonus Issue will:-

- i. Increase the Company's issued and paid-up share capital to a level which would be more reflective of its current scale of operations and assets employed;
- ii. Reward the existing shareholders of the Company for their continuing support;
- iii. Increase the number of ordinary shares held by the Company's existing shareholders, whilst maintaining their percentage of equity interest; and
- iv. Be able to encourage trading liquidity of Sentoria Shares on Bursa Securities through greater participation by investors.

3.3 Proposed Share Buy-Back

The Proposed Share Buy-Back, if implemented, will enable the Group to utilise any of its surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the market. The Proposed Share Buy-Back is expected to stabilise the market price of Sentoria Shares and to prevent against speculation of Sentoria Shares, when undervalued, to enhance investors' confidence.

Other things being equal, the Proposed Share Buy-Back, regardless of whether the Purchased Shares are maintained as treasury shares or cancelled, will result in a lower number of Sentoria Shares being used for the purposes of computing the EPS. Therefore, the Proposed Share Buy-Back will improve the EPS of Sentoria, which in turn is expected to have a positive impact on the market price of Sentoria.

The Purchased Shares may be held as treasury shares and resold on Bursa Securities at a higher price with the intention of realising a potential gain without affecting the total issued and paid-up share capital of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

The Proposed Share Buy-Back is not expected to cause any potential material disadvantage to the Company and its shareholders, and it will be implemented only after due consideration of the financial resources of the Group and the resultant impact on the shareholders of the Company. The Board, in undertaking the Proposed Share Buy-Back, will be mindful of the interests of the Company and its shareholders.

3.4 Proposed Shareholders' Ratification and Proposed Shareholders' Mandate

The Proposed Shareholders' Ratification serves to ratify the RRPT(s) entered into by the Group from the Listing Date up to the date of the forthcoming EGM at which shareholders' ratification is proposed to be obtained. Ratification of RRPT(s) entered since the listing of the Company has not been sought as it would not be practical to have a separate meeting to be held, to reduce expenses associated with convening such meeting to seek ratification.

The Proposed Shareholders' Mandate will benefit the Company by facilitating entry by any company in the Group into transactions with the related party in the ordinary course of the Group's business on commercial terms, in a timely manner and will enable the Group to continue to carry out RRPT(s) necessary for the Group's day-to-day operations and enhance the Group's ability to pursue business opportunities which are time-sensitive in nature in a more expeditious manner.

The Proposed Shareholders' Mandate will eliminate the need to announce and convene separate general meetings of the Company from time to time to seek shareholders' approval on each occasion pursuant to Paragraph 10.09(2) of the Listing Requirements, as and when potential transactions with the specified classes of related party arise. This will also substantially reduce the expenses associated with the convening of such meetings on an ad hoc basis, improve administrative efficiency and allow human resources and time to be channelled towards attaining other corporate objectives and opportunities.

The RRPT(s) is intended to meet the business needs of the Group at the best possible terms. Further by transacting with the related party, the Group would have an advantage of familiarity with the background, financial wellbeing and management of the related party, thus enabling more informed commercial decisions to be made. In most dealings with the related party, the Group and the related party have a good understanding of each others' business needs and expectations thus providing a platform where both parties can benefit from conducting the RRPT(s).

4. INDUSTRY OVERVIEW AND OUTLOOK

4.1 Overview and outlook of the tourism sector

The tourism industry is one of the key economic growth sectors, contributing almost 12% of the gross domestic product ("GDP") of Malaysia. Total revenue generated from the tourism sub-sector is estimated to increase to RM62 billion in 2012. In conjunction with Visit Malaysia Year 2012/ 2014, the Malaysian Government has allocated RM358 million under development expenditure, an increase of 42%, to target 26.8 million of tourist arrivals.

(Source: Budget 2013, Ministry of Finance Malaysia)

During the first half of 2012, the services sector grew 5.8% largely driven by sustained domestic demand and travel-related activities.

As at end June 2012, the total supply of hotel rooms increased 5.2% to 180,078, with Kuala Lumpur contributing the highest share of 17.7%. Meanwhile, the average hotel occupancy rate reached 55.2% with the highest level of 78.7% recorded in Pahang.

During the first six (6) months of 2012, total tourist receipts increased to RM26.8 billion, with the average per capita tourist expenditure at RM2,310. In addition, tourist arrivals rebounded 2.4% to 11.6 million with the Association of Southeast Asian Nations remaining the largest contributor, accounting for 73.8% of the total. In line with continuous efforts to promote Malaysia as a preferred tourist destination, various programmes have been held in 2012, including amongst others, International Tourism Exchange, International Tourism Night Floral Parade and Contemporary Art Tourism. Furthermore, the opening of new tourist attractions in Johor, namely LEGOLAND Malaysia Theme Park and Puteri Harbour Family Theme Park in September and November 2012, respectively, are expected to attract more domestic and foreign tourists.

The homestay and Malaysia My Second Home ("MM2H") programmes are among the important segments in the tourism industry. The homestay occupancy rate reached 37.2% supported by strong promotional activities through the Ministry of Tourism Malaysia endorsed portal www.go2homestay.com. During the first six (6) months of 2012, the number of participants in the homestay programme totalled 155,933 comprising 80.4% domestic and 19.6% foreign tourists. The most visited homestay locations were in Pahang and Johor, accounting for 26.7% and 25.0%, respectively. In addition, during the first six (6) months of 2012, the MM2H programme attracted 1,667 participants mainly from Japan, People's Republic of China and Bangladesh.

Net inflow in the travel account expanded moderately to RM11.2 billion on account of higher gross outflows to RM17.9 billion. The larger travel outflows were attributed to higher expenditure for business, holiday and education. Despite global economic uncertainties, tourism receipts remained the major contributor to total earnings in the services account and expanded to RM29.1 billion, in line with increased tourist arrivals at 2.4%. However, net inflow in the travel account is projected to increase to RM27.3 billion following the Government's initiatives to promote Malaysia as a preferred tourist destination.

For 2013, the service sector is estimated to remain strong at 5.6% supported by domestic consumption, investment and travel-related activities. The services account is expected to improve with a lower deficit of RM8.2 billion driven by a large surplus in the travel account, following the expectations higher tourist arrivals.

(Source: Ministry of Finance Malaysia - Economic Report 2012/ 2013. Chapter 3: Economic Performance and Prospects)

4.2 Overview and outlook of the property development industry

The construction sector posted a strong growth of 18.9% during the first half of 2012, the fastest pace since 1995. This impressive performance was underpinned by robust construction activity in the civil engineering and residential subsectors. Reflecting the buoyant construction activities, the total value of construction works rose 24.6% to RM38.1 billion. The private sector contributed 69.8% of the total value of construction works. The non-residential and civil engineering subsectors were the main contributors constituting 36.5% and 31.2% respectively, followed by the residential subsector.

The residential subsector expanded significantly by 22% during the first half of 2012 supported by strong demand for housing and investment purposes arising from higher household disposable income. Additionally, improved accessibility following the development of infrastructure projects further stimulated the demand for houses, especially in the suburban areas.

The non-residential subsector grew 12.8% during the first half of 2012 largely driven by construction of industrial buildings, particularly in the Samalaju Industrial Park, Sarawak and shophouses. Industrial building starts increased 47.8% to 501 units. Meanwhile, construction starts for purpose-built office decreased substantially to 22,758 square metres due to higher supply following the completion of several office buildings and shopping malls in 2011.

For 2013, the construction sector is envisaged to expand strongly by 11.2%, with all subsectors registering steady growth. The sector is expected to benefit from the acceleration of ongoing construction activities, particularly from the Economic Transformation Programme and second rolling plan for construction-related projects under the Tenth Malaysia Plan. Of significance, exploration activities in oil and gas industries and major projects such as the electrified double-tracking between Ipoh-Padang Besar, Jabur-Kuala Terengganu of East Coast Expressway Phase 2, MY Rapid Transit and the River of Life are expected to drive the growth of the civil engineering subsector. The non-residential subsector is expected to expand spurred by the industrial building segment and the commencement of construction of the Tun Razak Exchange. The residential subsector is also projected to expand, albeit at a moderate pace, after recording several years of strong growth. Key housing development projects, particularly in Sungai Buloh and Bandar Malaysia in Sungai Besi, which are expected to commence in 2013, will support residential construction activities.

(Source: Economic Report 2012/ 2013, Ministry of Finance Malaysia)

5. PROSPECTS OF THE PROPOSED JOINT-VENTURE AND THE PROPOSED DEVELOPMENT

The accommodative policy of the Malaysian Government such as Malaysia My Second Home program and affordable housing scheme would encourage demand for residential properties within a themed development with close proximity to the sea. In this respect, apart from continuing to undertake marketing campaigns to promote its existing projects, the Company plans to launch new projects to meet the growing demand from its target markets and also plans to explore opportunities in increasing its access to more landbanks to further sustain the growth momentum of Sentoria Group.

Premised on the fact that the tourism industry is an important sector to the overall Malaysian economy, the Group intends to complement the efforts of the Malaysian Government by developing the theme park comprising the four (4) Components to boost tourism from domestic and international sources.

The Board is of the view that the development of the Development Land into four (4) Components will generate economic benefits to the surrounding area to drive demand for the mixed residential and commercial development to be constructed on the JV Land from the local populace as well as residents from the Klang Valley who require a weekend residential unit.

The Board is confident that the Proposed Joint-Venture and the Proposed Development will contribute positively to the earnings of the Group in the future.

6. RISK FACTORS

The risk factors associated with the Proposed Joint-Venture and the Proposed Development are already known and mitigating measures have already been implemented as Sentoria Group is involved in, amongst others, property development, property investment and the operation of hotel, convention centre and theme park.

Nevertheless, the potential risk factors that may arise from the Proposed Joint-Venture and the Proposed Development, which may not be exhaustive, are set out below:-

6.1 Business Risk

The Proposed Joint-Venture and the Proposed Development are subject to inherent risk factors associated with the property development industry such as changes in demand conditions, ability to secure the relevant approvals from the various authorities for the development of the Land, fluctuation of raw material costs, labour supply situation and changes in lifestyle which affect product types and mix. Nevertheless, with Sentoria Group's past experience in property development, the Board will use its best endeavours to ensure such risks are mitigated.

6.2 Completion Risk

The Proposed Joint-Venture is conditional upon the Proposed Development. There is no assurance that the Proposed Development can be completed within the time schedule permitted, as disclosed in Section 2.2.3 (iv) of this Circular. In the event that the four (4) Components are not constructed according to the minimum time period, the Company may incur liquidated damages as stipulated in the DRA which includes the damages and/ or monetary compensation for all losses suffered and/ or expenses incurred by Seriemas on account of the event of default. In addition, the Company is liable to pay Seriemas the Minimum Revenue Guarantee of RM75.00 million regardless of the progress of the construction of the JV Land as disclosed in Section 2.1.4 (ii) of this Circular. In this regard, the Board shall endeavour to ensure that each of the four (4) Components are constructed within the time period agreed upon in the JVA and the DRA.

6.3 Financing Risk

Sentoria intends to finance the Proposed Joint-Venture, the Proposed Development and the associated development costs as well as the purchase consideration for the four (4) Components comprised in the call options and/ or put options upon exercise, if any, through a mixture of internally generated funds and/ or external bank borrowings. Taking up additional bank borrowings would expose the Group to interest rate and debt servicing risks while any utilisation of internal funds is expected to result in a reduction of funds available for working capital purposes, which may have an adverse effect on the Group's cash flow position. The Board will endeavour to manage its cash flow position and funding requirements prudently, to address the aforesaid risks.

7. EFFECTS OF THE PROPOSALS

The Proposed Shareholders' Ratification and the Proposed Shareholders' Mandate will not have any financial effect on the issued and paid-up share capital, substantial shareholders' shareholdings, and convertible securities of the Company and NA and gearing, earnings and EPS of the Group.

The effects of the Proposed Joint-Venture, the Proposed Development, the Proposed Bonus Issue and the Proposed Share Buy-Back (as the case may be) are set out in the ensuing sub-sections.

7.1 Issued and paid-up share capital

7.1.1 Proposed Joint-Venture and the Proposed Development

The Proposed Joint-Venture and the Proposed Development will not have any effect on the issued and paid-up share capital of the Company as the Proposed Joint-Venture and the Proposed Development do not involve any issuance of new securities by the Company.

7.1.2 Proposed Bonus Issue and the Proposed Share Buy-Back

The proforma effects of the Proposed Bonus Issue and the Proposed Share Buy-Back on the issued and paid-up share capital of the Company are set out below:-

	No. of Shares	RM
Issued and paid-up share capital as at the LPD	400,000,000	80,000,000
Shares to be issued pursuant to the Proposed Bonus Issue	40,000,000	8,000,000
Enlarged issued and paid-up share capital	440,000,000	88,000,000
Assuming the Purchased Shares are cancelled ^{*1}	(44,000,000)	(8,800,000)
Resultant issued and paid-up share capital	396,000,000	79,200,000

Note:-

^{*1} Assuming up to ten percent (10%) of the issued and paid-up share capital is purchased under the Proposed Share Buy-Back and are subsequently cancelled

The proforma effects of the Proposed Share Buy-Back on the resultant issued and paid-up share capital of the Company will depend on whether the Purchased Shares are cancelled or retained as treasury shares. The above illustration assumes that the Purchased Shares are cancelled. Nevertheless, if the Purchased Shares are retained as treasury shares, resold or distributed to its shareholders, the Proposed Share Buy-Back will have no effect on the existing issued and paid-up share capital of the Company.

7.2 NA per Share and gearing

7.2.1 Proposed Joint-Venture and the Proposed Development

The Proposed Joint-Venture and the Proposed Development are not expected to have any immediate effect on the NA per Share of the Group. Notwithstanding that, the effects of the Proposed Joint-Venture and the Proposed Development on the NA per Share are dependent on the financial performance of the projects envisaged under the JVA and the DRA in the future.

The effects of the Proposed Joint-Venture and the Proposed Development on the gearing of the Group is dependent on the funding mix and timing of utilisation of the funds raised from external bank borrowings to finance the projects under the JVA and the DRA as well as the purchase consideration for the four (4) Components comprised in the call options and/ or put options upon exercise, if any. It should be noted that the gearing ratio of the Group may increase in the future in the event borrowings are obtained for the Proposed Joint-Venture and the Proposed Development. The Board endeavours to optimise the funding mix and commence construction of the projects to maximise the cash flows and minimise the gearing of the Group.

7.2.2 Proposed Bonus Issue

Based on the latest audited consolidated financial statements of Sentoria Group as at 30 September 2012 and adjusted for the proposed dividend (as explained in note 1 below), the proforma effects of the Proposed Bonus Issue on the NA and gearing of the Group are set out below:-

	Audited as at 30 September 2012 and adjusted for the proposed dividend ^{*1} RM'000	After the Proposed Bonus Issue RM'000
Share capital	80,000	88,000
Share premium	37,582	29,252 ^{*2}
Revaluation reserve	2,271	2,271
Retained earnings	75,521 ^{*1}	75,521
Shareholders' funds/ NA	195,374	195,044
No. of Shares in issue ('000)	400,000	440,000
NA per Share (RM)	0.49	0.44
Total borrowings (RM'000)	44,896	44,896
Gearing ratio (times)	0.23	0.23

Notes:-

^{*1} After adjusting for the proposed final single tier dividend of RM0.01 per Share declared but yet to be approved by shareholders of Sentoria for the FYE 30 September 2012

^{*2} After deducting estimated expenses of approximately RM330,000 incurred in relation to the Proposals and the capitalisation amounting to RM8.00 million pursuant to the Proposed Bonus Issue

7.2.3 Proposed Share Buy-Back

The effect of the Proposed Share Buy-Back on the NA of the Group will depend on the actual number of and prices paid for the Purchased Shares, the effective funding cost to the Group to finance the purchase of such Shares, or any loss in interest income to the Group, and whether the Purchased Shares are cancelled, retained as treasury shares, resold on Bursa Securities or distributed as share dividends to shareholders of Sentoria.

If all Purchased Shares are cancelled, the NA of the Group would decrease if the purchase price per Purchased Share exceeds the NA per Share at the relevant point in time, and vice versa.

The NA of the Group would decrease if the Purchased Shares are retained as treasury shares, due to the requirement for treasury shares to be carried at cost and be offset against equity.

If the treasury shares are resold on Bursa Securities, the NA of the Group would increase if the Company realises a gain from the resale, and vice versa. If the treasury shares are distributed as share dividends, the NA of the Group would decrease by the cost of the treasury shares.

The Proposed Share Buy-Back, as and when implemented, will reduce the working capital of the Company, the quantum of which will depend on, amongst others, the number and the purchase price(s) of the Purchased Shares.

7.3 Earnings and EPS

7.3.1 Proposed Joint-Venture and the Proposed Development

The Proposed Joint-Venture and the Proposed Development are not expected to have any material effect on the earnings of the Group for the FYE 30 September 2013 as the necessary development orders and conversion of the Land from agriculture to mixed development purposes will be required to be obtained from the relevant authorities. However, when the development commences, the Proposed Joint-Venture and the Proposed Development are expected to contribute positively to the future earnings of the Group.

7.3.2 Proposed Bonus Issue

The Proposed Bonus Issue is not expected to have any material effect on the earnings of the Group for the FYE 30 September 2013. However, the Proposed Bonus Issue will result in a corresponding dilution in the EPS of the Group due to the increase in the issued and paid-up share capital of the Company after the completion of the Proposed Bonus Issue.

7.3.3 Proposed Share Buy-Back

The Proposed Share Buy-Back may increase or reduce the EPS of the Group, depending on the number of and prices paid for the Purchased Shares, the effective funding cost to Sentoria to finance the purchase of such Shares, or any loss in interest income to Sentoria or opportunity cost in relation to other investment opportunities.

Assuming that the Purchased Shares are retained as treasury shares and subsequently resold, the extent of the effects on the earnings of the Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or the interest savings arising from the exercise.

If the Purchased Shares are cancelled, the Proposed Share Buy-Back will increase the EPS of the Group provided the income forgone and interest expense incurred on the Purchased Shares are less than the EPS before the share purchase.

7.4 Directors' and Substantial shareholders' shareholdings

7.4.1 Proposed Joint-Venture and the Proposed Development

The Proposed Joint-Venture and the Proposed Development will not have any effect on the Directors' and substantial shareholders' shareholdings of the Company as the Proposed Joint-Venture and the Proposed Development do not involve any issuance of new securities by the Company.

7.4.2 Proposed Bonus Issue and the Proposed Share Buy-Back

The effects of the Proposed Bonus Issue and the Proposed Share Buy-Back on the Directors' and substantial shareholders' shareholdings of the Company are set out below:-

	Shareholdings as at the LPD		After the Proposed Bonus Issue	
	Direct	Indirect	Direct	Indirect
	No. of Shares	%	No. of Shares	%
Directors who are also substantial shareholders:-				
Dato' Chan	-	-	247,980,000 ^{*1}	62.00
Dato' Gan	-	-	247,980,000 ^{*1}	62.00
Directors:-				
Aznam Bin Mansor	-	-	-	-
Lee Chaing Huat	-	-	-	-
Chung Wai Choong	-	-	-	-
Wong Yoke Nyen	-	-	-	-
Substantial shareholders:-				
Sentoria Capital	247,980,000	62.00	272,778,000	62.00
State Secretary, Pahang	30,000,000	7.50	33,000,000	7.50
Lembaga Kemajuan Pertanian, Negeri Pahang	10,000,000	2.50	11,000,000	2.50
Perusahaan	10,000,000 ^{*2}	2.50	11,000,000 ^{*2}	2.50

II

After I and the Proposed Share Buy-Back ³	Direct	Indirect	No. of Shares	%
	No. of Shares	%	No. of Shares	%

Directors who are also substantial shareholders:-

Dato' Chan	-	-	272,778,000 ¹	68.88
Dato' Gan	-	-	272,778,000 ¹	68.88
Directors:-				
Aznam Bin Mansor	-	-	-	-
Lee Chaing Huat	-	-	-	-
Chung Wai Choong	-	-	-	-
Wong Yoke Nyen	-	-	-	-

Substantial shareholders:-

Sentoria Capital	272,778,000	68.88	-	-
State Secretary, Pahang	33,000,000	8.33	-	-
Lembaga Kemajuan Perusahaan Pertanian, Negeri Pahang	11,000,000	2.78	11,000,000 ²	2.78

Notes:-

- ¹ Deemed interested by virtue of their interest in Sentoria Capital pursuant to Section 6A of the Act
- ² Deemed interested by virtue of its interest in LKPP Corporation Sdn Bhd pursuant to Section 6A of the Act
- ³ Assuming up to ten percent (10%) of the issued and paid-up share capital is purchased from shareholders other than the substantial shareholders of Sentoria and all such shares purchased are cancelled

7.5 Convertible securities

As at the date of this Circular, the Company does not have any existing convertible securities.

8. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Sentoria Shares as traded on Bursa Securities for the past 12 months from March 2012 to February 2013 are set out below:-

	High RM	Low RM
2012		
March	0.79	0.68
April	0.78	0.71
May	0.74	0.63
June	0.66	0.60
July	0.67	0.60
August	0.67	0.63
September	0.84	0.64
October	0.83	0.79
November	0.80	0.76
December	0.78	0.75
2013		
January	0.77	0.71
February	0.73	0.70

Last transacted market price on 23 January 2013
(being the date prior to the announcement of the Proposed Bonus Issue, the Proposed Share Buy-Back, the Proposed Shareholders' Ratification and the Proposed Shareholders' Mandate) RM0.75

Last transacted market price on the LPD
(being the latest practicable date prior to the printing and despatch of this Circular) RM0.71

(Source: Bloomberg)

9. APPROVALS REQUIRED/ OBTAINED

The Proposals are subject to the following approvals being obtained:-

- i. Bursa Securities, for which the approval for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities, was obtained vide its letter dated 13 March 2013, subject to the following conditions:-

Conditions	Status of compliance
a) Sentoria and OSK must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue;	To be complied
b) Sentoria and OSK to inform Bursa Securities upon the completion of the Proposed Bonus Issue;	To be complied
c) Sentoria to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue is completed;	To be complied
d) Sentoria and OSK are required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a), 6.35(2)(b) and 6.35(4) of the Listing Requirements; and	To be complied

Conditions	Status of compliance
e) Sentoria to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders of Sentoria in general meeting approving the Proposed Bonus Issue.	To be complied
ii. The shareholders of Sentoria for the Proposals at the forthcoming EGM of the Company; and	
iii. Any other relevant authorities and/ or parties, if necessary.	

The conditionalities of the Proposals are set out below:-

- i. The Proposed Joint-Venture is conditional upon the Proposed Development, but the Proposed Development is not conditional upon the Proposed Joint-Venture;
- ii. The Proposed Joint-Venture and the Proposed Development are not conditional upon the Proposed Bonus Issue, the Proposed Share Buy-Back, the Proposed Shareholders' Ratification and the Proposed Shareholders' Mandate, and vice versa;
- iii. The Proposed Bonus Issue, the Proposed Share Buy-Back, the Proposed Shareholders' Ratification and the Proposed Shareholders' Mandate are not inter-conditional upon each other; and
- iv. The Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.

10. INTERESTS OF DIRECTORS AND/ OR MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED TO THEM

10.1 Proposed Joint-Venture and the Proposed Development

None of the Directors and/ or major shareholders of Sentoria and/ or persons connected to them have any interest, whether direct or indirect, in the Proposed Joint-Venture and the Proposed Development.

10.2 Proposed Bonus Issue

None of the Directors and/ or major shareholders of Sentoria and/ or persons connected to them have any interest, either direct or indirect, in the Proposed Bonus Issue, apart from their respective entitlements as shareholders of the Company under the Proposed Bonus Issue, the rights of which are also available to all other existing shareholders of the Company on the Entitlement Date.

10.3 Proposed Share Buy-Back

Save for the inadvertent increase in the percentage shareholding and/ or voting rights of the shareholders as a consequence of the Proposed Share Buy-Back, none of the Directors and/ or major shareholders of Sentoria and/ or persons connected to them have any interest, whether direct or indirect, in the Proposed Share Buy-Back or resale of treasury shares, if any.

10.4 Proposed Shareholders' Ratification and Proposed Shareholders' Mandate

The direct and indirect interests of those Directors and/ or major shareholders of Sentoria and/ or persons connected to them, who are interested in the Proposed Shareholders' Ratification and the Proposed Shareholders' Mandate are set out below:-

Interested Directors and/ or major shareholders	<-----Shareholdings as at the LPD----->			
	<-----Direct----->		<-----Indirect----->	
	No. of Sentoria Shares	%	No. of Sentoria Shares	%
Sentoria Capital	247,980,000	62.00	-	-
Dato' Chan	-	-	247,980,000 ^{*1}	62.00
Dato' Gan	-	-	247,980,000 ^{*1}	62.00
Person connected				
Gan Hock Hoe	-	-	-	-

Note:-

^{*1} Deemed interested by virtue of their interest in Sentoria Capital pursuant to Section 6A of the Act

The interested Directors namely, Dato' Chan and Dato' Gan have accordingly abstained and will continue to abstain from all Board deliberations and voting on the resolutions in respect of the relevant Proposed Shareholders' Ratification and Proposed Shareholders' Mandate.

The interested major shareholders namely, Sentoria Capital, Dato' Chan and Dato' Gan will abstain from voting on the resolutions pertaining to the Proposed Shareholders' Ratification and the Proposed Shareholders' Mandate to be tabled at the forthcoming EGM of the Company in respect of their direct and/ or indirect shareholdings.

The abovementioned interested Directors and major shareholders have undertaken that they will also ensure that persons connected to them will also abstain from voting on the resolutions pertaining to the Proposed Shareholders' Ratification and the Proposed Shareholders' Mandate to be tabled at the forthcoming EGM of the Company in respect of their direct and/ or indirect shareholdings, if any.

Save as disclosed above, none of the other Directors and/ or major shareholders of Sentoria and/ or persons connected to them have any interest, whether direct or indirect, in the Proposed Shareholders' Ratification and the Proposed Shareholders' Mandate.

11. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposals (save for the Proposed Joint-Venture and the Proposed Development) are expected to be completed by the 2nd quarter of 2013.

The tentative timetable for the implementation of the Proposals is set out below:-

Month	Events
End March 2013	<ul style="list-style-type: none">• Convening of EGM to obtain the approval of shareholders of Sentoria for the Proposals
Mid April 2013	<ul style="list-style-type: none">• Entitlement Date for the Proposed Bonus Issue• Listing of the Bonus Shares on the Main Market of Bursa Securities

Subject to all approvals and/ or consents obtained, or any extension if required by Sentoria and approved by Seriemas or such other period as mutually agreed by Sentoria and Seriemas, in respect of the Proposed Joint-Venture and the Proposed Development, the Board shall endeavour to ensure that the projects are completed within the stipulated time period as set out in Sections 2.1.4 (vi) and 2.2.3 (iv) of this Circular, respectively.

12. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals and as disclosed below, the Board is not aware of any other outstanding proposals which have been announced but have not yet been completed as at the date of this Circular:-

- i. On 2 November 2012, Sentoria Alfa, a subsidiary company of the Company, had received an approval letter from the State Secretary, Pahang on its application for additional three (3) parcels of land measuring 180 acres for a total cash consideration of RM37.15 million. The transaction is subject to a formal agreement to be signed between Sentoria Alfa and Perbadanan Setiausaha Kerajaan. As at the LPD, the formal agreement has yet to be entered into between the above parties; and
- ii. On 6 December 2012, SASB, a wholly-owned subsidiary company of the Company, had entered into a joint development agreement ("JDA") with Fajar Pertiwi Sdn Bhd to jointly undertake the development of all that parcel of vacant land situated at Bukit Rangin, in the Mukim of Kuala Kuantan, District of Kuantan and State of Pahang measuring approximately 210 acres, intended to be developed into a mixed residential and commercial development in accordance with the terms and conditions of the JDA. As at the LPD, the joint development has yet to commence.

13. DIRECTORS' RECOMMENDATION

The Board (save for the interested Directors namely, Dato' Chan and Dato' Gan, who have abstained from deliberating on the Proposed Shareholders' Ratification and the Proposed Shareholders' Mandate) after having considered all the relevant aspects in respect of the Proposals and after taking into consideration the rationale and justifications and financial effects for the Proposals as set out in Sections 3 and 7 of this Circular respectively, and prospects for the Proposed Joint-Venture and the Proposed Development as set out in Section 5 of this Circular, is of the opinion that the Proposals are in the best interest of the Company and the terms and conditions of the JVA and the DRA are fair and reasonable.

Accordingly, the Board (save for the above-mentioned interested Directors) recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM of the Company.

14. EGM

The EGM, the notice of which is enclosed in this Circular, is scheduled to be held at Arabian Ballroom 3, Bukit Gambang M.I.C.E Centre, Arabian Bay Resort, Bukit Gambang Resort City, 26300 Gambang, Pahang Darul Makmur on Friday, 29 March 2013 at 11.00 a.m., or immediately following the conclusion or adjournment of the Fourteenth AGM of the Company to be held at the same venue and on the same date at 10.30 a.m., whichever is later, for the purpose of considering and if thought fit, passing with or without modification, the resolutions to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM, you are requested to complete, sign and return the enclosed Proxy Form in accordance with the instructions contained therein, to be deposited at the registered office of the Company at 56 & 58 (2nd Floor), Jalan Dagang SB 4/2, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan, not less than 48 hours before the time stipulated for holding the EGM. The lodging of the Proxy Form shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

15. FURTHER INFORMATION

Shareholders are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board
SENTORIA GROUP BERHAD

AZNAM BIN MANSOR
Independent Non-Executive Chairman

VALUATION CERTIFICATE ON THE DEVELOPMENT LAND IN RELATION TO THE PROPOSED DEVELOPMENT



An International Associate of

savills

Savills Rahim & Co
Best Property Consultancy (Malaysia) at the
South East Asia Property Awards 2012

Our ref : 31V120690
Date: 26th December 2012

The Board of Directors
SENTORIA GROUP BERHAD
No. 56 & 58, Jalan Dagang SB 4/2,
Taman Sungai Besi Indah,
43300 Seri Kembangan,
Selangor Darul Ehsan

(Attention : Ms Loh Poh Im)

Dear Sirs,

CERTIFICATE OF VALUATION OF A PARCEL OF LAND MEASURING 150 ACRES BEING PART OF HSD 30726, LOT NO. PT 1082, MUKIM OF MORIB, DISTRICT OF KUALA LANGAT, STATE OF SELANGOR (hereinafter referred to as the 'subject property')

[Location : Located along Jalan Tali Air, within Morib, Selangor Darul Ehsan]

We were instructed to advise on the Market Value of the subject property for the purpose of **submission to Bursa Malaysia Securities Berhad in relation to the Corporate Exercise (as defined below) by Sentoria Group Berhad ("Sentoria")**.

This Certificate of Valuation has been prepared for inclusion in the circular to the shareholders of Sentoria in relation to the proposed development of a Water Themepark, Resort & Convention Centre, Boutique Hotel and Safari Park (collectively, the "Component(s)") by Sentoria on the subject property and the granting of the call options and the put options by Seriemas Development Sdn Berhad ("Seriemas") to Sentoria under the Development Rights Agreement ("DRA") in respect of the four (4) Components, whereby Sentoria and/or Seriemas shall have the right to enter into four (4) different Sale and Purchase Agreements in respect of the four (4) Components pursuant to the DRA.

This valuation has been prepared in compliance with the Asset Valuation Guidelines issued by the Securities Commission, Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

UK - England - Ireland - Scotland - Wales

Asia Pacific - Australia - China - Hong Kong - India - Japan - Macau
Malaysia - New Zealand - Singapore - South Korea - Taiwan
Thailand - Vietnam

Europe - Austria - Belgium - Croatia - France - Germany - Gibraltar
Greece - Italy - Luxembourg - Monaco - Montenegro - Netherlands
Norway - Poland - Portugal - Russia - Spain - Sweden - Switzerland

Middle East and Africa - Angola - Botswana - Oman - South Africa
Swaziland - Zambia

Americas - Canada - Caribbean - Mexico - USA

Rahim & Co C(Sel) Sdn. Bhd. (123157-K)

36A, 1st Floor, Jalan Yong Shook Lin, Seksyen 52,

46200 Petaling Jaya, Selangor, Malaysia.

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Board Reg. No. VE(1)0065/9

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Kota Bharu . Kota Kinabalu . Kuala Terengganu . Kuantan . Kuching . Malacca
Penang . Petaling Jaya . Seremban . Sungai Petani . Temerloh



Our Ref : 31V120690
26th December 2012

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The basis of our valuation is the Market Value of the subject property on an 'as-is' basis, i.e., as a parcel of agricultural land zoned for residential use.

Market Value is defined in 'Standard 1 – Market Value Basis of Valuation' as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

For the purpose of this valuation, we will be valuing the subject property as a plot of vacant agricultural land as no official submissions have been made to any government agencies at the time of inspection.

In this valuation the interest to be valued is the owner's freehold interest in the subject property.

In relation to the subject property, Sentoria Group Berhad has entered into a Development Rights Agreement ("DRA") with Seriemas Development Sdn Berhad ("Seriemas"). The DRA grants Sentoria the rights to develop the subject property into four (4) Components namely a Water Themepark, Resort & Convention Centre, Boutique Hotel and Safari Park and the granting of the call options and the put options by Seriemas Development Sdn Berhad ("Seriemas") to Sentoria under the Development Rights Agreement ("DRA") in respect of the four (4) Components, whereby Sentoria and/or Seriemas shall have the right to enter into four (4) different Sale and Purchase Agreements in respect of the four (4) Components pursuant to the DRA.

In arriving at the Market Value, we have adopted the **Comparison Method**. The **Comparison Method** entails critical analyses of recent sales/evidence of comparable properties in the neighborhood and making adjustments for differences.

Paragraph 4.06 of the Asset Valuation Guidelines requires a valuer to adopt at least two (2) methods of valuation. However, we have only adopted one (1) method of valuation, which is the Comparison Method, in view of the availability of sufficient transactions of similar and comparable properties to be used due to its nature and condition as a vacant land. In addition, no development plans have been submitted to the local authorities in respect of the proposed development of the subject property. As such, we deem the Comparison Method to be the most appropriate method in valuing the subject property, and are of the opinion that a second method of valuation is not necessary.

As part of the valuation exercise we have inspected the subject property, examined relevant documents provided by the client and conducted a title search at the land registry to establish title particulars relevant to the valuation only. We have made no further investigation of and assume no responsibility for claims and liabilities against the properties valued.



Our Ref : 31V120690
26th December 2012

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We are pleased to report that in our opinion, the Market Value of the subject property as at **24th December 2012**, in its existing condition, free from all encumbrances, with the title upon issuance being good, marketable and registrable, is **RM23,000,000/-** (Ringgit Malaysia : Twenty-Three Million Only)


In assessing the market value we have not taken into consideration the principal terms and conditions as stipulated in the Development Rights Agreement (DRA) dated 31-12-2012

IT IS PERTINENT TO NOTE THAT THIS VALUATION IS PREPARED SPECIFICALLY FOR THE ABOVE INTENDED PURPOSE AND SHOULD NOT BE USED FOR ANY OTHER PURPOSES.

Yours faithfully,
RAHIM & CO (SEL) SDN BHD

CHOY YUE KWONG
Managing Director
MRICS, MIS(M), BSC, DLE (SCOTLAND)
Registered Valuer (V-328)



<p>Property Identification A parcel of land measuring 150 acres which is part of a 143.4 Hectare plot of agricultural land</p> <p>Legal Description Master title details: HSD 30726, PT 1082, Mukim of Morib, District of Kuala Langat, State of Selangor</p> <p>Title Land Area 143.4 Hectares (about 354.349 acres OR 15,435,433 square feet)</p> <p>Land Area Under Valuation 150 acres (6,534,000 square feet)</p> <p>Registered Owner I&P Seriemas Sdn Bhd – 1/1 share</p> <p>Category of Land Use 'Pertanian'</p> <p>Tenure Freehold</p> <p>Encumbrances Nil</p> <p>Restrictions-in- Interest Nil</p> <p>Interest to be Valued The interest to be valued is the owner's freehold interest in the subject property</p>	<p>Site Description The site is irregular in shape, generally flat in terrain and lies level with the surrounding agricultural lands. The subject site is presently not demarcated with any form of fencing. At the time of inspection, we observed that the subject property is planted with oil palms.</p> <p>Planning Provisions Our enquiries at Jabatan Perancangan Pembangunan, Majlis Daerah Kuala Langat reveals that the subject property is located within Blok Perancangan Kecil 4.2 of Rancangan Tempatan Kuala Langat 2020.</p> <p>Our checks also reveal that it is zoned for Residential use with a permitted density of 24 to 40 units per acre.</p> <p>For the purpose of this valuation, we will be valuing the subject property as a plot of vacant agricultural land as no official submissions have been made to any government agencies at the time of inspection.</p> <p>Location of Property The subject property is located along Jalan Tali Air, within Morib, Selangor Darul Ehsan. It is about 75 kilometres from Kuala Lumpur City Centre, 45 kilometres from Putrajaya and 40 kilometres from the Kuala Lumpur International Airport.</p>	<p>Valuation Methodology In arriving at the Market Value, we have adopted the Comparison Method.</p> <p>The Comparison Method entails critical analyses of recent sales/evidence of comparable properties in the neighborhoods and making adjustments for differences.</p> <p>Date of Valuation 24th December 2012</p> <p>Market Value RM23,000,000/- </p>
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Valuation Workings (Comparison Method)

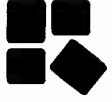
Subject Property Title particulars : A parcel of land measuring 150 acres being part of HSD 30726, PT 1082, Mukim of Morib, District of Kuala Langat, State of Selangor Address/Location : Located along Jalan Tali Air, within Morib, Selangor Darul Ehsan Description of property : A parcel of agricultural land Planning provision : Zoned for residential use Tenure : Freehold Land area : 150 acres (about 6,534,000 sq. feet) Date of Valuation : 24-December-2012	
---	--

	1	2	3	4
Comparable Title particulars	GRN 173143, Lot No. 12235, Mukim of Tanjung Duabelas, District of Kuala Langat, State of Selangor	GRN 173142, Lot No. 12234, Mukim of Tanjung Duabelas, District of Kuala Langat, State of Selangor	GRN 232380, Lot No. 12 Section 2, Pekan Bukit Changgang, District of Kuala Langat, State of Selangor	GRN 38930, Lot No. 2117, Mukim of Kelanang, District of Kuala Langat, State of Selangor
Address/Location	Located north of Kampung Sungai Kelambu in Banting, Selangor (formerly part of Brookland Estate)	Located north of Kampung Sungai Kelambu in Banting, Selangor (formerly part of Brookland Estate)	Located off Jalan Sentosa in Olak Lempit (next to Kompleks Perabot Olak Lempit)	Located along Jalan Jalan Rasau Luar in Kelanang, Kuala Langat, Selangor (formerly part of Kelanang Estate)
Description of property	A plot of building land	A plot of agricultural land	A plot of agricultural land	A plot of agricultural land
Planning provision	Agricultural	Agricultural	Industrial	Agricultural
Tenure	Freehold	Freehold	Freehold	Freehold
Land area (sq. metres)	1,619,000	5,071,000	236,900	794,447
(sq. feet)	17,426,754	54,583,737	2,549,968	8,551,351
Date of transaction	02-August-2012	03-July-2012	25-November-2011	21-March-2012
Consideration	RM97,238,000	RM191,000,000	RM14,635,000	RM25,283,050
Analysis	RM5.58	RM3.50	RM5.74	RM2.96
Adjustments	Upward adjustment for size and accessibility	Upward adjustment for size, zoning and accessibility	Upward adjustment for accessibility	Upward adjustment for location and zoning
	Downward adjustment for location and category of land use	Downward adjustment for location	Downward adjustment for location, size and zoning	No downward adjustment
Adjusted value (psf)	RM3.91	RM3.67	RM3.73	RM3.55

(Source: Valuation and Property Services Department, Ministry of Finance Malaysia)

Note: Comparable 4 is the most suitable as it has the least adjustments, being nearest to the subject property and the size is in the same order. The value of RM3-55 psf as derived from the analysis of Comparable 4 is thus adopted to arrive at the market value of the subject property.

Land area under valuation	6,534,000 sq. feet
Adopted value (psf)	@ RM3.55
Market Value	RM23,195,700
SAY	RM23,000,000



FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

All information relating to Seriemas has been extracted from publicly available documents and/ or information provided by Seriemas. Therefore, the responsibility of the Directors is restricted to ensuring that the said information is accurately reproduced in this Circular.

2. CONSENT

OSK, being the Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Rahim & Co, being the Valuer to the Company in relation to the Proposed Development, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the valuation certificate and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTERESTS

OSK has given their written confirmation that as at the date of this Circular, there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Adviser to the Company for the Proposals.

Rahim & Co has given their written confirmation that as at the date of this Circular, there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Valuer to the Company in relation to the Proposed Development.

4. MATERIAL CONTRACTS

Save for the JVA, DRA and as disclosed below, neither Sentoria nor any of its subsidiary companies have entered into any subsisting material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years immediately preceding the date of this Circular:-

- i. On 6 December 2012, SASB, a wholly-owned subsidiary company of the Company, had entered into a joint development agreement with Fajar Pertiwi Sdn Bhd to jointly undertake the development of all that parcel of vacant land situated at Bukit Rangan, in the Mukim of Kuala Kuantan, District of Kuantan and State of Pahang measuring approximately 210 acres, intended to be developed into a mixed residential and commercial development in accordance with the terms and conditions of the joint development agreement.

5. MATERIAL LITIGATION

As at the LPD, Sentoria Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Group.

6. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group that has not been provided for subsequent to the audited consolidated financial statements of Sentoria Group for the FYE 30 September 2012 which, upon becoming enforceable, may have a material impact on the financial results/ position of the Group:-

	RM'000
Capital commitment:-	
Capital expenditure approved and contracted for property, plant & equipment and development	16,543

7. CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred subsequent to the audited consolidated financial statements of Sentoria Group for the FYE 30 September 2012 which, upon becoming enforceable, may have a material impact on the financial results/ position of the Group.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 56 & 58 (2nd Floor), Jalan Dagang SB 4/2, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan, during normal business hours (except public holidays) from the date of this Circular up to the date of the forthcoming EGM:-

- i. Memorandum and Articles of Association of Sentoria;
- ii. Audited consolidated financial statements of Sentoria Group for the past two (2) financial years up to the FYE 30 September 2012 and the latest unaudited quarterly report of Sentoria Group for the three (3)-month FPE 31 December 2012;
- iii. The valuation report by Rahim & Co dated 16 January 2013 together with the valuation certificate dated 26 December 2012 on the Development Land in relation to the Proposed Development;
- iv. The letters of consent and declaration of conflict of interests referred to in Sections 2 and 3 above, respectively; and
- v. The material contracts referred to in Section 4 above.



SENTORIA GROUP BERHAD

(Company No.: 463344-K)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("EGM") of Sentoria Group Berhad ("Sentoria" or the "Company") which is scheduled to be held at Arabian Ballroom 3, Bukit Gambang M.I.C.E Centre, Arabian Bay Resort, Bukit Gambang Resort City, 26300 Gambang, Pahang Darul Makmur on Friday, 29 March 2013 at 11.00 a.m., or immediately following the conclusion or adjournment of the Fourteenth Annual General Meeting ("AGM") of the Company to be held at the same venue and on the same date at 10.30 a.m., whichever is later, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:-

ORDINARY RESOLUTION 1

PROPOSED JOINT-VENTURE BETWEEN SENTORIA AND SERIEMAS DEVELOPMENT SDN BERHAD ("SERIEMAS") IN CONNECTION WITH THE MIXED DEVELOPMENT ON A PARCEL OF LAND MEASURING APPROXIMATELY 204 ACRES OWNED BY SERIEMAS HELD UNDER THE MASTER TITLE NO. HS(D) 30726 PT 1082, MUKIM MORIB, DAERAH KUALA LANGAT, SELANGOR DARUL EHSAN ("MASTER TITLE") ("JV LAND") ("PROPOSED JOINT-VENTURE")

"**THAT**, subject to and conditional upon the approvals of all relevant regulatory authorities being obtained, where required, approval be and is hereby given to the Company to undertake the development of the JV Land into a mixed development of commercial and residential units in accordance with the terms and conditions of the joint venture agreement dated 31 December 2012 entered into between Sentoria and Seriemas;

AND THAT the Board of Directors of Sentoria ("Board") be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to the aforesaid Proposed Joint-Venture with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Joint-Venture."

ORDINARY RESOLUTION 2

PROPOSED DEVELOPMENT OF A WATER THEME PARK, RESORT AND CONVENTION CENTRE, BOUTIQUE HOTEL AND SAFARI PARK (COLLECTIVELY, THE "COMPONENT(S)") BY SENTORIA ON THE REMAINING PARCEL OF FREEHOLD LAND MEASURING APPROXIMATELY 150 ACRES OWNED BY SERIEMAS HELD UNDER THE MASTER TITLE ("DEVELOPMENT LAND") AND THE GRANTING OF THE CALL OPTIONS AND THE PUT OPTIONS BY SERIEMAS TO SENTORIA UNDER THE DEVELOPMENT RIGHTS AGREEMENT ("DRA") IN RESPECT OF THE FOUR (4) COMPONENTS, WHEREBY SENTORIA AND/ OR SERIEMAS SHALL HAVE THE RIGHT TO ENTER INTO FOUR (4) DIFFERENT SALE AND PURCHASE AGREEMENTS IN RESPECT OF THE FOUR (4) COMPONENTS ("DRA SPA(s)") ("PROPOSED DEVELOPMENT")

"**THAT**, subject to and conditional upon the approvals of all relevant regulatory authorities being obtained, where required, approval be and is hereby given to the Company for the following:-

- i. To undertake the development of the Development Land into the four (4) Components namely, a water theme park, resort and convention centre, boutique hotel and safari park in accordance with terms and conditions of the DRA dated 31 December 2012 entered into between Sentoria and Seriemas; and
- ii. To enter into four (4) different DRA SPAs with Seriemas pursuant to the exercise of the call options and/ or put options, if any, granted under the DRA in respect of the four (4) Components;

AND THAT the Board be and is hereby authorised to sign and execute all documents (including the DRA SPAs), do all acts, deeds and things as may be required to give effect to the aforesaid Proposed Development with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Development."

ORDINARY RESOLUTION 3

PROPOSED BONUS ISSUE OF 40,000,000 NEW ORDINARY SHARES OF RM0.20 EACH IN SENTORIA ("SENTORIA SHARE(S)" OR "SHARE(S)") ("BONUS SHARE(S)") TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TEN (10) EXISTING SENTORIA SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")

"**THAT**, subject to and conditional upon the approvals of all relevant regulatory authorities being obtained, where required, the Board be and is hereby authorised to capitalise RM8,000,000 from the Company's share premium account for the purpose of the Proposed Bonus Issue;

THAT the Board be and is hereby authorised to apply such capitalised sums in making payment in full and at par for 40,000,000 new Sentoria Shares to be credited as fully paid-up and such new Sentoria Shares be allotted and issued to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board ("Entitlement Date"), on the basis of one (1) Bonus Share for every ten (10) existing Sentoria Shares held on the Entitlement Date;

THAT the fractional entitlements arising from the Proposed Bonus Issue, if any, shall be dealt with by the Board in such manner at its absolute discretion as it may deem fit and expedient and in the best interest of the Company;

THAT the Bonus Shares will, upon allotment and issuance, rank *pari passu* in all respects with the then existing Sentoria Shares, except that the Bonus Shares will not be entitled to any dividends, rights, allotment and/ or other form of distributions ("Distributions") that may be declared, made or paid to shareholders of the Company where the entitlement date of the Distributions precedes the date of the allotment of the Bonus Shares;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the Proposed Bonus Issue with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue."

ORDINARY RESOLUTION 4

PROPOSED PURCHASE BY SENTORIA OF UP TO TEN PERCENT (10%) OF ITS ISSUED AND PAID-UP SHARE CAPITAL AT ANY POINT IN TIME ("PROPOSED SHARE BUY-BACK")

"**THAT**, subject to the Companies Act, 1965 ("Act") and all applicable rules, regulations and orders made pursuant to the Act, the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Securities ("Listing Requirements") and conditional upon the approvals of all relevant regulatory authorities being obtained, where required, the Company be and is hereby authorised to purchase and/ or hold such number of Sentoria Shares under the Proposed Share Buy-Back ("Purchased Share(s)") upon such terms and conditions as the Board may deem fit in the interest of the Company provided that:-

- a) the aggregate number of Purchased Shares does not exceed ten percent (10%) of the issued and paid-up share capital of the Company at any one time; and
- b) the maximum amount of funds to be allocated for the Purchased Shares shall not exceed the aggregate amount of the share premium and retained earnings of the Company;

THAT the Board be and is hereby authorised to decide at its discretion either to retain the Purchased Shares as treasury shares and/ or to cancel the Purchase Shares and/ or to retain the Purchased Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/ or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/ or cancelled subsequently and/ or to retain part of the Purchased Shares in such other manner as may be prescribed by the Act and the relevant rules, regulations, guidelines, requirements and/ or orders of Bursa Securities and any other relevant authorities for the time being in force;

THAT the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things (including the opening and maintaining of a central depositories account(s) under the Securities Industry (Central Depositories) Act, 1991 as may be required to give effect to and to complete the aforesaid Proposed Share Buy-Back) with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Share Buy-Back;

AND THAT the authority conferred by this ordinary resolution shall be effective immediately upon the passing of the ordinary resolution relating to the Proposed Share Buy-Back at the forthcoming EGM of the Company and shall be valid until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM of the Company is required by law to be held, whichever is earlier, unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting, but shall not prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and in any event in accordance with the provision of the Act, the Listing Requirements and other prevailing laws, guidelines, rules and regulations issued by the relevant authorities."

ORDINARY RESOLUTION 5

PROPOSED SHAREHOLDERS' RATIFICATION FOR THE RECURRENT RELATED PARTY TRANSACTION(S) ("RRPT(S)") OF A REVENUE OR TRADING NATURE ENTERED INTO BY SENTORIA AND ITS SUBSIDIARY COMPANIES ("SENTORIA GROUP" OR THE "GROUP") FROM 23 FEBRUARY 2012, BEING THE DATE OF LISTING OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF SENTORIA ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") ("LISTING DATE") TO THE DATE OF THE FORTHCOMING EGM ("PROPOSED SHAREHOLDERS' RATIFICATION")

"THAT the RRPT(s) entered or to be entered into by the Company with its related party, details of which are set out in the Circular to shareholders dated 15 March 2013 ("Circular") from the Listing Date to 29 March 2013, being the date of the forthcoming EGM, which are necessary for the day-to-day operations of the Group based on normal commercial terms that are not more favourable to its related party than those generally available to the public and on terms that are not detrimental to the minority shareholders of the Company, be and is hereby approved and ratified;

AND THAT all the actions taken and the execution of all necessary documents by the Board as it had considered expedient or deemed fit in the interest of the Company, be and is hereby approved and ratified."

ORDINARY RESOLUTION 6

PROPOSED SHAREHOLDERS' MANDATE FOR THE RRPT(S) TO BE ENTERED INTO FROM THE DATE OF THE FORTHCOMING EGM TO THE NEXT AGM ("PROPOSED SHAREHOLDERS' MANDATE")

"THAT, subject to the provision of the Act, the Listing Requirements or other prevailing laws, guidelines, rules and regulations issued by the relevant authorities, approval be and is hereby given to the Company and/ or its subsidiary companies to enter into RRPT(s) with its related party, details of which are set out in the Circular, which are necessary for the day-to-day operations of the Group based on normal commercial terms that are not more favourable to its related party than those generally available to the public and on terms that are not detrimental to the minority shareholders of the Company;

THAT the Proposed Shareholders' Mandate will take effect from the passing of the ordinary resolution at the forthcoming EGM of the Company and shall be valid until:-

- i. the conclusion of the next AGM of the Company following the general meeting at which the Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority for the Proposed Shareholders' Mandate is renewed;
- ii. the expiration of the period, within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- iii. revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things (including executing all such documents as may be required) as may be required to give effect to the aforesaid Proposed Shareholders' Mandate with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Shareholders' Mandate."

By Order of the Board

Datuk Tan Leh Kiah (MAICSA No. 0719692)
Chan Yoke Peng (MAICSA No. 7053966)
Chin Lee Chyen (MAICSA No. 7055910)
Company Secretaries

Seri Kembangan, Selangor Darul Ehsan
15 March 2013

Notes:-

1. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote in his/ her stead. A proxy need not be a member of the Company.*
2. *Subject to the Act, where a member appoints two (2) proxies, the appointment shall be invalid unless he/ she specifies the proportions of his/ her shareholdings to be represented by each proxy.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his/ her attorney duly authorised in writing or, if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.*
4. *The Proxy Form must be completed, signed and deposited at the Company's registered office not less than 48 hours before the time set for the meeting or adjourned meeting.*
5. *Shareholders' attention is hereby drawn to the Listing Requirements, which allow a member of the Company which is an exempt authorised nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, who holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account") to appoint multiple proxies in respect of each omnibus account it holds.*
6. *In respect of the deposited securities, only members whose names appear in the Record of Depositors on 25 March 2013 shall be eligible to attend the meeting.*



SENTORIA GROUP BERHAD
(Company No.: 463344-K)
(Incorporated in Malaysia under the Companies Act, 1965)

PROXY FORM

No. of Shares Held

I/ We _____ *NRIC/ Company no. _____
(FULL NAME IN BLOCK CAPITAL)

of _____
(FULL ADDRESS)

being *a member / members of **SENTORIA GROUP BERHAD (463344-K)** hereby appoint _____

_____ *NRIC No./ Passport No. _____
(FULL NAME IN BLOCK CAPITAL)

of _____
(FULL ADDRESS)

or failing *him/ her _____ *NRIC No./ Passport No. _____
(FULL NAME IN BLOCK CAPITAL)

of _____
(FULL ADDRESS)

or failing *him/ her the Chairman of the Meeting as *my/ our proxy/ proxies to attend and to vote for *me/ us on *my/ our behalf at the Extraordinary General Meeting of Sentoria Group Berhad ("Company") to be held at Arabian Ballroom 3, Bukit Gambang M.I.C.E Centre, Arabian Bay Resort, Bukit Gambang Resort City, 26300 Gambang, Pahang Darul Makmur on Friday, 29 March 2013 at 11.00 a.m., or immediately following the conclusion or adjournment of the Fourteenth Annual General Meeting of the Company to be held at the same venue and on the same date at 10.30 a.m., whichever is later.

*My/ our proxy is to vote as indicated below:-

RESOLUTION	FOR	AGAINST
ORDINARY RESOLUTION 1 – PROPOSED JOINT-VENTURE		
ORDINARY RESOLUTION 2 – PROPOSED DEVELOPMENT		
ORDINARY RESOLUTION 3 – PROPOSED BONUS ISSUE		
ORDINARY RESOLUTION 4 – PROPOSED SHARE BUY-BACK		
ORDINARY RESOLUTION 5 – PROPOSED SHAREHOLDERS' RATIFICATION		
ORDINARY RESOLUTION 6 – PROPOSED SHAREHOLDERS' MANDATE		

Please mark with " X " in either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolutions or abstain from voting as the proxy thinks fit.

* *Strike out whichever is not desired*

Signed this _____ day of _____ 2013

Signature(s) of Member(s)

Affix Company's Seal (if applicable)

Notes:-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote in his/ her stead. A proxy need not be a member of the Company.
2. Subject to the Companies Act, 1965, where a member appoints two (2) proxies, the appointment shall be invalid unless he/ she specifies the proportions of his/ her shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/ her attorney duly authorised in writing or, if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.



4. *The Proxy Form must be completed, signed and deposited at the Company's registered office not less than 48 hours before the time set for the meeting or adjourned meeting.*
5. *Shareholders' attention is hereby drawn to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, which allow a member of the Company which is an exempt authorised nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, who holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account") to appoint multiple proxies in respect of each omnibus account it holds.*
6. *In respect of the deposited securities, only members whose names appear in the Record of Depositors on 25 March 2013 shall be eligible to attend the meeting.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

Company Secretaries
SENTORIA GROUP BERHAD (463344-K)
56 & 58 (2nd Floor)
Jalan Dagang SB 4/2
Taman Sungai Besi Indah
43300 Seri Kembangan
Selangor Darul Ehsan

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