

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus ("AP") unless stated otherwise.

THIS AP IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your Sentoria Shares, you should at once hand this AP together with the NPA and RSF ("Documents") to the agent/broker through whom you effected the sale/transfer for onward transmission to the purchaser/transferee. All enquiries concerning the Rights Issue, which is the subject of this AP should be addressed to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (Company No. 11324-H) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The Documents are only despatched to our Entitled Shareholders whose names appear in our Record of Depositors as at 5.00 p.m. on 12 December 2017 who have a registered address in Malaysia or who have provided our Share Registrar with an address in Malaysia in writing on or before 5.00 p.m. on 12 December 2017. If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of the AP and the Rights Issue Entitlement File will be transmitted to you by Bursa Depository through its existing network facility with the Authorised Nominees. The Documents are not intended to be (and will not be) issued, circulated or distributed, and the Rights Issue is not intended to be (and will not be) made or offered or deemed to be made or offered for subscription, in any countries or jurisdictions other than Malaysia. Persons receiving the Documents (including without limitation, custodians, nominees and trustees), must not, in connection with the Rights Issue, offer, distribute or send the Documents outside of Malaysia. No action has been or will be taken to ensure that the Rights Issue and the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Rights Issue to which the Documents relate is only available to persons receiving the Documents within Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue in any jurisdictions other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who are residing in countries or jurisdictions other than Malaysia to immediately consult their legal advisers and other professional adviser as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue would result in the contravention of any law of such countries or jurisdictions. Our Company, Affin Hwang IB and other experts shall not be responsible or liable howsoever in the event that any acceptance or sale/renunciation (as the case may be) made by our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any country or jurisdiction in which our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) is a resident.

This AP has been registered by the SC. The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Documents, has also been lodged with the Registrar of Companies who takes no responsibility for their contents.

Approval for the Rights Issue has been obtained from our shareholders at the EGM held on 15 November 2017. Approval has also been obtained from Bursa Securities vide its letter dated 24 October 2017 for, amongst others, the admission of Warrants B to the Official List of Bursa Securities and the listing of and quotation for Warrants B to be issued pursuant to the Rights Issue and the listing of and quotation for the new Sentoria Shares to be issued pursuant to the exercise of Warrants B on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue, and is in no way reflective of the merits of the Rights Issue. The admission of Warrants B to the Official List of Bursa Securities and listing of and quotation for Warrants B and the new Sentoria Shares to be issued pursuant to the exercise of Warrants B on the Main Market of Bursa Securities will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Our Board has seen and approved all the documentation relating to the Rights Issue. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make the statements in these documents false or misleading.

Affin Hwang IB, being the Principal Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 6 OF THIS AP.



SENTORIA GROUP BERHAD
(Company No. 463344-K)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 211,200,000 NEW WARRANTS IN SENTORIA GROUP BERHAD ("WARRANT(S) B") AT AN ISSUE PRICE OF RM0.25 PER WARRANT B ON THE BASIS OF 4 WARRANTS B FOR EVERY 10 SENTORIA SHARES HELD AS AT 5.00 P.M. ON 12 DECEMBER 2017 ("RIGHTS ISSUE")

Principal Adviser



AFFIN HWANG
CAPITAL

AFFIN HWANG INVESTMENT BANK BERHAD

(Company No.: 14389-U)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:

Entitlement Date	:	Tuesday, 12 December 2017 at 5.00 p.m.
Last date and time for sale of provisional allotment of Warrants B	:	Tuesday, 19 December 2017 at 5.00 p.m.
Last date and time for transfer of provisional allotment of Warrants B	:	Friday, 22 December 2017 at 4.00 p.m.
Last date and time for acceptance and payment	:	Thursday, 28 December 2017 at 5.00 p.m.
Last date and time for Excess Warrants B application and payment	:	Thursday, 28 December 2017 at 5.00 p.m.

This Abridged Prospectus is dated 12 December 2017

ALL TERMS AND ABBREVIATIONS USED HEREIN SHALL HAVE THE SAME MEANINGS AS THOSE DEFINED IN THE "DEFINITIONS" SECTION OF THIS AP UNLESS STATED OTHERWISE.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS AP, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP. THIS AP HAS BEEN REGISTERED BY THE SC. THE REGISTRATION OF THIS AP SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE RIGHTS ISSUE OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINION OR REPORT EXPRESSED IN THIS AP.

BURSA SECURITIES HAS APPROVED THE ADMISSION OF WARRANTS B TO THE OFFICIAL LIST OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR WARRANTS B AND NEW SENTORIA SHARES TO BE ISSUED ARISING FROM THE EXERCISE OF WARRANTS B ON THE MAIN MARKET OF BURSA SECURITIES. HOWEVER, THIS IS NOT AN INDICATION THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY OTHER COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

DEFINITIONS

For the purpose of this AP, unless where the context otherwise requires, the following definitions shall apply throughout this AP:

AP	: This abridged prospectus dated 12 December 2017 in relation to the Rights Issue
Act	: Companies Act, 2016
Additional Undertaking	: The irrevocable undertaking from SCSB dated 21 September 2017 to subscribe by way of excess application, for all remaining Warrants B not subscribed by the other Entitled Shareholders and/or their renounee(s), if any
Affin Hwang IB	: Affin Hwang Investment Bank Berhad (Company No.: 14389-U)
Announcement	: Announcement dated 21 September 2017 in relation to the Corporate Exercises
ATM	: Automated Teller Machine
Authorised Nominee	: A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
Board	: The Board of Directors of Sentoria
Bonus Issue	: Bonus issue of up to 52,800,000 new Sentoria Shares to be credited as fully paid-up on the basis of 1 Bonus Share for every 10 existing Sentoria Shares held by our Entitled Shareholders
Bonus Share(s)	: Up to 52,800,000 new Sentoria Shares to be issued pursuant to the Bonus Issue
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Company No.: 165570-W)
Bursa Securities	: Bursa Malaysia Securities Berhad (Company No.: 635998-W)
CDS	: Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account(s)	: A securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposit of securities and dealing in such securities by that depositor
CMSA	: Capital Markets and Services Act, 2007
CCM	: Companies Commission of Malaysia
Corporate Exercises	: Collectively, the Bonus Issue and the Rights Issue
Deed Poll A	: The deed poll dated 27 March 2014 constituting Warrants A
Deed Poll B	: The deed poll dated 15 November 2017 constituting Warrants B
Documents	: AP, together with the NPA and RSF, collectively
EGM	: Extraordinary general meeting

DEFINITIONS (CONT'D)

Electronic Application	: Application for the Rights Issue through the ATMs of Participating Financial Institutions
Entitled Shareholder(s)	: The shareholders of our Company whose names appear in the Record of Depositors of our Company on the Entitlement Date in order to be entitled to participate in the Bonus Issue and Rights Issue
Entitlement Date	: 5.00 p.m. on 12 December 2017, being the time and date on which the names of our Entitled Shareholder(s) must be registered in the Record of Depositors of Sentoria in order to be entitled to participate in the Bonus Issue and Rights Issue
EPS	: Earnings per Share
Excess Warrants B	: Warrants B which are not taken up or not validly taken up by our Entitled Shareholders and/or their transferees and/or their renounees prior to the closing date
Foreign Addressed Shareholder(s)	: Shareholder(s) whose addresses, in our Company's Record of Depositors, is not in Malaysia
FYE	: Financial year ended/ending, as the case may be
GDV	: Gross development value
GT or Reporting Accountants	: Messrs. SJ Grant Thornton (No. AF: 0737)
Internet Application(s)	: Application(s) for the Warrants B and/or Excess Warrants B within Malaysia through Internet Participating Financial Institutions
Internet Participating Financial Institutions	: Participating financial institutions for Internet Application as referred to in Section 10.5.3 (By way of Internet Applications) of this AP
Issue Price	: RM0.25 per Warrant B
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 13 November 2017, being the latest practicable date prior to the registration of this AP with the SC
LTD	: 20 September 2017, being the last Market Day Sentoria Shares were traded on the Main Market of Bursa Securities prior to the date of the Announcement and Price-Fixing Date
Market Day(s)	: Any day between Monday and Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities

DEFINITIONS (CONT'D)

Maximum Scenario	: Assuming that all treasury shares held by our Company were resold at its purchase cost such that there will be no gain or loss arising from such resale on the open market of Bursa Securities, all of the outstanding Warrants A were exercised prior to the Entitlement Date and all our Entitled Shareholders subscribe for their respective entitlements under the Rights Issue
Minimum Scenario	: Assuming that none of the treasury shares held by our Company were resold on the open market of Bursa Securities and none of the outstanding Warrants A were exercised prior to the Entitlement Date
NA	: Net assets
NPA	: Notice of provisional allotment of Warrants B in relation to the Rights Issue
NRS	: Nominee rights subscription service offered by Bursa Depository, at the request of our Company, to Authorised Nominees for electronic subscription of Warrants B through Bursa Depository's existing network facilities with the Authorised Nominees
Official List	: A list specifying all securities listed on the Main Market of Bursa Securities
Participating Financial Institutions	: Participating financial institutions for Electronic Application as referred to in Section 10.5.2 (By way of Electronic Application) of this AP
PATAMI	: Profit after taxation and minority interests
Price-Fixing Date	: 21 September 2017, being the date on which our Company fixed and announced the Issue Price
Provisional Warrants B	: Warrants B provisionally allotted to our Entitled Shareholders
Record of Depositors or ROD	: A record of CDS Account provided by Bursa Depository pursuant to Chapter 24 of the Rules of Bursa Depository
Rights Issue	: Renounceable rights issue of up to 211,200,000 Warrants B at an issue price of RM0.25 per Warrant B on the basis of 4 Warrants B for every 10 Sentoria Shares held by our Entitled Shareholders
Rights Issue Entitlement File	: An electronic file forwarded by Bursa Depository to an Authorised Nominee who has subscribed for NRS, containing information of such Authorised Nominee's entitlements under the Rights Issue as at the Entitlement Date
Rights Issue Subscription File	: An electronic file forwarded by an Authorised Nominee who has subscribed for NRS to Bursa Depository, containing information pertaining to such Authorised Nominee's acceptance of their respective Provisional Warrants B and application for Excess Warrants B
RM and sen	: Ringgit Malaysia and sen respectively
RSF	: Rights subscription form in relation to the Rights Issue
Rules	: Rules on Take-Overs, Mergers and Compulsory Acquisitions
Rules of Bursa Depository	: The rules of Bursa Depository as issued pursuant to the SICDA

DEFINITIONS (CONT'D)

SC	:	Securities Commission Malaysia
SCSB	:	Sentoria Capital Sdn Bhd (Company No.: 734593-X)
Sentoria or our Company	:	Sentoria Group Berhad (Company No.: 463344-K)
Sentoria Group or our Group	:	Collectively, Sentoria and its subsidiaries
Sentoria Share(s) or Share(s)	:	Ordinary share(s) in Sentoria
Share Registrar	:	Tricor Investor & Issuing House Services Sdn Bhd (Company No.: 11324-H)
SICDA	:	Securities Industry (Central Depositories) Act, 1991
TEAP	:	Theoretical ex-all price of Sentoria Share after the Corporate Exercises
TEBP	:	Theoretical ex-bonus price of Sentoria Share after the Bonus Issue
Undertaking	:	The irrevocable written undertaking from SCSB dated 21 September 2017 to subscribe in full for its entitlement under the Rights Issue
VWAMP	:	Volume weighted average market price
Warrant(s) A	:	The warrant(s) 2014/2019 in Sentoria constituted by Deed Poll A
Warrant(s) B	:	Up to 211,200,000 new warrants in Sentoria to be issued pursuant to the Rights Issue

All references to “**our Company**” in this AP are to Sentoria Group Berhad, and references to “**our Group**” are to our Company and our subsidiaries. References to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company, and where the context otherwise requires, shall include our subsidiaries.

All references to “**you**” and “**your**” in this AP are to the Entitled Shareholders and/or where the context otherwise requires, their renounce(s)/transferee(s).

Words denoting the singular shall, where applicable, include the plural and *vice versa*. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter gender(s), and *vice versa*. Any references to persons shall include corporations, unless otherwise specified.

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

Any discrepancies in the tables included in the AP between the amounts listed, actual figures and the totals thereof are due to rounding.

TABLE OF CONTENTS

	PAGE
CORPORATE DIRECTORY	viii
LETTER TO THE SHAREHOLDERS OF SENTORIA CONTAINING:	
1. INTRODUCTION	1
2. PARTICULARS OF THE RIGHTS ISSUE	3
2.1 Details of the Rights Issue	3
2.2 Basis and justification of arriving at the Issue Price and exercise price of Warrants B	4
2.3 Ranking of Warrants B and the new Sentoria Shares to be issued from the exercise of Warrants B	4
2.4 Salient terms of Warrants B	5
2.5 Details of other corporate exercises	6
3. RATIONALE FOR THE RIGHTS ISSUE	7
4. SHAREHOLDERS' UNDERTAKINGS AND UNDERWRITING ARRANGEMENT	7
4.1 Shareholders' undertakings	7
4.2 Take-over implication under the Rules	8
5. UTILISATION OF PROCEEDS	8
6. RISK FACTORS	9
6.1 Risks relating to our Group and the industries we operate in	9
6.2 Risks relating to the Rights Issue	12
6.3 Forward-looking statements	13
7. INDUSTRY OVERVIEW AND PROSPECTS OF OUR GROUP	14
7.1 Overview and outlook of the Malaysian economy	14
7.2 Overview and outlook of the Malaysian property and construction market	14
7.3 Overview and outlook of the Malaysian tourism industry	16
7.4 Prospects of Sentoria Group	17
8. FINANCIAL EFFECTS	18
8.1 Share capital	18
8.2 NA per Share and gearing	19
8.3 Earnings and EPS	20

TABLE OF CONTENTS (CONT'D)

9.	WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS	21
9.1	Working capital	21
9.2	Borrowings	21
9.3	Contingent liabilities	21
9.4	Material commitments	22
10.	PROCEDURES FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION	22
10.1	General	22
10.2	NPA	23
10.3	Last date and time for acceptance and payment	23
10.4	Methods of application	23
10.5	Procedures for full acceptance	24
10.6	Procedures for part acceptance	36
10.7	Procedures for sale/transfer of Provisional Warrants B	37
10.8	Procedures for application of Excess Warrants B	37
10.9	Notice of allotment	39
10.10	Form of issuance	40
10.11	Laws of foreign jurisdictions	40
11.	TERMS AND CONDITIONS	42
12.	FURTHER INFORMATION	42

TABLE OF CONTENTS (CONT'D)

APPENDICES

APPENDIX I	:	CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS IN RESPECT OF THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 15 NOVEMBER 2017	43
APPENDIX II	:	INFORMATION ON SENTORIA	46
APPENDIX III	:	FURTHER DETAILS OF THE PROPERTY DEVELOPMENT PROJECTS OF SENTORIA GROUP	59
APPENDIX IV	:	PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON	62
APPENDIX V	:	AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON	81
APPENDIX VI	:	UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2017	168
APPENDIX VII	:	DIRECTORS' REPORT	183
APPENDIX VIII	:	ADDITIONAL INFORMATION	184

(The rest of this page has been intentionally left blank)

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name (Designation)	Age	Address	Nationality	Profession
Datuk Aznam Bin Mansor <i>(Independent Non-Executive Chairman)</i>	59	C-G-1, Madge Residences No. 15, Jalan Madge 55000 Kuala Lumpur	Malaysian	Company Director/ Lawyer
Dato' Chan Kong San <i>(Joint Managing Director)</i>	56	99, Jalan Cinta Alam Country Heights 43000 Kajang Selangor Darul Ehsan	Malaysian	Company Director
Dato' Gan Kim Leong <i>(Joint Managing Director)</i>	55	Unit 40, Kiara Hills No-1, Jalan 32/70A Taman Sri Hartamas 50480 Kuala Lumpur	Malaysian	Company Director
Lee Chaing Huat <i>(Senior Independent Non-Executive Director)</i>	64	4, Jalan TR6/1 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director/ Professional Trainer
Wong Yoke Nyen <i>(Independent Non-Executive Director)</i>	58	48, Jalan 17/33 Taman Tan Sri Lee Yan Lian 46400 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director/ Corporate Finance Adviser
Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad <i>(Independent Non-Executive Director)</i>	67	No. 1, Lot 577 Alor Akar Jalan Tengku Muhammad 25050 Kuantan	Malaysian	Company Director

AUDIT & RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Wong Yoke Nyen	Chairman	Independent Non-Executive Director
Datuk Aznam Bin Mansor	Member	Independent Non-Executive Chairman
Lee Chaing Huat	Member	Senior Independent Non-Executive Director
Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad	Member	Independent Non-Executive Director

CORPORATE DIRECTORY (CONT'D)

- COMPANY SECRETARIES** : Datuk Tan Leh Kiah (MAICSA 0719692)
95, Lorong Tamarind
Southern Park
41200 Kelang
Selangor Darul Ehsan
- Lim Chien Joo (MAICSA 7063152)
No. 55, Jalan Saujana 2
Ampang Saujana
68000 Ampang
Selangor Darul Ehsan
- Chin Lee Chyen (MAICSA 7055910)
No. 15, Jalan SL 7/19
Bandar Sungai Long
43000 Kajang
Selangor Darul Ehsan
- REGISTERED OFFICE** : 56 & 58 (2nd Floor)
Jalan Dagang SB 4/2
Taman Sungai Besi Indah
43300 Seri Kembangan
Selangor Darul Ehsan
- Tel. No.: +60 (3) 8943 8388
Fax. No.: +60 (3) 8944 1520
- HEAD OFFICE** : 56 & 58
Jalan Dagang SB 4/2
Taman Sungai Besi Indah
43300 Seri Kembangan
Selangor Darul Ehsan
- Tel. No.: +60 (3) 8943 8388
Fax. No.: +60 (3) 8944 5388
Website: www.sentoria.com.my
- AUDITORS AND REPORTING ACCOUNTANTS FOR THE RIGHTS ISSUE** : Messrs. SJ Grant Thornton
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
- Tel. No.: +60 (3) 2692 4022
Fax. No.: +60 (3) 2732 5119
- SOLICITORS FOR THE RIGHTS ISSUE** : Lee Choon Wan & Co.
No. 12, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur
- Tel. No.: +60 (3) 2093 0078
Fax. No.: +60 (3) 2094 1750

CORPORATE DIRECTORY (CONT'D)

PRINCIPAL BANKERS

- : Affin Bank Berhad
17th Floor, Menara Affin
80, Jalan Raja Chulan
50200 Kuala Lumpur
- Tel. No.: +60 (3) 2055 9000
Fax. No.: +60 (3) 2026 1415
- RHB Bank Berhad
Corporate 3, Group Corporate Banking
Level 7, Tower 3, RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
- Tel. No.: +60 (3) 9287 8888
Fax. No.: +60 (3) 9280 6167
- OCBC Bank (Malaysia) Berhad
Menara OCBC, 18 Jalan Tun Perak
50050 Kuala Lumpur
- Tel. No.: +60 (3) 8317 5000
Fax. No.: +60 (3) 8318 5699
- Al Rajhi Banking & Investment
Corporation (Malaysia) Berhad
Ground Floor, East Block
Wisma Selangor Dredging 412-B
Jalan Ampang
50450 Kuala Lumpur
- Tel. No.: +60 (3) 2301 7000
Fax. No.: +60 (3) 2170 7100

SHARE REGISTRAR

- : Tricor Investor & Issuing House
Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
- Tel. No.: +60 (3) 2783 9299
Fax. No.: +60 (3) 2783 9222

PRINCIPAL ADVISER

- : Affin Hwang Investment Bank Berhad
27th Floor, Menara Boustead
69, Jalan Raja Chulan
50200 Kuala Lumpur
- Tel. No.: +60 (3) 2142 3700
Fax. No.: +60 (3) 2141 7701

STOCK EXCHANGE LISTING

- : Main Market of Bursa Securities



(Company No. 463344-K)
(Incorporated in Malaysia)

Registered Office:

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

12 December 2017

Board of Directors

Datuk Aznam Bin Mansor (*Independent Non-Executive Chairman*)

Dato' Chan Kong San (*Joint Managing Director*)

Dato' Gan Kim Leong (*Joint Managing Director*)

Lee Chaing Huat (*Senior Independent Non-Executive Director*)

Wong Yoke Nyen (*Independent Non-Executive Director*)

Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad (*Independent Non-Executive Director*)

To: The Entitled Shareholders of Sentoria

Dear Sirs,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 211,200,000 WARRANTS B IN SENTORIA AT AN ISSUE PRICE OF RM0.25 PER WARRANT B ON THE BASIS OF 4 WARRANTS B FOR EVERY 10 EXISTING SENTORIA SHARES HELD AS AT 5.00 P.M. ON 12 DECEMBER 2017

1. INTRODUCTION

On 21 September 2017, Affin Hwang IB had, on behalf of our Board, announced the following:

- (i) our Company had proposed to undertake the Corporate Exercises; and
- (ii) the issue price and exercise price of Warrants B has been fixed at RM0.25 each and RM0.60 each, respectively.

On 25 October 2017, Affin Hwang IB had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 24 October 2017 granted its approval for the following:

- (i) listing of and quotation for up to 52,800,000 Bonus Shares to be issued pursuant to the Bonus Issue;
- (ii) admission of Warrants B to the Official List of Bursa Securities and listing of and quotation for up to 211,200,000 Warrants B to be issued pursuant to the Rights Issue;
- (iii) listing of and quotation for up to 211,200,000 new Sentoria Shares to be issued pursuant to the exercise of Warrants B;
- (iv) listing of and quotation for up to 2,888,889 Warrants A to be issued pursuant to the adjustments to be made arising from the Corporate Exercises; and

- (v) listing of and quotation for up to 2,888,889 new Sentoria Shares to be issued pursuant to the exercise of the additional Warrants A.

The approval of Bursa Securities is subject to the following conditions:

No.	Conditions imposed	Status of compliance
(1)	Our Company and Affin Hwang IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Corporate Exercises	Noted
(2)	Our Company and Affin Hwang IB to inform Bursa Securities upon the completion of the Corporate Exercises	To be complied
(3)	Our Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Corporate Exercises are completed	To be complied
(4)	Our Company and Affin Hwang IB are required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a) and (b) and 6.35(4) of the Listing Requirements	To be complied
(5)	Our Company to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders in general meeting approving the Corporate Exercises	Complied
(6)	Our Company is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payables	To be complied
(7)	To incorporate Bursa Securities' comments in respect of the draft circular to shareholders	Complied

On 15 November 2017, our shareholders had approved the Corporate Exercises at the EGM. A certified true extract of the resolutions in respect of the Corporate Exercises passed by our shareholders at the aforesaid EGM is set out in Appendix I of this AP.

Further, on 27 November 2017, Affin Hwang IB had, on behalf of our Board, announced that the Entitlement Date has been fixed as at the close of business at 5.00 p.m. on 12 December 2017 along with the other relevant dates pertaining to the Rights Issue.

The admission of the Warrants B to the Official List of Bursa Securities and the listing of and quotation for the Warrants B pursuant to the Rights Issue will commence after, amongst others, the receipt of confirmation from Bursa Depository that all the CDS Accounts of our Entitled Shareholders and/or their renounee(s)/transferee(s) have been duly credited and notices of allotment have been despatched to them.

No person is authorised to give any information or make any representation not contained in this AP in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by our Company or Affin Hwang IB.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. PARTICULARS OF THE RIGHTS ISSUE

2.1 Details of the Rights Issue

The Rights Issue will entail the issuance of up to 211,200,000 Warrants B at an issue price of RM0.25 per Warrant B on the basis of 4 Warrants B for every 10 Sentoria Shares held by the Entitled Shareholders.

The minimum number of 199,192,481 Warrants B was arrived at based on the following:

- (i) the existing issued shares (excluding treasury shares) of Sentoria as at the LPD of 497,981,204 Sentoria Shares;
- (ii) assuming none of the 1,131,000 treasury shares held by our Company as at the LPD were resold on the open market of Bursa Securities prior to the Entitlement Date; and
- (iii) assuming that none of the outstanding 28,887,796 Warrants A as at the LPD were exercised into new Sentoria Shares prior to the Entitlement Date.

The maximum number of 211,200,000 Warrants B was arrived at based on the following:

- (i) the existing issued shares (excluding treasury shares) of Sentoria as at the LPD of 497,981,204 Sentoria Shares;
- (ii) assuming all the 1,131,000 treasury shares held by our Company as at the LPD were resold on the open market of Bursa Securities prior to the Entitlement Date; and
- (iii) assuming that all the outstanding 28,887,796 Warrants A as at the LPD were exercised into new Sentoria Shares prior to the Entitlement Date.

The actual number of Warrants B to be issued pursuant to the Rights Issue will depend on the issued share capital of Sentoria on the Entitlement Date.

As the Warrants B are equity securities and not private debt securities, the terms of the Warrants B do not require guarantee, security or rating.

The Rights Issue will be undertaken based on a full subscription level basis whereby the controlling shareholder of Sentoria, namely SCSB, has provided an irrevocable written undertaking letter to subscribe for all Warrants B pursuant to the Undertaking and Additional Undertaking, further details of which are set out in Section 4.1 of this AP.

You may subscribe for and/or renounce your respective entitlements under the Rights Issue in full or in part. If you decide to accept only part of your Warrants B entitlements, you shall then be entitled to the Warrants B in proportion of your acceptance of your Warrants B entitlements.

The Warrants B will be allotted to successful applicants and notices of allotment will be despatched to them within 8 Market Days from the date of receipt of a validly completed subscription form together with the requisite payment or within such other period as may be prescribed by Bursa Securities. No physical warrant certificates will be issued and Warrants B will be credited into the CDS Accounts of our Entitled Shareholders and/or renounee(s)/ transferee(s) (if applicable).

Warrants B which are not taken up or validly taken up shall be made available for excess applications by the other Entitled Shareholders and/or their renounee(s). Our Board intends to allocate the Excess Warrants B in a fair and equitable manner, and on such basis as it may deem fit and expedient and in the best interest of our Company.

It is the intention of our Board to allocate the Excess Warrants B, if any, in the following order of priority, where applicable:

- (i) firstly, to minimise the incidence of odd lots;

- (ii) secondly, for allocation to Entitled Shareholders who have applied for the Excess Warrants B on a pro-rata basis and in board lots, calculated based on their respective shareholdings as per their CDS Accounts as at the Entitlement Date;
- (iii) thirdly, for allocation to Entitled Shareholders who have applied for the Excess Warrants B on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Warrants B application; and
- (iv) finally, for allocation to the renouncee(s)/transferee(s) (if applicable) who have applied for the Excess Warrants B on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Warrants B application.

In the event of any Excess Warrants B balance after the above allocations are completed, the balance will be allocated again through the same sequence of allocations (ii) to (iv) above until all Excess Warrants B are fully allocated.

Nevertheless, our Board reserves the right to allot any Excess Warrants B applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intentions of our Board as set out in Section 10.8.1 (By way of RSF) (i) to (iv) above are achieved. Our Board also reserves the right not to accept any Excess Warrants B application, in full or in part, without assigning any reason thereof.

2.2 Basis and justification of arriving at the Issue Price and exercise price of Warrants B

Warrants B shall be issued at an issue price of RM0.25 each. This was arrived at after taking into consideration the following:

- (i) the prevailing and historical market prices of Sentoria Shares as traded on Bursa Securities;
- (ii) the funding requirements of Sentoria Group; and
- (iii) the intended utilisation of proceeds (details of which are set out in Section 5 of this AP).

Our Board has also fixed the exercise price of Warrants B at RM0.60 each. For illustrative purposes, the exercise price of RM0.60 represents a discount of RM0.16 or approximately 21.05% to the TEAP of Sentoria Shares of RM0.76, calculated based on the 5-day VWAMP of existing Sentoria Share of RM0.8005 up to and including the LTD. In addition, the total cost for subscribing Warrants B (RM0.25 each) and exercising to new Sentoria Shares (RM0.60 each) of RM0.85 represents a premium of RM0.09 or approximately 11.84% to the TEAP of RM0.76, calculated based on the 5-day VWAMP of existing Sentoria Shares of RM0.8005 up to and including the LTD.

For illustrative purposes, the TEBP of Sentoria Shares is approximately RM0.73, calculated based on the 5-day VWAMP of existing Sentoria Shares of RM0.8005 up to and including the LTD.

The issue and exercise prices of Warrants B are justified after taking into consideration the above.

2.3 Ranking of Warrants B and the new Sentoria Shares to be issued from the exercise of Warrants B

The Warrants B shall rank equally among themselves. Warrants B do not rank in preference to Warrants A and vice versa.

The new Sentoria Shares to be issued from the exercise of Warrants B shall, upon allotment and issuance, rank equally in all respects with the then existing issued Sentoria Shares, save and except that the holders of the new Sentoria Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions, where the entitlement date precedes the date of allotment and issuance of the new Sentoria Shares.

2.4 Salient terms of Warrants B

- Issue size : Up to 211,200,000 Warrants B.
- Issue price : RM0.25 per Warrant B payable in cash.
- Form and constitution : Warrants B will be issued in registered form and constituted by Deed Poll B.
- Basis of allotment : 4 Warrants B for every 10 Sentoria Shares held by the Entitled Shareholders on the Entitlement Date.
- Expiry date : The date immediately preceding the 7th anniversary of the date of issuance of Warrants B and if such date is not a Market Day, then on the immediate preceding market day.
- Exercise period : 7 years from and inclusive of the date of issuance of Warrants B and ending at 5.00 p.m. (Malaysian time) on the Expiry Date.
- Any Warrants B not exercised during the exercise period shall thereafter lapse and cease to be valid for any purpose.
- Exercise price : The exercise price of Warrants B is fixed at RM0.60 per Warrant B, subject to further adjustment (where applicable) in accordance with the provisions of Deed Poll B.
- Exercise rights : Each Warrant B entitles the holder to subscribe for 1 new Sentoria Share at the Exercise Price at any time during the Exercise Period in accordance with the provisions of Deed Poll B.
- Mode of exercise : The registered holders of the Warrant B are required to lodge an exercise form, as set out in the Deed Poll B, with our Company's share registrar, duly completed and signed together with payment of the exercise price by banker's draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia.
- Rights of Warrants B : Warrants B do not entitle the registered Warrant B holders to any voting rights in any general meeting of Sentoria or to participate in any distribution and/or offer of further securities in Sentoria unless the holders of Warrants B becomes a shareholder by exercising their Warrants B.
- Ranking of the new Shares to be issued from the exercise of Warrants B : The new Shares to be issued from the exercise of Warrants B shall, upon allotment and issue, rank equally in all respects with the then existing issued Sentoria Shares, save and except that the holders of the new Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions, where the entitlement date precedes the date of allotment and issuance of the new Shares.
- Adjustment to the exercise price and/or the number of Warrants B : The exercise price of Warrants B and/or the number of Warrants B shall be subject to adjustments under certain circumstances in accordance with the provisions of Deed Poll B.

- Rights in the event of winding up, liquidation or an event of default : In the event of a resolution is passed for a members' voluntary winding-up of our Company or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then:
- (i) For the purposes of such winding-up or compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the holders of Warrants B (or some persons designated by them for such purpose by special resolution), shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the holders of the Warrants B; and
 - (ii) In any other case, every holder of Warrants B shall be entitled to elect to be treated as if he had immediately prior to the commencement of such winding-up or compromise or arrangement exercised the exercise rights represented by such Warrants B to the extent specified in the exercise form and be entitled to receive out of the assets of our Company which would be available in liquidation if he had on such date, been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly.
- Modification to the terms and conditions of Warrants B : Save as otherwise provided in Deed Poll B, a special resolution of the holders of Warrants B is required to sanction any modification, variation, abrogation or compromise of or arrangement in respect of the rights of the holders of Warrants B.
- Board lot : Warrants B shall be tradeable upon listing in board lots of 100 units of Warrants B, or such other denomination as may be determined by Bursa Securities.
- Listing : Bursa Securities had via in its letter dated 24 October 2017, approved the admission, listing of and quotation for Warrants B and new Sentoria Shares to be issued pursuant to the exercise of Warrants B on the Main Market of Bursa Securities.
- The admission, listing of and quotation for Warrants B on the Main Market of Bursa Securities is subject to compliance with the public spread requirements in the Listing Requirements whereby there must be at least 100 Warrant B holders holding not less than 1 board lot each of Warrants B.
- Deed poll : Warrants B are constituted by Deed Poll B.
- Governing law : Laws of Malaysia.

2.5 Details of other corporate exercises

Save for the Corporate Exercises, there are no other corporate exercises which have been announced and/or approved by the relevant authorities but pending completion as at the LPD.

3. RATIONALE FOR THE RIGHTS ISSUE

The Rights Issue provides an avenue for Sentoria to raise funds which are proposed to be utilised in the manner stated in Section 5 of this AP. After due consideration of the various funding options available to our Company, our Board is of the opinion that the Rights Issue is the most appropriate avenue to raise funds in view of the following:

- (i) the Rights Issue represents an opportunity for our Group to raise funds for our property development projects without incurring interest expenses as compared to bank borrowings;
- (ii) the Rights Issue will involve the issuance of Warrants B without diluting the percentage shareholdings of our Entitled Shareholders provided that they fully subscribe and exercise their entitlements under the Rights Issue and Warrants B, respectively;
- (iii) our Company can raise additional funds for our working capital requirements and strengthen our eventual capital base upon the exercise of Warrants B into new Sentoria Shares;
- (iv) the Rights Issue provides our Entitled Shareholders with an option to further participate in the equity of our Company at a predetermined exercise price during the tenure of Warrants B; and
- (v) Warrants B will be listed on Bursa Securities and thus providing our Entitled Shareholders the opportunity to trade Warrants B on Bursa Securities.

4. SHAREHOLDERS' UNDERTAKINGS AND UNDERWRITING ARRANGEMENT

4.1 Shareholders' undertakings

As stated in Section 2.1 of this AP, the Rights Issue will be undertaken on a full subscription level basis and not minimum subscription basis. To meet the full subscription level basis, our Company has procured the Undertaking and the Additional Undertaking from our controlling shareholder, with the details as follows:

	Direct shareholdings as at the LPD		Undertaking		Additional Undertaking		Total	
	No. of Sentoria Shares	% ^(a)	No. of Warrants B	% ^(b)	No. of Warrants B	% ^(b)	No. of Warrants B	% ^(b)
SCSB	279,921,414	56.21	111,968,566	53.02	99,231,434	46.98	211,200,000	100.00

Notes:

- (a) Based on 497,981,204 Sentoria Shares (excluding 1,131,000 treasury shares) issued as at the LPD.
- (b) Based on the maximum number of up to 211,200,000 Warrants B assuming that all the treasury shares are resold and the Rights Issue is fully subscribed under the Maximum Scenario.

Pursuant to the Rights Issue, SCSB has confirmed that it has sufficient financial resources to fulfil the Undertaking and Additional Undertaking and such confirmation has been verified by Affin Hwang IB.

As the Rights Issue will be implemented on a full subscription level basis with the Undertaking and Additional Undertaking, no underwriting will be arranged for the remaining portion of Warrants B for which no undertaking to subscribe for the same has been obtained from other shareholders of Sentoria.

In the event that the full subscription level basis is not achieved, our Company will not continue with the implementation of the Rights Issue. As a result, all subscription monies received pursuant to the Rights Issue will be refunded without interest to the subscribing Entitled Shareholders and/or the renounee(s). As at the LPD, our Company does not have any other alternative fund raising plan in the event the full subscription level basis is not achieved. Hence, in the event the Rights Issue is not implemented, our Company will continue to utilise our bank borrowings and the proceeds to be utilised for general working capital will continue to be funded via internally-generated funds and/or other alternative source of external financing.

4.2 Take-over implication under the Rules

The subscription of Warrants B by SCSB pursuant to the Undertaking and Additional Undertaking will not give rise to any mandatory general offer obligation pursuant to the Rules.

5. UTILISATION OF PROCEEDS

The Rights Issue is expected to raise gross proceeds of up to RM52.80 million. The gross proceeds are intended to be utilised in the following manner:

Proposed utilisation	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)	Estimated timeframe for the utilisation of the proceeds ^(a)
Working capital:			
- Sentoria Group's property development projects ^(b)	35,000	35,000	Within 12 months
- general working capital ^(c)	13,798	16,800	Within 6 months
Defrayment of estimated expenses in connection with the Corporate Exercises ^(d)	1,000	1,000	Upon completion of the Corporate Exercises
Total	49,798	52,800	

Notes:

- (a) From the date of receipt of the proceeds.
- (b) Part of the proceeds from the Rights Issue will be utilised to part finance the development costs (both for the launched and/or to be launched developments) of the following projects:
- (i) joint development of 1,022 single-storey houses and 19 single-storey shops situated along Jalan Kuantan-Pekan, Kuantan known as Taman Bukit Rangin Phase 3 ("**Kuantan Project**"), further details of which are set out in Appendix III of this AP;
 - (ii) own development of a new resort city of 500 acres, including a water theme park, a safari park, hotel and meetings, incentives, conferences and exhibitions ("**MICE**") facilities, together with commercial and residential properties in Kuching, Sarawak known as Borneo Samariang Resort City ("**Kuching Project**"), further details of which are set out in Appendix III of this AP; and
 - (iii) own development of a new resort city including a water theme park, a safari park, hotel and MICE facilities, together with joint development of commercial and residential properties located in Morib, Selangor known as Morib Bay Resort City ("**Morib Project**"), further details of which are set out in Appendix III of this AP.

The actual allocation of the proceeds to be utilised for each project has not been determined at this juncture and is subject to the operating requirements of Sentoria Group at the time of utilisation.

- (c) Part of the proceeds from the Rights Issue will be utilised to meet Sentoria Group's general working capital requirements including the Kuantan Project, Kuching Project and Morib Project as stated above. These include, amongst others, sales and marketing expenses, finance costs and administrative costs. The actual breakdown of the proceeds to be utilised for each component of Sentoria Group's general working capital, as well as the individual projects have not been determined at this juncture. The actual utilisation of each component of Sentoria Group's general working capital may differ subject to the operating requirements of Sentoria Group at the time of utilisation.
- (d) The estimated expenses comprise amongst others, professional fees, fees payable to the relevant authorities and costs related to convening the EGM in connection with the Corporate Exercises, further details as follow:

	(RM'000)
Professional fees	850
Fees payable to relevant authorities	90
Other ancillary costs relating to the Corporate Exercises such as printing and convening of the EGM	60
Total	1,000

Any surplus or shortfall of funds for the estimated expenses will be utilised for working capital or be funded from working capital respectively.

Pending full utilisation, the proceeds or the balance from the Rights Issue will be placed in deposits or short-term money market instruments with licensed banks or financial institutions as our Board may deem fit. The interest income earned therefrom will be used as additional working capital for our Group.

The amount of proceeds arising from the exercise of Warrants B is dependent on the actual number of Warrants B exercised during the tenure of Warrants B. The proceeds arising from such exercise will be utilised as additional working capital for our Group.

6. RISK FACTORS

You and/or your renounee(s)/transferee(s) (if applicable) should carefully consider the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group, in addition to other information contained elsewhere in this AP, before subscribing for or investing in the Rights Issue.

6.1 Risks relating to our Group and the industries we operate in

6.1.1 Business and operational risks

Our financial performance is largely dependent on the performance of the property and tourism industries in Malaysia. Any material developments affecting the property and tourism industries such as changes in demographic trends, employment and income level, economic uncertainties, changes in the Government policies, the deterioration in property demand and reduction in numbers of tourist arrivals may have an impact on our business operations and financial performance.

Further, the performance of the property and tourism industries is also affected by the regulatory environment. The Government has introduced several cooling measures to curb speculation in the property industry in its effort to promote a more stable and sustainable property market. The Government has also implemented the new tourism tax on foreign tourists. Please refer to Section 6.1.7 of this AP for further details.

The abovementioned measures in the property and tourism industries may affect the demand for properties and hotel/resort rooms which in turn may impact our property development projects as well as the resorts that our Group operates.

6.1.2 Competition risks for property development projects

Our Group faces competition from both local and international property developers in terms of pricing, design, quality, location, facilities and supporting infrastructure of the properties as well as the sale and marketing of properties. Nevertheless, we expect to remain competitive due to the strategic location of our property units and the generally high cost of entry into the property business. While we seek to remain competitive in terms of pricing and innovative selling and marketing strategies, there is no assurance that our proactive measures can effectively mitigate the potential adverse effects of competition on our financial performance.

6.1.3 Risk of property overhang and/or unsold properties

We are susceptible to the risk of property overhang and/or unsold properties which are commonly caused by oversupply and/or low take-up rate of new property launches. Other factors contributing to property overhang may include economic downturn and unfavourable market conditions. Any prolonged rise in the property overhang situation and increase in the number of unsold properties in the property market may also be due to other factors such as weak response to the launched properties, location of the development and changes in consumers' preferences.

In the event of a property overhang scenario resulting in sales of residential and/or commercial units for our mixed development in Morib falling below the amount stated in Table 1 in Section 9.4 of this AP, our Group is subject to the payment of a minimum sales revenue to Seriemas Development Sdn Berhad ("**Seriemas**") pursuant to the joint venture arrangement we entered into with Seriemas on 31 December 2012 ("**JVA**"). Please refer to Section 9.4 of this AP for further details of the JVA.

Our Group seeks to minimise the abovementioned risk through, amongst others, careful selection of the property development projects to be undertaken by our Group, offering competitively priced properties as well as continuously monitoring the developments in the Malaysian property market.

Although our Group takes such measures into account in planning our new projects and managing on-going projects, there can be no assurance that the risk of property overhang will not have a material impact on our financial performance.

6.1.4 Timely completion of property development projects

Timely completion and delivery of our property development projects are critical in ensuring costs are contained and our Group's reputation is safeguarded. However, delays in completion of our property development projects may result from unforeseen circumstances such as shortage of construction materials, adverse weather conditions, major labour disputes, unsatisfactory performance of building contractors appointed for our development projects, delays in obtaining the necessary approvals from local authorities, and major changes in government/local authorities' approval policies.

If any of the abovementioned circumstances occur for a prolonged period, our purchasers may take legal recourse against our Group and these could have adverse effect on our Group's reputation and may subsequently result in a penalty to our Group which in turn will have an impact on our financial position.

6.1.5 Compulsory land acquisition by the Government

The Government has the power to compulsorily acquire any land in Malaysia pursuant to the provisions of the Land Acquisition Act, 1960. If all or any portion of our Group's development or project lands are compulsorily acquired by the Government at any point in time, the amount of compensation to be awarded to our Group will be computed based on the First Schedule of the Land Acquisition Act, 1960.

In such event, the amount of compensation paid to our Group may be lesser than the market value of the lands and/or the purchase consideration that our Group has paid in acquiring such lands. This may in turn adversely affect our Group's business, financial condition, results of operations and prospects.

6.1.6 Risk relating to the tourism market

The tourism market in Malaysia is competitive and our Group competes with many other well-established and/or newly opened theme park and resorts in terms of pricing, services, ambience, location and quality of the facilities. Notwithstanding that competition from our competitors is mitigated by us leveraging on the unique features of our resort city projects, which are integrated projects with safari park, water theme park, convention centre, resort residences and other facilities, there is no assurance that such competition will not have a material impact on our financial performance.

6.1.7 Monsoon season and occurrence of floods

The operations of our Bukit Gambang Resort City may be affected by the monsoon season and the occurrence of floods in the East Coast Region during the year end period. As a result, the number of visitors to Bukit Gambang Resort City may reduce resulting in lower room occupancy rates. In the event that we have to operate during such adverse weather conditions, we are still required to incur certain fixed operating expenses. This will in turn have an impact on our Group's leisure and hospitality division's operations and financial position should the floods occur for a prolonged period of time.

6.1.8 Political, economic and regulatory risk

Any adverse development in the political situation and economic uncertainties in Malaysia could materially and adversely affect the financial performance of our Group despite our Group taking necessary measures, including but not limited to, keeping abreast with local policies and laws as well as seeking professional legal advice prior to committing to new projects.

Any change in the political situation and/or government policies in Malaysia may also affect the business of our Group. Political or regulatory changes, imposition of capital controls and changes in interest rates or taxes may impact our Group's business, financial condition, results of operations and prospects. Other adverse political situations include the risks of wars, terrorism, nationalisation and expropriation which may also affect the performance of our Group.

In 2010, Bank Negara Malaysia ("**BNM**") had introduced a maximum loan-to-value ratio of 70% with regards to third home purchases. Under the ruling, potential third home purchasers are only able to obtain loan-financing facility of up to 70% of the value of their proposed third home purchases. This ruling was introduced with the aim of discouraging speculation in the property market. In November 2013, BNM issued a ruling that banks are required to give out property loans based on net selling price of the properties, which excludes rebates and discounts as opposed to the gross selling price of the subject properties.

The Government had also imposed different minimum threshold of purchase price on properties purchasable by foreigners in different states of Malaysia as part of the Government's plans to restrict speculative activities in the property market.

In addition, banks can no longer provide financing for projects with developer interest bearing schemes ("**DIBS**"), which is generally a form of promotional incentive offered to potential purchasers in a bid by property developers to attract property buyers. Under DIBS, interests on the loan undertaken by the buyers are borne by the property developers until the property has been constructed. Any further introduction of cooling measures by the Government or BNM to control price levels of the Malaysian property market may impact our property development business in Malaysia.

The above measures may affect the demand for properties which in turn may impact our property development projects.

Further, the Government had in September 2017 imposed tourism tax on foreign tourists who stay at any accommodation premises made available by operators of such accommodation premises. In the long term, this may have impact on the number of tourist arrivals which in turn may affect the business of our resort city projects.

6.2 Risks relating to the Rights Issue

6.2.1 Market risk

Warrants B is a new issuance of securities for which there is currently no public market. The market price of Warrants B, like other securities traded on Bursa Securities, is subject to fluctuation and will be influenced by, amongst others, the market price and volatility of the underlying Sentoria Shares, trades of substantial amounts of Warrants B on Bursa Securities in the future, corporate developments and financial performance of our Group. Further, there can also be no assurance that an active market for Warrants B will develop upon its listing on the Main Market of Bursa Securities or if developed, that it will sustain. Accordingly, there can be no assurance that the market price of Warrants B will be at a level that meets the specific investment objectives or targets of any Warrants B holders.

In addition to the fundamentals of Sentoria, the future price performance of Warrants B will also depend on various external factors such as the economic and political conditions of the country, sentiments and liquidity in the local stock market as well as the performance of regional and world business.

The market price of Sentoria Shares will be influenced by, inter-alia, the prevailing market sentiments, volatility of stock market of the country, operating results of our Group and prospects of the industries in which we operate in.

6.2.2 Delay in or abortion of the Rights Issue

The Rights Issue is exposed to risk that it may be aborted or delayed due to, inter-alia, the following events:

- (i) force majeure events or circumstances such as natural disasters, health epidemics, acts of government, terrorism, strikes, international/national disorders, and states of emergency, which are beyond the control of our Company and our advisers, arising prior to the implementation of the Rights Issue; and/or
- (ii) Warrants B not being listed or quoted on Bursa Securities as a result of non-compliance with the requirements (including the requirement for at least 100 warrant holders holding not less than 1 board lot of Warrants B) or conditions determined or imposed by Bursa Securities.

In the event the Rights Issue is aborted/terminated, all monies received in respect of all subscriptions/applications for any Warrants B will be refunded to the subscribing Entitled Shareholders and/or their renounee(s)/transferee(s), if applicable, without interest. If any money received from our Entitled Shareholders and/or their renounee(s)/transferee(s) are not repaid within 14 days after our Company becomes liable to repay, our Company will repay such money with interest at the rate of 10% per annum or such other rates as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

In the event the Rights Issue is aborted/terminated after Warrants B have been allotted, a return of monies to all holders of Warrants B could only be achieved by way of cancellation of Warrants B. Such cancellation requires the sanction of Warrants B holders by special resolution in a general meeting and the confirmation of the High Court of Malaya, if required. There can be no assurance that such monies can be recovered within a short period of time or at all in such circumstances.

6.2.3 Potential dilution

Entitled Shareholders who do not or are unable to subscribe for their entitlement pursuant to the Rights Issue will have their proportionate percentage of shareholdings and voting interests in our Company reduced in the enlarged issued share capital of our Company as a result of the exercise of Warrants B. Consequently, their proportionate entitlement to any future distribution, rights and/or, allotment that our Company may make after completion of the Rights Issue will correspondingly be diluted.

6.3 Forward-looking statements

Certain statements in this AP are based on historical data, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on assumptions and estimates made by our Board and management and although believed to be reasonable at that time, are subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such factors include, inter alia, general economic and business conditions, competition, the impact of new laws and regulations affecting us and the industries in which we operate in.

6.3.1 Borrowings and financing risks and fluctuations in interest rate

Our total bank borrowings as at the LPD amounted to approximately RM378.01 million, all of which are interest-bearing borrowings. Given that we have interest bearing borrowings, future fluctuation in the interest rate could have material effects on our Group's interest and principal payments. Our performance will be affected in the event of adverse changes in the interest rates. As such, any additional borrowings and/or increase in interest rates may result in an increase in interest expense, which may in turn affect our profitability. Notwithstanding this, the funds to be generated in the future are expected to meet the repayment of the borrowings.

Our credit facilities may also be subjected to periodic review by the banks or financiers and contain certain covenants which may limit our operating and financing flexibility. One of the banking facilities granted to our Group has a dividend payment restriction such that the debt service coverage ratio is 1.2 times (after any dividend payment). As at the LPD, there has been no incidence of such restrictions on dividend payment following from the covenant being imposed for the aforementioned banking facility. Any act or omission by us that breaches such covenants may give the rights to the banks or financiers to terminate the relevant credit facilities and/or enforce any security, where applicable, granted in relation to those credit facilities. This may in turn cause a cross default of other credit facility agreements. These covenants are commonly contained in credit facility agreements in Malaysia and we will continue to monitor the compliance with all such covenants.

7. INDUSTRY OVERVIEW AND PROSPECTS OF OUR GROUP

7.1 Overview and Outlook of the Malaysian economy

The Malaysian economy recorded a stronger growth of 6.2% in the third quarter of 2017 (2Q 2017: 5.8%). Private sector spending continued to be the main driver of growth. The external sector also contributed positively to growth, as real exports expanded at a faster pace (11.8%; 2Q 2017: 9.6%), supported by stronger demand from major trading partners. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.8% (2Q 2017: 1.3%).

Domestic demand grew by 6.6% in the third quarter of the year (2Q 2017: 5.7%), supported by continued expansion in both private sector expenditure (7.3%; 2Q 2017: 7.2%) and public sector spending (4.1%; 2Q 2017: 0.2%).

Private consumption expanded by 7.2% (2Q 2017: 7.1%), underpinned by better labour market conditions. In particular, private sector wages were sustained amid stronger employment growth.

Given the continued strong performance in the third quarter, the Malaysian economy is on track to register stronger growth in 2017. Looking ahead, the economy is poised to register a strong growth that is close to the upper end of the official forecast range of 5.2 – 5.7% in 2017. Growth momentum has been lifted by stronger spillovers from the external sector to the domestic economy. The operating environment has also improved significantly as households and businesses have steadily acclimatised to the adjustments in the global and domestic economic conditions in the past few years.

(Source: Economic and Financial Developments in the Malaysian Economy in the Third Quarter of 2017, BNM)

7.2 Overview and outlook of the Malaysian property and construction market

The housing market continued to exhibit signs of recovery in tandem with developments in the residential property market. During 2Q 2017, the housing transaction volume and value increased, on a quarter to quarter basis, by 2.5% and 0.5%, respectively (1Q 2017: -8.7% and -3.8%, respectively). The increase in activity was contributed mainly by transactions for the purchase of houses priced at RM500,000 and below, reflecting the sustained demand for affordable housing from the general public. House prices (as measured by the Malaysian House Price Index) continued to increase at a moderate annual pace of 6.7% in 1Q 2017 (4Q 2016: +7%), well below the previous peaks last observed during the 2012-2013 period (average growth of 12.3%).

Borrowers continue to have access to home financing, especially among first-time house buyers. The growth in outstanding house financing was sustained at 8.8% (2Q 2017: +8.9%), while the housing loan approval rate for the purchase of houses priced below RM500,000 remained high at 72.6% (2Q 2017: 74.1%).

Demand for financing for speculative house purchases remained muted. The share of the number of housing loans settled within three years (the typical duration required to complete construction after a property is acquired) stood at 10.5% (2Q 2017: 11%) of total settled housing loans. The annual growth in the number of borrowers with three or more outstanding housing loans (a proxy for speculative buyers) remained low at 0.8% (2Q 2017: +0.8%).

(Source: Economic and Financial Developments in the Malaysian Economy in the Third Quarter of 2017, BNM)

The construction sector continued to register a strong growth of 8.3% (Q2 2016: 8.9%) reinforced by higher civil engineering activities. Civil engineering subsector strengthened by 14.9% (Q2 2016: 19.1%) mainly due to higher activities in the transportation, power plant and O&G-related projects. The specialised construction activities subsector expanded further to register 9% (Q2 2016: 7.9%) supported by painting, interior design and electrical works. In addition, the non-residential subsector rebounded 6.7% (Q2 2016: -0.6%) underpinned by industrial-related projects, particularly in Klang Valley. The residential buildings subsector moderated at 2.1% (Q2 2016: 9.2%) attributed to lower construction of affordable housing projects, particularly in Klang Valley and Perak.

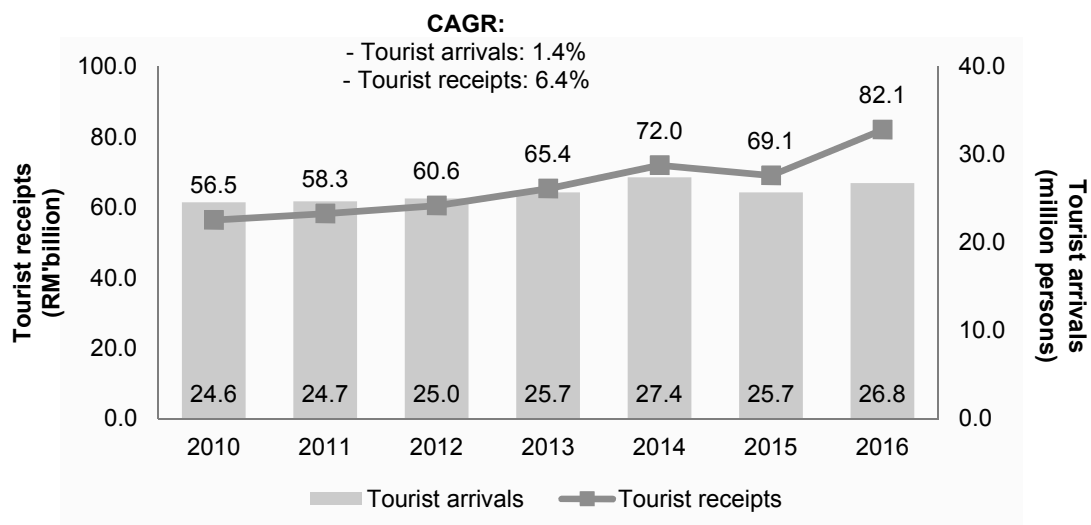
During the quarter, total value of construction work done recorded a double-digit growth of 11.2% to register RM33.8 billion involving 9,405 projects (Q2 2016: 11.7%; RM30.4 billion; 9,983 projects). The expansion in value of construction work done was driven by positive growth in all subsectors, particularly in civil engineering (19.3%) and special trades activities (11.6%). Private sector accounted for 63.8% of the total construction activity while the remaining by public sector.

(Source: Quarterly Update on the Malaysian Economy – 2nd Quarter 2017, Ministry of Finance, Malaysia)

(The rest of this page has been intentionally left blank)

7.3 Overview and outlook of the Malaysian tourism industry

The Malaysian tourism industry has grown between 2010 to 2016 at a compounded annual growth rate (“CAGR”) of 1.4% and 6.4% for tourist arrivals and tourist receipts, respectively. Further details of the past tourist arrivals and receipts in Malaysia are shown in the graph below:



(Source: Tourism Malaysia, <http://www.tourism.gov.my/statistics>)

Malaysia has recorded total tourist arrivals of 10.82 million from January up to May 2017 with Singapore and Indonesia, collectively, accounting for approximately 59.0% of the total tourist arrivals. The top 10 tourist arrivals to Malaysia by country of nationality up to May 2017 is shown in the table below:

Country of nationality	Tourist arrivals up to May 2017	
	No. of persons	% of total tourist arrivals
Singapore	5,218,349	48.2
Indonesia	1,166,067	10.8
China	905,326	8.4
Thailand	812,954	7.5
Brunei	741,420	6.8
India	219,096	2.1
The Philippines	143,333	1.3
South Korea	189,002	1.8
Japan	159,448	1.5
Taiwan	131,160	1.2

The Tourism Malaysia, through the Malaysia Shopping Secretariat, also organised a series of nationwide campaigns such as 1Malaysia Super Sale, 1Malaysia Mega Sale Carnival and 1Malaysia Year End Sale to promote Malaysia as the world class shopping destination. Furthermore, the current exchange rate is also giving advantage to foreign tourists to come and shop in Malaysia.

The Tourism Malaysia’s target of tourist arrivals and tourist receipts for 2017 are 31.8 million and RM118 billion, respectively.

(Source: Tourism Malaysia, <http://mytourismdata.tourism.gov.my/wp-content/uploads/2017/08/Top-45-May-2017-website.pdf>)

7.4 Prospects of Sentoria Group

Our Group is principally involved in the property development (with its own construction arm) and the leisure and hospitality industries. Our Group is primarily a developer of affordable homes, with the majority of its properties being sold for less than RM300,000 per unit. Our Group also operates Bukit Gambang Resort City, within which is the largest water theme park on the East Coast of Peninsular Malaysia and the largest safari park in Malaysia.

Our Group anticipates that demand for our affordable homes will continue to be sustained for the next few years in spite of the current economic environment. Our Group's Taman Bukit Rangin project in Kuantan, namely Phase 1 and 2 were completed in November 2015 and fully sold since its launch in April 2012. The estimated GDV of Phase 1 and 2 are approximately RM59.5 million and RM196.2 million, respectively. Due to the good response received for both Phase 1 and 2, our Group has started developing Phase 3 of Taman Bukit Rangin with an expected completion date of September 2020. All the Type A single storey terrace house (total of 300 units) that were launched in September 2016 under Phase 3 were fully sold as at the LPD. Our Group has also launched a total of 260 units Type B single storey terrace house in February 2017 and approximately 94% of the same were sold as at the LPD.

Our Group remains cautiously optimistic of our leisure and hospitality division after taking into account the expected higher tourist arrivals and receipts in Malaysia for 2017 as well as our continuous measures of optimising management and operational efficiencies to try grow our business and visitors. The planned opening of our Group's water theme parks in Kuching (Borneo Samariang Resort City) and Morib (Morib Bay Resort City) at the end of 2017 and 2018 respectively is also expected to enhance the leisure and hospitality division of our Group, details as follows:

Details	Borneo Samariang Resort City		Morib Bay Resort City	
Location	Kuching, Sarawak		Morib, Selangor	
Main segments	Mixed property development	Leisure and hospitality	Mixed property development	Leisure and hospitality
Size (acres)	200	300	150	204
Major components	<ul style="list-style-type: none"> • Serviced apartment • Serviced villa residence and resort • Single storey terrace house, semi-detached and bungalows • Low cost terrace house • 2-storey shops 	<ul style="list-style-type: none"> • Water theme park • Safari park • Corporate centre and convention centre • Harbour park marina club • Marina boat quay 	<ul style="list-style-type: none"> • Resort residences (landed villas and condominium) • Offices and commercial properties • Affordable housing 	<ul style="list-style-type: none"> • Water theme park • Safari park • Resort and convention centre • Boutique hotel with MICE
Others	<ul style="list-style-type: none"> • Supermarket • Petrol station • Multi-purpose hall 		-	

Please refer to Appendix III of this AP for further details of our Group's on-going projects in Kuantan, Morib and Kuching.

Based on the above and barring any unforeseen circumstances, our Group is expected to continue to deliver satisfactory performance for the FYE 30 September 2018, supported by the sales from our Group's on-going projects.

(Source: Management of Sentoria)

8. FINANCIAL EFFECTS**8.1 Share capital**

The pro forma effects of the Corporate Exercises on the share capital of Sentoria based on Minimum Scenario and Maximum Scenario are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares ('000)	Amount (RM'000)	No. of Shares ('000)	Amount (RM'000)
Share capital as at the LPD ^(a)	497,981	^(b) 151,716	497,981	^(b) 151,716
Add: Treasury shares as at the LPD	-	-	1,131	^(c) 851
	497,981	151,716	499,112	152,567
New Shares to be issued from the full exercise of Warrants A	-	-	28,888	17,333
	497,981	151,716	528,000	169,900
Bonus Shares to be issued pursuant to the Bonus Issue	49,798	^(d) (1,000)	52,800	^(d) (1,000)
After the Bonus Issue	547,779	150,716	580,800	168,900
New Shares to be issued from the full exercise of Warrants B	199,192	169,313	211,200	179,520
Enlarged share capital	746,971	320,029	792,000	348,420

Notes:

- (a) Excluding 1,131,000 treasury shares held by our Company as at the LPD.
- (b) Our Company's share premium balance of RM48.74 million as at the LPD became part of Sentoria's share capital pursuant to Section 618(2) of the Act.
- (c) Assuming the 1,131,000 treasury shares are resold on the open market of Bursa Securities.
- (d) After utilisation of the share premium balance (which has already been incorporated into the share capital as explained in note (b) above) of RM9.96 million and RM10.56 million under the Minimum Scenario and Maximum Scenario, respectively for purposes of capitalisation of the Bonus Shares and deducting estimated expenses relating to the Corporate Exercises of RM1.00 million.

(The rest of this page has been intentionally left blank)

8.2 NA per Share and gearing

The pro forma effects of the Corporate Exercises on the NA per Share and gearing of our Group based on the latest audited consolidated financial statements of Sentoria as at 30 September 2016 and assuming that the Corporate Exercises had been effected on 30 September 2016 are as follows:

Minimum Scenario

Group level	Audited as at 30 September 2016 (RM'000)	(I) Subsequent adjustment ^(a) (RM'000)	(II) After (I) and the Bonus Issue (RM'000)	(III) After (II) and the Rights Issue (RM'000)	(IV) After (III) and the full exercise of Warrants B (RM'000)
Share capital	97,822	^(b) 151,716	^(c) 150,716	150,716	320,029
Share premium	48,744	-	-	-	-
Warrants reserve	-	-	-	^(d) 49,798	-
Revaluation reserves	66,298	66,298	66,298	66,298	66,298
Retained earnings	189,853	189,853	189,853	189,853	189,853
NA attributable to the owners of the Company	402,717	407,867	406,867	456,665	576,180
No. of Shares ('000)	489,111	^(e) 497,981	^(e) 547,779	^(e) 547,779	^(e) 746,971
NA per Share (RM)	0.82	0.82	0.74	0.83	0.77
Borrowings (RM'000)	276,280	276,280	276,280	276,280	276,280
Gearing (times)	0.69	0.68	0.68	0.60	0.48

Notes:

- (a) After adjusting for the buy-back of Sentoria Shares by our Company and the issuance of 10,001,100 new Sentoria Shares pursuant to the exercise of Warrants A subsequent to 30 September 2016 and up to the LPD.
- (b) The Act which came into effect on 31 January 2017, abolished the concept of authorised share capital and par value of share. Consequently, the amount standing to the credit of the share premium account became part of our Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act.
- However, Section 618(3) of the Act read together with Practice Note No. 1/2017 dated 8 February 2017 issued by CCM provides that our Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account for purposes as set out in Section 618(3) of the Act (which includes the Bonus Issue).
- (c) After deducting estimated expenses relating to the Corporate Exercises of RM1.00 million.
- (d) Based on the subscription price of RM0.25 per Warrant B.
- (e) Excluding 1,131,000 treasury shares held by our Company as at the LPD.

Maximum Scenario

Group level	Audited as at 30 September 2016 (RM'000)	(I) Subsequent adjustment ^(a) (RM'000)	(II) After (I) and the full exercise of Warrants A (RM'000)	(III) After (II) and the Bonus Issue (RM'000)	(IV) After (III) and the Rights Issue (RM'000)	(V) After (IV) and the full exercise of Warrants B (RM'000)
Share capital	97,822	^(b) 152,567	169,900	^(c) 168,900	168,900	348,420
Share premium	48,744	-	-	-	-	-
Warrants reserve	-	-	-	-	^(d) 52,800	-
Revaluation reserves	66,298	66,298	66,298	66,298	66,298	66,298
Retained earnings	189,853	189,853	189,853	189,853	189,853	189,853
NA attributable to the owners of the Company	402,717	408,718	426,051	425,051	477,851	604,571
No. of Shares ('000)	489,111	499,112	528,000	580,800	580,800	792,000
NA per Share (RM)	0.82	0.82	0.81	0.73	0.82	0.76
Borrowings (RM'000)	276,280	276,280	276,280	276,280	276,280	276,280
Gearing (times)	0.69	0.68	0.65	0.65	0.58	0.46

Notes:

- (a) After adjusting for the buy-back of Sentoria Shares by our Company, the issuance of 10,001,100 new Sentoria Shares pursuant to the exercise of Warrants A subsequent to 30 September 2016 and up to the LPD and assuming the resale of all the treasury shares held by our Company.
- (b) The Act which came into effect on 31 January 2017, abolished the concept of authorised share capital and par value of share. Consequently, the amount standing to the credit of the share premium account became part of our Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act.
- However, Section 618(3) of the Act read together with Practice Note No. 1/2017 dated 8 February 2017 issued by CCM provides that our Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account for purposes as set out in Section 618(3) of the Act (which includes the Bonus Issue).
- (c) After deducting estimated expenses relating to the Corporate Exercises of RM1.00 million.
- (d) Based on the subscription price of RM0.25 per Warrant B.

8.3 Earnings and EPS

The Corporate Exercises are not expected to have any material effect on the earnings and EPS of our Group for the FYE 30 September 2018. The Bonus Issue will result in a proportionate reduction in the EPS of our Group as a result of the increase in the number of Sentoria Shares in issue (assuming the future earnings of our Group remain unchanged).

The exercise of Warrants B issued pursuant to the Rights Issue will increase the number of Sentoria Shares in issue and this will dilute the EPS of our Group if the earnings of our Group do not increase in tandem with the increased number of Sentoria Shares in issue. This dilution, if any, will be dependent on the level of returns to be generated from the utilisation of the proceeds raised from the Rights Issue and exercise of Warrants B.

Barring any unforeseen circumstances, the proposed utilisation of proceeds arising from the Rights Issue is expected to contribute positively to the future earnings of our Group.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that, based on the banking facilities currently available to our Group, our Group's cash balance, internally generated funds from our business operations as well as the proceeds to be raised from the Rights Issue, our Group has sufficient working capital for a period of 12 months from the date of this AP to meet our present and foreseeable future requirements.

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM378.01 million which are interest bearing, as follows:

	Currency	RM'000
Short Term Borrowings (payable within 12 months)		
Bankers' acceptance	RM	20,435
Bridging loan	RM	41,172
Bank overdrafts	RM	24,221
Revolving credit	RM	40,069
Term loans	RM	34,500
Finance lease liabilities	RM	801
Sub-total		161,198
Long Term Borrowings (payable after 12 months)		
Bridging loan	RM	5,364
Term loans	RM	210,264
Finance lease liabilities	RM	1,187
Sub-total		216,815
Total borrowings		378,013

Save as disclosed above, we do not have any other borrowings as at the LPD. After having made all reasonable enquiries, there has not been any default on payments of either interest and/or principal sums in respect of any borrowings throughout the FYE 30 September 2016 and the subsequent financial period up to the LPD.

As at the LPD, neither we nor our subsidiaries are in breach of any terms and conditions or covenants associated with our borrowing facility agreements, which could materially affect our financial position, results and/or business operations.

9.3 Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by Sentoria Group, which upon becoming enforceable may affect the business or financial position of our Group.

9.4 Material commitments

Save as disclosed below, our Board is not aware of any material commitments for capital expenditure incurred or known to be incurred by our Group as at the LPD, which upon becoming enforceable may have a material effect on the business or financial position of our Group:

	RM'000
Authorised and contracted for construction of water theme parks, purchase of land and joint venture arrangement with Seriemas*	128,562

Note:

- * Sentoria had on 31 December 2012 entered into the JVA with Seriemas to jointly undertake the development of a land in Morib as stated in Section 7.4 of this AP. Subsequently, our Company and Seriemas had entered into supplemental joint venture agreements dated 21 August 2013, 14 July 2014, 8 April 2015, 27 April 2016, 30 November 2016 and 6 November 2017. Pursuant to the supplemental joint venture agreement dated 6 November 2017, the revenue sharing ratio between both parties are as follows:

Sales revenue	Revenue sharing ratio	
	Sentoria (%)	Seriemas (%)
Up to RM1.0 billion	87.5	12.5
Above RM1.0 billion and up to RM1.58 billion	86.0	14.0
Above RM1.58 billion	85.0	15.0

In addition, Sentoria has also guaranteed the payment to Seriemas of minimum sales revenue from the project (free of interest) to Seriemas on a staggered basis over the duration of the JVA of 10 years. For avoidance of doubt, the minimum sales revenue is not in addition to the revenue sharing ratio.

The payment schedule for the minimum sales revenue is set out below:

Year	Annually (RM'mil)	Cumulative (RM'mil)
1 and 2	0	0
3	5.0	5.0
4	10.0	15.0
5	20.0	35.0
6	20.0	55.0
7	17.5	72.5
8	10.0	82.5
9	10.0	92.5
10	15.0	107.5
Total	107.5	

(Table 1)

The material commitments are expected to be financed through our Group's internally generated funds and/or borrowings.

10. PROCEDURES FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

10.1 General

As you are an Entitled Shareholder and Warrants B are prescribed securities, your CDS Account will be duly credited with the number of Provisional Warrants B, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed with this AP, the NPA notifying you of the crediting of such Provisional Warrants B into your CDS Account and the RSF to enable you to subscribe for Warrants B provisionally allotted to you, as well as to apply for Excess Warrants B, if you choose to do so. This AP and the RSF are also available on Bursa Securities' website (<https://www.bursamalaysia.com>).

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this AP and the Rights Issue Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominees. Please refer to Sections 10.5, 10.6 and 10.8 of this AP for the procedures for acceptance as well as to apply for Excess Warrants B, if you choose to do so.

The minimum number of Warrants B that can be subscribed for or accepted is 1 Warrant B. You and your renounce(s)/transferee(s) (if applicable) should take note that a trading board lot of Warrants B is 100 Warrants B.

Our Company shall make an announcement on the outcome of the Rights Issue after the closing date of the Rights Issue.

10.2 NPA

The provisional allotted of Warrants B are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional Warrants B will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making their applications.

10.3 Last date and time for acceptance and payment

The last date and time for acceptance for the Provisional Warrants B is at **5.00 p.m. on 28 December 2017**.

10.4 Methods of application

You may subscribe for such number of Warrants B that you have been provisionally allotted as well as to apply for Excess Warrants B, if you choose, using either of the following methods:

Method of application	Category of Entitled Shareholders
RSF ⁽¹⁾	All Entitled Shareholders
Electronic Application ⁽²⁾ or Internet Application ⁽³⁾	All Entitled Shareholders
NRS	Authorised Nominee who has subscribed for NRS

Notes:

- (1) A copy of the RSF is enclosed together with this AP. The RSF is also available on the website of Bursa Securities (<https://www.bursamalaysia.com>).
- (2) The following surcharge per Electronic Application will be charged by the Participating Financial Institution:
 - Public Bank Berhad – RM4.24 (inclusive of 6% GST); and
 - Affin Bank Berhad – RM4.24 (inclusive of 6% GST).
- (3) The following processing fee per Internet Application will be charged by the respective Internet Participating Financial Institution:
 - Public Bank Berhad (<http://www.pbebank.com>) – RM4.24 (inclusive of 6% GST); and
 - Affin Bank Berhad (<http://www.affinonline.com>) – RM4.24 (inclusive of 6% GST).

10.5 Procedures for full acceptance

10.5.1 By way of RSF

If you wish to accept your entitlement to the Provisional Warrants B, the acceptance of and payment for the Provisional Warrants B must be made on the respective RSF enclosed with this AP and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this AP, the NPA or the RSF or the notes and instructions contained in the Documents or which are illegible may not be accepted at the absolute discretion of our Board.

Renounees/transferees who wish to accept the Provisional Warrants B must obtain a copy of the RSF from our Share Registrar or at our Registered Office or from the Bursa Securities' website at <http://www.bursamalaysia.com> and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to our Entitled Shareholders also applies to renounees/transferees who wish to accept the Provisional Warrants B.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR WARRANTS B PROVISIONALLY ALLOTTED TO YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF THEIR PROVISIONAL ENTITLEMENTS ARE SET OUT IN THIS AP AND THE ACCOMPANYING RSF.

YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS AP, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.

You and/or your renounee(s)/transferee(s) (if applicable) who wish to accept their provisional allotment in full are required to complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar in the envelope provided by **ORDINARY POST** (at your own risk) or **DELIVERED BY HAND** or **BY COURIER** to the following address:

Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

or

Tricor Customer Service Centre

Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Jalan Kerinchi
59200 Kuala Lumpur

Tel. No.: +603 2783 9299
Fax. No.: +603 2783 9222

so as to arrive not later than 5.00 p.m. on 28 December 2017, being the last date and time for acceptance and payment.

Entitled Shareholders who lose, misplace or for any other reasons require another copy of the RSF, may obtain additional copies from our Share Registrar at the address stated above, our Registered Office or the website of Bursa Securities (<http://www.bursamalaysia.com>).

1 RSF can only be used for acceptance of the Provisional Warrants B standing to the credit of 1 CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Warrants B standing to the credit of more than 1 CDS Account. If successful, the Warrants B subscribed for will be credited into your CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed in this AP. In order to facilitate the processing of the RSF by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

If acceptance and payment for the Provisional Warrants B are not received by our Share Registrar by 5.00 p.m. on 28 December 2017, being the last date and time for acceptance and payment for the Provisional Warrants B, such provisional allotment of Warrants B will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

Our Board will then have the right to allot such Warrants B, which have not been taken up, to applicants applying for Excess Warrants B on a fair and equitable basis and in such manner as our Board in its absolute discretion deems fit and expedient and in the best interest of the Company, and such that the incidence of odd lots will be minimised. Our Board reserves the right not to accept any application or to accept any application in part only without assigning any reason thereof.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE IN THE FORM OF BANKER'S DRAFTS OR CASHIER'S ORDERS OR MONEY ORDERS OR POSTAL ORDERS DRAWN ON A BANK OR POST OFFICE IN MALAYSIA AND MUST BE MADE PAYABLE TO "SENTORIA-RIGHTS ISSUE ACCOUNT" CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME IN BLOCK LETTERS, CONTACT NUMBER AND CDS ACCOUNT NUMBER OF THE APPLICANT SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF THE RECEIPT OF THE RSF FOR THE WARRANTS B ACCEPTED OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE WILL BE MADE BY THE COMPANY OR OUR SHARE REGISTRAR. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR WARRANTS B AND NOTICES OF ALLOTMENT WILL BE DESPATCHED BY ORDINARY POST TO THE SUCCESSFUL APPLICANTS AT THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK WITHIN 8 MARKET DAYS FROM THE LAST DATE OF ACCEPTANCE AND PAYMENT FOR THE WARRANTS B OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

FOR ACCEPTANCES WHICH DO NOT STRICTLY CONFORM TO THE TERMS AND CONDITIONS OF THIS AP OR THE RSF OR THE NOTES AND INSTRUCTIONS CONTAINED IN THESE DOCUMENTS, OR WHICH ARE ILLEGIBLE MAY BE REJECTED BY OUR BOARD. OUR SHARE REGISTRAR MAY BUT IS NOT OBLIGATED TO CONTACT YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) FOR SUCH ACCEPTANCES.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN ON THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANT'S OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE WARRANTS B.

10.5.2 By way of Electronic Application

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for Electronic Applications and the procedures set out at the ATMs of the Participating Financial Institutions before making an Electronic Application.

(i) Steps for the Electronic Applications through Participating Financial Institutions' ATMs within Malaysia

The procedures for Electronic Applications at the ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("**Steps**"). For illustrative purposes, the procedures for Electronic Application at ATMs are set out below. The Steps set out the actions that you must take at the ATM to complete an Electronic Application. Please read carefully the terms of this AP, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.

- (a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for the Warrants B at an ATM belonging to other Participating Financial Institutions;
- (b) You are advised to read and understand this AP **BEFORE** making the application; and
- (c) You shall apply for the Warrants B via the ATM of the Participating Financial Institutions by choosing the Electronic Application option. Mandatory statements required in the application are as set out in "**Terms and conditions for Electronic Applications**" (please refer to Section 10.5.2(iii) (Terms and conditions of Electronic Applications) below). You shall enter at least the following information through the ATM when the instructions on the ATM screen requires you to do so:
 - Personal Identification Number ("**PIN**");
 - Select Sentoria-Rights Issue Account;
 - CDS Account number;
 - Number of Warrants B and/or the RM amount to be debited from the account;
 - Current contact number (e.g. your mobile phone number); and
 - Confirmation of several mandatory statements.

Upon the completion of your Electronic Application transaction, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by our Company or our Share Registrar.

The Transaction Record is for your record and is not required to be submitted with your application.

YOU MUST ENSURE THAT YOU USE THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN MAKING AN ELECTRONIC APPLICATION. IF YOU OPERATE A JOINT BANK ACCOUNT WITH ANY OF THE PARTICIPATING FINANCIAL INSTITUTIONS, YOU MUST ENSURE THAT YOU ENTER THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.

(ii) Participating Financial Institutions

Electronic Applications may be made through an ATM of the following Participating Financial Institutions and their branches within Malaysia:

- Public Bank Berhad
- Affin Bank Berhad

(iii) Terms and conditions of Electronic Applications

The Electronic Application shall be made on, and subject to, the terms of this AP, as well as the terms and conditions of the Participating Financial Institutions and those appearing herein:

- (a) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:
- (i) You have attained 18 years of age as at the day for the application and payment;
 - (ii) You have read the relevant AP and understood and agreed with the terms and conditions of the application; and
 - (iii) You hereby give consent to our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institutions, their respective agents and any third party involved in facilitating the application/refund, to disclose information pertaining to yourself and your account with the Participating Financial Institutions and Bursa Depository to the relevant authorities and any person as may be necessary or expedient to facilitate the making of the application/refund.

Your application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, you shall have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosures as described above.

- (b) You confirm that you are not applying for the Warrants B as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner.
- (c) You must have sufficient funds in your account with the relevant Participating Financial Institutions at the time you make your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the screen of the ATM through which the Electronic Application is being made, will be rejected.

- (d) You agree and undertake to subscribe for or purchase and to accept the number of Warrants B applied for as stated on the Transaction Record in respect of your Electronic Application. Your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM) of the number of Warrants B applied for shall signify, and shall be treated as, your acceptance of the number of Warrants B that may be allotted to you.

Should you encounter any problems in your Electronic Application, please refer to the Participating Financial Institutions.

- (e) By making and completing your Electronic Application, you, if successful, requests and authorises our Company to credit the Warrants B allotted to you into your CDS Account.
- (f) You acknowledge that your Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Participating Financial Institutions or Bursa Depository and irrevocably agrees that if:
 - (i) Our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or
 - (ii) Data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Electronic Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Participating Financial Institutions or Bursa Depository for the Warrants B applied for or for any compensation, loss or damage relating to the application for the Warrants B.

- (g) All of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institutions at the time you make your Electronic Application shall be true and correct, and our Company, our Share Registrar, the relevant Participating Financial Institutions and Bursa Depository shall be entitled to rely on the accuracy thereof.
- (h) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institutions are correct and identical. Otherwise, your Electronic Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.
- (i) By making and completing and Electronic Application, you agree that:
 - (i) In consideration of our Company agreeing to allow and accept your application for the Warrants B via the Electronic Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Application is irrevocable and cannot be subsequently withdrawn;
 - (ii) Our Company, the Participating Financial Institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;

- (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Warrants B for which your Electronic Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Warrants B; and
- (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the courts of Malaysia.
- (j) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (k) Notification on the outcome of your application for the Warrants B will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:
 - (i) successful application – a notice of allotment will be despatched within 8 Market Days from the last day for application and payment for the Warrants B; or
 - (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day for application and payment for the Warrants B.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 10.5.2(iii) (Terms and conditions of Electronic Application) of this AP and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.5.3 By way of Internet Application

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for Internet Application and the procedures set out on the internet financial services websites of the Internet Participating Financial Institutions before making an Internet Application.

(i) Step 1: Set up of account

Before making an application by way of Internet Application, you **must have all** of the following:

- (a) an existing account with access to internet financial services with **Public Bank Berhad** at <http://www.pbebank.com> or **Affin Bank Berhad** at <http://www.affinonline.com>. Accordingly, you will need to have your user identification and PIN/password for the internet financial services facility; and
- (b) a CDS Account held in your name.

(ii) Step 2 : Read the AP

You are advised to read and understand this AP **BEFORE** making your application.

(iii) Step 3 : Apply through Internet

While we will attempt to provide you with assistance in your application for the Warrants B through Internet Applications, please note that the actual steps for Internet Applications through the internet financial services website of the Internet Participating Financial Institutions may differ from the steps outlined below. The possible steps set out below are purely for illustrative purposes only.

- (a) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have a bank account;
- (b) Log in to the internet financial services facility by entering your user identification and PIN/password;
- (c) Navigate to the section of the website on applications in respect of the Warrants B;
- (d) Select the counter in respect of the Warrants B to launch the terms and conditions of the Internet Application;
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;
- (f) At the next screen, complete the online application form;
- (g) Check that the information contained in your online application form, such as the share counter (in this case, Sentoria-Rights Issue Account), your current contact number (for e.g. your mobile number), your CDS Account number, number of Warrants B applied for, the amount of payment of subscription monies, the payment of bank charges and the account number to debit are correct. Then select confirm and submit the online application form;
- (h) As soon as the transaction is completed, a message from the Authorised Financial Institution (as defined below) with details of your application appear on the screen of the website; and
- (i) You are advised to print out the confirmation screen for your reference and record.

(iv) Terms and conditions of Internet Applications

The Internet Application shall be made on, and subject to, the terms of this AP, as well as the terms and conditions of the Internet Participating Financial Institutions and those appearing herein:

- (a) After selecting the designated hyperlink on the screen, you are required to confirm and undertake that the following information given are true and correct:
 - (i) You have attained 18 years of age as at the last day for application and payment;
 - (ii) You have, prior to making the Internet Application, received and/or have had access to a printed/electronic copy of this AP, the contents of which you have read and understood;

- (iii) You agree to all the terms and conditions of the Internet Application as set out in this AP and have carefully considered the risk factors set out in this AP, in addition to all other information contained in this AP, before making the Internet Application;
 - (iv) You authorise the financial institution with which you have a bank account to deduct the full amount payable for the Warrants B (including the processing fee as mentioned in Section 10.4 (Methods of application) (Note 3) of this AP) from your bank account with the said financial institution ("**Authorised Financial Institution**"); and
 - (v) You hereby give consent in accordance with the relevant laws of Malaysia (including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA) for the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant Internet Participating Financial Institutions, their respective agents and any third party involved in facilitating the application/refund, of information pertaining to yourself, the Internet Application made by you, your account with the Internet Participating Financial Institutions and/or the Authorised Financial Institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the application/refund.
- (b) You confirm that you are not applying for the Warrants B as a nominee of any other person and that the Internet Application is made in your own name, as beneficial owner and subject to the risks referred to in this AP.
- (c) You agree and undertake to subscribe for our purchase and to accept the number of Warrants B applied for as stated on the Confirmation Screen in respect of your Internet Application. Your confirmation of the number of Warrants B applied for shall signify, and shall be treated as, your acceptance of the number of Warrants B that may be allotted to you.

Should you encounter any problems in your Internet Application, please refer to the Internet Participating Financial Institutions.

- (d) By making and completing your Internet Application, you, if successful, request and authorise our Company to credit the Warrants B allotted to you into your CDS Account.
- (e) You acknowledge that your Internet Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Internet Participating Financial Institutions or Bursa Depository and irrevocably agrees that if:
- (i) Our company, our Share Registrar or Bursa Depository does not receive your Internet Application; or
 - (ii) Data relating to your Internet Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Internet Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Internet Participating Financial Institutions or Bursa Depository for the Warrants B applied for or any compensation, loss or damage relating to the application for the Warrants B.

- (f) All of your particulars, including your nationality and place of residence, in the records of the relevant Internet Participating Financial Institution at the time you make your Internet Application shall be true and correct, and our Company, our Share Registrar, the relevant Internet Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.
- (g) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.
- (h) By making and completing an Internet Application, you agree that:
 - (i) In consideration of our Company agreeing to allow and accept your application for the Warrants B via the Internet Application facility established by the Internet Participating Financial Institution at their respective internet financial services website, your Internet Application is irrevocable and cannot be subsequently withdrawn;
 - (ii) Our Company, the Internet Participating Financial Institution, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Internet Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
 - (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Warrants B for which your Internet Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Warrants B; and
 - (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Internet Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the courts of Malaysia.
- (i) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (j) Notification on the outcome of your application for the Warrants B will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:
 - (i) successful application – a notice of allotment will be despatched within 8 Market Days from the last day for application and payment for the Rights Issue; or
 - (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day for application and payment for the Rights Issue.

The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in Section 10.5.3(iv) of this AP and the required consent in making your Internet Application.

If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

- (k) A surcharge is imposed on each Internet Application which will be charged by the Internet Participating Financial Institutions as mentioned in Section 10.4 (Methods of application) (Note 3) of this AP.
- (l) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Rights Issue, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with the Rights Issue. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Application services.

10.5.4 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to our shareholders who are Authorised Nominees. Only our Entitled Shareholders who are Authorised Nominees and who have subscribed for NRS with Bursa Depository may apply via NRS.

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for application via NRS and Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who have subscribed for NRS with Bursa Depository) before making the application.

(i) Steps for application via NRS

- (a) If you are an Entitled Shareholder, and who is an Authorised Nominee who has subscribed for NRS with Bursa Depository, you will not be receiving this AP, the RSF nor the NPA by post.
- (b) Instead, this AP and a Rights Issue Entitlement File will be transmitted electronically to you by Bursa Depository through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS, on the next business day after the Entitlement Date.
- (c) A notification of the delivery of the AP and the Rights Issue Entitlement File will also be sent to you via email using the details you have provided to Bursa Depository when you subscribed for NRS with Bursa Depository.
- (d) You are advised to read carefully, understand and follow the terms of this AP, **BEFORE** making the application.

- (e) You may accept, on behalf of your client, partially or fully, their respective allocation under the Rights Issue.
 - (f) To apply for the Rights Issue, you will be required to submit your subscription information via Rights Issue Subscription File which is to be prepared based on the format as set out in Bursa Depository's User Guide for NRS.
 - (g) Once completed, you will need to submit the Rights Issue Subscription File to Bursa Depository at any time daily before 5.00 p.m., but in any event no later than the last day and time for acceptance and payment.
 - (h) Together with the Rights Issue Subscription File, you will also need to submit a confirmation to Bursa Depository of the following information:
 - (i) Confirmation that you have, prior to making the application via NRS, received and/or had access to the electronic copy of this AP, the contents of which you have read, understood and agreed; and
 - (ii) Consent to the disclosure of your information to facilitate electronic refunds where applicable.
 - (i) With regards to payment for Warrants B which you have applied for, you must transfer the amount payable directly to our bank account, the details of which are as follows:
 - Bank : **RHB BANK BERHAD**
 - Account Name : **SENTORIA-RIGHTS ISSUE ACCOUNT**
 - Bank Account No. : **21412900297894**
- prior to submitting the Rights Issue Subscription File to Bursa Depository.
- (j) Upon completion of the transfer/payment, you may receive a transaction slip ("**Transaction Record**") from the transacting financial institution confirming the details of your transfer/payment. The Transaction Record is only a record of the completed transaction and not a record of receipt of the application via NRS or any data relating to such an application by our Company or Bursa Depository. The Transaction Record is for your record and is not required to be submitted with your application via NRS.
 - (k) You will be notified on the outcome of your application for the Warrants B electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.
 - (i) successful application – an electronic notification will be sent to you within 8 Market Days from the last day for application and payment for the Warrants B; or
 - (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day for application and payment for the Warrants B.

The refund will be credited directly into your bank account(s) from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in Section 10.5.4(ii)(a) of this AP and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) (as provided by you in the Rights Issue Subscription File) from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

- (l) Upon crediting of the Warrants B allotted to you into your CDS account(s), you will also receive an electronic confirmation of the crediting from Bursa Depository.
- (m) You should note that all applications made for the Warrants B submitted under NRS will be irrevocable upon submission of the Rights Issue Subscription File to Bursa Depository and cannot be subsequently withdrawn.

(ii) Terms and conditions for application via NRS

The application via NRS shall be made on, and subject to, the terms of this AP, Bursa Depository's terms and conditions for NRS and Bursa Depository's User Guide for NRS as well as the terms and conditions appearing herein:

- (a) For purposes of making the electronic refund, you hereby give consent in accordance with the relevant laws of Malaysia, including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institution, their respective agents and any third party involved in facilitating the payment of refunds to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refunds or for any other purpose in connection with such payments. You will be required to provide confirmation of your consent in the manner prescribed in Bursa Depository's terms and conditions for NRS.
- (b) You agree and undertake to subscribe for or purchase and to accept the number of Warrants B applied for as stated on your Rights Issue Subscription File in respect of your application via NRS. Your application shall signify, and shall be treated as, your acceptance of the number of Warrants B that may be allotted to you.
- (c) You acknowledge that by completing and submitting the Warrants B Subscription File to Bursa Depository, you, if successful, request and authorise our Company to credit the Warrants B allotted to you into the respective CDS Account(s) as indicated in the Rights Issue Subscription File.
- (d) You acknowledge that your application via NRS is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the relevant financial institution or Bursa Depository, and irrevocably agree that if:
 - (i) our Company, our Share Registrar or Bursa Depository does not receive your application via NRS; or

- (ii) the data relating to your application via NRS is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made your application and you shall not make any claim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant financial institution for the Warrants B applied for or for any compensation, loss or damage relating to the application for Warrants B.

- (e) By completing and submitting the Rights Issue Subscription File to Bursa Depository, you agree that:
 - (i) In consideration of our Company agreeing to allow and accept your application for the Warrants B via the NRS facility established by Bursa Depository, your application via NRS is irrevocable and cannot be subsequently withdrawn;
 - (ii) Our Company, the relevant financial institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your application via NRS due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
 - (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the Warrants B issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Warrants B; and
 - (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to with the contract between the parties and/or the application via NRS and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the courts of Malaysia.
- (f) Our Share Registrar and Bursa Depository, on the authority of our Company, reserve the right to reject applications which do not conform to these instructions.

10.6 Procedures for part acceptance

10.6.1 By way of RSF

You must complete both Part I(A) of the RSF by specifying the number of the Warrants B which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 10.5.1 (By way of RSF) of this AP.

10.6.2 By way of Electronic Applications and Internet Applications

If you are an individual who is an Entitled Shareholder and wish to accept part of your Provisional Warrants B via Electronic Application or Internet Application, you may do so by following the same steps as set out in Sections 10.5.2 (By way of Electronic Application) and 10.5.3 (By way of Internet Application), respectively of this AP.

10.6.3 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is an Entitled Shareholder and wish to accept part of your Provisional Warrants B, you may do so by following the same steps as set out in Section 10.5.4 (By way of NRS) of this AP.

The portion of the Provisional Warrants B that have not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the Provisional Warrants B.

10.7 Procedures for sale/transfer of Provisional Warrants B

The Provisional Warrants B are renounceable securities and will be traded on Bursa Securities commencing from 13 December 2017 up to and including 19 December 2017. As such, you may sell all or part of your entitlements under the Rights Issue during such period. You may also transfer all or part of your entitlements under the Rights Issue from 13 December 2017 to 4.00 p.m. on 22 December 2017.

As the Provisional Warrants B are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Warrants B to one or more persons, you may do so through your stockbrokers without first having to request for a split of the Provisional Warrants B standing to the credit in your CDS Account.

You may sell such entitlement on Bursa Securities or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository, both for the period up to the last day and time for the sale or transfer of the Provisional Warrants B (in accordance with the Rules of Bursa Depository).

You are advised to read and adhere to the RSF and the notes and instructions contained in the RSF. In selling or transferring all or part of your Provisional Warrants B you need not deliver any document (including the RSF) to your stockbrokers in respect of the portion of the Provisional Warrants B sold or transferred. However, you are advised to ensure that you must have sufficient number of Provisional Warrants B standing to the credit in your CDS Account before selling or transferring.

If you have sold or transferred only part of the Provisional Warrants B, you may still accept the balance of the Provisional Warrants B. Please refer to Section 10.5 of this AP for the procedures for acceptance and payment.

10.8 Procedures for application of Excess Warrants B

10.8.1 By way of RSF

If you are an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purchased any Provisional Warrants B, and wish to apply for additional Warrants B in excess of your entitlement, you may do so by completing Part I(B) and II of the RSF. Send each completed and signed RSF with a **separate remittance** for the full amount payable on the Excess Warrants B applied for to our Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59200 Kuala Lumpur so as to arrive not later than 5.00 p.m. on 28 December 2017.

The minimum number of Excess Warrants B that can be applied for is one (1) Excess Warrant B. However, you should take note that a trading board lot comprises 100 Warrants B.

PAYMENT FOR THE EXCESS WARRANTS B APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 10.5.1 OF THIS AP, EXCEPT THAT THE BANKER'S DRAFTS OR CASHIER'S ORDERS OR MONEY ORDERS OR POSTAL ORDERS DRAWN ON A BANK OR POST OFFICE IN MALAYSIA SHOULD BE MADE PAYABLE TO "SENTORIA-EXCESS RIGHTS ISSUE ACCOUNT", CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME IN BLOCK LETTERS, CONTACT NUMBER AND CDS ACCOUNT NUMBER OF THE APPLICANT. THE PAYMENT MUST BE MADE FOR THE EXACT AMOUNT. ANY EXCESS OR INSUFFICIENT PAYMENT MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. CHEQUES OR OTHER MODES OF PAYMENT NOT PRESCRIBED HERE ARE NOT ACCEPTABLE.

It is the intention of our Board to allocate the Excess Warrants B, if any, in a fair and equitable basis and in the following order of priority, where applicable:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to Entitled Shareholders who have applied for the Excess Warrants B on a pro-rata basis and in board lots, calculated based on their respective shareholdings as per their CDS Accounts as at the Entitlement Date;
- (iii) thirdly, for allocation to Entitled Shareholders who have applied for the Excess Warrants B on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Warrants B application; and
- (iv) finally, for allocation to the renounee(s)/transferee(s) (if applicable) who have applied for the Excess Warrants B on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Warrants B application.

In the event of any Excess Warrants B balance after the above allocations are completed, the balance will be allocated again through the same sequence of allocations (ii) to (iv) above until all Excess Warrants B are fully allocated.

Nevertheless, our Board reserves the right to allot any Excess Warrants B applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intentions of our Board as set out in Section 10.8.1 (By way of RSF) (i) to (iv) above are achieved. Our Board also reserves the right not to accept any Excess Warrants B application, in full or in part, without assigning any reason thereof.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

10.8.2 By way of Electronic Applications

If you are an individual who is an Entitled Shareholder and/or a renounee and/or a transferee and/or if you have purchased any Provisional Warrants B, and wish to apply for additional Warrants B via Electronic Application in excess of your entitlement, you may do so by following the same steps as set out in Section 10.5.2 of this AP save and except that you shall proceed with the option for Excess Warrants B application and the amount payable to be directed to "SENTORIA-EXCESS RIGHTS ISSUE ACCOUNT" for the Excess Warrants B applied.

It is the intention of our Board to allocate the Excess Warrants B, if any, in a fair and equitable manner as set out in 10.8.1 (By way of RSF) of this AP.

The Electronic Application for Excess Warrants B shall be made on, and subject to, the same terms and conditions appearing in Section 10.5.2 (By way of Electronic Application) of this AP.

10.8.3 By way of Internet Application

If you are an Entitled Shareholder and/or a renounee and/or a transferee and/or if you have purchased any Provisional Warrants B, and wish to apply for additional Warrants B via Internet Applications in excess of your entitlement, you may do so by following the same steps as set out in Section 10.5.3 of this AP save and except that you shall proceed with the option for Excess Warrants B application and the amount payable to be directed to “**SENTORIA-EXCESS RIGHTS ISSUE ACCOUNT**” for the Excess Warrants B applied.

It is the intention of our Board to allocate the Excess Warrants B, if any, in a fair and equitable manner as set out in 10.8.1 (By way of RSF) of this AP.

The Electronic Application for Excess Warrants B shall be made on, and subject to, the same terms and conditions appearing in Section 10.5.3 (By way of Internet Application) of this AP.

10.8.4 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is an Entitled Shareholder and/or a renounee and/or a transferee and/or if you have purchased any Provisional Warrants B, and wish to apply for additional Warrants B via NRS in excess of your entitlement, you may do so by following the same steps as set out in Section 10.5.4 (By way of NRS) of this AP save and except for the amount payable to be directed to “**SENTORIA-EXCESS RIGHTS ISSUE ACCOUNT**” for the Excess Warrants B applied and also that you should complete the details for Excess Warrants B application at the designated fields for Excess Warrants B applications in the Rights Issue Subscription File. The details of the account are as follows:

Bank	:	RHB BANK BERHAD
Account Name	:	SENTORIA-EXCESS RIGHTS ISSUE ACCOUNT
Bank Account No.	:	21412900297908

It is the intention of our Board to allocate the Excess Warrants B, if any, in a fair and equitable manner as set out in 10.8.1 (By way of RSF) of this AP.

The Application for Excess Warrants B via NRS shall be made on, and subject to, the same terms and conditions appearing in Section 10.5.4 (By way of NRS) of this AP, Bursa Depository’s terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who wish to register for NRS).

10.9 Notice of allotment

Upon allotment of the Warrants B in respect of your acceptance and/or your renounee(s)/transferee(s) acceptance (if applicable) and Excess Warrants B application (if any), the Warrants B shall be credited directly into the respective CDS Account where the Provisional Warrants B were credited. No physical Warrants B certificates will be issued in respect of the Warrants B. However, a notice of allotment will be despatched to you and/or your renounee(s)/transferee(s) (who are not an Authorised Nominee who has subscribed for NRS) (if applicable), by ordinary post within 8 Market Days from the last date of acceptance and payment for the Warrants B and Excess Warrants B application, or such other period as may be prescribed or allowed by Bursa Securities, at the address shown on the Record of Depositors at your own risk.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic notification will be sent to you within 8 Market Days from the last day for application and payment for the Warrants B and Excess Warrants B application, or such other period as may be prescribed or allowed by Bursa Securities through Bursa Depository’s existing network facility with the Authorised Nominees in the manner set out in Bursa Depository’s User Guide for NRS.

Where any application for the Warrants B is not accepted due to non-compliance with the terms of the Rights Issue or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to you 15 Market Days from the last date and time for acceptance and payment of the Warrants B by ordinary post to the address shown on the Record of Depositors at your own risk.

Please note that a completed RSF and the payment thereof once lodged with our Share Registrar for the Warrants B cannot be withdrawn subsequently.

10.10 Form of issuance

Bursa Securities has already prescribed the Warrants B to be listed on the Main Market of Bursa Securities and to be deposited with Bursa Depository. Accordingly, the Warrants B are prescribed securities and as such, all dealings in the Warrants B will be subject to the SICDA and the Rules of Bursa Depository.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical Warrants B certificate will be issued to you. A notice of allotment will be despatched to the respective Entitled Shareholders and/or their renounee(s)/transferee(s) (as the case may be) by ordinary post to the address shown on our Record of Depositors provided by Bursa Depository at their own risk within 8 Market Days from the last date for acceptance of and payment for the Warrants B or such other period as may be prescribed by Bursa Securities.

Where the Warrants B are provisionally allotted to Entitled Shareholders in respect of their existing Sentoria Shares standing to the credit to their CDS Account on the Entitlement Date, the acceptance by Entitled Shareholders of the provisional allotment of Warrants B shall mean that they consent to receive such provisional allotment of Warrants B as prescribed or deposited securities which will be credited directly into their CDS Account.

Any person who has purchased the Provisional Warrants B or to whom the Provisional Warrants B has been transferred and intends to subscribe for the Warrants B must state his/her CDS Account number in the space provided in the RSF. The Warrants B will be credited directly as prescribed or deposited securities into his/her CDS Account upon allotment and issuance.

The Excess Warrants B, if allotted to the successful applicant who applies for the Excess Warrants B, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the Excess Warrants B will be made on a fair and equitable basis in such manner as our Board in its absolute discretion deems fit and expedient and in the best interest of the Company, as disclosed in Section 10.8.1 of this AP.

10.11 Laws of foreign jurisdictions

The Documents to be issued in connection to the Rights Issue have not been and will not be made to comply with the laws of any foreign jurisdictions, and have not been and will not be lodged, registered or approved pursuant to or under any legislation of any countries or with or by any regulatory authorities or other relevant bodies of any foreign jurisdictions. The Rights Issue will not be made or offered for subscription in any foreign jurisdictions other than Malaysia.

Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlement and exercise any other rights in respect of the Rights Issue to the extent that it would be lawful to do so, and we, our Directors and officers, Affin Hwang IB and other experts would not, in connection with the Rights Issue, be in breach of the laws of any jurisdictions to which they are or may be subject. We, our Directors and officers, Affin Hwang IB and other experts shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such jurisdictions.

Accordingly, this AP together with the accompanying documents will not be sent to Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) may collect this AP including the accompanying documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents.

Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and our Company, our directors and officers, Affin Hwang IB and other experts shall be entitled to be fully indemnified and held harmless by such applicants for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against our Company, our Directors and officers, Affin Hwang IB and other experts in respect of their rights and entitlements under the Rights Issue. Such applicants should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue.

By signing the RSF, our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) us, our Directors and officers, Affin Hwang IB and other experts that:

- (i) our Company would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which our Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) are or may be subject to;
- (ii) our Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Warrants B;
- (iii) our Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) are not nominees or agents of any person in respect of whom our Company would, by acting on the acceptance or renunciation of the Provisional Warrants B, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) our Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) are aware that the Warrants B can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) our Foreign Addressed Shareholder and/or his renounee(s)/transferee(s) has obtained a copy of this AP and has had access to such financial and other information and has been provided the opportunity to ask such questions to the representatives of our Company and receive answers thereto as our Foreign Addressed Shareholder and/or his renounee(s)/transferee(s) deems necessary in connection with our Entitled Shareholder and/or his renounee's decision to subscribe for or purchase the Warrants B; and
- (vi) our Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Warrants B, are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Warrants B.

Persons receiving the Documents (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send the documents into any foreign jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If the Documents are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection therewith.

Any person who does forward the Documents to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and our Company reserves the right to reject a purported acceptance of the Warrants B from any such application by Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in its absolute discretion, to treat any acceptance of the Warrants B as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

11. TERMS AND CONDITIONS

The issuance of the Warrants B pursuant to the Rights Issue is governed by the terms and conditions as set out in the Documents enclosed herewith.

12. FURTHER INFORMATION

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

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



DATO' CHAN KONG SAN
Joint Managing Director

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS IN RESPECT OF THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 15 NOVEMBER 2017

SENTORIA GROUP BERHAD

(463344-K)

(Incorporated in Malaysia)

CERTIFIED EXTRACT OF THE SHAREHOLDERS' RESOLUTION OF THE COMPANY PASSED ON 15 NOVEMBER 2017

ORDINARY RESOLUTION 1

PROPOSED BONUS ISSUE OF UP TO 52,800,000 ORDINARY SHARES IN SENTORIA GROUP BERHAD ("SENTORIA") ("SENTORIA SHARE(S)" OR "SHARE(S)") ("BONUS SHARE(S)") TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF 1 BONUS SHARE FOR EVERY 10 SENTORIA SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")

The results of the poll count for the Ordinary Resolution 1 on the Proposed Bonus Issue were as follows:

Resolutions	Vote For		Vote Against		Result
	No. of shares	%	No. of shares	%	
<u>Ordinary Resolution 1</u>					
Proposed Bonus Issue	269,282,140	100.000	0	0.000	Carried

Based on the above results, the Chairman declared that Ordinary Resolution 1 on the Proposed Bonus Issue carried: -

ORDINARY RESOLUTION 1

PROPOSED BONUS ISSUE OF UP TO 52,800,000 ORDINARY SHARES IN SENTORIA GROUP BERHAD ("SENTORIA") ("SENTORIA SHARE(S)" OR "SHARE(S)") ("BONUS SHARE(S)") TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF 1 BONUS SHARE FOR EVERY 10 SENTORIA SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")

"**THAT**, subject to all relevant approvals being obtained from the relevant authorities and/or parties, the Board of Directors of Sentoria ("**Board**") be and is hereby authorised to capitalise an amount of up to RM10,560,000 from the Company's share premium account, and to apply such capitalised sum to make payment in full for up to 52,800,000 Bonus Shares to be credited as fully paid-up, on the basis of 1 Bonus Share for every 10 existing Sentoria Shares held by the shareholders of the Company whose names appear on the Record of Depositors of the Company as at the close of business on an entitlement date to be determined later ("**Entitled Shareholders**")";

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

THAT the Bonus Shares will, upon allotment and issuance, rank equally in all respects with the existing Sentoria Shares, except that the Bonus Shares will not be entitled to Warrants B to be issued pursuant to the Proposed Rights Issue (as defined in Ordinary Resolution 2), any dividends, rights, allotment and/or any other distributions that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of the Bonus Shares; and

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

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS IN RESPECT OF THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 15 NOVEMBER 2017 (CONT'D)

SENTORIA GROUP BERHAD

(463344-K)

(Incorporated in Malaysia)

CERTIFIED EXTRACT OF THE SHAREHOLDERS' RESOLUTION OF THE COMPANY PASSED ON 15 NOVEMBER 2017

Page 2/-

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 211,200,000 NEW WARRANTS IN SENTORIA ("WARRANT(S) B") AT AN ISSUE PRICE OF RM0.25 PER WARRANT B ON THE BASIS OF 4 WARRANTS B FOR EVERY 10 SENTORIA SHARES HELD BY THE ENTITLED SHAREHOLDERS ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE")

The results of the poll count for the Ordinary Resolution 2 on the Proposed Rights Issue were as follows:

Resolutions	Vote For		Vote Against		Result
	No. of shares	%	No. of shares	%	
<u>Ordinary Resolution 2</u>					
Proposed Rights Issue	269,282,140	100.000	0	0.000	Carried

Based on the above results, the Chairman declared that Ordinary Resolution 2 on the Proposed Rights Issue carried : -

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 211,200,000 NEW WARRANTS IN SENTORIA ("WARRANT(S) B") AT AN ISSUE PRICE OF RM0.25 PER WARRANT B ON THE BASIS OF 4 WARRANTS B FOR EVERY 10 SENTORIA SHARES HELD BY THE ENTITLED SHAREHOLDERS ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE")

"**THAT** subject to all relevant approvals being obtained from the relevant authorities and/or parties, approval be and is hereby given to the Board to:

- (i) undertake a renounceable rights issue of up to 211,200,000 Warrants B at an issue price of RM0.25 each on the basis of 4 Warrants B for every 10 existing Sentoria Shares held by the Entitled Shareholders;
- (ii) issue and allot such Warrants B, as may be required to give effect to the Proposed Rights Issue in such manner as set out in Section 2.2.1 of the Circular to Shareholders of the Company dated 27 October 2017 ("**Circular**");
- (iii) enter into and execute the deed poll constituting Warrants B ("**Deed Poll B**") and to do all acts, deeds and things as the Board may deem fit or expedient in order to implement, finalise and give effect to Deed Poll B;
- (iv) issue and allot additional Warrants B as may be required or permitted to be issued arising from such adjustment(s) in accordance with the provisions of Deed Poll B entitling the holder of each Warrant B to subscribe for 1 new Sentoria Share at the exercise price or any other exercise price as may be adjusted pursuant to the provisions contained in Deed Poll, B at any time from the date of issue of Warrants B up to and including the maturity date and/or any extension thereof;

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS IN RESPECT OF THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 15 NOVEMBER 2017 (CONT'D)

SENTORIA GROUP BERHAD

(463344-K)

(Incorporated in Malaysia)

CERTIFIED EXTRACT OF THE SHAREHOLDERS' RESOLUTION OF THE COMPANY PASSED ON 15 NOVEMBER 2017


Page 3/-

- (v) issue and allot such appropriate number of Sentoria Shares, credited as fully paid-up, to the holders of Warrants B arising from the exercise of Warrants B to subscribe for new Sentoria Shares and/or such appropriate number of Sentoria Shares arising from the exercise of Warrants B referred to in paragraph (iv) above in accordance with the terms and conditions of Deed Poll B and any new Sentoria Shares to be issued arising from the exercise of Warrants B (inclusive of the additional Warrants B referred to in paragraph (iv) above), shall upon issuance and allotment, rank equally in all respect with the then existing Sentoria Shares, save and except that such Sentoria Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid, where the entitlement date precedes the date of allotment of such new Sentoria Shares arising from the exercise of Warrants B;
- (vi) deal with any fractional entitlements of Warrants B that may arise from the Proposed Rights Issue in such manner as the Board may at its sole discretion deem fit and expedient to minimise the incidence of odd lots and in the best interest of the Company;
- (vii) make available any Warrants B which are not taken up or validly taken up for excess applications to the Entitled Shareholders and/or their renounee(s) and/or their transferee(s) who have applied for the excess Warrants B in a fair and equitable manner and on such basis as may be determined by the Board subject always to such allocation being made on a fair and equitable basis; and
- (viii) the proceeds of the Proposed Rights Issue be utilised for the purposes as set out in Section 2.2.6 of the Circular, and the Board be and is hereby authorised to revise the manner and purpose of the utilisation of proceeds as it may deem fit, expedient and in the best interest of the Company subject to the approval of any relevant authorities (where required),

AND THAT in order to implement, complete and give full effect to the Proposed Rights Issue, approval be and is hereby given to the Board to do all such acts, deeds and things and to execute, sign and deliver on behalf of the Company, all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect to and complete the Proposed Rights Issue, with full powers to assent to any conditions, modifications, variations and/or amendments thereto as may be imposed by the relevant authority and/or as the Board may deem fit."

CERTIFIED TRUE COPY


.....
DIRECTOR
DATO' CHAN KONG SAN


.....
SECRETARY
CHIN LEE CHYEN
(MAICSA No. 7055910)

Seri Kembangan
20 November 2017

INFORMATION ON SENTORIA

1. HISTORY AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Act on 2 June 1998 as a private limited company under the name of Sentoria Development Sdn Bhd. It changed its name to Sentoria Group Sdn. Bhd. on 16 March 2011. Subsequently, on 3 May 2011, it was converted to a public limited company and assumed its present name of Sentoria Group Berhad. On 23 February 2012, Sentoria was listed on the Main Market of Bursa Securities.

The principal activity of our Company is investment holding. Our Group is principally involved in the property development (with its own construction arm) and leisure and hospitality industries. Further details for the principal activities of our subsidiaries and associated companies are set out in Section 5 of this Appendix.

2. SHARE CAPITAL

Our Company's issued share capital as at the LPD is RM152,566,636 (including existing share premium of RM48,743,755 pursuant to Section 618(2) of the Act) comprising 499,112,204 Sentoria Shares (including 1,131,000 treasury shares held as at the LPD).

Save as disclosed below, there are no changes in our issued share capital for the past 3 years preceding the LPD:

Date of allotment	No. of Shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative issued share capital (No. of Shares)
14.11.2014	61,900	0.20	Conversion of Warrants A	440,479,620
20.11.2014	225,300	0.20	Conversion of Warrants A	440,704,920
25.11.2014	320,700	0.20	Conversion of Warrants A	441,025,620
02.12.2014	302,018	0.20	Conversion of Warrants A	441,327,638
04.12.2014	77,300	0.20	Conversion of Warrants A	441,404,938
05.12.2014	124,000	0.20	Conversion of Warrants A	441,528,938
10.12.2014	229,900	0.20	Conversion of Warrants A	441,758,838
15.12.2014	50,000	0.20	Conversion of Warrants A	441,808,838
19.12.2014	12,290,666	0.20	Conversion of Warrants A	454,099,504
02.01.2015	10,000	0.20	Conversion of Warrants A	454,109,504
02.03.2015	1,600	0.20	Conversion of Warrants A	454,111,104
23.04.2015	10,000,000	0.20	Conversion of Warrants A	464,111,104
02.06.2015	10,000,000	0.20	Conversion of Warrants A	474,111,104
04.08.2015	10,000,000	0.20	Conversion of Warrants A	484,111,104

INFORMATION ON SENTORIA (CONT'D)

Date of allotment	No. of Shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative issued share capital (No. of Shares)
01.08.2016	5,000,000	0.20	Conversion of Warrants A	489,111,104
06.06.2017	10,000,000	-(a)	Conversion of Warrants A	499,111,104
03.11.2017	1,100	-(a)	Conversion of Warrants A	499,112,204

Note:

- (a) Par value is no longer relevant arising from the migration to the no par value regime under the Act.

(The rest of this page has been intentionally left blank)

INFORMATION ON SENTORIA (CONT'D)**3. SUBSTANTIAL SHAREHOLDERS**

The effects of the Rights Issue on the shareholdings of the substantial shareholders of Sentoria based on our Company's Register of Substantial Shareholders as at the LPD are set out as below:

Minimum Scenario

	As at the LPD				(I) After the Bonus Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Sentoria Shares	%	No. of Sentoria Shares	%	No. of Sentoria Shares	%	No. of Sentoria Shares	%
Substantial shareholders								
SCSB	279,921,414	56.21	-	-	307,913,555	56.21	-	-
Dato' Chan Kong San	-	-	(a)279,921,414	56.21	-	-	(a)307,913,555	56.21
Dato' Gan Kim Leong	-	-	(a)279,921,414	56.21	-	-	(a)307,913,555	56.21
State Secretary, Pahang	79,696,386	16.00	-	-	87,666,024	16.00	-	-
	(II) After (I) and the Rights Issue				(III) After (II) and full exercise of Warrants B			
	Direct		Indirect		Direct		Indirect	
	No. of Sentoria Shares	%	No. of Sentoria Shares	%	No. of Sentoria Shares	%	No. of Sentoria Shares	%
Substantial shareholders								
SCSB	307,913,555	56.21	-	-	507,106,036	67.89	-	-
Dato' Chan Kong San	-	-	(a)307,913,555	56.21	-	-	(a)507,106,036	67.89
Dato' Gan Kim Leong	-	-	(a)307,913,555	56.21	-	-	(a)507,106,036	67.89
State Secretary, Pahang	87,666,024	16.00	-	-	87,666,024	11.74	-	-

Note:

(a) Deemed interest by virtue of their interest in SCSB pursuant to Section 8 of the Act.

INFORMATION ON SENTORIA (CONT'D)

Maximum Scenario

	As at the LPD				(I) After the full exercise of Warrants A			
	Direct		Indirect		Direct		Indirect	
	No. of Sentoria Shares	%	No. of Sentoria Shares	%	No. of Sentoria Shares	%	No. of Sentoria Shares	%
Substantial shareholders								
SCSB	279,921,414	56.21	-	-	^(b) 296,608,300	56.18	-	-
Dato' Chan Kong San	-	-	^(a) 279,921,414	56.21	-	-	^{(a)(b)} 296,608,300	56.18
Dato' Gan Kim Leong	-	-	^(a) 279,921,414	56.21	-	-	^{(a)(b)} 296,608,300	56.18
State Secretary, Pahang	79,696,386	16.00	-	-	79,696,386	15.09	-	-
	(II) After (I) and the Bonus Issue				(III) After (II) and the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Sentoria Shares	%	No. of Sentoria Shares	%	No. of Sentoria Shares	%	No. of Sentoria Shares	%
Substantial shareholders								
SCSB	326,269,130	56.18	-	-	326,269,130	56.18	-	-
Dato' Chan Kong San	-	-	^(a) 326,269,130	56.18	-	-	^(a) 326,269,130	56.18
Dato' Gan Kim Leong	-	-	^(a) 326,269,130	56.18	-	-	^(a) 326,269,130	56.18
State Secretary, Pahang	87,666,024	15.09	-	-	87,666,024	15.09	-	-

INFORMATION ON SENTORIA (CONT'D)

Substantial shareholders	(IV) After (III) and full exercise of Warrants B			
	Direct		Indirect	
	No. of Sentoria Shares	%	No. of Sentoria Shares	%
SCSB	444,912,450	56.18	-	-
Dato' Chan Kong San	-	-	^(a) 444,912,450	56.18
Dato' Gan Kim Leong	-	-	^(a) 444,912,450	56.18
State Secretary, Pahang	119,544,578	15.09	-	-

Notes:

- (a) Deemed interest by virtue of their interest in SCSB pursuant to Section 8 of the Act.
- (b) After taking into account the exercise of 16,686,886 Warrants A held by SCSB as at the LPD.

(The rest of this page has been intentionally left blank)

INFORMATION ON SENTORIA (CONT'D)**4. DIRECTORS**

The particulars of our Directors are set out in the Corporate Directory section of this AP. The effects of the Rights Issue on the shareholdings of the Directors of Sentoria based on our Company's Register of Directors' Shareholdings as at the LPD are set out below:

Minimum Scenario

	As at the LPD				(I) After the Bonus Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Sentoria Shares	%	No. of Sentoria Shares	%	No. of Sentoria Shares	%	No. of Sentoria Shares	%
Datuk Aznam Bin Mansor	-	-	-	-	-	-	-	-
Dato' Chan Kong San	-	-	(a)279,921,414	56.21	-	-	(a)307,913,555	56.21
Dato' Gan Kim Leong	-	-	(a)279,921,414	56.21	-	-	(a)307,913,555	56.21
Lee Chaing Huat	-	-	-	-	-	-	-	-
Wong Yoke Nyen	-	-	-	-	-	-	-	-
Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad	-	-	-	-	-	-	-	-

	(II) After (I) and the Rights Issue				(III) After (II) and full exercise of Warrants B			
	Direct		Indirect		Direct		Indirect	
	No. of Sentoria Shares	%	No. of Sentoria Shares	%	No. of Sentoria Shares	%	No. of Sentoria Shares	%
Datuk Aznam Bin Mansor	-	-	-	-	-	-	-	-
Dato' Chan Kong San	-	-	(a)307,913,555	56.21	-	-	(a)507,106,036	67.89
Dato' Gan Kim Leong	-	-	(a)307,913,555	56.21	-	-	(a)507,106,036	67.89
Lee Chaing Huat	-	-	-	-	-	-	-	-
Wong Yoke Nyen	-	-	-	-	-	-	-	-
Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad	-	-	-	-	-	-	-	-

INFORMATION ON SENTORIA (CONT'D)

Maximum Scenario:

	As at the LPD				(I) After the full exercise of Warrants A			
	Direct		Indirect		Direct		Indirect	
	No. of Sentoria Shares	%	No. of Sentoria Shares	%	No. of Sentoria Shares	%	No. of Sentoria Shares	%
Datuk Aznam Bin Mansor	-	-	-	-	-	-	-	-
Dato' Chan Kong San	-	-	(a)279,921,414	56.21	-	-	(a)(b)296,608,300	56.18
Dato' Gan Kim Leong	-	-	(a)279,921,414	56.21	-	-	(a)(b)296,608,300	56.18
Lee Chaing Huat	-	-	-	-	-	-	-	-
Wong Yoke Nyen	-	-	-	-	-	-	-	-
Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad	-	-	-	-	-	-	-	-

	(II) After (I) and the Bonus Issue				(III) After (II) and the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Sentoria Shares	%	No. of Sentoria Shares	%	No. of Sentoria Shares	%	No. of Sentoria Shares	%
Datuk Aznam Bin Mansor	-	-	-	-	-	-	-	-
Dato' Chan Kong San	-	-	(a)326,269,130	56.18	-	-	(a)326,269,130	56.18
Dato' Gan Kim Leong	-	-	(a)326,269,130	56.18	-	-	(a)326,269,130	56.18
Lee Chaing Huat	-	-	-	-	-	-	-	-
Wong Yoke Nyen	-	-	-	-	-	-	-	-
Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad	-	-	-	-	-	-	-	-

INFORMATION ON SENTORIA (CONT'D)

	(IV)			
	After (III) and full exercise of Warrants B		Indirect	
	Direct		No. of Sentoria Shares	%
	No. of Sentoria Shares	%	No. of Sentoria Shares	%
Datuk Aznam Bin Mansor	-	-	-	-
Dato' Chan Kong San	-	-	(a)444,912,450	56.18
Dato' Gan Kim Leong	-	-	(a)444,912,450	56.18
Lee Chaing Huat	-	-	-	-
Wong Yoke Nyen	-	-	-	-
Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad	-	-	-	-

Notes:

- (a) Deemed interest by virtue of their interest in SCSB pursuant to Section 8 of the Act.
- (b) After taking into account the exercise of 16,686,886 Warrants A held by SCSB as at the LPD.

(The rest of this page has been intentionally left blank)

INFORMATION ON SENTORIA (CONT'D)

5. SUBSIDIARIES AND ASSOCIATED COMPANIES

Our subsidiaries as at the LPD are as follows:

Name	Date/Place of incorporation	Issued Share capital	Effective equity interest (%)	Principal activities
Sentoria Properties Sdn Bhd	26 February 1999 /Malaysia	RM300,000	100	Property development
Sentoria Bina Sdn Bhd	26 February 1999 /Malaysia	RM750,000	100	General contractor
Sentoria Harta Sdn Bhd	23 November 2002 /Malaysia	RM1,000,000	100	Property development
Sentoria Alam Sdn Bhd	22 August 2003 /Malaysia	RM250,000	100	Property development
Sentoria Leisure Langkawi Sdn Bhd	1 March 2005 /Malaysia	RM500,000	100	Yet to commence active operations
Sentoria Alfa Sdn Bhd	31 October 2003 /Malaysia	RM250,000	100	Property development and project management services
Sentoria Vacation Club Berhad	24 March 2009 /Malaysia	RM1,000,000	100	Vacation club operator
Sentoria Morib Bay Sdn Bhd	1 August 2011 /Malaysia	RM300,000	100	Yet to commence active operations
Sentoria Land Sdn Bhd	4 June 2013 /Malaysia	RM100,000	100	Dormant
Sentoria Borneo Samariang Sdn Bhd	3 May 2013 /Malaysia	RM300,000	100	Hotel and water park operator
Sentoria Borneo Land Sdn Bhd	3 May 2013 /Malaysia	RM300,000	100	Property development
Sentoria Themeparks and Resorts Sdn Bhd	19 September 2006 /Malaysia	RM11,000,000	100	Hotel, water and safari park operator and investment holding
Sentoria Langkawi Sdn Bhd	5 December 2013 /Malaysia	RM2,000,000	75	Theme park operator and property development
Sentoria Projects Sdn Bhd	4 August 2011 /Malaysia	RM750,000	100	General contractor
Ataria Leisure International Sdn Bhd	23 September 2015 /Malaysia	RM2	100	Hotel and theme parks operator

INFORMATION ON SENTORIA (CONT'D)

Name	Date/Place of incorporation	Issued Share capital	Effective equity interest (%)	Principal activities
Sentoria Utara Sdn Bhd	20 October 2014 /Malaysia	RM2,000,000	75	Property development
Blue Sky Leisure Sdn Bhd*	27 July 2011 /Malaysia	RM200,000	100	Travel agent
Star Wholesale Sdn Bhd*	23 April 2012 /Malaysia	RM2	100	Wholesaler and general merchants

Note:

* Subsidiaries of Sentoria Themeparks and Resorts Sdn Bhd

As at the LPD, we do not have any associated companies.

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of our Group based on our audited consolidated financial statements for the past 3 years up to FYE 30 September 2016 and the unaudited quarterly results for the FYE 30 September 2017 are summarised as follows:

	Audited			Unaudited
	FYE 30 September 2014 (RM'000)	FYE 30 September 2015 (RM'000)	FYE 30 September 2016 (RM'000)	FYE 30 September 2017 (RM'000)
Revenue	218,444	219,625	224,224	280,415
Operating expenses*	(179,764)	(177,855)	(182,231)	(232,608)
Other income	3,941	4,585	7,130	6,813
Finance costs	(7,155)	(9,232)	(3,941)	(3,268)
Profit before tax	35,466	37,123	45,182	51,352
Income tax expense	(6,475)	(5,008)	(12,071)	(13,333)
Profit for the financial year	28,991	32,115	33,111	38,019
Profit attributable to: Owners of the Company/ PATAMI	29,139	32,129	33,129	38,016
Earnings before interest, taxation, depreciation and amortisation	52,939	58,530	61,512	65,806
Weighted average number of Shares in issue ('000)	440,000	460,499	484,944	491,756
Gross profit	78,561	87,335	89,948	96,664
Gross profit margin (%)	35.96	39.77	40.12	34.47
Net profit margin (%)	13.27	14.62	14.77	13.56
EPS (sen):				
- Basic [^]	6.62	6.98	6.83	7.73
- Diluted [#]	6.36	6.68	6.68	7.62

INFORMATION ON SENTORIA (CONT'D)

Notes:

- * Consisting of cost of sales, administrative expenses, distribution expenses, other operating expenses and amortisation and depreciation.
- ^ Calculated based on PATAMI divided by the weighted average number of ordinary shares outstanding.
- # Calculated based on PATAMI divided by the weighted average number of ordinary shares outstanding and the assumed conversion of outstanding Warrants A as tabulated below:

Date	No. of outstanding Warrants A
30 September 2014	88,000,000
30 September 2015	43,888,896
30 September 2016	38,888,896
30 September 2017	28,888,896

Commentary on financial performance**FYE 30 SEPTEMBER 2014**

For FYE 30 September 2014, our Group's revenue increased by approximately 5.3% or RM10.9 million to RM218.4 million as compared to FYE 30 September 2013 due to growth in property development division. The property development division remained as the main revenue contributor as it generated RM160.6 million, representing 73.5% of the total revenue whereas the leisure and hospitality division contributed RM57.8 million (26.5%) of the total revenue.

Our Group recorded a PATAMI of approximately RM29.1 million for FYE 30 September 2014 as compared to a PATAMI of approximately RM53.1 million in FYE 30 September 2013. This was mainly due to the lower contribution from the leisure and hospitality division resulting from the prolonged wet weather in the East Coast Region of Peninsular Malaysia in November/December 2013 and higher operating expenditure from the ongoing expansion effort.

FYE 30 SEPTEMBER 2015

For FYE 30 September 2015, our Group's revenue increased marginally by 0.5% or RM1.2 million to RM219.6 million as compared to FYE 30 September 2014 as the higher revenue recorded under property development division of RM164.5 million was offset by the lower revenue contribution from leisure and hospitality division of RM55.1 million during the financial year. The lower revenue contribution from leisure and hospitality division was due to the severe floods on the East Coast Region at the end of the year which affected the number of tourists to Bukit Gambang Resort City. Further, the unexpected delay in obtaining the necessary approvals for our Group's development projects in Morib and Kuching had also resulted in our Group's dependence on our existing projects in Kuantan.

Our Group recorded a PATAMI of RM32.1 million for FYE 30 September 2015 as compared to approximately RM29.1 million in FYE 30 September 2014. The higher profits were attributable to the gain from recognition of land owner's entitlement of 12 completed units of bungalow in Global Heritage, Bukit Gambang Resort City as well as measures taken to further improve the efficiency and operating costs of our leisure and hospitality division.

INFORMATION ON SENTORIA (CONT'D)

FYE 30 SEPTEMBER 2016

For FYE 30 September 2016, our Group's revenue increased by 2.1% or RM4.6 million to RM224.2 million as compared to FYE 30 September 2015 mainly due to the increase in revenue from the development projects in Morib and Kuching which were launched in late 2015. However, such increase of revenue was offset by the reduced contribution from the leisure and hospitality division of RM47.9 million, which was 13.1% lower as compared to FYE 30 September 2015. This was mainly attributed to reduced visitors and lower room occupancy resulting from weaker consumer spending.

Despite the significant increase in profit before tax to RM45.2 million as compared to RM37.1 million in FYE 30 September 2015 mainly due to improved performance from leisure and hospitality division and lower finance costs. Our Group's PATAMI of RM33.1 million was only 3.1% higher as compared to PATAMI of RM32.1 million in FYE 30 September 2015. This was mainly due to the deferred tax asset of RM5.4 million recognised in FYE 30 September 2015 for unutilised investment tax allowance resulting from capital expenditure incurred during FYE 30 September 2015.

FYE 30 SEPTEMBER 2017

For FYE 30 September 2017, our Group's revenue increased by approximately 25.1% or RM56.2 million to approximately RM280.4 million as compared to FYE 30 September 2016 mainly attributable by the higher contribution from the property development division i.e. approximately RM61.1 million higher than the previous financial year due to higher billings recorded for the financial year. The leisure and hospitality division recorded a slight decline of approximately RM4.9 million as compared to the previous financial year mainly due to reduced visitors to our Bukit Gambang Resort City as there were lesser corporate and governmental agency events held in the said venue for the financial year.

Our Group recorded a PATAMI of approximately RM38.0 million for FYE 30 September 2017, as compared to a PATAMI of approximately RM33.1 million in FYE 30 September 2016. This was mainly due to higher revenue contributed by property development division and lower effective tax rate of 25.9% as compared to 26.6% for the previous financial year. The lower effective tax rate was due to the deferred tax on the fair value gain on revaluation of investment properties of RM5.4 million which was provided for at the Real Property Gains Tax rate of 5%.

(Source: Annual report 2014, 2015 and 2016, interim financial statements for FYE 30 September 2017 and the management of Sentoria)

(The rest of this page has been intentionally left blank)

INFORMATION ON SENTORIA (CONT'D)

7. HISTORICAL SHARE PRICE

The monthly highest and lowest market prices of Sentoria Shares traded on Bursa Securities for the past 12 months are as follows:

	High (RM)	Low (RM)
2016		
December	0.800	0.715
2017		
January	0.770	0.690
February	0.740	0.705
March	0.780	0.705
April	1.000	0.745
May	0.875	0.740
June	0.900	0.765
July	0.870	0.800
August	0.835	0.790
September	0.850	0.785
October	0.840	0.725
November	0.800	0.660

Last transacted market price of Sentoria Shares on 20 September 2017, being the last market date prior to the Announcement 0.800

Last transacted market price of Sentoria Shares as at the LPD 0.725

The last transacted market price of Sentoria Shares on 7 December 2017, being the last market date prior to the ex-date 0.700

(Source: Bloomberg)

(The rest of this page has been intentionally left blank)

FURTHER DETAILS OF THE PROPERTY DEVELOPMENT PROJECTS OF SENTORIA GROUP

The details of the Kuantan Project are as follows:

Name of project	:	Taman Bukit Rangin, Phase 3
Location	:	PT130567, Mukim Kuala Kuantan, Kuantan, Pahang
Land area	:	Approximately 75 acres
Development project	:	1,022 single-storey houses and 19 single-storey shops
Approximate age of buildings	:	Not applicable
Tenure	:	Leasehold expiring on 3 July 2115
Audited net book value as at 30 September 2016	:	RM4.8 million
Encumbrances	:	Charged to Small Medium Enterprise Development Bank Malaysia Berhad
Commencement date	:	September 2016
Expected completion date	:	September 2020
Percentage of completion	:	32% as at the LPD
Estimated GDV	:	RM154 million (as at the LPD, developments with a GDV of approximately RM89 million have been launched)
Estimated development cost	:	RM114 million
Estimated gross development profit	:	RM40 million
Current percentage of completion of launched developments	:	66% as at the LPD, comprising 560 units of single storey terrace houses
Current percentage of sales of launched developments	:	99% as at the LPD
Sources of funds	:	Bank borrowings of RM25 million and internally generated funds of RM89 million
Approvals / Planning consent obtained and the conditions thereof	:	The planning approval was obtained from Jabatan Perancangan Pembangunan, Majlis Perbandaran Kuantan on 9 September 2016.

FURTHER DETAILS OF THE PROPERTY DEVELOPMENT PROJECTS OF SENTORIA GROUP (CONT'D)

The details of the Kuching Project are as follows:

Name of project	: Borneo Samariang Resort City
Location	: Lot 8578, 8579, and 8581, Blok 9 Salak Land, District Kuching, Sarawak
Land area	: Approximately 500 acres
Development project	: A new resort city including a water theme park, a safari park, 13 storeys hotel and MICE facilities, together with approximately 240 units of commercial and 2,630 units of residential properties
Approximate age of buildings	: Not applicable
Tenure	: (i) Lot 8578 & Lot 8579: Leasehold expiring on 8 April 2098 (ii) Lot 8581: Leasehold expiring on 7 October 2114
Audited net book value as at 30 September 2016	: RM93.8 million
Encumbrances	: Charged to OCBC Bank (Malaysia) Berhad
Commencement date	: August 2015
Expected completion date	: 2025
Percentage of completion	: 7% as at the LPD
Estimated GDV	: RM2.00 billion (as at the LPD, developments with a GDV of approximately RM250 million have been launched)
Estimated development cost	: RM1.40 billion
Estimated gross development profit	: RM0.60 billion
Current percentage of completion of launched developments	: 69% as at the LPD, comprising 428 units of serviced apartments, 554 units of single storey terrace houses and 72 units of single storey semi-detached houses
Current percentage of sales of launched developments	: 81% as at the LPD
Sources of funds	: Bank borrowings of RM169 million and internally generated funds of RM1.231 billion
Approvals / Planning consent obtained and the conditions thereof	: The planning approval was obtained from Kementerian Perancangan Sumber dan Alam Sekitar, Kuching on 9 February 2015.

FURTHER DETAILS OF THE PROPERTY DEVELOPMENT PROJECTS OF SENTORIA GROUP (CONT'D)

The details of the Morib Project are as follows:

Name of project	:	Morib Bay Resort City
Location	:	PT 1129, 1130 and 1131, Mukim Morib, Daerah Kuala Langat, Selangor
Land area	:	Approximately 354 acres
Development project	:	A new resort city including a water theme park, a safari park, 16 storeys hotel and MICE facilities, together with approximately 318 units of commercial and 4,827 units of residential properties
Approximate age of buildings	:	Not applicable
Tenure	:	Freehold
Audited net book value as at 30 September 2016	:	RM14.5 million
Encumbrances	:	Charged to Alliance Bank Malaysia Berhad
Commencement date	:	February 2016
Expected completion date	:	2026
Percentage of completion	:	2% as at the LPD
Estimated GDV	:	RM3.50 billion (as at the LPD, developments with a GDV of approximately RM260 million have been launched)
Estimated development cost	:	RM2.60 billion
Estimated gross development profit	:	RM0.90 billion
Current percentage of completion of launched developments	:	32% as at the LPD, comprising 156 units of double storey semi-detached houses and 630 units of apartments under Rumah Selangor Ku
Current percentage of sales of launched developments	:	30% as at the LPD
Sources of funds	:	Bank borrowings of RM38 million and internally generated funds of RM2.562 billion
Approvals / Planning consent obtained and the conditions thereof	:	<ul style="list-style-type: none"> (i) The planning approval for PT 1129 was obtained from Majlis Daerah Kuala Langat, Selangor on 22 May 2015. (ii) The planning approval for PT 1130 was obtained from Majlis Daerah Kuala Langat, Selangor on 17 July 2017. (iii) The planning approval for PT 1131 was obtained from Majlis Daerah Kuala Langat, Selangor on 23 June 2015.

**PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON**

**SENTORIA GROUP BERHAD
(Company No.: 463344-K)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES**

**PRO FORMA CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

SJ GRANT THORNTON

CHARTERED ACCOUNTANTS

Member firm of Grant Thornton International Ltd.

**PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**



**REPORTING ACCOUNTANTS' REPORT ON THE PRO
FORMA CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION AS AT 30 SEPTEMBER 2016**
(Prepared for inclusion in the Abridged Prospectus)

SJ Grant Thornton (AF:0737)
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

Date: 23 November 2017

T +603 2692 4022

F +603 2691 5229

The Board of Directors
Sentoria Group Berhad
No. 56 & 58 (2nd floor)
Jalan Dagang SB 4/2
Taman Sungai Besi Indah
43300 Seri Kembangan
Selangor Darul Ehsan

Dear Sirs,

**SENTORIA GROUP BERHAD AND ITS SUBSIDIARIES
REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS
OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016**

We have completed our assurance engagement to report on the compilation of the Pro Forma Consolidated Statements of Financial Position of Sentoria Group Berhad ("Sentoria" or "the Company") and its subsidiaries ("Sentoria Group" or "the Group") as at 30 September 2016, together with the notes and assumptions thereto. The Pro Forma Consolidated Statements of Financial Position as set out in the accompanying statements (which we have stamped for the purpose of identification), have been compiled and prepared by the Directors of the Company for inclusion in the abridged prospectus to shareholders of Sentoria ("Abridged Prospectus") to be issued in connection to the Corporate Exercises (as defined herein).

The Pro Forma Consolidated Statements of Financial Position as at 30 September 2016 have been compiled by the Directors of the Company, for illustrative purposes only, to show the effects of the Corporate Exercises on the Consolidated Statements of Financial Position presented had the Corporate Exercises been effected at the date stated. As part of this process, information about the Group's consolidated financial position has been extracted by the Directors from the Group's audited consolidated statements of financial position as at 30 September 2016, on which was reported by us to the members of Sentoria on 12 January 2017 without any modification.

Directors' responsibilities

The Directors of the Company are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis set out in Note 1 to the Pro Forma Consolidated Statements of Financial Position ("Applicable Criteria").

Audit | Tax | Advisory

**PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**



An instinct for growth™

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) issued by the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies *International Standard on Quality Control ("ISQC") 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express an opinion about whether the Pro Forma Consolidated Statements of Financial Position have been properly compiled by the Directors on the basis of the Applicable Criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements ("ISAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Consolidated Statements of Financial Position on the basis of the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position. In providing this opinion, we do not accept any responsibility for such reports or opinion beyond that is owned to those to whom those reports or opinions were addressed by us at the date of their issuance.

The purpose of the Pro Forma Consolidated Statements of Financial Position included in the Abridged Prospectus is solely to illustrate the impact as if the Corporate Exercises had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at that date would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material aspects, on basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions enumerated in the notes thereto, and to obtain sufficient appropriate evidence about whether:-

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the Company's audited consolidated statements of financial position as at 30 September 2016.

Audit | Tax | Advisory

**PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**



An instinct for growth™

Our responsibility (cont'd)

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion


In our opinion:-


- (i) The Pro Forma Consolidated Statements of Financial Position of the Group have been properly compiled on the basis as set out in the accompanying notes to the Pro Forma Consolidated Statements of Financial Position based on the audited consolidated financial statements of the Group for the financial year ended 30 September 2016 (which have been prepared by the Directors of Sentoria), and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited consolidated financial statements for the financial year ended 30 September 2016; and
- (ii) Each material adjustment made to the information used in the preparation of the Pro Forma Consolidated Statements of Financial Position is appropriate for the purposes of preparing the Pro Forma Consolidated Statements of Financial Position.

Other Matter

This report has been prepared solely for the purpose of inclusion in the Abridged Prospectus in connection with the Corporate Exercises. As such, this letter should not be used or relied upon for any other purpose without the prior written consent from us. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,


SJ GRANT THORNTON
(NO. AF: 0737)
CHARTERED ACCOUNTANTS


KHO KIM ENG
(NO: 3137/10/18(J))
CHARTERED ACCOUNTANT

Audit | Tax | Advisory

PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

**SENTORIA GROUP BERHAD AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

The Pro Forma Consolidated Statements of Financial Position of Sentoria Group as at 30 September 2016 as set out below for which the Directors of Sentoria are solely responsible, are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 2 to the Pro Forma Consolidated Statements of Financial Position on the assumption that these transactions were completed on 30 September 2016, and should be read in conjunction with the notes accompanying the Pro Forma Consolidated Statements of Financial Position.

Minimum scenario	Audited Consolidated Statement of Financial Position as at 30 September 2016		Adjusted Consolidated Statement of Financial Position as at 30 September 2016		Pro Forma I		Pro Forma II		Pro Forma III	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM	RM
ASSETS										
Non-current assets										
Property, plant and equipment	375,542	375,542	375,542	375,542	375,542	375,542	375,542	375,542	375,542	375,542
Biological assets	4,362	4,362	4,362	4,362	4,362	4,362	4,362	4,362	4,362	4,362
Property development costs	14,329	14,329	14,329	14,329	14,329	14,329	14,329	14,329	14,329	14,329
Investment properties	30,562	30,562	30,562	30,562	30,562	30,562	30,562	30,562	30,562	30,562
Deferred tax assets	50,307	50,307	50,307	50,307	50,307	50,307	50,307	50,307	50,307	50,307
Fixed deposits with licensed banks	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684
Goodwill on consolidation	3	3	3	3	3	3	3	3	3	3
Investment in short term funds	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288
Total non-current assets	486,077	486,077	486,077	486,077	486,077	486,077	486,077	486,077	486,077	486,077
Current assets										
Property development costs	136,647	136,647	136,647	136,647	136,647	136,647	136,647	136,647	136,647	136,647
Amount due from customers	18,812	18,812	18,812	18,812	18,812	18,812	18,812	18,812	18,812	18,812
Inventories	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199
Trade receivables	152,800	152,800	152,800	152,800	152,800	152,800	152,800	152,800	152,800	152,800
Other receivables	37,134	37,134	37,134	37,134	37,134	37,134	37,134	37,134	37,134	37,134
Tax recoverable	368	368	368	368	368	368	368	368	368	368
Fixed deposits with licensed banks	73	73	73	73	73	73	73	73	73	73
Cash and bank balances	14,386	19,536	19,536	19,536	18,536	18,536	68,334	68,334	187,849	187,849
Total current assets	362,419	367,569	367,569	366,569	366,569	416,367	416,367	416,367	535,882	535,882
Total assets	848,496	853,646	853,646	852,646	852,646	902,444	902,444	902,444	1,021,959	1,021,959

Stamped for the purpose of identification on:

23 NOV 2017

SJ Grant Thornton

PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

**SENTORIA GROUP BERHAD AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

The Pro Forma Consolidated Statements of Financial Position of Sentoria Group as at 30 September 2016 as set out below for which the Directors of Sentoria are solely responsible, are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 2 to the Pro Forma Consolidated Statements of Financial Position on the assumption that these transactions were completed on 30 September 2016, and should be read in conjunction with the notes accompanying to the Pro Forma Consolidated Statements of Financial Position (cont'd).

Minimum scenario (cont'd)	Audited Consolidated Statement of Financial Position as at		Adjusted Consolidated Statement of Financial Position as at		Pro Forma I RM'000		Pro Forma II RM'000		Pro Forma III RM	
	30 September 2016 RM'000	30 September 2016 RM'000	30 September 2016 RM'000	30 September 2016 RM'000	Pro Forma I RM'000	Pro Forma II RM'000	Pro Forma III RM	Pro Forma I RM'000	Pro Forma II RM'000	Pro Forma III RM
EQUITY AND LIABILITIES										
Equity attributable to owners of the Company:										
Share capital	3.2	97,822	152,567	151,567	151,567	151,567	320,880			
Share premium	3.3	48,744	-	-	-	-	-			
Revaluation reserves		66,298	66,298	66,298	66,298	66,298	66,298			
Retained earnings		189,853	189,853	189,853	189,853	189,853	189,853			
Treasury shares	3.4	-	(851)	(851)	(851)	(851)	(851)			
Warrant reserves	3.5	-	-	-	-	49,798	-			
Total shareholders' funds		402,717	407,867	406,867	406,867	456,665	576,180			
Non-controlling interests		475	475	475	475	475	475			
Total equity		403,192	408,342	407,342	407,342	457,140	576,655			
Non-current liabilities										
Deferred tax liabilities		3,382	3,382	3,382	3,382	3,382	3,382			
Borrowings		191,627	191,627	191,627	191,627	191,627	191,627			
Total non-current liabilities		195,009	195,009	195,009	195,009	195,009	195,009			

Stamped for the purpose of identification on:
23 NOV 2017
SJ Grant Thornton

PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

**SENTORIA GROUP BERHAD AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

The Pro Forma Consolidated Statements of Financial Position of Sentoria Group as at 30 September 2016 as set out below for which the Directors of Sentoria are solely responsible, are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 2 to the Pro Forma Consolidated Statements of Financial Position on the assumption that these transactions were completed on 30 September 2016, and should be read in conjunction with the notes accompanying to the Pro Forma Consolidated Statements of Financial Position (cont'd).

Minimum scenario (cont'd)	Audited Consolidated	Adjusted Consolidated	Stamped for the purpose of identification on:	
	Statement of Financial Position as at 30 September 2016 RM'000	Statement of Financial Position as at 30 September 2016 RM'000	23 NOV 2017	Pro Forma III
			SJ Grant Thornton	Pro Forma II
				RM'000
Current liabilities				
Trade payables	58,447	58,447	58,447	58,447
Other payables	104,147	104,147	104,147	104,147
Amount due to customers	10	10	10	10
Tax payable	3,038	3,038	3,038	3,038
Borrowings	84,653	84,653	84,653	84,653
Total current liabilities	250,295	250,295	250,295	250,295
Total liabilities	445,304	445,304	445,304	445,304
Total equity and liabilities	848,496	853,646	852,646	902,444
Number of shares ('000)	489,111	497,981*	547,779*	746,971*
Net assets per share (RM)	0.82	0.82	0.74	0.83
Borrowings (RM'000)	276,280	276,280	276,280	276,280
Gearing (times)	0.69	0.68	0.68	0.60

*Excluding treasury shares held by Sentoria as disclosed in Note 3.4 to the Pro Forma Consolidated Statements of Financial Position

PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

**SENTORIA GROUP BERHAD AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

The Pro Forma Consolidated Statements of Financial Position of Sentoria Group as at 30 September 2016 as set out below for which the Directors of Sentoria are solely responsible, are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 2 to the Pro Forma Consolidated Statements of Financial Position on the assumption that these transactions were completed on 30 September 2016, and should be read in conjunction with the notes accompanying to the Pro Forma Consolidated Statements of Financial Position (cont'd).

Maximum scenario	Audited Consolidated	Adjusted	Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV	Pro Forma V
	Statement of Financial Position as at 30 September 2016 RM'000	Consolidated Statement of Financial Position as at 30 September 2016 RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS							
Non-current assets							
Property, plant and equipment	375,542	375,542	375,542	375,542	375,542	375,542	375,542
Biological assets	4,362	4,362	4,362	4,362	4,362	4,362	4,362
Property development costs	14,329	14,329	14,329	14,329	14,329	14,329	14,329
Investment properties	30,562	30,562	30,562	30,562	30,562	30,562	30,562
Deferred tax assets	50,307	50,307	50,307	50,307	50,307	50,307	50,307
Fixed deposits with licensed banks	3,684	3,684	3,684	3,684	3,684	3,684	3,684
Goodwill on consolidation	3	3	3	3	3	3	3
Investment in short term funds	7,288	7,288	7,288	7,288	7,288	7,288	7,288
Total non-current assets	486,077	486,077	486,077	486,077	486,077	486,077	486,077
Current assets							
Property development costs	136,647	136,647	136,647	136,647	136,647	136,647	136,647
Amount due from customers	18,812	18,812	18,812	18,812	18,812	18,812	18,812
Inventories	2,199	2,199	2,199	2,199	2,199	2,199	2,199
Trade receivables	152,800	152,800	152,800	152,800	152,800	152,800	152,800
Other receivables	37,134	37,134	37,134	37,134	37,134	37,134	37,134
Tax recoverable	368	368	368	368	368	368	368
Fixed deposits with licensed bank	73	73	73	73	73	73	73
Cash and bank balances	14,386	19,536	20,387	37,720	36,720	89,520	216,240
Total current assets	362,419	367,569	368,420	384,753	384,753	437,553	564,273
Total assets	848,496	853,646	854,497	871,830	870,830	923,630	1,050,350

Stamp for the purpose of identification on:
23 NOV 2017
SJ Grant Thornton

PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

**SENTORIA GROUP BERHAD AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

The Pro Forma Consolidated Statements of Financial Position of Sentoria Group as at 30 September 2016 as set out below for which the Directors of Sentoria are solely responsible, are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 2 to the Pro Forma Consolidated Statements of Financial Position on the assumption that these transactions were completed on 30 September 2016, and should be read in conjunction with the notes accompanying to the Pro Forma Consolidated Statements of Financial Position (cont'd).

Maximum scenario (cont'd)	Audited Consolidated Statement of Financial Position as at		Adjusted Consolidated Statement of Financial Position as at					
	30 September 2016	30 September 2016	30 September 2016	Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV	Pro Forma V
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES								
Equity attributable to owners of the Company:								
Share capital	97,822	152,567	152,567	169,900	168,900	168,900	168,900	348,420
Share premium	48,744	-	-	-	-	-	-	-
Revaluation reserves	66,298	66,298	66,298	66,298	66,298	66,298	66,298	66,298
Retained earnings	189,853	189,853	189,853	189,853	189,853	189,853	189,853	189,853
Treasury shares	-	(851)	-	-	-	-	-	-
Warrant reserves	-	-	-	-	-	-	52,800	-
Total shareholders' funds	402,717	407,867	408,718	426,051	425,051	425,051	477,851	604,571
Non-controlling interests	475	475	475	475	475	475	475	475
Total equity	403,192	408,342	409,193	426,526	425,526	425,526	478,326	605,046
LIABILITIES								
Non-current liabilities	3,382	3,382	3,382	3,382	3,382	3,382	3,382	3,382
Deferred tax liabilities	191,627	191,627	191,627	191,627	191,627	191,627	191,627	191,627
Borrowings	-	-	-	-	-	-	-	-
Total non-current liabilities	195,009	195,009	195,009	195,009	195,009	195,009	195,009	195,009

Stamped for the purpose of identification on:
23 NOV 2017
SJ Grant Thornton

PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

**SENTORIA GROUP BERHAD AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

The Pro Forma Consolidated Statements of Financial Position of Sentoria Group as at 30 September 2016 as set out below for which the Directors of Sentoria are solely responsible, are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 2 to the Pro Forma Consolidated Statements of Financial Position on the assumption that these transactions were completed on 30 September 2016, and should be read in conjunction with the notes accompanying to the Pro Forma Consolidated Statements of Financial Position (cont'd).

Maximum scenario (cont'd)	Audited Consolidated	Adjusted	Pro Forma				
	Statement of Financial Position as at 30 September 2016	Consolidated Statement of Financial Position as at 30 September 2016	Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV	Pro Forma V
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current liabilities							
Trade payables	58,447	58,447	58,447	58,447	58,447	58,447	58,447
Other payables	104,147	104,147	104,147	104,147	104,147	104,147	104,147
Amount due to customers	10	10	10	10	10	10	10
Tax payable	3,038	3,038	3,038	3,038	3,038	3,038	3,038
Borrowings	84,653	84,653	84,653	84,653	84,653	84,653	84,653
Total current liabilities	250,295	250,295	250,295	250,295	250,295	250,295	250,295
Total liabilities	445,304	445,304	445,304	445,304	445,304	445,304	445,304
Total equity and liabilities	848,496	853,646	854,497	871,830	870,830	923,630	1,050,350
Number of shares ('000)	489,111	497,981*	499,112	528,000	580,800	580,800	792,000
Net assets per share (RM)	0.82	0.82	0.82	0.81	0.73	0.82	0.76
Borrowings (RM'000)	276,280	276,280	276,280	276,280	276,280	276,280	276,280
Gearing (times)	0.69	0.68	0.68	0.65	0.65	0.58	0.46

*Excluding treasury shares held by Sentoria as disclosed in Note 3.4 to the Pro Forma Consolidated Statements of Financial Position

Stamped for the purpose of identification on:
23 NOV 2017
SJ Grant Thornton

**PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**

**SENTORIA GROUP BERHAD AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

Stamped for the purpose of identification on:
23 NOV 2017
SJ Grant Thornton

1. BASIS OF PREPARATION

The Pro Forma Consolidated Statements of Financial Position as at 30 September 2016, for which the Directors of Sentoria are solely responsible, have been prepared for illustrative purposes only to show the effects on the audited Consolidated Statements of Financial Position of the Group as at 30 September 2016 on the assumption that the corporate exercises as mentioned below to be undertaken by Sentoria Group had been effected on 30 September 2016, and should be read in conjunction with the notes in this Section.

The Pro Forma Consolidated Statements of Financial Position as at 30 September 2016 together with the Notes have been prepared in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited consolidated financial statements for the financial year ended 30 September 2016, which have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The Company proposes to undertake the following:

- (i) a bonus issue of up to 52,800,000 ordinary shares in Sentoria ("Sentoria Share(s)" or "Bonus Share(s)") to be credited as fully paid-up on the basis of 1 Bonus Share for every 10 Sentoria Shares held on an entitlement date to be determined later ("Entitlement Date") ("Bonus Issue"); and
- (ii) a renounceable rights issue of up to 211,200,000 new warrants in Sentoria ("Warrant(s) B") at an issue price of RM0.25 per Warrant B on the basis of 4 Warrants B for every 10 Sentoria Shares held by the entitled shareholders on the Entitlement Date ("Rights Issue").

(collectively referred to as the "Corporate Exercises").

The Pro Forma Consolidated Statements of Financial Position have been prepared for illustrative purposes only. Such information, because of its nature, does not give a true picture of the effects of the Corporate Exercises on the financial position of the Group, had the transactions or events occurred on 30 September 2016. Further, such information does not purport to predict Sentoria Group's future financial position.

The Pro Forma Consolidated Statements of Financial Position of Sentoria are presented in two (2) scenarios and have been prepared for illustrative purposes and on the assumptions that the Corporate Exercises were affected on that date, as follows:-

Minimum scenario:

The minimum scenario assumes the following:-

- (i) none of the 1,131,000 treasury shares held by the Company as at 13 November 2017, being the latest practicable date prior to the printing of the Abridged Prospectus ("LPD") are resold prior to the Entitlement Date;
- (ii) none of the outstanding 28,887,796 Warrants 2014/2019 ("Warrants A") as at the LPD are exercised into new Sentoria Shares prior to the Entitlement Date;
- (iii) the Rights Issue will be undertaken on a minimum subscription level of 199,192,481 Warrants B at the issue price of RM0.25 per Warrant B ("Minimum Subscription Level – Warrants B"); and
- (iv) all Warrants B are exercised at an exercise price of RM0.60 each.

**PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**

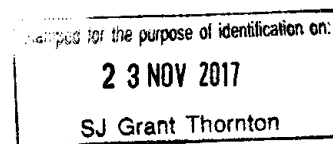
**SENTORIA GROUP BERHAD AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

1. BASIS OF PREPARATION (CONT'D)

Maximum scenario:

The maximum scenario assumes the following:-

- (i) all 1,131,000 treasury shares held by the Company as at the LPD are resold at its purchase cost such that there will be no gain or loss arising from such resale prior to the Entitlement Date;
- (ii) all outstanding 28,887,796 Warrants A as at the LPD are exercised into new Sentoria Shares at an exercise price of RM0.60 prior to the Entitlement Date;
- (iii) the Rights Issue will be fully subscribed at a subscription level of 211,200,000 Warrants B at the issue price of RM0.25 per Warrant B ("Maximum Subscription Level – Warrants B"); and
- (iv) all Warrants B are exercised at an exercise price of RM0.60 each.



2. PRO FORMA

(i) Adjusted Consolidated Statements of Financial Position as at 30 September 2016

The audited consolidated statements of financial position as at 30 September 2016 has been adjusted for the following transactions that occurred subsequent to 30 September 2016 up to the LPD:-

Transition to No-Par Value Regime on 31 January 2017

The new Companies Act 2016 ("the Act"), which came into effect on 31 January 2017, abolished the concept of authorised share capital and par value of share. Consequently, the amounts standing to the credit of the share premium account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM48,743,755 for purposes as set out in Sections 618(3) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

Exercise of Warrants A

On 6 June 2017, Sentoria issued 10,000,000 Sentoria Shares at RM0.60 per share pursuant to the exercise of Warrants A.

On 3 November 2017, Sentoria issued 1,100 Sentoria Shares at RM0.60 per share pursuant to the exercise of Warrants A.

Purchase and Sale of Treasury Shares

From 30 September 2016 to the LPD, Sentoria bought back 2,131,000 Sentoria Shares and sold 1,000,000 Sentoria Shares. As at the LPD, Sentoria held 1,131,000 Sentoria Shares amounting to RM851,000 at cost.

**PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**

**SENTORIA GROUP BERHAD AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

2. PRO FORMA (CONT'D)

(ii) Pro Forma I (Maximum Scenario): Resale of all treasury shares

Maximum scenario

Pro Forma I incorporates the effects of Adjusted Consolidated Statements of Financial Position as at 30 September 2016 and assumes that all 1,131,000 treasury shares are resold at its purchase cost such that there will be no gain or loss arising from such resale prior to the Entitlement Date.

(iii) Pro Forma II (Maximum Scenario): Exercise of all Warrants A

Maximum scenario

Pro Forma II incorporates the effects of Pro Forma I and assumes that all of the outstanding 28,887,796 Warrants A are exercised at an exercise price of RM0.60 each prior to the Entitlement Date.

(iv) Pro Forma I (Minimum Scenario)/ Pro Forma III (Maximum Scenario): Bonus Issue

Minimum scenario

Pro Forma I incorporates the effects of Adjusted Consolidated Statements of Financial Position as at 30 September 2016 and assumes the following:

- (a) no treasury shares are resold prior to the Entitlement Date; and
- (b) none of the outstanding Warrants A are exercised prior to the Entitlement Date.

Maximum scenario

Pro Forma III incorporates the effects of Pro Forma II.

The total estimated expenses to be incurred in relation to the Corporate Exercises is RM1,000,000 and these expenses will be set off against the amount standing to the credit of the share premium account (which has been transferred to share capital pursuant to the Act).

(v) Pro Forma II (Minimum Scenario)/ Pro Forma IV (Maximum Scenario): Rights Issue

Minimum scenario

Pro Forma II incorporates the effects of Pro Forma I and assumes that the Rights Issue will be undertaken the Minimum Subscription Level – Warrants B.

Maximum scenario

Pro Forma IV incorporates the effects of Pro Forma III and assumes that the Rights Issue will be undertaken the Maximum Subscription Level – Warrants B.

Stamped for the purpose of identification on:
23 NOV 2017
SJ Grant Thornton

**PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**

**SENTORIA GROUP BERHAD AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

2. **PRO FORMA (CONT'D)**

- (vi) **Pro Forma III (Minimum Scenario)/ Pro Forma V (Maximum Scenario): Exercise of all Warrants B**

Stamped for the purpose of identification on:
23 NOV 2017
SJ Grant Thornton

Minimum scenario

Pro Forma III incorporates the effects of Pro Forma II and assumes that the 199,192,481 Warrants B to be issued pursuant to the Rights Issue are fully exercised at an exercise price of RM0.60 each.

Maximum scenario

Pro Forma V incorporates the effects of Pro Forma IV and assumes that the 211,200,000 Warrants B to be issued pursuant to the Rights Issue are fully exercised at an exercise price of RM0.60 each.

Upon the full exercise of Warrants B, the warrant reserves of RM49,798,010 and RM52,800,000 under the minimum and maximum scenario respectively will be transferred to share capital.

Utilisation of proceeds

The proceeds arising from the Rights Issue will be utilised in the manner as set out below:-

Description	Minimum scenario RM'000	Maximum scenario RM'000
Working capital:		
- Sentoria Group's property development projects	35,000	35,000
- general working capital	13,798	16,800
Estimated expenses in relation to the Corporate Exercises	1,000	1,000
Total estimated proceeds	49,798	52,800

The exact quantum of proceeds that may be raised by the Company pursuant to the Rights Issue will depend upon the actual number of treasury shares resold, Warrants B subscribed and/or Warrants A exercised during its tenure.

The new Sentoria Shares to be issued pursuant to the Corporate Exercises and the exercise of Warrants A and/or Warrants B shall upon allotment and issuance, rank equally in all respects with the then existing issued Sentoria Shares, save and except that the holders of the new Sentoria Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions, where the entitlement date precedes the date of allotment and issuance of the new Sentoria Shares.

**PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**

**SENTORIA GROUP BERHAD AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

3. NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

3.1 CASH AND BANK BALANCES

The movements of the cash and bank balances are as follows:-

Minimum scenario

	<u>Amount</u> RM'000
As at 30 September 2016	14,386
Subsequent events after financial year	<u>5,150</u>
As per Adjusted Consolidated Statement of Financial Position	19,536
Estimated expenses in relation to the Corporate Exercises	<u>(1,000)</u>
As per Pro Forma I	18,536
Pursuant to the Rights Issue	<u>49,798</u>
As per Pro Forma II	68,334
Pursuant to the exercise of all Warrants B	<u>119,515</u>
As per Pro Forma III	<u>187,849</u>

Maximum scenario

	<u>Amount</u> RM'000
As at 30 September 2016	14,386
Subsequent events after financial year	<u>5,150</u>
As per Adjusted Consolidated Statement of Financial Position	19,536
Pursuant to the resale of all treasury shares	<u>851</u>
As per Pro Forma I	20,387
Pursuant to the exercise of all Warrants A	<u>17,333</u>
As per Pro Forma II	37,720
Estimated expenses in relation to the Corporate Exercises	<u>(1,000)</u>
As per Pro Forma III	36,720
Pursuant to the Rights Issue	<u>52,800</u>
As per Pro Forma IV	89,520
Pursuant to the exercise of all Warrants B	<u>126,720</u>
As per Pro Forma V	<u>216,240</u>

Stamped for the purpose of identification on:
23 NOV 2017
SJ Grant Thornton

**PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**

**SENTORIA GROUP BERHAD AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

3. NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.2 SHARE CAPITAL (CONT'D)

The movements of the share capital are as follows (cont'd):-

Maximum scenario

	<u>Including treasury shares</u>	
	<u>No. of shares</u> '000	<u>Amount</u> RM'000
As at 30 September 2016	489,111	97,822
Subsequent events after financial year	10,001	54,745
As per Adjusted Consolidated Statement of Financial Position/ Pro Forma I	499,112	152,567
Pursuant to the exercise of all Warrants A	28,888	17,333
As per Pro Forma II	528,000	169,900
Estimated expenses in relation to the Corporate Exercises Pursuant to the Bonus Issue	-	(1,000)
	52,800	-
As per Pro Forma III/ Pro Forma IV	580,800	168,900
Pursuant to the exercise of all Warrants B	211,200	179,520
As per Pro Forma V	792,000	348,420
	<u>Excluding treasury shares</u>	
	<u>No. of shares</u> '000	<u>Amount</u> RM'000
As at 30 September 2016	489,111	97,822
Subsequent events after financial year	8,870	53,894
As per Adjusted Consolidated Statement of Financial Position Pursuant to the resale of all treasury shares	497,981	151,716
	1,131	851
As per Pro Forma I	499,112	152,567
Pursuant to the exercise of all Warrants A	28,888	17,333
As per Pro Forma II	528,000	169,900
Estimated expenses in relation to the Corporate Exercises Pursuant to the Bonus Issue	-	(1,000)
	52,800	-
As per Pro Forma III/ Pro Forma IV	580,800	168,900
Pursuant to the exercise of all Warrants B	211,200	179,520
As per Pro Forma V	792,000	348,420
Balance of the amount standing to the credit of the share premium account*		37,184

* The balance of the amount standing to the credit of the share premium account has been arrived at after deducting the total estimated expenses to be incurred in relation to the Corporate Exercises and the capitalisation of the Bonus Shares pursuant to the Bonus Issue at an amount of RM0.20 per Bonus Share (Minimum Scenario – RM9,960,000, Maximum Scenario – RM10,560,000), being the reference to the par value of Sentoria Shares immediately before the effective date of the Act, pursuant to Section 618(7) of the Act.

**PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)**

**SENTORIA GROUP BERHAD AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

3.3 SHARE PREMIUM

The movements of share premium are as follows:-

Stamped for the purpose of identification on:
23 NOV 2017
SJ Grant Thornton

Minimum scenario	<u>Amount</u> RM'000
As at 30 September 2016	48,744
Subsequent events after financial year	(48,744)
As per Adjusted Consolidated Statement of Financial Position/ Pro Forma I/ Pro Forma II/ Pro Forma III	-
Maximum scenario	<u>Amount</u> RM'000
As at 30 September 2016	48,744
Subsequent events after financial year	(48,744)
As per Adjusted Consolidated Statement of Financial Position/ Pro Forma I/ Pro Forma II/ Pro Forma III/ Pro Forma IV/ Pro Forma V	-

3.4 TREASURY SHARES

The movements of the treasury shares are as follows:-

Minimum scenario	<u>No. of shares</u> '000	<u>Amount</u> RM'000
As at 30 September 2016	-	-
Subsequent events after financial year	1,131	(851)
As per Adjusted Consolidated Statement of Financial Position/ Pro Forma I/ Pro Forma II/ Pro Forma III	1,131	(851)
Maximum scenario	<u>No. of shares</u> '000	<u>Amount</u> RM'000
As at 30 September 2016	-	-
Subsequent events after financial year	1,131	(851)
As per Adjusted Consolidated Statement of Financial Position Pursuant to the resale of all treasury shares	1,131 (1,131)	(851) 851
As per Pro Forma I/ Pro Forma II/ Pro Forma III/ Pro Forma IV/ Pro Forma V	-	-

PRO FORMA FINANCIAL POSITION OF SENTORIA GROUP AS AT 30 SEPTEMBER 2016
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

SENTORIA GROUP BERHAD AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

3. NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.5 WARRANT RESERVES

The movements of the warrant reserves are as follows:-

Minimum scenario

As at 30 September 2016/ Adjusted Consolidated Statement of Financial Position/ Pro Forma I	-
Pursuant to the Rights Issue	49,798
As per Pro Forma II	49,798
Pursuant to the exercise of all Warrants B	(49,798)
As per Pro forma III	-

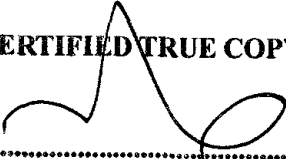
Maximum scenario

	<u>Amount</u> RM'000
As at 30 September 2016/ Adjusted Consolidated Statement of Financial Position/ Pro Forma I/ Pro Forma II/ Pro Forma III	-
Pursuant to the Rights Issue	52,800
As per Pro Forma IV	52,800
Pursuant to the exercise of all Warrants B	(52,800)
As per Pro forma V	-

The actual quantum of warrant reserves will only be determined upon issuance of Warrants B. As such, the actual quantum may differ from the amount computed above.

Stamped for the purpose of identification on:
23 NOV 2017
SJ Grant Thornton Amount
RM'000

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30
SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON**

CERTIFIED TRUE COPY

.....
KHO KIM ENG
Audit Partner

**SENTORIA GROUP BERHAD
AND ITS SUBSIDIARY COMPANIES**
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

30 SEPTEMBER 2016

CONTENTS	PAGES
• Corporate Information	2-3
• Directors' Report	4-8
• Statement by Directors and Statutory Declaration	9
• Independent Auditors' Report	10-12
• Statements of Financial Position	13-14
• Statements of Profit or Loss and Other Comprehensive Income	15
• Statements of Changes in Equity	16-17
• Statements of Cash Flows	18-19
• Notes to the Financial Statements	20-87

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30
SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

SENTORIA GROUP BERHAD
(Incorporated in Malaysia)

CORPORATE INFORMATION

DIRECTORS

Datuk Aznam Bin Mansor
Dato' Chan Kong San
Dato' Gan Kim Leong
Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad
Wong Yoke Nyen
Lee Chaing Huat

SECRETARIES

Datuk Tan Leh Kiah
Chin Lee Chyen (Ms)
Lim Chien Joo (Ms)

REGISTERED OFFICE

No. 56 & 58 (2nd floor)
Jalan Dagang SB 4/2
Taman Sungai Besi Indah
43300 Seri Kembangan
Selangor Darul Ehsan

**PRINCIPAL PLACE OF
BUSINESS**

No. 56 & 58
Jalan Dagang SB 4/2
Taman Sungai Besi Indah
43300 Seri Kembangan
Selangor Darul Ehsan

AUDITORS

Messrs. SJ Grant Thornton
(Member Firm of Grant Thornton International Ltd.)
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30
SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

SENTORIA GROUP BERHAD
(Incorporated in Malaysia)

CORPORATE INFORMATION (CONT'D)

BANKERS

RHB Bank Berhad
CIMB Bank Berhad
Public Islamic Bank Berhad
Malayan Banking Berhad
Hong Leong Bank Berhad
OCBC Bank (Malaysia) Berhad
Affin Bank Berhad
Al Rajhi Banking & Investment Corporation (Malaysia)
Berhad

SOLICITORS

Messrs. Yong & Co.

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32 - 01, Level 32, Tower A
Vertical Business Suite, Avenue 3,
Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

**SENTORIA GROUP BERHAD
AND ITS SUBSIDIARY COMPANIES**
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 September 2016.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiary companies are disclosed in Note 8 to the Financial Statements.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	<u>33,111</u>	<u>15,384</u>
Attributable to:		
Owners of the Company	33,129	
Non-controlling interests	<u>(18)</u>	
	<u>33,111</u>	

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are as disclosed in the Financial Statements.

DIVIDENDS

The amount of dividends paid, declared or proposed since the end of the previous financial year was as follows:

	RM
<u>In respect of the financial year ended 30 September 2015:</u>	
Interim single tier dividend of 1 sen per ordinary share paid on 8 January 2016	4,841,111
Final single tier dividend of 1 sen per ordinary share paid on 16 June 2016	<u>4,841,111</u>
	<u>9,682,222</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

HOLDING COMPANY

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

DIRECTORS

The Directors in office since the date of the last report are:

Datuk Aznam Bin Mansor
 Dato' Chan Kong San
 Dato' Gan Kim Leong
 Dato' Hj. Abdul Rahman Bin Hj. Imam Arshad
 Wong Yoke Nyen
 Lee Chaing Huat

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and/or options over ordinary shares of the Company and its related corporations during the financial year as recorded in the Register of Directors' Shareholdings kept by the Company pursuant to Section 134 of the Companies Act, 1965 were as follows:

Shares in the Company	At	<u>Number of ordinary shares of 20 sen each</u>			At
	<u>1.10.2015</u>	<u>Bought</u>	<u>Exercised</u>	<u>Sold</u>	<u>30.9.2016</u>
<u>Indirect interest</u>					
Dato' Chan Kong San*	297,778,000	626,800	5,000,000	-	303,404,800
Dato' Gan Kim Leong*	297,778,000	626,800	5,000,000	-	303,404,800

Warrants in the Company	At	<u>Number of warrants</u>			At
	<u>1.10.2015</u>	<u>Bought</u>	<u>Exercised</u>	<u>Sold</u>	<u>30.9.2016</u>
<u>Indirect interest</u>					
Dato' Chan Kong San*	31,686,886	-	(5,000,000)	-	26,686,886
Dato' Gan Kim Leong*	31,686,886	-	(5,000,000)	-	26,686,886

* *Deemed interest by virtue of their direct interests in the holding company, Sentoria Capital Sdn. Bhd.*

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

Shares in Sentoria Capital Sdn Bhd	<u>Number of ordinary shares of RM1.00 each</u>			At 30.9.2016
	At 1.10.2015	Bought	Sold	
<u>Direct interest</u>				
Dato' Chan Kong San	250,000	-	-	250,000
Dato' Gan Kim Leong	250,000	-	-	250,000

Dato' Chan Kong San and Dato' Gan Kim Leong, by virtue of their interests in the ordinary shares of the holding company are deemed to have an interest in the shares of the Company and its subsidiary company pursuant to Section 6A of the Companies Act, 1965 to the extent that the holding company has an interest during the financial year.

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

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than as disclosed in Notes 26 and 29 to the Financial Statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for those related party transactions as disclosed in Note 31 to the Financial Statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 5,000,000 ordinary shares of 20 sen each at 60 sen per share for a total cash consideration of RM3,000,000 on the exercise of 5,000,000 warrants pursuant to the Deed Poll of 27 March 2014.

There were no issuance of debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

OTHER STATUTORY INFORMATION

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

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that adequate provision had been made for doubtful debts and that there were no known bad debts to be written off; and
- (b) to ensure that any current assets other than debts, which were unlikely to be realised at their book values in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

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

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

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

In the opinion of the Directors:

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

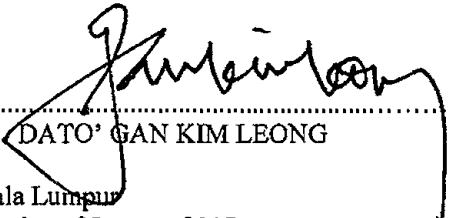
**SENTORIA GROUP BERHAD
AND ITS SUBSIDIARY COMPANIES**
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 13 to 86 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2016 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out on Note 37 on page 87 to the Financial Statements has been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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


.....
DATO' GAN KIM LEONG


.....
DATO' CHAN KONG SAN

Kuala Lumpur
12th day of January 2017

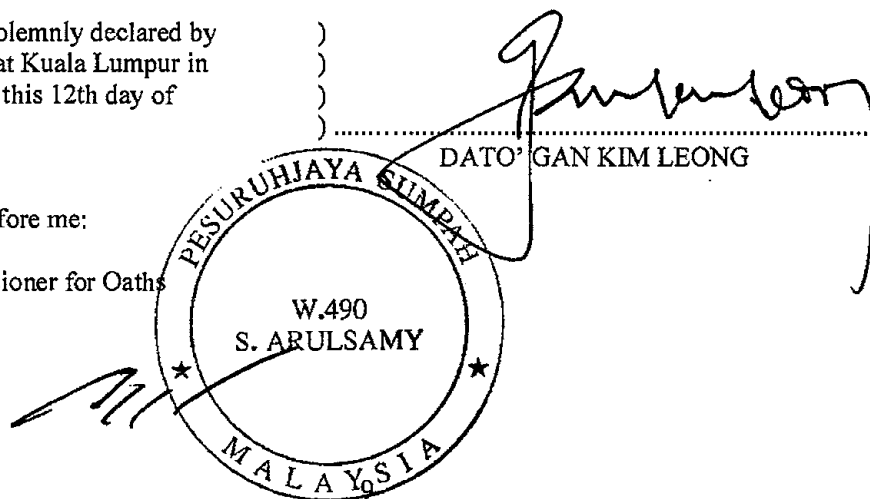
STATUTORY DECLARATION

I, Dato' Gan Kim Leong, being the Director primarily responsible for the financial management of Sentoria Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 13 to 86 and the supplementary information set out on page 87 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed at Kuala Lumpur in
Federal Territory this 12th day of
January 2017

)
)
)
)
.....
DATO' GAN KIM LEONG

Before me:
Commissioner for Oaths



16 - Tingkat Bawah Jalan Pudu.
55100 Kuala Lumpur.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)



An instinct for growth™

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

(Incorporated in Malaysia)
Company No: 463344 - K

SJ Grant Thornton (AF:0737)

Level 11 Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

T +603 2692 4022

F +603 2691 5229

www.grantthornton.com.my

Report on the Financial Statements

We have audited the financial statements of Sentoria Group Berhad, which comprise the statements of financial position of the Group and of the Company as at 30 September 2016, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 13 to 86.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)



Company No: 463344 - K

Report on the Financial Statements (cont'd)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 September 2016 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our auditors' reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 37 on page 87 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants ("MLA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MLA Guidance and the directive of Bursa Malaysia Securities Berhad.


AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30
SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)




Company No: 463344 - K

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



SJ GRANT THORNTON
(NO: AF: 0737)
CHARTERED ACCOUNTANTS
Kuala Lumpur
12 January 2017



KHO KIM ENG
(NO: 3137/10/18 (J))
CHARTERED ACCOUNTANT

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30
SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

**SENTORIA GROUP BERHAD
AND ITS SUBSIDIARY COMPANIES**

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	375,542	348,086	42,804	43,229
Biological assets	5	4,362	4,874	-	-
Property development costs	6	14,329	19,440	-	-
Investment properties	7	30,562	19,575	12,072	8,760
Investment in subsidiary companies	8	-	-	186,300	25,100
Deferred tax assets	9	50,307	49,618	-	-
Fixed deposits with licensed banks	10	3,684	4,999	-	1,434
Investment in short term funds	10	7,288	7,044	7,288	7,044
Goodwill on consolidation	11	3	3	-	-
Total non-current assets		486,077	453,639	248,464	85,567
Current assets					
Property development costs	6	136,647	61,596	-	-
Amount due from customers	12	18,812	159	-	-
Inventories	13	2,199	2,606	-	-
Trade receivables	14	152,800	125,675	-	-
Other receivables	15	37,134	34,186	1,547	2,805
Amount due from subsidiary companies	8	-	-	149,280	295,151
Tax recoverable		368	115	12	-
Deposits with a licensed bank	10	-	480	-	-
Fixed deposits with licensed banks	10	73	-	73	-
Cash and bank balances	16	14,386	12,923	22	1,018
Total current assets		362,419	237,740	150,934	298,974
Total assets		848,496	691,379	399,398	384,541
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	97,822	96,822	97,822	96,822
Share premium	18	48,744	46,744	48,744	46,744
Revaluation reserves	19	66,298	66,878	35,549	35,549
Retained earnings		189,853	165,826	64,076	58,374
		402,717	376,270	246,191	237,489
Non-controlling interests	8	475	93	-	-
Total equity		403,192	376,363	246,191	237,489
Non-current liabilities					
Deferred tax liabilities	9	3,382	3,411	1,970	1,970
Borrowings	20	191,627	131,578	101,008	121,071
Total non-current liabilities		195,009	134,989	102,978	123,041

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30
SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

**SENTORIA GROUP BERHAD
AND ITS SUBSIDIARY COMPANIES**
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016 (CONT'D)**

	<u>Note</u>	<u>Group</u> <u>2016</u> RM'000	<u>2015</u> RM'000	<u>Company</u> <u>2016</u> RM'000	<u>2015</u> RM'000
Current liabilities					
Trade payables	21	58,447	46,981	254	257
Other payables	22	104,147	110,474	2,912	3,062
Amount due to customers	12	10	-	-	-
Amount due to holding company	23	-	12	-	-
Amount due to subsidiary companies	8	-	-	8,273	18,637
Tax payable		3,038	2,124	-	28
Borrowings	20	84,653	20,436	38,790	2,027
Total current liabilities		<u>250,295</u>	<u>180,027</u>	<u>50,229</u>	<u>24,011</u>
Total liabilities		<u>445,304</u>	<u>315,016</u>	<u>153,207</u>	<u>147,052</u>
Total equity and liabilities		<u>848,496</u>	<u>691,379</u>	<u>399,398</u>	<u>384,541</u>

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

**SENTORIA GROUP BERHAD
AND ITS SUBSIDIARY COMPANIES**
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016**

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	24	224,224	219,625	15,000	50,000
Cost of sales	25	(134,276)	(132,290)	-	-
Gross profit		89,948	87,335	15,000	50,000
Other income		7,130	4,585	3,433	8,661
Distribution expenses		(1,475)	(711)	-	-
Administration expenses		(46,141)	(44,537)	(2,337)	(2,820)
Other expenses		(339)	(317)	-	-
Finance costs		(3,941)	(9,232)	(729)	(1,749)
Profit before taxation	26	45,182	37,123	15,367	54,092
Taxation	27	(12,071)	(5,008)	17	(61)
Net profit for the financial year		33,111	32,115	15,384	54,031
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Revaluation of land and buildings		-	2,296	-	2,296
Deferred tax relating to revaluation of land and buildings		-	(115)	-	(115)
Other comprehensive income for the financial year		-	2,181	-	2,181
Total comprehensive income for the financial year		33,111	34,296	15,384	56,212
Net profit for the financial year attributable to:-					
Owners of the Company		33,129	32,129		
Non-controlling interests		(18)	(14)		
		33,111	32,115		
Total comprehensive income attributable to:-					
Owners of the Company		33,129	34,310		
Non-controlling interests		(18)	(14)		
		33,111	34,296		
Earnings per share attributable to equity holders of the Company (Sen)					
- Basic	28	6.83	6.98		
- Diluted	28	6.68	6.68		

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

**SENTORIA GROUP BERHAD
AND ITS SUBSIDIARY COMPANIES**
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016**

Note	← Attributable to owners of the Company →						
	Share capital RM'000	← Non-distributable →		Distributable		Non-controlling interests RM'000	Total RM'000
		Share premium RM'000	Revaluation reserves RM'000	Retained earnings RM'000	Total RM'000		
Group							
Balance at 1 October 2014	88,000	29,099	65,277	142,299	324,675	7	324,682
Revaluation of land and buildings	-	-	2,296	-	2,296	-	2,296
Transfer to deferred taxation	-	-	(115)	-	(115)	-	(115)
Crystallisation of revaluation reserve	-	-	(580)	580	-	-	-
Other comprehensive income for the financial year	-	-	1,601	580	2,181	-	2,181
Net profit for the financial year	-	-	-	32,129	32,129	(14)	32,115
Total comprehensive income for the financial year	-	-	1,601	32,709	34,310	(14)	34,296
Transactions with owners:							
Exercise of warrants	17 and 18	8,822	17,645	-	-	-	26,467
Acquisition of a subsidiary company		-	-	-	-	100	100
Dividends	32	-	-	(9,182)	(9,182)	-	(9,182)
Total transactions with owners		8,822	17,645	(9,182)	17,285	100	17,385
Balance at 30 September 2015		96,822	46,744	66,878	165,826	93	376,363
Crystallisation of revaluation reserve		-	-	(580)	580	-	-
Other comprehensive income for the financial year		-	-	(580)	580	-	-
Net profit for the financial year		-	-	33,129	33,129	(18)	33,111
Total comprehensive income for the financial year		-	-	(580)	33,709	(18)	33,111
Transactions with owners:							
Exercise of warrants	17 and 18	1,000	2,000	-	-	-	3,000
Additional investment in a subsidiary company		-	-	-	-	400	400
Dividends	32	-	-	(9,682)	(9,682)	-	(9,682)
Total transactions with owners		1,000	2,000	(9,682)	(6,682)	400	(6,282)
Balance at 30 September 2016		97,822	48,744	66,298	189,853	475	403,192

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

**SENTORIA GROUP BERHAD
AND ITS SUBSIDIARY COMPANIES**
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016 (CONT'D)**

	Note	← Attributable to owners of the Company →				Total RM'000
		Share capital RM'000	← Non-distributable →		Distributable Retained earnings RM'000	
			Share premium RM'000	Revaluation reserves RM'000		
Company						
Balance at 1 October 2014		88,000	29,099	33,368	13,525	163,992
Revaluation of land and buildings		-	-	2,296	-	2,296
Transfer to deferred taxation		-	-	(115)	-	(115)
Other comprehensive income for the financial year		-	-	2,181	-	2,181
Net profit for the financial year		-	-	-	54,031	54,031
Total comprehensive income for the financial year		-	-	2,181	54,031	56,212
Transactions with owners:						
Exercise of warrants	17 and 18	8,822	17,645	-	-	26,467
Dividends	32	-	-	-	(9,182)	(9,182)
Total transactions with owners		8,822	17,645	-	(9,182)	17,285
Balance at 30 September 2015		96,822	46,744	35,549	58,374	237,489
Total comprehensive income for the financial year		-	-	-	15,384	15,384
Transactions with owners:						
Exercise of warrants	17 and 18	1,000	2,000	-	-	3,000
Dividends	32	-	-	-	(9,682)	(9,682)
Total transactions with owners		1,000	2,000	-	(9,682)	(6,682)
Balance at 30 September 2016		97,822	48,744	35,549	64,076	246,191

The accompanying notes form an integral part of the financial statements

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

**SENTORIA GROUP BERHAD
AND ITS SUBSIDIARY COMPANIES**

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016**

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		45,182	37,123	15,367	54,092
Adjustments for:					
Biological assets written off		339	311	-	-
Depreciation of investment properties		53	52	-	-
Depreciation of property, plant and equipment		11,664	11,291	256	273
Depreciation of biological assets		672	637	-	-
Interest and commission expenses		3,941	9,232	675	1,440
Dividend income		-	-	(15,000)	(50,000)
Fair value gain on revaluation of investment properties		(5,751)	(3,301)	(480)	-
Gain on disposal of property, plant and equipment		-	(161)	(2,660)	(8,338)
Interest income		(535)	(683)	(263)	(254)
Property, plant and equipment written off		-	7	-	-
Operating profit/(loss) before working capital changes		55,565	54,508	(2,105)	(2,787)
Changes in working capital:					
Property development costs		(65,761)	(10,783)	-	-
Inventories		407	1,059	-	-
Amount due from/to customers		(18,643)	(139)	-	-
Receivables		(30,073)	(7,125)	1,258	3,634
Payables		5,139	(15,370)	(153)	329
Cash (used in)/generated from operations		(53,366)	22,150	(1,000)	1,176
Interest received		535	683	263	254
Interest and commission paid		(3,941)	(9,232)	(675)	(1,440)
Tax paid		(12,128)	(13,401)	(23)	(66)
Tax refund		-	3	-	3
Net cash (used in)/from operating activities		(68,900)	203	(1,435)	(73)
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received		-	-	15,000	50,000
Purchase of property, plant and equipment	A	(48,280)	(19,282)	(3)	(38)
Purchase of biological assets		(499)	(1,041)	-	-
Purchase of investment properties		-	-	(2,832)	(8,760)
Acquisition of subsidiary companies		-	-	-	(1,050)
Subscription of additional ordinary shares in subsidiary companies		-	-	-	(4,000)
Proceeds from subscription of shares in a subsidiary company by non-controlling interests		400	100	-	-
Upliftment of fixed deposits with licensed banks/ deposits with a licensed bank		1,795	8,698	1,434	3,859
Additional investment in short term funds		(244)	(7,044)	(244)	(7,044)
Proceeds from disposal of property, plant and equipment		-	163	2,832	8,760
Net cash (used in)/from investing activities		(46,828)	(18,406)	16,187	41,727

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

SENTORIA GROUP BERHAD
AND ITS SUBSIDIARY COMPANIES

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016 (CONT'D)

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares		3,000	26,467	3,000	26,467
Dividends paid		(9,682)	(9,182)	(9,682)	(9,182)
Repayment to holding company		(12)	(338)	-	(350)
Net advances to subsidiary companies		-	-	(25,693)	(57,839)
Repayment of finance lease liabilities		(1,095)	(1,133)	(9)	(18)
Repayment of borrowings		(8,646)	(123,677)	(689)	(120,411)
Drawdown of borrowings		116,113	120,000	-	120,000
Net cash from/(used in) financing activities		<u>99,678</u>	<u>12,137</u>	<u>(33,073)</u>	<u>(41,333)</u>
CASH AND CASH EQUIVALENTS					
Net (decrease)/increase		(16,050)	(6,066)	(18,321)	321
At beginning of financial year		4,449	10,515	(136)	(457)
At end of financial year	B	<u>(11,601)</u>	<u>4,449</u>	<u>(18,457)</u>	<u>(136)</u>

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

The Group acquired property, plant and equipment with aggregate costs of RM48,588,000 (2015: RM20,001,000) of which RM308,000 (2015: RM719,000) were acquired by means of finance lease arrangements. Cash payments of RM48,280,000 (2015: RM19,282,000) were made by the Group to purchase these property, plant and equipment. The purchase of property, plant and equipment by the Company was outright purchases and paid for in cash.

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash and bank balances	14,386	12,923	22	1,018
Fixed deposits with licensed banks	73	-	73	-
Bank overdrafts (Note 20)	<u>(26,060)</u>	<u>(8,474)</u>	<u>(18,552)</u>	<u>(1,154)</u>
	<u>(11,601)</u>	<u>4,449</u>	<u>(18,457)</u>	<u>(136)</u>

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

**SENTORIA GROUP BERHAD
AND ITS SUBSIDIARY COMPANIES**
(Incorporated in Malaysia)**NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2016****1. GENERAL INFORMATION**

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

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

The Company is principally engaged in investment holding. The principal activities of the subsidiary companies are disclosed in Note 8 to the Financial Statements.

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed on 12 January 2017.

2. BASIS OF PREPARATION**2.1 Statement of compliance**

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") issued by Malaysian Accounting Standards Board ("MASB") and the requirements of the Companies Act, 1965 in Malaysia.

2.2 Basis of measurement

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

2. BASIS OF PREPARATION (CONT'D)**2.2 Basis of measurement (cont'd)**

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

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

2.3 Functional and presentation currency

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

2. BASIS OF PREPARATION (CONT'D)**2.4 Adoption of new and revised FRSs**

The Group has consistently applied the accounting policies set out in Note 3 to all financial years presented in these financial statements.

2.5 Accounting standards issued but not yet effective

The following are FRSs and amendments to FRSs which are not yet effective and have not been early adopted by the Group:

FRSs effective 1 January 2016:

FRS 14#* Regulatory Deferral Accounts

Amendments to FRSs effective 1 January 2016:

FRS 10* Consolidated Financial Statements: Investment Entities – Applying the Consolidation Exception

FRS 11#* Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations

FRS 12#* Disclosure of Interests in Other Entities: Investment Entities – Applying the Consolidation Exception

FRS 101 Presentation of Financial Statements: Disclosure Initiative

FRS 116 Property, Plant and Equipment: Clarification of Acceptable Methods of Depreciation

FRS 127#* Separate Financial Statements: Equity Method in Separate Financial Statements

FRS 128#* Investments in Associates and Joint Ventures: Investment Entities – Applying the Consolidation Exception

FRS 138#* Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation

Annual Improvements 2012-2014 Cycle issued in November 2014#*

Amendments to FRSs effective 1 January 2017:

FRS 107 Statement of Cash Flows: Disclosure Initiative

FRS 112* Income taxes: Recognition of Deferred Tax Assets for Unrealised Losses

FRSs and Amendments to FRSs effective 1 January 2018:

FRS 9 Financial Instruments (International Financial Reporting Standards (“IFRS”) 9 issued by International Accounting Standards Board (“IASB”) in July 2014)

Amendments to FRS 2#* Classification and Measurement of Share-based Payment Transactions

Amendments to FRS 7 Financial Instruments – Disclosure: Mandatory effective date of FRS 9 and transitional disclosures

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

2. BASIS OF PREPARATION (CONT'D)**2.5 Accounting standards issued but not yet effective (cont'd)**

The following are FRSs and amendments to FRSs which are not yet effective and have not been early adopted by the Group (cont'd):

Amendments to FRSs (deferred effective date to be announced by the MASB):

FRS 10* and 128#* Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Not applicable to Group's existing operations

* Not applicable to Company's existing operations

The initial applications of the above FRSs and amendments to FRSs are not expected to have any significant financial impacts to the financial statements of the Group and of the Company, except for:

FRS 9 Financial Instruments

FRS 9 replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The new standard introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which fall under the scope of FRS 9, new "expected credit loss model" under the impairment of financial assets and greater flexibility has been allowed in hedge accounting transactions. Upon adoption of FRS 9, financial assets will be measured at either fair value or amortised cost.

The adoption of FRS 9 will result in changes in accounting policies in the period of initial application, the possible financial impact of which cannot be determined at present.

Amendments to FRS 107 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

New MASB Approved Accounting Standards

To converge with International Financial Reporting Standards ("IFRS") in 2012, MASB had on 19 November 2011, issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS"), which are mandatory for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and MFRS 15 Revenue from Contracts with Customers for Construction, including its parent, significant investor and venture ("Transitioning Entities").

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

2. BASIS OF PREPARATION (CONT'D)**2.5 Accounting standards issued but not yet effective (cont'd)**New MASB Approved Accounting Standards (cont'd)

Transitioning Entities will be allowed to defer adoption of the new MFRSs. Consequently, adoption of MFRSs by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the scope of Transitioning Entities and has opted to defer the adoption of MFRSs. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 30 September 2019.

In presenting its first MFRS financial statements, the Group and the Company will be required to restate their comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group has not completed their quantification of the financial effects of the differences between FRSS and accounting standards under the MFRS Framework and as such, are unable to assess said differences. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 September 2019.

MFRSs and Amendments to MFRSs effective 1 January 2018:

MFRS 15	Revenue from Contracts with Customers
Clarification to MFRS 15	Revenue from Contracts with Customers

MFRS effective 1 January 2019:

MFRS 16	Leases
---------	--------

MFRS 15 Revenue from Contracts with Customers

MFRS 15 presents new requirements for the recognition of revenue, replacing the guidance of MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15 Agreements for Construction of Real Estate, IC Interpretation 18 Transfers of Assets from Customers and IC Interpretation 131 Revenue – Barter Transaction Involving Advertising Services. The principles in MFRS 15 provide a more structured approach to measuring and recognising revenue.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

2. BASIS OF PREPARATION (CONT'D)**2.5 Accounting standards issued but not yet effective (cont'd)**New MASB Approved Accounting Standards (cont'd)MFRS 15 Revenue from Contracts with Customers (cont'd)

It establishes a new five-step model that will apply to revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The adoption of MFRS 15 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting MFRS 15.

MFRS 16 Leases

MFRS 16 replaces FRS 117 Leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. As off-balance sheet will no longer be allowed except for some limited practical exemptions, all leases will be brought onto the statement of financial position by recognising a "right-of-use" asset and a lease liability. In other words, for a lessee that has material operating leases, the assets and liabilities reported on its statement of financial position are expected to increase substantially.

MFRS 16 also:

- Changes the definition of a lease,
- Sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and option periods,
- Changes the accounting for sale and leaseback arrangements,
- Largely retains FRS 117's approach to lessor accounting, and
- Introduces new disclosure requirements.

The adoption of MFRS 16 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting MFRS 16.

2.6 Significant accounting estimates and judgements

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

2. BASIS OF PREPARATION (CONT'D)**2.6 Significant accounting estimates and judgements (cont'd)****2.6.1 Estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting year, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment, biological assets and investment properties to be within 2 to 99 years and reviews the useful lives of depreciable assets at each reporting date. As at 30 September 2016, management assesses that the useful lives represent the expected utility of the assets to the Group. The carrying amounts of the Group's property, plant and equipment, biological assets and investment properties at the reporting date are analysed in Notes 4, 5 and 7 to the Financial Statements respectively. Actual results, however, may vary due to change in the expected levels of usage and technological developments, with resulting the adjustment to the Group's assets.

Property development

The Group recognises property development revenue and expenses in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amount of property development costs of the Group arising from property development activities is disclosed in Note 6 to the Financial Statements.

Impairment of non-financial assets

The Directors assess whether the carrying amount of its non-financial assets are impaired at each reporting date. This involves measuring the recoverable amounts based on the fair value less costs to sell or value in use of these assets.

Fair value less costs to sell is determined based on available published third party information or contractual value in agreements entered into by the Company and its subsidiary companies.

Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

2. BASIS OF PREPARATION (CONT'D)**2.6 Significant accounting estimates and judgements (cont'd)****2.6.1 Estimation uncertainty (cont'd)****Impairment of loans and receivables (cont'd)**

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics.

The carrying amounts of the Group's and of the Company's loans and receivables as at the reporting date are summarised in Note 33 to the Financial Statements.

Deferred tax assets

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

Income taxes

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

Construction contract

Construction contract accounting requires reliable estimation of the costs to complete the contract and reliable estimate of the stage of contract completion. Using experience gained on each contract and taking into account of the expectation of the time and materials required to complete the contract, management uses budgeting tools to estimate the profitability of the contract at any time.

Construction contract accounting requires that variation, claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customer. As the approval process often takes some time, a judgment is required to be made of its probability and revenue recognised accordingly.

Inventories

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

2. BASIS OF PREPARATION (CONT'D)**2.6 Significant accounting estimates and judgements (cont'd)****2.6.1 Estimation uncertainty (cont'd)****Inventories (cont'd)**

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

The carrying amount of the Group's inventories at the reporting date is disclosed in Note 13 to the Financial Statements.

Revaluation of property, plant and equipment

The Group measures its land and buildings at revalued amount with changes in fair value being recognised in other comprehensive income. The Group engaged independent valuation specialists to determine fair values.

The carrying amount of the revalued land and buildings at the end of the reporting year and the relevant revaluation bases are disclosed in Note 4 to the Financial Statements.

Fair value valuation of investment properties

The Company measures its investment properties at fair value with changes in fair value being recognised in profit or loss.

The carrying amount of the land and buildings at the end of the reporting year and the relevant revaluation bases are disclosed in Note 7 to the Financial Statements.

2.6.2 Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on these financial statements.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property and has developed the criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

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

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Consolidation**3.1.1 Basis of consolidation**

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

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

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

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

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

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of the non-controlling interests in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statements of financial position. The accounting policy for goodwill is set out in Note 3.7 to the Financial Statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

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

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.1 Consolidation (cont'd)****3.1.1 Basis of consolidation (cont'd)**

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

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

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

3.2 Subsidiary companies

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

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

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

3.3 Property, plant and equipment

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

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

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.3 Property, plant and equipment (cont'd)**

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

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

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

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

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

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

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

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.3 Property, plant and equipment (cont'd)**

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

3.4 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including transaction costs. Cost includes expenditures that are directly attributable to the acquisition of the investment properties.

Subsequent to initial recognition, investment properties (leasehold buildings) are measured at fair value and are revalued annually and are included in the statements of financial position at their open market values. Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss in the period in which they arise. The fair values are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and are supported by market evidence.

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

Buildings	2%
Land	over 96 years

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

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

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.5 Biological assets**

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

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

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

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

3.6 Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

When the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probably recoverable, and property development costs on properties sold are recognised as expenses in the financial year in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as expenses are recognised as assets and are measured at the lower of cost and net realisable value.

Property development costs are shown within non-current assets in the statements of financial position when the property development works are not expected to be completed within the normal operating cycle.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within other payables.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.7 Goodwill**

Goodwill represents the excess of the sum of the fair value of the consideration transferred in the business combination, the amount of the non-controlling interests in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition.

Goodwill arising on the acquisition of subsidiary companies is presented separately in the statements of financial position.

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

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

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

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

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

3.8 Impairment of assets**3.8.1 Non-financial assets**

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.8 Impairment of assets (cont'd)****3.8.1 Non-financial assets (cont'd)**

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

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

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

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

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

3.8.2 Financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.8 Impairment of assets (cont'd)****3.8.2 Financial assets (cont'd)**Trade and other receivables and other financial assets carried at amortised cost (cont'd)

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced through the use of an allowance account. When a receivable becomes uncollectible, it is written off against the allowance account.

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

Available-for-sale financial assets

For available-for-sale financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment is impaired.

In the case of an investment classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss - is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity investment are not reversed through profit or loss; increases in its fair value after impairments are recognised directly in other comprehensive income.

3.9 Financial instruments**3.9.1 Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Company or its subsidiary companies becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities which are measured subsequently are as described below.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.9 Financial instruments (cont'd)****3.9.2 Financial assets - categorisation and subsequent measurement**

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- a) financial assets at fair value through profit or loss;
- b) held-to-maturity investments;
- c) loans and receivables; and
- d) available-for-sale financial assets.

All financial assets except for those classified at fair value through profit or loss are subject to review for impairment at least at each reporting date.

A financial asset or a part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expired or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

At the reporting date, the Group and the Company carried only loans and receivables and available-for-sale financial assets on their respective statements of financial position.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less allowance for impairment. Discounting is omitted where the effect of discounting is immaterial. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process. The Group's and the Company's cash and cash equivalents, amount due from subsidiary companies, trade and most of the other receivables fall into this category of financial instruments.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the end of the reporting year which are classified as non-current.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's available-for-sale financial assets include investment in short term funds.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.9 Financial instruments (cont'd)****3.9.2 Financial assets - categorisation and subsequent measurement (cont'd)**Available-for-sale financial assets (cont'd)

Available-for-sale financial assets are measured at fair value subsequent to the initial recognition. Gains and losses are recognised in other comprehensive income and reported within the available-for-sale reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss.

When the asset is disposed or is determined to be impaired, the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the end of the reporting year.

3.9.3 Financial liabilities - categorisation and subsequent measurement

After the initial recognition, financial liabilities are classified as:

- a) financial liabilities at fair value through profit or loss;
- b) other financial liabilities measured at amortised cost using the effective interest method; and
- c) financial guarantee contracts.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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

Other liabilities measured at amortised cost

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

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Company or its subsidiary companies have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.10 Inventories****3.10.1 Property development**

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

Cost is determined using the weighted average method. The cost of unsold properties consists of direct costs of construction and proportionate land and development costs.

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

3.10.2 Leisure and hospitality

Inventories are measured at the lower of cost and net realisable value.

Cost is determined using the weighted average method. The cost of inventories comprises the original cost of purchase plus the cost of bringing the inventories to their present location and condition.

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

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

3.11 Construction contracts

Construction contracts are contracts specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the end of the reporting year. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to be recognised in a period of the contract by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probably recoverable and contract costs are recognised as expenses in the financial year in which they are incurred.

Irrespective whether the outcome of a construction contract can be estimated reliably, when it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.11 Construction contracts (cont'd)**

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the year end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amount due from customers on contracts under current assets. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amount due to customers on contracts under current liabilities.

3.12 Cash and cash equivalents

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

Bank overdrafts are shown in current liabilities in the statements of financial position.

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

3.13 Provisions

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

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

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

3.14 Leases**3.14.1 Finance lease**

The cost of property, plant and equipment acquired under finance lease arrangements which transferred substantially all the risks and rewards of ownership to the Group are capitalised. The depreciation policy on these property, plant and equipment is similar to that of the Group's property, plant and equipment depreciation policy. Outstanding obligations due under finance lease arrangements after deducting finance expenses are included as liabilities in the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.14 Leases (cont'd)****3.14.1 Finance lease (cont'd)**

Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as expenses in profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

3.14.2 Operating lease

Leases, where substantially all the risks and rewards of ownership of assets remained with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the relevant lease terms. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

3.15 Equity, reserves and dividend payments

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

Share capital represents the nominal value of shares that have been issued.

Share premium includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

The issuance of ordinary shares upon exercise of warrants is treated as a new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

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

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

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

Interim dividends on ordinary shares are accounted for in equity in the financial year in which they are declared while final dividends are recognised in equity upon approval of the Company in meeting.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.16 Borrowing costs**

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

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

3.17 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

3.17.1 Development properties

Revenue from sales of development properties is accounted for by using the stage of completion method in respect of all properties that have been sold. The stage of completion is determined by reference to the costs incurred to date to the total estimated costs where the outcome of the projects can be estimated reliably. Where foreseeable losses on development projects are anticipated, full allowance for losses is made in profit or loss.

3.17.2 Construction work

Revenue from construction work is recognised based on percentage of completion method, where the outcome of the contract can be reliably estimated. Stage of completion is based on the total contract costs incurred to date over the estimated total contract costs of a project. Any anticipated loss is recognised in full.

3.17.3 Leisure and hospitality

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

3.17.4 Management fees

Management fees are recognised when services are rendered.

3.17.5 Dividend income

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

3.17.6 Other revenue

Interest income is recognised on accrual basis.

Rental income is recognised when the rent is due.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.18 Employee benefits****3.18.1 Short-term benefits**

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

3.18.2 Defined contribution plans

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

Such contributions are recognised as expenses in profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund.

3.19 Tax expense**3.19.1 Current tax**

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

3.19.2 Deferred tax

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

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

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.19 Tax expense (cont'd)****3.19.2 Deferred tax (cont'd)**

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

3.20 Operating segment

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

3.21 Contingencies

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

3.22 Goods and service tax

Goods and services tax ("GST") is a consumption tax based on the value-added concept. GST is imposed on goods and services at every production and distribution stage in the supply chain including importation of goods and services, at the applicable tax rate of 6%. Input GST that the Group paid on purchases of business inputs can be deducted from its output GST.

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the authority is included as part of receivables or payables in the statements of financial position.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.23 Related parties**

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group; or
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the immediate holding company of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) the entity and the Group are members of the same group; or
 - (ii) one entity is an associate or joint venture of the other entity; or
 - (iii) both entities are joint ventures of the same third party; or
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
 - (v) the entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group; or
 - (vi) the entity is controlled or jointly-controlled by a person identified in (a) above; or
 - (vii) a person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the holding company of the Group; or
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the holding company.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

Group	At cost/valuation		At cost					Total RM'000
	Land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings, office equipment and others RM'000	Renovation RM'000	Work-in-progress RM'000		
Cost or valuation								
At 1 October 2014	310,982	6,521	7,837	31,660	799	4,203	362,002	
Additions	11,854	763	999	1,194	180	5,011	20,001	
Disposals	-	-	(584)	-	-	-	(584)	
Written off	-	-	-	(22)	-	-	(22)	
Transfer to investment properties	(422)	-	-	-	-	-	(422)	
Revaluation	2,296	-	-	-	-	-	2,296	
At 30 September 2015	324,710	7,284	8,252	32,832	979	9,214	383,271	
Additions	4,828	245	117	1,541	325	41,532	48,588	
Transfer to investment properties	(172)	-	-	-	-	-	(172)	
Transfer to property development costs	(9,405)	-	-	-	-	-	(9,405)	
At 30 September 2016	319,961	7,529	8,369	34,373	1,304	50,746	422,282	
Accumulated depreciation								
At 1 October 2014	1,067	4,551	4,095	13,901	572	-	24,186	
Charge for the financial year	5,236	742	1,449	3,782	82	-	11,291	
Disposals	-	-	(582)	-	-	-	(582)	
Written off	-	-	-	(15)	-	-	(15)	
At 30 September 2015	6,303	5,293	4,962	17,668	654	-	34,880	
Charge for the financial year	5,223	629	1,219	4,495	98	-	11,664	
Transfer to property development costs	(109)	-	-	-	-	-	(109)	
At 30 September 2016	11,417	5,922	6,181	22,163	752	-	46,435	

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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

Analysis of land and buildings (cont'd):

Group (cont'd)	At valuation		At cost		Total RM'000
	Freehold land RM'000	Long term leasehold land RM'000	Long term leasehold buildings RM'000	Cabin RM'000	
Accumulated depreciation					
At 1 October 2014	-	25	643	399	1,067
Charge for the financial year	-	566	4,650	20	5,236
At 30 September 2015	-	591	5,293	419	6,303
Charge for the financial year	-	456	4,755	12	5,223
Transfer to property development costs	-	(109)	-	-	(109)
At 30 September 2016	-	938	10,048	431	11,417
Accumulated impairment					
At 1 October 2014/30 September 2015/2016	305	-	-	-	305
Net carrying amount					
At 30 September 2016	42,132	39,803	226,285	19	308,239
At 30 September 2015	42,304	49,415	226,382	1	318,102

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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

Company	At valuation		At cost				Total RM'000
	Land and buildings RM'000	Furniture, fittings and office equipment RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation RM'000		
Cost or valuation							
At 1 October 2014	40,973	1,248	159	433	638	43,451	
Additions	-	38	-	-	-	38	
Disposals	(422)	-	-	-	-	(422)	
Revaluation	2,296	-	-	-	-	2,296	
At 30 September 2015	42,847	1,286	159	433	638	45,363	
Additions	-	3	-	-	-	3	
Disposals	(172)	-	-	-	-	(172)	
At 30 September 2016	42,675	1,289	159	433	638	45,194	
Accumulated depreciation							
At 1 October 2014	2	800	159	402	498	1,861	
Charge for the financial year	14	181	-	21	57	273	
At 30 September 2015	16	981	159	423	555	2,134	
Charge for the financial year	14	176	-	9	57	256	
At 30 September 2016	30	1,157	159	432	612	2,390	
Net carrying amount							
At 30 September 2016	42,645	132	-	1	26	42,804	
At 30 September 2015	42,831	305	-	10	83	43,229	

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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

Analysis of land and buildings:

Company	<u>Freehold land</u> RM'000	<u>Long term leasehold buildings</u> RM'000	<u>Total</u> RM'000
Valuation			
At 1 October 2014	39,703	1,270	40,973
Disposals	(422)	-	(422)
Revaluation	2,296	-	2,296
	<hr/>	<hr/>	<hr/>
At 30 September 2015	41,577	1,270	42,847
Disposals	(172)	-	(172)
	<hr/>	<hr/>	<hr/>
At 30 September 2016	41,405	1,270	42,675
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
At 1 October 2014	-	2	2
Charge for the financial year	-	14	14
	<hr/>	<hr/>	<hr/>
At 30 September 2015	-	16	16
Charge for the financial year	-	14	14
	<hr/>	<hr/>	<hr/>
At 30 September 2016	-	30	30
	<hr/>	<hr/>	<hr/>
Net carrying amount			
At 30 September 2016	41,405	1,240	42,645
	<hr/>	<hr/>	<hr/>
At 30 September 2015	41,577	1,254	42,831
	<hr/>	<hr/>	<hr/>

Freehold land, leasehold land and buildings including work-in-progress of the Group and of the Company with net carrying amount of RM277,121,000 (2015: RM286,666,000) and RM42,645,000 (2015: RM42,831,000) respectively have been charged to licensed banks to secure banking facilities granted to the Group and the Company respectively. The details of these bank facilities are disclosed in Note 20 to the Financial Statements.

Net carrying amount of assets held under finance lease arrangements:

	Group		Company	
	<u>2016</u> RM'000	<u>2015</u> RM'000	<u>2016</u> RM'000	<u>2015</u> RM'000
Motor vehicles	1,461	2,840	-	10
Plant and machinery	68	100	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,529	2,940	-	10
	<hr/>	<hr/>	<hr/>	<hr/>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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

Revaluation of freehold and leasehold land and buildings

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

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

Group	<u>Level 2</u>	
	<u>2016</u> RM'000	<u>2015</u> RM'000
Recurring fair value measurements		
Freehold land	42,132	42,304
Leasehold land	39,803	49,415
Leasehold buildings	226,285	226,382
	<hr/>	<hr/>
Company	<u>Level 2</u>	
	<u>2016</u> RM'000	<u>2015</u> RM'000
Recurring fair value measurements		
Freehold land	41,405	41,577
Leasehold buildings	1,240	1,254
	<hr/>	<hr/>

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

Level 2 fair values

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

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

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

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

Cost Method of Valuation entails adopting the current replacement cost arrived at by determining the construction cost, financing charges, advertising charges, professional fees, other incidental expenses and developer's profit in building the structures and to less depreciation.

The Group and the Company engaged an external, independent and qualified valuer to determine the fair values of the freehold and leasehold land and buildings on 18 August 2014. The revaluation surplus net of applicable deferred tax was credited to other comprehensive income and is shown in "Revaluation Reserves" in equity. Downward revaluation of leasehold land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Freehold land	5,273	5,445	4,381	4,553
Accumulated impairment	(305)	(305)	-	-
Carrying amount	<u>4,968</u>	<u>5,140</u>	<u>4,381</u>	<u>4,553</u>
Long term leasehold land	27,097	36,362	-	-
Accumulated depreciation	(662)	(473)	-	-
Carrying amount	<u>26,435</u>	<u>35,889</u>	<u>-</u>	<u>-</u>
Long term leasehold buildings	216,275	211,617	931	931
Accumulated depreciation	(17,833)	(13,469)	(173)	(164)
Carrying amount	<u>198,442</u>	<u>198,148</u>	<u>758</u>	<u>767</u>

5. BIOLOGICAL ASSETS

	Group	
	2016 RM'000	2015 RM'000
Cost		
At beginning of financial year	5,978	5,315
Additions	499	1,041
Written off	(457)	(378)
At end of financial year	<u>6,020</u>	<u>5,978</u>
Accumulated depreciation		
At beginning of financial year	1,104	534
Charge for the financial year	672	637
Written off	(118)	(67)
At end of financial year	<u>1,658</u>	<u>1,104</u>
Net carrying amount	<u>4,362</u>	<u>4,874</u>

Biological assets represent living animal exhibits at Bukit Gambang Safari Park.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

6. PROPERTY DEVELOPMENT COSTS

	Group	
	2016 RM'000	2015 RM'000
At beginning of financial year		
- freehold land, at cost	7,339	7,130
- leasehold land, at cost	54,178	54,393
- development costs	336,244	265,319
	<u>397,761</u>	<u>326,842</u>
Costs incurred during the financial year		
- freehold land, at cost	29,686	209
- leasehold land, at cost	13,595	21
- development costs	104,926	76,016
- transfer from property, plant and equipment	9,296	-
	<u>157,503</u>	<u>76,246</u>
Reversal of completed projects	(197,314)	(236)
Transfer to inventories	(177)	(54)
Transfer to investment properties	(5,117)	(5,037)
	<u>(202,608)</u>	<u>(5,327)</u>
Total	<u>352,656</u>	<u>397,761</u>
Cost recognised in profit or loss		
- previous financial years	(316,725)	(251,464)
- current financial year	(82,269)	(65,497)
- reversal of completed project	197,314	236
	<u>(201,680)</u>	<u>(316,725)</u>
At end of financial year	<u>150,976</u>	<u>81,036</u>
Analysed as:		
- Current	136,647	61,596
- Non-current	14,329	19,440
	<u>150,976</u>	<u>81,036</u>

Included in the property development costs is interest expenses of RM9,568,000 (2015: RM1,004,000) capitalised during the financial year.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

6. PROPERTY DEVELOPMENT COSTS (CONT'D)

The title deeds of the freehold land and leasehold land under development amounting to RM7,339,000 (2015: RM7,339,000) and RM60,738,000 (2015: RM38,440,000) respectively are registered in the name of third parties.

The freehold land and leasehold land under development amounting to RM29,109,000 (2015: Nil) and RM63,739,000 (2015: RM40,780,000) respectively are charged to licensed banks to secure the bank borrowings referred to in Note 20 to the Financial Statements.

7. INVESTMENT PROPERTIES

Group	Freehold land and buildings RM'000	Freehold building RM'000	Leasehold buildings RM'000	Long term leasehold land RM'000	Total RM'000
Cost or valuation					
At 1 October 2014	-	-	9,509	1,563	11,072
Transfer from property, plant and equipment	422	-	-	-	422
Transfer from property development costs	5,037	-	-	-	5,037
Fair value gain on revaluation of investment properties	3,301	-	-	-	3,301
At 30 September 2015	8,760	-	9,509	1,563	19,832
Transfer from property, plant and equipment	172	-	-	-	172
Transfer from property development costs	1,500	3,617	-	-	5,117
Fair value gain on revaluation of investment properties	1,640	4,111	-	-	5,751
At 30 September 2016	12,072	7,728	9,509	1,563	30,872
Accumulated depreciation					
At 1 October 2014	-	-	141	64	205
Charge for the financial year	-	-	36	16	52
At 30 September 2015	-	-	177	80	257
Charge for the financial year	-	-	37	16	53
At 30 September 2016	-	-	214	96	310
Net carrying amount					
At 30 September 2016	12,072	7,728	9,295	1,467	30,562
At 30 September 2015	8,760	-	9,332	1,483	19,575

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

7. INVESTMENT PROPERTIES (CONT'D)

Company	Freehold land and buildings RM'000
Cost and net carrying amount	
At 1 October 2014	-
Additions	<u>8,760</u>
At 30 September 2015	8,760
Additions	2,832
Fair value gain on revaluation of investment properties	<u>480</u>
At 30 September 2016	<u>12,072</u>

The investment properties of the Group and of the Company with net carrying amount of RM19,761,000 (2015: RM7,690,000) and RM12,072,000 (2015: Nil) respectively are pledged to a licensed bank for banking facilities granted to subsidiary companies.

Included in the above are:

	Group		Company	
	<u>2016</u> RM'000	<u>2015</u> RM'000	<u>2016</u> RM'000	<u>2015</u> RM'000
At fair value				
Freehold land and buildings	12,072	8,760	12,072	8,760
Freehold building	7,728	-	-	-
Leasehold buildings	<u>7,688</u>	<u>7,688</u>	-	-
	27,488	16,448	12,072	8,760
At cost				
Leasehold buildings	1,607	1,644	-	-
Long term leasehold land	<u>1,467</u>	<u>1,483</u>	-	-
	<u>30,562</u>	<u>19,575</u>	<u>12,072</u>	<u>8,760</u>

Fair value basis of investment properties

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

The fair value of the Group's investment properties has been arrived at on the basis of a valuation carried out by Rahim & Co (Pahang) Sdn. Bhd., a firm of independent professional valuers, who have appropriate professional qualification and recent experience in the relevant location and assets being valued. The fair value of the investment properties was determined using the Comparison Method.

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

7. INVESTMENT PROPERTIES (CONT'D)

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

Group	Level 2	
	2016 RM'000	2015 RM'000
Recurring fair value measurements		
Freehold land and buildings	12,072	8,760
Freehold building	7,728	-
Leasehold buildings	<u>7,688</u>	<u>7,688</u>
Company	Level 2	
	2016 RM'000	2015 RM'000
Recurring fair value measurements		
Freehold land and buildings	<u>12,072</u>	<u>8,760</u>

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

Investment properties at cost

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

Income and expenses recognised in profit or loss

	Group	
	2016 RM'000	2015 RM'000
Rental income	<u>267</u>	<u>86</u>
Direct operating expenses:		
- quit rent and assessment	20	18
- insurance	<u>3</u>	<u>4</u>

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

8. SUBSIDIARY COMPANIES

(a) Investment in subsidiary companies

	Company	
	2016 RM'000	2015 RM'000
Unquoted shares- at cost		
At beginning of financial year	25,100	20,050
Additions during the financial year	<u>161,200</u>	<u>5,050</u>
At end of financial year	<u>186,300</u>	<u>25,100</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

8. SUBSIDIARY COMPANIES (CONT'D)

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

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

<u>Name of subsidiary companies</u>	<u>Effective equity interest</u>		<u>Principal activities</u>
	<u>2016</u> %	<u>2015</u> %	
Sentoria Properties Sdn. Bhd.	100	100	Property development
Sentoria Bina Sdn. Bhd.	100	100	General contractor
Sentoria Harta Sdn. Bhd.	100	100	Property development
Sentoria Alam Sdn. Bhd.	100	100	Property development
Sentoria Leisure Langkawi Sdn. Bhd. (formerly known as Sentoria Resorts Sdn. Bhd.)	100	100	Yet to commence active operations
Sentoria Alfa Sdn. Bhd.	100	100	Property development and project management services
Sentoria Vacation Club Berhad	100	100	Vacation club operator
Sentoria Morib Bay Sdn. Bhd.	100	100	Hotel and water park operator
Sentoria Land Sdn. Bhd.	100	100	Yet to commence active operations
Sentoria Borneo Samariang Sdn. Bhd.	100	100	Hotel and water park operator
Sentoria Borneo Land Sdn. Bhd.	100	100	Property development
Sentoria Themeparks and Resorts Sdn. Bhd.	100	100	Hotel, water and safari park operator and investment holding
Sentoria Langkawi Sdn. Bhd.	75	75	Theme park operator and property development
Sentoria Projects Sdn. Bhd.	100	100	General contractor
Sentoria Utara Sdn. Bhd.	75	75	Property development
Ataria Leisure International Sdn. Bhd.	100	-	Yet to commence active operations
<i>Subsidiary companies of Sentoria Themeparks and Resorts Sdn. Bhd.</i>			
Blue Sky Leisure Sdn. Bhd.	100	100	Travel agent
Star Wholesale Sdn. Bhd.	100	100	Yet to commence active operations

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

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

8. SUBSIDIARY COMPANIES (CONT'D)

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

Group

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

	Sentoria Utara Sdn. Bhd.	Sentoria Langkawi Sdn. Bhd.	Total
2016			
Percentage of ownership interest and voting interest held by NCI as at end of financial year (%)	25%	25%	
Carrying amount of NCI (RM'000)	494	(19)	475
Loss allocated to NCI (RM'000)	(4)	(14)	(18)
2015			
Percentage of ownership interest and voting interest held by NCI as at end of financial year (%)	25%	25%	
Carrying amount of NCI (RM'000)	98	(5)	93
Loss allocated to NCI (RM'000)	(2)	(12)	(14)

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

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

	<u>2016</u> RM'000	<u>2015</u> RM'000
Financial position as at reporting date		
Current assets	55,379	4,770
Non-current liabilities	(37,000)	-
Current liabilities	(16,405)	(4,380)
Net assets	1,974	390
Summary of financial performance for the financial year/period ended 30 September		
Net loss/total comprehensive loss for the financial year/period	(17)	(9)
Summary of cash flows for the financial year/period ended 30 September		
Net cash used in operating activities	(50,208)	(4,700)
Net cash from financing activities	50,412	4,741
Net increase in cash and cash equivalents	204	41

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

8. SUBSIDIARY COMPANIES (CONT'D)

(c) Non-controlling interests ("NCT") in subsidiary companies (cont'd)

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

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

	<u>2016</u> RM'000	<u>2015</u> RM'000
Financial position as at reporting date		
Non-current assets	5,661	2,959
Current assets	9,719	5,433
Current liabilities	<u>(15,453)</u>	<u>(8,412)</u>
Net liabilities	<u>(73)</u>	<u>(20)</u>
Summary of financial performance for the financial year ended 30 September		
Net loss/total comprehensive loss for the financial year/period	<u>(54)</u>	<u>(47)</u>
Summary of cash flows for the financial year ended 30 September		
Net cash from operating activities	1,433	258
Net cash used in investing activities	(2,702)	(2,733)
Net cash from financing activities	<u>1,275</u>	<u>2,470</u>
Net increase/(decrease) in cash and cash equivalents	<u>6</u>	<u>(5)</u>

9. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets

	Group	
	<u>2016</u> RM'000	<u>2015</u> RM'000
At beginning of financial year	49,618	44,174
Transferred from profit or loss	<u>689</u>	<u>5,444</u>
At end of financial year	<u>50,307</u>	<u>49,618</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)
9. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)
Deferred tax assets (cont'd)

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

	Group	
	<u>2016</u> RM'000	<u>2015</u> RM'000
Carrying amount of qualifying property, plant and equipment in excess of their tax base	(18,713)	(15,981)
Unabsorbed business losses	3,901	3,092
Unutilised capital allowances	14,113	13,375
Unutilised tax allowances	58,701	57,358
Revaluation of land and buildings	(8,414)	(8,567)
Other temporary differences	719	341
	<u>50,307</u>	<u>49,618</u>

Deferred tax liabilities

	Group		Company	
	<u>2016</u> RM'000	<u>2015</u> RM'000	<u>2016</u> RM'000	<u>2015</u> RM'000
At beginning of financial year	3,411	3,160	1,970	1,855
Transferred (from)/to profit or loss	(29)	136	-	-
Recognised in other comprehensive income	-	115	-	115
At end of financial year	<u>3,382</u>	<u>3,411</u>	<u>1,970</u>	<u>1,970</u>

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

	Group		Company	
	<u>2016</u> RM'000	<u>2015</u> RM'000	<u>2016</u> RM'000	<u>2015</u> RM'000
Carrying amount of qualifying property, plant and equipment in excess of their tax base	149	149	-	-
Revaluation of land and buildings	3,233	3,262	1,970	1,970
	<u>3,382</u>	<u>3,411</u>	<u>1,970</u>	<u>1,970</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

10. FIXED DEPOSITS WITH LICENSED BANKS/INVESTMENT IN SHORT TERM FUNDS/DEPOSITS WITH A LICENSED BANK

Fixed deposits with licensed banks

Group

Fixed deposits with licensed banks of RM3,684,000 (2015: RM4,999,000) are pledged to licensed banks for banking facilities granted to a subsidiary company.

Company

Fixed deposits with licensed banks as of the end of the previous reporting year of RM1,434,000 were pledged to licensed banks for banking facilities granted to the Company and its subsidiary companies.

Investment in short term funds/deposits with a licensed bank

Group and Company

Investment in short term funds of the Group and the Company represents investment in equity instruments quoted in Malaysia. This is pledged to a licensed bank as security for banking facilities granted to the Company.

The Group's deposits with a licensed bank as of the end of the previous reporting year of RM480,000 were pledged for the same bank guarantee. These deposits are non-interest bearing.

11. GOODWILL ON CONSOLIDATION

	Group	
	<u>2016</u> RM'000	<u>2015</u> RM'000
At beginning/end of financial year	<u>3</u>	<u>3</u>

12. AMOUNT DUE FROM/(TO) CUSTOMERS

	Group	
	<u>2016</u> RM'000	<u>2015</u> RM'000
Cost incurred to date	64,021	42,753
Attributable profits recognised to date	<u>34,589</u>	<u>16,626</u>
Progress billings issued to date	<u>98,610</u> <u>(79,808)</u>	<u>59,379</u> <u>(59,220)</u>
	<u>18,802</u>	<u>159</u>
Amount due from customers	18,812	159
Amount due to customers	<u>(10)</u>	<u>-</u>
	<u>18,802</u>	<u>159</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

13. INVENTORIES

	Group	
	<u>2016</u> RM'000	<u>2015</u> RM'000
Food, beverage and other hotel supplies	2,022	2,552
Completed property held for sale	<u>177</u>	<u>54</u>
	<u>2,199</u>	<u>2,606</u>

14. TRADE RECEIVABLES

	Group		Company	
	<u>2016</u> RM'000	<u>2015</u> RM'000	<u>2016</u> RM'000	<u>2015</u> RM'000
Trade debts	78,605	83,159	84	84
Accrued billings	64,919	38,277	-	-
Retention sums	<u>9,393</u>	<u>4,356</u>	<u>-</u>	<u>-</u>
	152,917	125,792	84	84
Accumulated impairment loss At beginning/end of financial year	<u>(117)</u>	<u>(117)</u>	<u>(84)</u>	<u>(84)</u>
	<u>152,800</u>	<u>125,675</u>	<u>-</u>	<u>-</u>

The normal trade credit terms granted by the Group and the Company range from 21 to 60 days (2015: 21 to 60 days).

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables (excluding accrued billings) is as follows:

	<u>Gross</u>	<u>Individually</u>	<u>Net</u>
	RM'000	impaired RM'000	RM'000
Group			
<u>2016</u>			
Not past due	21,501	-	21,501
Past due 1-30 days	43,053	-	43,053
Past due 31-60 days	1,094	-	1,094
Past due more than 60 days	<u>22,350</u>	<u>(117)</u>	<u>22,233</u>
	<u>87,998</u>	<u>(117)</u>	<u>87,881</u>
<u>2015</u>			
Not past due	18,818	-	18,818
Past due 1-30 days	9,452	-	9,452
Past due 31-60 days	16,722	-	16,722
Past due more than 60 days	<u>42,523</u>	<u>(117)</u>	<u>42,406</u>
	<u>87,515</u>	<u>(117)</u>	<u>87,398</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

14. TRADE RECEIVABLES (CONT'D)

Ageing analysis of trade receivables (cont'd)

The ageing analysis of the Group's and the Company's trade receivable is as follows (cont'd):

	<u>Gross</u> RM'000	<u>Individually</u> <u>impaired</u> RM'000	<u>Net</u> RM'000
Company			
<u>2016</u>			
Past due more than 1 year	84	(84)	-
<u>2015</u>			
Past due more than 1 year	84	(84)	-

The Group has trade receivables amounting to RM66,380,000 (2015: RM68,580,000) that are past due at the reporting date but not impaired. No allowance has been made for these receivables as the Directors are of the view that the amount is recoverable.

The net carrying amount of trade receivables is considered a reasonable approximate of their fair value. The maximum exposure to credit risk is the carrying value of each class of receivables mentioned above. Trade receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

15. OTHER RECEIVABLES

	Group		Company	
	<u>2016</u> RM'000	<u>2015</u> RM'000	<u>2016</u> RM'000	<u>2015</u> RM'000
Non-trade receivables	25,665	21,140	161	167
Deposits	6,446	5,863	31	31
Prepayments	5,023	7,183	1,355	2,607
	<u>37,134</u>	<u>34,186</u>	<u>1,547</u>	<u>2,805</u>

16. CASH AND BANK BALANCES

Included in cash and bank balances of the Group are monies held under Housing Development Accounts pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 amounting to RM12,234,000 (2015: RM9,616,000).

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

17. SHARE CAPITAL

	Company			
	Number of shares		Amount	
	<u>2016</u> Unit '000	<u>2015</u> Unit '000	<u>2016</u> RM'000	<u>2015</u> RM'000
Authorised:				
Ordinary shares of 20 sen each	<u>1,000,000</u>	<u>1,000,000</u>	<u>200,000</u>	<u>200,000</u>
Issued and fully paid:				
Ordinary shares of 20 sen each				
At beginning of financial year	484,111	440,000	96,822	88,000
Issued during the financial year - Exercise of warrants	<u>5,000</u>	<u>44,111</u>	<u>1,000</u>	<u>8,822</u>
At end of financial year	<u>489,111</u>	<u>484,111</u>	<u>97,822</u>	<u>96,822</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions at the Company's shareholders' meetings and rank pari passu with regard to the Company's residual assets.

On 16 April 2014, the Company issued 88,000,000 bonus warrants ("Warrants") on the basis of one warrant for every five existing ordinary shares of 20 sen each held in the Company.

These Warrants were admitted to the Official List and quoted on the Main Market of Bursa Malaysia Securities Berhad on 21 April 2014.

The main features of the Warrants are as follows:

- (a) each Warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share of 20 sen each in the Company at an exercise price of 60 sen;
- (b) the Warrants shall be exercisable at any time within 5 years commencing on and including the date of the issuance of the Warrants. Any Warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid;
- (c) the exercise price and the number of Warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions set out in the deed poll of 27 March 2014; and
- (d) all new ordinary shares to be issued arising from the exercise of the Warrants shall rank pari passu in all respects with the then existing ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the Warrants.

38,888,896 (2015: 43,888,896) Warrants remained outstanding as of the end of the financial year.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

18. SHARE PREMIUM

	Company	
	<u>2016</u> RM'000	<u>2015</u> RM'000
At beginning of financial year	46,744	29,099
Exercise of warrants	<u>2,000</u>	<u>17,645</u>
At end of financial year	<u>48,744</u>	<u>46,744</u>

19. REVALUATION RESERVES

	Group		Company	
	<u>2016</u> RM'000	<u>2015</u> RM'000	<u>2016</u> RM'000	<u>2015</u> RM'000
<u>Non-distributable:</u>				
At beginning of financial year	66,878	65,277	35,549	33,368
Surplus on revaluation of land and buildings	-	2,296	-	2,296
Deferred taxation recognised in other comprehensive income	-	(115)	-	(115)
Crystallisation of revaluation reserve	<u>(580)</u>	<u>(580)</u>	<u>-</u>	<u>-</u>
At end of financial year	<u>66,298</u>	<u>66,878</u>	<u>35,549</u>	<u>35,549</u>

20. BORROWINGS

	Group		Company	
	<u>2016</u> RM'000	<u>2015</u> RM'000	<u>2016</u> RM'000	<u>2015</u> RM'000
<u>Current Secured</u>				
Finance lease liabilities	582	857	-	9
Bank overdrafts	26,060	8,474	18,552	1,154
Bankers' acceptance	21,839	8,406	112	741
Term loans	<u>36,172</u>	<u>2,699</u>	<u>20,126</u>	<u>123</u>
	<u>84,653</u>	<u>20,436</u>	<u>38,790</u>	<u>2,027</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

20. BORROWINGS (CONT'D)

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current				
Secured				
Finance lease liabilities	642	1,154	-	-
Term loans	190,985	130,424	101,008	121,071
	<u>191,627</u>	<u>131,578</u>	<u>101,008</u>	<u>121,071</u>
Total	<u>276,280</u>	<u>152,014</u>	<u>139,798</u>	<u>123,098</u>

The repayment terms of the term loans vary from monthly instalment to yearly instalment.

The borrowings are secured by way of:

- (i) Pledge of fixed deposits with licensed banks/investment in short term funds;
- (ii) Joint and several guarantees by certain Directors;
- (iii) Corporate guarantees by the Company for banking facilities granted to certain subsidiary companies;
- (iv) Corporate guarantees by certain subsidiary companies for banking facilities granted to the Company; and
- (v) Legal charges over freehold land and long term leasehold land under development.

The term loans and bank overdraft facilities bore interest at rates ranging from 0.50% to 2.00% and 1.25% to 2.00% (2015: 1.00% to 2.00% and 1.25% to 2.00%) respectively per annum above the banks' base lending rates or cost of funds.

Bankers' acceptance bear commission at rates ranging from 4.95% to 6.08% (2015: 4.90% to 6.08%) per annum.

The term loans of the Company are utilised by certain subsidiary companies.

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Finance lease liabilities				
Minimum lease payments				
- not later than 1 year	628	937	-	9
- later than 1 year but less than 5 years	677	1,225	-	-
	<u>1,305</u>	<u>2,162</u>	<u>-</u>	<u>9</u>
Future finance charges	(81)	(151)	-	-
Present value of finance lease liabilities	<u>1,224</u>	<u>2,011</u>	<u>-</u>	<u>9</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

20. BORROWINGS (CONT'D)

	Group		Company	
	<u>2016</u> RM'000	<u>2015</u> RM'000	<u>2016</u> RM'000	<u>2015</u> RM'000
Present value of finance lease liabilities				
- not later than 1 year	582	857	-	9
- later than 1 year but less than 5 years	642	1,154	-	-
	<u>1,224</u>	<u>2,011</u>	<u>-</u>	<u>9</u>

The finance lease liabilities of the Group and of the Company bore interest at rates ranging from 2.31% to 4.00% (2015: 2.28% to 4.00%) and 2.70% (2015: 2.70%) per annum respectively.

21. TRADE PAYABLES

	Group		Company	
	<u>2016</u> RM'000	<u>2015</u> RM'000	<u>2016</u> RM'000	<u>2015</u> RM'000
Trade creditors	47,273	36,013	-	-
Retention sums	11,174	10,968	254	257
	<u>58,447</u>	<u>46,981</u>	<u>254</u>	<u>257</u>

The normal trade credit terms granted to the Group and the Company range from 30 to 90 days (2015: 30 to 90 days).

22. OTHER PAYABLES

	Group		Company	
	<u>2016</u> RM'000	<u>2015</u> RM'000	<u>2016</u> RM'000	<u>2015</u> RM'000
Non-trade payables	26,887	59,278	1,469	1,624
Accruals	76,070	49,341	1,443	1,438
Advances received	1,190	1,855	-	-
	<u>104,147</u>	<u>110,474</u>	<u>2,912</u>	<u>3,062</u>

Included in the above are amounts of:

- RM4,000 (2015: RM300,000) of the Group which is due to companies in which certain Directors have interests. As of the end of the previous reporting year, the Company owed RM100,000 to companies in which certain Directors have interests.
- RM384,000 (2015: RM288,000) being provision for Directors' fees.
- RM1,080,000 (2015: RM560,000) being amount due to non-controlling interest.

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

23. AMOUNT DUE TO HOLDING COMPANY

The amount due to holding company is non-trade in nature, unsecured, interest-free and repayable on demand.

24. REVENUE

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Sales of properties	137,045	122,764	-	-
Rendering of services	47,948	55,147	-	-
Contract revenue	39,231	41,714	-	-
Dividend income	-	-	15,000	50,000
	<u>224,224</u>	<u>219,625</u>	<u>15,000</u>	<u>50,000</u>

25. COST OF SALES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Sales of properties	83,021	65,835	-	-
Rendering of services	29,987	37,834	-	-
Contract cost	21,268	28,621	-	-
	<u>134,276</u>	<u>132,290</u>	<u>-</u>	<u>-</u>

26. PROFIT BEFORE TAXATION

Profit before taxation has been determined after charging/crediting amongst others, the following items:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<u>After charging :</u>				
Auditor's remuneration				
- statutory audit	237	212	30	30
Biological assets written off	339	311	-	-
Depreciation of investment properties	53	52	-	-
Depreciation of property, plant and equipment	11,664	11,291	256	273
Depreciation of biological assets	672	637	-	-
Directors' salaries and other benefits	8,478	4,516	284	233
Directors' fees and meeting allowance	440	392	440	392

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

26. PROFIT BEFORE TAXATION (CONT'D)

Profit before taxation has been determined after charging/crediting amongst others, the following items (cont'd):

	Group		Company	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	RM'000	RM'000	RM'000	RM'000
<u>After charging (cont'd):</u>				
Interest and commission expenses				
- bank overdrafts	983	549	605	86
- bankers' acceptance	2	-	-	-
- finance lease	85	134	-	1
- term loans	2,871	8,549	70	1,353
Property, plant and equipment written off	-	7	-	-
Rental expenses - equipment	217	140	-	-
Rental expenses - premises	508	226	48	48
Rental expenses - staff quarters	34	10	-	-
Rental expenses -- hotel suites	10,740	9,428	-	-
Realised loss on foreign exchange	1	-	-	-
<u>And crediting:</u>				
Dividend income	-	-	15,000	50,000
Fair value gain on revaluation of investment properties	5,751	3,301	480	-
Gain on disposal of property, plant and equipment	-	161	2,660	8,338
Interest income				
- fixed deposits	138	376	19	176
- others	153	257	-	28
- short term funds	244	50	244	50
Rental income – premises	297	155	30	69
Realised gain on foreign exchange	-	1	-	-

The details of Directors' remuneration are as follows:

	Group		Company	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	RM'000	RM'000	RM'000	RM'000
<u>Executive Directors:</u>				
Salaries and other emoluments	5,712	3,226	192	192
Bonus	1,428	806	48	16
Defined contribution plan	1,338	484	44	25
	<u>8,478</u>	<u>4,516</u>	<u>284</u>	<u>233</u>

The estimated monetary value of benefits-in-kind received and receivable by the Executive Directors otherwise than in cash from the Group and the Company amounted to RM27,000 (2015: RM27,000).

	Group and Company	
	<u>2016</u>	<u>2015</u>
	RM'000	RM'000
<u>Non-Executive Directors:</u>		
Fees	384	336
Meeting allowances	56	56
	<u>440</u>	<u>392</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)
27. TAXATION

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current tax expense	11,830	10,248	-	61
Under/(over) provision in prior financial years	959	68	(17)	-
Origination and reversal of temporary differences	(718)	(5,308)	-	-
	<u>12,071</u>	<u>5,008</u>	<u>(17)</u>	<u>61</u>

Malaysian income tax is calculated at the statutory rate of 24% (2015: 25%) of the estimated assessable profit for the current financial year.

A subsidiary company is entitled to tax exemption of an amount equivalent to 100% of its qualifying expenditure incurred within 10 years from the Year of Assessment ("YA") 2008 pursuant to the letter of approval dated 2 December 2009 from Majlis Pembangunan Wilayah Ekonomi Pantai Timur.

The unabsorbed business losses, unutilised capital allowances and unutilised tax allowances of certain subsidiary companies, which can be carried forward to offset against their respective future taxable profits, amounted to approximately RM16,254,000 (2015: RM12,883,000), RM58,804,000 (2015: RM55,729,000) and RM244,587,000 (2015: RM238,992,000) respectively. The above amounts are subject to the agreement by Inland Revenue Board of Malaysia.

A reconciliation of the tax expense on profit before taxation with the applicable statutory income tax rate is as follows:

	Group		Company	
	2016 %	2015 %	2016 %	2015 %
Applicable statutory income tax rate	24.0	25.0	24.0	25.0
Tax effects in respect of:				
Expenses not deductible for tax purposes	5.7	6.0	4.8	2.2
Income not subject to tax	(3.0)	(6.1)	(28.8)	(27.1)
Unutilised investment tax allowances granted during the financial year	(3.2)	(8.6)	-	-
Under/(over)provision of taxation in prior financial years	2.1	0.2	(0.1)	-
Under/(over) provision of deferred tax in prior financial years	1.1	(3.0)	-	-
Average effective tax rate	<u>26.7</u>	<u>13.5</u>	<u>(0.1)</u>	<u>0.1</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

28. EARNINGS PER SHARE

Basic earnings per ordinary share

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

	Group	
	2016 RM'000	2015 RM'000
Net profit attributable to equity holders of the Company	<u>33,129</u>	<u>32,129</u>
Weighted average number of ordinary shares in issue (unit'000)	<u>484,944</u>	<u>460,499</u>
Basic earnings per share (sen)	<u>6.83</u>	<u>6.98</u>

Diluted earnings per ordinary share

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

	Group	
	2016 RM'000	2015 RM'000
Net profit attributable to equity holders of the Company	<u>33,129</u>	<u>32,129</u>
Weighted average number of ordinary shares in issue (unit'000)	<u>496,001</u>	<u>481,080</u>
Diluted earnings per share (sen)	<u>6.68</u>	<u>6.68</u>

29. EMPLOYEES BENEFITS EXPENSES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Executive Directors' salaries and other benefits	8,478	4,516	284	233
Salaries, wages and other emoluments	30,169	29,641	463	542
Defined contribution plans	2,368	2,325	28	26
Social security contributions	281	253	1	1
Other staff related expenses	<u>1,302</u>	<u>1,728</u>	<u>6</u>	<u>43</u>
	<u>42,598</u>	<u>38,463</u>	<u>782</u>	<u>845</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

30. COMMITMENTS

	Group	
	<u>2016</u> RM'000	<u>2015</u> RM'000
Capital commitments		
<u>Authorised and contracted for:</u>		
- property, plant and equipment	89,117	117,649
- biological assets	<u>2,485</u>	<u>3,753</u>
	<u>91,602</u>	<u>121,402</u>
Operating lease commitments		
Not later than 1 year	11,691	9,460
Later than 1 year but not later than 5 years	<u>13,725</u>	<u>19,693</u>
	<u>25,416</u>	<u>29,153</u>

31. RELATED PARTY DISCLOSURES

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

	Group		Company	
	<u>2016</u> RM'000	<u>2015</u> RM'000	<u>2016</u> RM'000	<u>2015</u> RM'000
<u>Transaction with holding company:</u>				
Rental expense paid	24	48	-	-
<u>Transactions with subsidiary companies:</u>				
Dividend received	-	-	15,000	50,000
Rental income received	-	-	-	96
Accommodation paid	-	-	-	71
Disposal of property, plant and equipment	-	-	2,832	8,760
<u>Transactions with companies in which the Directors, Dato' Chan Kong San and Dato' Gan Kim Leong have interests:</u>				
Rental expenses paid to Bukit Gambang Capital Sdn. Bhd.	346	444	-	-

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

31. RELATED PARTY DISCLOSURES (CONT'D)

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<u>Transactions with companies in which the Directors, Dato' Chan Kong San and Dato' Gan Kim Leong have interests (cont'd):</u>				
Sales to Imperia Academy of Tourism Sdn. Bhd.	769	686	-	-
Staff training and development provided by Imperia Academy of Tourism Sdn. Bhd.	-	82	-	-
Rental income receivable from Imperia Academy of Tourism Sdn. Bhd.	267	86	-	-
<u>Transactions with persons connected with Dato' Gan Kim Leong:</u>				
Rental expenses paid	60	45	-	-
Tax consulting fees paid	144	292	45	230
Sales of properties	2,552	-	-	-
<u>Sale of a property to a person connected with Mr Wong Yoke Nyen</u>	<u>638</u>	<u>-</u>	<u>-</u>	<u>-</u>

(b) During the financial year:

- (i) the holding company's shares in the Company was pledged as security for the construction and completion of a joint venture development project of the Group. The market value of these shares as at 30 September 2016 was approximately RM20,250,000 (2015: RM23,875,000).
- (ii) Dato' Chan Kong San and Dato' Gan Kim Leong jointly and severally guaranteed banking facilities granted to a subsidiary company. The amount of these facilities as at 30 September 2016 amounted to RM1,937,000 (2015: RM2,234,000).
- (c) Key management personnel are those Directors, having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, either directly or indirectly. The remuneration paid to these Directors is disclosed in Notes 26 and 29 to the Financial Statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

32. DIVIDENDS

	RM
2016:	
Interim single tier dividend of 1 sen per ordinary share in respect of financial year ended 30 September 2015 paid on 8 January 2016	4,841,111
Final single tier dividend of 1 sen per ordinary share in respect of financial year ended 30 September 2015 paid on 16 June 2016	<u>4,841,111</u>
	<u>9,682,222</u>
2015:	
Interim single tier dividend of 1 sen per ordinary share in respect of financial year ended 30 September 2014 paid on 16 January 2015	4,540,995
Final single tier dividend of 1 sen per ordinary share in respect of financial year ended 30 September 2014 paid on 11 June 2015	<u>4,641,111</u>
	<u>9,182,106</u>

33. FINANCIAL INSTRUMENTS

Categories of financial instruments

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

- (i) Loans and receivables ("L&R");
- (ii) Available-for-sale financial assets ("AFS"); and
- (iii) Other liabilities measured at amortised cost ("AC")

Group	Carrying amount	L&R	AFS	AC
	RM'000	RM'000	RM'000	RM'000
2016				
Financial assets				
Trade and other receivables	184,911	184,911	-	-
Fixed deposits with licensed banks	3,757	3,757	-	-
Investment in short term funds	7,288	-	7,288	-
Cash and bank balances	<u>14,386</u>	<u>14,386</u>	<u>-</u>	<u>-</u>
	<u>210,342</u>	<u>203,054</u>	<u>7,288</u>	<u>-</u>
Financial liabilities				
Borrowings	276,280	-	-	276,280
Trade and other payables	<u>161,404</u>	<u>-</u>	<u>-</u>	<u>161,404</u>
	<u>437,684</u>	<u>-</u>	<u>-</u>	<u>437,684</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments (cont'd)

Group (cont'd) 2015	Carrying amount RM'000	L&R RM'000	AFS RM'000	AC RM'000
Financial assets				
Trade and other receivables	152,678	152,678	-	-
Fixed deposits/ deposits with licensed banks	5,479	5,479	-	-
Investment in short term funds	7,044	-	7,044	-
Cash and bank balances	12,923	12,923	-	-
	<u>178,124</u>	<u>171,080</u>	<u>7,044</u>	<u>-</u>
Financial liabilities				
Borrowings	152,014	-	-	152,014
Trade and other payables	155,600	-	-	155,600
Amount due to holding company	12	-	-	12
	<u>307,626</u>	<u>-</u>	<u>-</u>	<u>307,626</u>
Company 2016				
Financial assets				
Trade and other receivables	192	192	-	-
Amount due from subsidiary companies	149,280	149,280	-	-
Fixed deposits with licensed banks	73	73	-	-
Investment in short term funds	7,288	-	7,288	-
Cash and bank balances	22	22	-	-
	<u>156,855</u>	<u>149,567</u>	<u>7,288</u>	<u>-</u>
Financial liabilities				
Borrowings	139,798	-	-	139,798
Trade and other payables	3,166	-	-	3,166
Amount due to subsidiary companies	8,273	-	-	8,273
	<u>151,237</u>	<u>-</u>	<u>-</u>	<u>151,237</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments (cont'd)

Company (cont'd)	Carrying amount	L&R	AFS	AC
2015	RM'000	RM'000	RM'000	RM'000
Financial assets				
Trade and other receivables	198	198	-	-
Amount due from subsidiary companies	295,151	295,151	-	-
Fixed deposits with licensed banks	1,434	1,434	-	-
Investment in short term funds	7,044	-	7,044	-
Cash and bank balances	1,018	1,018	-	-
	<u>304,845</u>	<u>297,801</u>	<u>7,044</u>	<u>-</u>
Financial liabilities				
Borrowings	123,098	-	-	123,098
Trade and other payables	3,319	-	-	3,319
Amount due to subsidiary companies	18,637	-	-	18,637
	<u>145,054</u>	<u>-</u>	<u>-</u>	<u>145,054</u>

Financial risk management

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

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activity are set out as follows:

33.1 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. It is the Group's policy to enter into financial instruments with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)**Financial risk management (cont'd)**

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

33.1 Credit risk (cont'd)

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instruments is broadly diversified along industry, products and geographical lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigating any significant concentration of credit risk.

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

Following are the areas where the Group is exposed to credit risk:

i. Receivables

At the reporting date, the maximum exposure to credit risk arising from receivables is limited to the carrying amounts in the statements of financial position.

With a credit policy in place to ensure the credit risk is monitored on an on-going basis, management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. The Group uses aging analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

Financial assets that are neither past due nor impaired and are past due but not impaired are disclosed in Notes 8, 14 and 15 to the Financial Statements.

In respect of trade receivables, the Group has significant concentration of credit risk of which RM22,684,000 (2015: RM45,955,000) were due from 1 (2015: 1) receivable. As at the reporting date, there was no indication that this receivable is not recoverable.

In respect of other receivables, the Group has significant concentration of credit risk of which RM21,450,000 (2015: RM14,014,000) were due from 1 (2015: 2) receivable. As at the reporting date, there was no indication that this receivable is not recoverable.

Trade receivables consist of a large number of customers in various backgrounds. Based on historical information about customer default rates, management considers the credit quality of trade receivables that are neither past due nor impaired to be good.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)**Financial risk management (cont'd)**

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

33.1 Credit risk (cont'd)

Following are the areas where the Group is exposed to credit risk (cont'd):

ii. Intercompany balances

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

The Company provides unsecured advances to subsidiary companies and monitors the results of the subsidiary companies regularly.

As at the reporting date, there was no indication that the advances to the subsidiary companies are not recoverable.

iii. Cash and cash equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

iv. Financial guarantees

The maximum exposure to credit risk is RM124,250,000 (2015: RM26,914,000) in respect of corporate guarantees given to financial institutions for banking facilities granted to and utilised by subsidiary companies and suppliers of subsidiary companies as at the end of the reporting year.

The Company monitors on an on-going basis the results of the subsidiary companies and repayments made by the subsidiary companies. At the reporting date, there was no indication that the subsidiary companies would default on repayment.

33.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

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

33.2 Interest rate risk (cont'd)

In order to achieve this objective, the Group targets a mix of fixed and floating debts based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year are as follows:

	Group RM'000	Company RM'000
<u>2016</u>		
Fixed rate instruments		
Fixed deposits with licensed banks	3,757	73
Finance lease liabilities	1,224	-
	<u>5,000</u>	<u>73</u>
Floating rate instrument		
Borrowings	275,056	139,798
	<u>275,056</u>	<u>139,798</u>
<u>2015</u>		
Fixed rate instruments		
Fixed deposits with licensed banks	4,999	1,434
Finance lease liabilities	2,011	9
	<u>7,010</u>	<u>1,443</u>
Floating rate instrument		
Borrowings	150,003	123,089
	<u>150,003</u>	<u>123,089</u>

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the financial year would not affect profit or loss.

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rates of +/- 0.5%. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	<u>Net profit for the financial year</u>			
	Group		Company	
	RM'000	RM'000	RM'000	RM'000
	+0.5%	-0.5%	+0.5%	-0.5%
Floating rate instrument				
30 September 2016	(1,375)	1,375	(699)	699
30 September 2015	(750)	750	(615)	615

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

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

33.3 Liquidity and cash flow risks

Liquidity and cash flow risks are the risks that the Group will not be able to meet their financial obligations as and when they fall due, due to shortage of funds.

In managing their exposures to liquidity and cash flow risks arises principally from their various payables, loans and borrowings, the Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

The Group aims at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

At the end of the reporting year, the Group's non-derivative financial liabilities which have contractual maturities (including interest payments) are summarised below:

	Group				
	Carrying <u>amount</u> RM'000	Current Contractual <u>cash flows</u> RM'000	Less than <u>1 year</u> RM'000	Non-current Between 2 <u>to 5 years</u> RM'000	More than <u>5 years</u> RM'000
2016					
Secured:					
Borrowings	276,280	324,675	96,926	184,409	43,340
Unsecured:					
Trade payables	58,447	58,447	58,447	-	-
Other payables	102,957	102,957	102,957	-	-
	161,404	161,404	161,404	-	-
Total	437,684	486,079	258,330	184,409	43,340
2015					
Secured:					
Borrowings	152,014	181,257	28,755	123,011	29,491
Unsecured:					
Trade payables	46,981	46,981	46,981	-	-
Other payables	108,619	108,619	108,619	-	-
Amount due to holding company	12	12	12	-	-
	155,612	155,612	155,612	-	-
Total	307,626	336,869	184,367	123,011	29,491

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

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

33.3 Liquidity and cash flow risks (cont'd)

At the end of the reporting year, the Company's non-derivative financial liabilities which have contractual maturities (including interest payments) are summarised below:

	Carrying amount RM'000	Contractual cash flows RM'000	Company		
			Current Less than 1 year RM'000	Non-current Between 2 to 5 years RM'000	More than 5 years RM'000
2016					
Secured:					
Borrowings	139,798	157,627	45,058	112,096	473
Unsecured:					
Trade payables	254	254	254	-	-
Other payables	2,912	2,912	2,912	-	-
Amount due to subsidiary companies	8,273	8,273	8,273	-	-
	11,439	11,439	11,439	-	-
Total	151,237	169,066	56,497	112,096	473
Financial guarantees	-	124,250	124,250	-	-
2015					
Secured:					
Borrowings	123,098	149,499	9,367	113,779	26,353
Unsecured:					
Trade payables	257	257	257	-	-
Other payables	3,062	3,062	3,062	-	-
Amount due to subsidiary companies	18,637	18,637	18,637	-	-
	21,956	21,956	21,956	-	-
Total	145,054	171,455	31,323	113,779	26,353
Financial guarantees	-	26,914	26,914	-	-

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

34. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and financial liabilities of the Group at the reporting date approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date or immaterial discounting impact.

It is not practicable to estimate the fair value of the Company's investment in unquoted shares due to the lack of comparable quoted prices in active market. In addition, it is impracticable to use valuation technique to estimate the fair value reliably as a result of significant variability in the inputs of the valuation technique. The Company does not intend to dispose of these investments in the near future.

The fair values of financial assets at AFS are detailed as below:

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is as prices) or indirectly (that is derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Group and Company			Total
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
	RM'000	RM'000	RM'000	RM'000
<u>Available-for-sale investments</u>				
2016	7,288	-	-	7,288
2015	7,044	-	-	7,044

35. CAPITAL MANAGEMENT

The Group's objective when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group sets the amount of capital in proportion to its overall financing structure, that is, equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

35. CAPITAL MANAGEMENT (CONT'D)

There were no changes in the Group's approach to capital management during the current financial year. The Directors monitor and determine to maintain an optimal debts-to-equity ratio that complies with debt covenants.

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total borrowings	276,280	152,014	139,798	123,098
Cash and bank balances	(14,386)	(12,923)	(22)	(1,018)
Fixed deposits with licensed banks	(3,757)	(4,999)	(73)	(1,434)
Deposits with a licensed bank	-	(480)	-	-
	<u>258,137</u>	<u>133,612</u>	<u>139,703</u>	<u>120,646</u>
Total equity	<u>403,192</u>	<u>376,363</u>	<u>246,191</u>	<u>237,489</u>
Debt to equity	<u>0.64</u>	<u>0.36</u>	<u>0.57</u>	<u>0.51</u>

36. OPERATING SEGMENT

Business segments

Management currently identifies the Group's property development and leisure and hospitality and others as operating segments. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results. The following summary describes the operations in each of the Group's reportable segments:

Property development	: Development of residential, commercial and leisure properties and its related activities
Leisure and hospitality	: Hotel, water and safari park operator
Others	: Investment holdings and inactive companies

Transfer pricing between operating segments are on a negotiated basis and all other transactions with third parties are on arm's length basis.

	Note	Property development RM'000	Leisure and hospitality RM'000	Others RM'000	Elimination/ adjustments RM'000	Consolidated RM'000
2016						
Revenue						
External revenue		176,276	47,948	-	-	224,224
Inter-segment	A	-	2,335	15,000	(17,335)	-
		<u>176,276</u>	<u>50,283</u>	<u>15,000</u>	<u>(17,335)</u>	<u>224,224</u>
Results						
Segment profit	B	43,274	2,532	15,780	(12,998)	48,588
Interest income		272	-	263	-	535
Finance costs		(645)	(2,621)	(675)	-	(3,941)
Depreciation		(1,836)	(10,297)	(256)	-	(12,389)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

36. OPERATING SEGMENT (CONT'D)

Business segments (cont'd)

	Note	Property development RM'000	Leisure and hospitality RM'000	Others RM'000	Elimination/ adjustments RM'000	Consolidated RM'000
2016 (cont'd)						
Results(cont'd)						
Taxation		(12,731)	266	16	378	(12,071)
Other non-cash (expenses)/income	C	-	1,733	3,679	-	5,412
Assets						
Segment assets	D	393,732	340,483	63,606	-	797,821
Additions to non- current assets	E	4,763	44,321	3	-	49,087
Liabilities						
Segment liabilities	F	145,010	14,427	3,167	-	162,604
2015						
Revenue						
External revenue		164,478	55,147	-	-	219,625
Inter-segment	A	-	1,379	50,000	(51,379)	-
		164,478	56,526	50,000	(51,379)	219,625
Results						
Segment profit	B	44,025	(4,022)	54,498	(48,829)	45,672
Interest income		411	18	254	-	683
Finance costs		(5,231)	(2,561)	(1,440)	-	(9,232)
Depreciation		(2,012)	(9,695)	(273)	-	(11,980)
Taxation		(10,102)	5,022	(61)	133	(5,008)
Other non-cash (expenses)/income	C	-	(318)	3,301	-	2,983
Assets						
Segment assets	D	272,055	305,301	64,290	-	641,646
Additions to non- current assets	E	4,875	16,129	38	-	21,042
Liabilities						
Segment liabilities	F	122,037	32,111	3,319	-	157,467

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

A Inter-segment revenues were eliminated on consolidation.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

36. OPERATING SEGMENT (CONT'D)

Business segments (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd):

- B** The following items were added to/(deducted from) segment profit to arrive at "profit before taxation" presented in the consolidated statements of profit or loss and other comprehensive income:

	<u>2016</u> RM'000	<u>2015</u> RM'000
Segment profit	48,588	45,672
Interest income	535	683
Finance costs	<u>(3,941)</u>	<u>(9,232)</u>
	<u>45,182</u>	<u>37,123</u>

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

	<u>2016</u> RM'000	<u>2015</u> RM'000
Biological assets written off	(339)	(311)
Fair value gain on revaluation of investment properties	5,751	3,301
Property, plant and equipment written off	<u>-</u>	<u>(7)</u>
	<u>5,412</u>	<u>2,983</u>

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

	<u>2016</u> RM'000	<u>2015</u> RM'000
Segment assets	797,821	641,646
Deferred tax assets	50,307	49,618
Tax recoverable	<u>368</u>	<u>115</u>
Total assets	<u>848,496</u>	<u>691,379</u>

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

	<u>2016</u> RM'000	<u>2015</u> RM'000
Property, plant and equipment	48,588	20,001
Biological assets	<u>499</u>	<u>1,041</u>
	<u>49,087</u>	<u>21,042</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

36. OPERATING SEGMENT (CONT'D)**Business segments (cont'd)**

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd):

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

	<u>2016</u> RM'000	<u>2015</u> RM'000
Segment liabilities	162,604	157,467
Borrowings	276,280	152,014
Tax payable	3,038	2,124
Deferred tax liabilities	<u>3,382</u>	<u>3,411</u>
Total liabilities	<u>445,304</u>	<u>315,016</u>

Geographical segment

The Group's business is entirely operated within Malaysia and as such, no segment information based on geographical location is presented.

Major customers

The Group does not have any revenue from any single external customer which represents 10% or more of the Group's revenue during the financial year. In the previous financial year, Customer A accounted for RM41,714,000 of the revenue from the property development segment.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

37. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS

Bursa Malaysia Securities Berhad had on 25 March 2010 and 20 December 2010, issued directives which required all listed corporations to disclose the breakdown of their unappropriated profits or accumulated losses into realised and unrealised on group and company basis in their annual audited financial statements.

The breakdown of retained profits as at reporting date which has been prepared by the Directors in accordance with the above directives from Bursa Malaysia Securities Berhad and the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants is as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total retained profits of the of the Company and its subsidiary companies				
- Realised	147,509	122,054	64,076	58,374
- Unrealised	<u>58,572</u>	<u>58,036</u>	<u>-</u>	<u>-</u>
	206,081	180,090	64,076	58,374
Consolidation adjustments	<u>(16,228)</u>	<u>(14,264)</u>	<u>-</u>	<u>-</u>
	<u>189,853</u>	<u>165,826</u>	<u>64,076</u>	<u>58,374</u>

The above disclosure of is solely for complying with the disclosure requirements stipulated in the said directives of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2017

SENTORIA GROUP BERHAD (Company No : 463344-K)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FINANCIAL QUARTER AND YEAR ENDED 30 SEPTEMBER 2017
 CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
 OTHER COMPREHENSIVE INCOME

CERTIFIED TRUE COPY

 DATO JIMMY CHAN KONG SAN
 JOINT MANAGING DIRECTOR

27 NOV 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	UNAUDITED CURRENT YEAR QUARTER 30/9/2017 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30/9/2016 RM'000	UNAUDITED CURRENT YEAR TO DATE 30/9/2017 RM'000	AUDITED PRECEDING YEAR TO DATE 30/9/2016 RM'000
Revenue	99,656	72,364	280,415	224,224
Cost of sales	(67,470)	(42,075)	(183,751)	(134,276)
Gross profit	32,186	30,289	96,664	89,948
Other income	5,513	6,124	6,241	6,595
Distribution expenses	(749)	(585)	(1,950)	(1,475)
Administration expenses	(8,539)	(9,912)	(35,721)	(34,091)
Amortisation and depreciation	(3,005)	(2,868)	(11,186)	(12,389)
Profit from operations	25,406	23,049	54,048	48,588
Finance income	132	213	572	535
Finance costs	(455)	(1,259)	(3,268)	(3,941)
Profit before taxation	25,083	22,003	51,352	45,182
Taxation	(6,083)	(6,085)	(13,333)	(12,071)
Net profit from operations	19,000	15,918	38,019	33,111
Other comprehensive income, net of tax				
Items that will not be reclassified subsequently to profit or loss:				
Revaluation of buildings and land	599	-	599	-
Deferred tax relating to revaluation of building and land	(144)	-	(144)	-
Total comprehensive income	19,455	15,918	38,474	33,111
Net profit from operations attributable to:				
Owners of the Company	18,963	15,924	38,016	33,129
Non-controlling interests	37	(6)	3	(18)
	19,000	15,918	38,019	33,111
Total comprehensive income attributable to:				
Owners of the Company	19,418	15,924	38,471	33,129
Non-controlling interests	37	(6)	3	(18)
	19,455	15,918	38,474	33,111
Earnings per share attributable to owners of the Company:				
Basic (sen)	3.81	3.27	7.73	6.83
Diluted (sen)	3.79	3.25	7.62	6.68

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2016 and the accompanying explanatory notes attached to the interim financial report.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2017 (CONT'D)
**SENTORIA GROUP BERHAD (Company No : 463344-K)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FINANCIAL QUARTER AND YEAR ENDED 30 SEPTEMBER 2017
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	UNAUDITED AS AT END OF CURRENT YEAR 30/9/2017 RM'000	AUDITED AS AT PRECEDING YEAR ENDED 30/09/2016 RM'000
Non-Current Assets		
Property, plant and equipment	419,244	375,542
Biological assets	3,657	4,362
Property development costs	22,972	14,329
Investment properties	38,155	30,562
Fixed deposits with licensed banks	7,005	3,684
Investment in short term funds	7,524	7,288
Goodwill on consolidation	3	3
Deferred tax assets	50,361	50,307
Total Non-Current Assets	548,921	486,077
Current Assets		
Property development costs	185,032	136,647
Amount due from customers	15,270	18,812
Amount due from holding company	3,179	-
Inventories	1,734	2,199
Trade and other receivables	222,891	189,934
Tax recoverable	4	368
Fixed deposits with licensed banks	-	73
Investment in short term funds	8,000	-
Cash and bank balances	38,038	14,386
Total Current Assets	474,148	362,419
Total Assets	1,023,069	848,496
Equity and Liabilities		
Share capital	103,822	97,822
Share premium	48,744	48,744
Treasury shares	(851)	-
Revaluation reserves	66,174	66,298
Retained earnings	228,578	189,853
	446,467	402,717
Non-controlling interests	953	475
Total Equity	447,420	403,192
Non-Current Liabilities		
Deferred tax liabilities	4,107	3,382
Borrowings	222,483	191,627
Total Non-Current Liabilities	226,590	195,009
Current Liabilities		
Trade and other payables	178,945	162,594
Amount due to customers	-	10
Borrowings	166,187	84,653
Tax payable	3,927	3,038
Total Current Liabilities	349,059	250,295
Total Liabilities	575,649	445,304
Total Equity and Liabilities	1,023,069	848,496
Net assets per share (RM)	0.90	0.82

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2016 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2017 (CONT'D)

SENTORIA GROUP BERHAD (Company No. : 463344-K)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FINANCIAL QUARTER AND YEAR ENDED 30 SEPTEMBER 2017
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserves RM'000	Distributable Retained Earnings RM'000	Non-Controlling Interests RM'000	
Unaudited							
Financial year ended 30 September 2017							
As at 1 October 2016	97,822	48,744	-	66,298	189,853	475	403,192
Revaluation of property, plant and equipment	-	-	-	455	-	-	455
Crystallisation of revaluation reserves	-	-	-	(579)	579	-	-
Net profit from operations	-	-	-	-	38,016	3	38,019
Total comprehensive income	-	-	-	(124)	38,595	3	38,474
Transactions with owners							
Exercise of warrants	6,000	-	-	-	-	-	6,000
Additional investment in a subsidiary company	-	-	-	-	-	475	475
Share buy-backs	-	-	(851)	-	130	-	(721)
	6,000	-	(851)	-	130	475	5,784
As at 30 September 2017	103,822	48,744	(851)	66,174	228,578	953	447,420
Audited							
Financial year ended 30 September 2016							
As at 1 October 2015	96,822	46,744	-	66,878	165,826	93	378,363
Crystallisation of revaluation reserves	-	-	-	(580)	580	-	-
Net profit from operations	-	-	-	-	33,129	(18)	33,111
Total comprehensive income	-	-	-	(580)	33,709	(18)	33,111
Transactions with owners							
Exercise of warrants	1,000	2,000	-	-	-	-	3,000
Additional investment in a subsidiary company	-	-	-	-	-	400	400
Dividends paid	-	-	-	-	(9,682)	-	(9,682)
	1,000	2,000	-	-	(9,682)	400	(6,282)
As at 30 September 2016	97,822	48,744	-	66,298	189,853	475	403,192

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2016 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2017 (CONT'D)

SENTORIA GROUP BERHAD (Company No : 463344-K)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FINANCIAL QUARTER AND YEAR ENDED 30 SEPTEMBER 2017
 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED CURRENT YEAR TO DATE 30/9/2017 RM'000	AUDITED PRECEDING YEAR YEAR TO DATE 30/9/2016 RM'000
Operating Activities		
Profit before taxation	51,352	45,182
Adjustments for :		
Amortisation and depreciation	11,186	12,389
Biological assets written off	550	339
Interest and commission expenses	3,268	3,941
Fair value gain on revaluation of property, plant and equipment	(599)	-
Fair value gain on revaluation of investment properties	(5,462)	(5,751)
Gain on disposal of property, plant and equipment	-	-
Interest income	(572)	(535)
Operating profit before changes in working capital	59,723	55,565
Property development costs	(57,028)	(65,761)
Inventories	465	407
Amount due from customers	3,532	(18,643)
Amount due from holding company	(3,179)	-
Receivables	(32,957)	(30,073)
Payables	16,348	5,139
Cash used in operations	(13,096)	(53,366)
Interest and commission expense paid	(3,268)	(3,941)
Interest income received	572	535
Net tax paid	(11,409)	(12,128)
Net cash used in operating activities	(27,201)	(68,900)
Investing Activities		
Proceeds from subscription of shares in a subsidiary by non-controlling interests	475	400
Net movement in fixed deposits with licensed banks	(3,321)	1,795
Net movement in short term funds	(236)	(244)
Purchase of biological assets	(535)	(499)
Purchase of property, plant and equipment	(52,644)	(48,280)
Purchase of investment properties	(1,678)	-
Net cash used in investing activities	(57,939)	(46,828)
Financing Activities		
Share buy-backs	(1,576)	-
Proceeds from sale of treasury shares	855	-
Proceeds from issuance of shares	6,000	3,000
Dividends paid	-	(9,682)
Repayment of finance lease liabilities	(81)	(1,095)
Repayment to holding company	-	(12)
Repayment of borrowings	(1,145)	(8,646)
Drawdown of borrowings	111,268	116,113
Net cash from financing activities	115,321	99,678
Net change in cash and cash equivalents	30,181	(16,050)
Cash and cash equivalents at beginning of financial year	(11,601)	4,449
Cash and cash equivalents at end of financial year	18,580	(11,601)
Cash and cash equivalents at the end of the financial year comprise the following:		
Cash and bank balances	38,038	14,386
Fixed deposits with licensed banks	-	73
Investment in short term funds	8,000	-
Bank overdrafts	(27,458)	(26,060)
	18,580	(11,601)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2016 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2017 (CONT'D)

SENTORIA GROUP BERHAD (Company No: 463344-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

A1 Accounting Policies and Basis of Preparation

The interim financial report is unaudited and is prepared in accordance with Financial Reporting Standard ("FRS") 134 Interim Financial Reporting and Paragraph 9.22 of Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements").

The interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2016 and these explanatory notes.

These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 September 2016.

The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the Audited Financial Statements for the financial year ended 30 September 2016 except for the changes in accounting policies and presentation resulting from the adoption of new and revised Financial Reporting Standards ("FRS") and Amendments to FRSs that are effective for the financial periods beginning on or after 1 October 2016.

The Group has not adopted the following new FRSs and Amendments to FRSs issued by Malaysian Accounting Standards Board ("MASB"):

Amendments to FRSs effective 1 January 2017

FRS 12	Annual Improvements to FRS Standards 2014-2016 Cycle
FRS 107	Disclosure Initiative
FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

FRS, Amendments to FRSs and Interpretation effective 1 January 2018

FRS 9	Financial Instruments (International Financial Reporting Standards ("IFRS") 9 issued by International Accounting Standards Board ("IASB") in July 2014)
Amendments to FRS 1	Annual Improvements to FRS Standards 2014-2016 Cycle
Amendments to FRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to FRS 4	Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts *
Amendments to FRS 7	Disclosure: Mandatory effective date of FRS 9 and transitional disclosures
Amendments to FRS 128	Annual Improvements to FRS Standards 2014-2016 Cycle
Amendments to FRS 140	Transfer of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

Interpretation effective 1 January 2019

IC Interpretation 23	Uncertainty over Income Tax Treatments
----------------------	--

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2017 (CONT'D)

SENTORIA GROUP BERHAD (Company No: 463344-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

Amendments to FRSs (deferred effective dates to be announced by MASB):

FRS 10 and 128 Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

* See FRS 4 Paragraphs 46, 47A and 48 for the effective date

FRS 128 and Amendments to FRS 2, FRS 4 and FRS 128 are not applicable to the Group's existing operations.

The adoption of the above FRSs and Amendments to FRSs (except for FRS 9 and FRS 107) are not expected to have any significant financial impact to the Group. As for FRS 9 and 107, the financial impacts in the period of initial application cannot be determined at present.

New MASB Approved Accounting Standards

To converge with International Financial Reporting Standards ("IFRSs") in 2012, MASB had on 19 November 2011, issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS"), which are mandatory for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and MFRS 15 Revenue from Contracts with Customers for Construction, including its parent, significant investor and venture ("Transitioning Entities").

Transitioning Entities are allowed to defer adoption of the new MFRSs. Consequently, the adoption of MFRSs by Transitioning Entities will be mandatory for annual financial periods beginning on or after 1 January 2018.

The Group falls within the scope of Transitioning Entities and has opted to defer the adoption of MFRSs. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 30 September 2019.

In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 September 2019.

MFRSs and Amendments to MFRSs effective 1 January 2018

MFRS 15 Revenue from Contracts with Customers

MFRS effective 1 January 2019

MFRS 16 Leases

The adoption of MFRS 15 and 16 will result in a change in accounting policy in the period of initial application, the possible impact of which cannot be determined at present.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2017 (CONT'D)

SENTORIA GROUP BERHAD (Company No: 463344-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 30 September 2016 was not subject to any qualification.

A3 Seasonality or Cyclicity of Operations

The operations of the property development segment were not subjected to seasonal or cyclical factors. As for the leisure and hospitality segment, its operations normally peak during major festivities, and public and school holiday seasons.

A4 Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flow for the current financial year to-date.

A5 Changes in Estimates

There were no changes in estimates of amounts reported in a prior financial quarter of the current financial year or a prior financial year, which have material impact on the current financial year to-date.

A6 Changes in Debt and Equity Securities

The Company bought back 2,131,000 of its own ordinary shares for a total consideration of RM1,587,241 during the current financial year to-date. These purchased shares were dealt with as treasury shares. As of 17 November 2017, 1,000,000 of these treasury shares were sold for a total consideration of RM853,169.

As of 17 November 2017, the Company has issued 10,001,100 ordinary shares at 60 sen per share on the exercise of Warrants-A pursuant to the Deed Poll of 27 March 2014 for current financial year to-date.

Other than the above, there were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current financial year to-date.

A7 Dividends Paid

No dividends were paid by the Company during the current financial year to-date.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2017 (CONT'D)
SENTORIA GROUP BERHAD (Company No: 463344-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2017
NOTES TO THE FINANCIAL STATEMENTS
A8 Segmental Information

The Group has identified property development, leisure and hospitality and others as operating segments. These segments are monitored and strategic decisions are made on the basis of adjusted segment results.

Segment results for the current financial year to-date were as follows:

	Property Development RM'000	Leisure & Hospitality RM'000	Others RM'000	Elimination/ Adjustments RM'000	Consolidated RM'000
Revenue					
External	237,346	43,069	-	-	280,415
Inter-segment	-	3,140	-	(3,140)	-
	237,346	46,209	-	(3,140)	280,415
Results					
Segment profit	52,887	2,403	1,504	(2,746)	54,048
Finance income	328	-	244	-	572
Finance costs	(1,367)	(1,854)	(47)	-	(3,268)
Profit before taxation	51,848	549	1,701	(2,746)	51,352
Taxation	(12,860)	(177)	-	(296)	(13,333)
Net profit from operations	38,988	372	1,701	(3,042)	38,019

The Group's businesses are operated entirely within Malaysia and as such, no segment information based on geographical location is presented.

A9 Material Events Subsequent to the End of the Current Financial Quarter

There were no material events subsequent to the end of the current financial quarter which have not been reflected in the interim financial statements.

A10 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter.

A11 Contingent Assets and Contingent Liabilities

There were no material changes to the contingent assets and contingent liabilities of the Group since the end of the prior financial year.

A12 Capital Commitments

The Group's capital commitments at the end of the current financial quarter were as follows:

	RM'000
Authorised and contracted for	48,439
Authorised but not contracted for	-

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2017 (CONT'D)

SENTORIA GROUP BERHAD (Company No: 463344-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

A13 Related Party Transactions

- (a) The Group's significant related party transactions during the current financial year to-date were as follows:

RM'000

<u>Transactions with companies in which certain Directors have interests:</u>	
Rental expenses paid/payable	490
Sales of food and beverages, room sales and provision of transportation services	364
Rental income received/receivable	353
Sales of properties	15,136
<u>Transactions with holding company</u>	
Sales of properties	3,179
<u>Transactions with persons connected with a Director</u>	
Rental expenses paid/payable	60
Tax consulting fees paid/payable	213
Commission paid/payable	186

- (b) During the current financial year to-date:
- (i) the holding company's shares in the Company were pledged as security for the construction and completion of a joint venture development project of the Group. The market value of these shares as at the end of the current financial quarter was approximately RM20.0 million. The holding company also provided a corporate guarantee and indemnity to guarantee the payment by the Group of certain sums of up to RM30.0 million due to the land owner for the project concerned.
- (ii) certain Directors jointly and severally guaranteed banking facilities granted to a subsidiary company. The amount of these facilities outstanding as at the end of the current financial quarter was approximately RM1.7 million.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2017 (CONT'D)**SENTORIA GROUP BERHAD (Company No: 463344-K)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2017****NOTES TO THE FINANCIAL STATEMENTS****B1 Review of Performance**

Group's revenue for the current financial quarter ("CFQ") increased by 37.7% year-on-year ("YoY") to RM99.7 million from RM72.4 million. This increase was mainly contributed by the Property Development Division whose revenue increased by 42.1% to RM88.8 million from RM62.5 million while the Leisure and Hospitality Division improved by 9.6% to RM10.8 million.

The Group's gross margin for the CFQ of 32.3% was lower than that of 38.3% in the preceding corresponding financial quarter ("PFQ") due to increased construction costs. Despite this margin reduction and with net operating expenses reduced from RM8.3 million in the PFQ to RM7.1 million for the CFQ, the increased revenue caused the Group's profit before taxation ["PBT"] for the CFQ to increase by 14.0% YoY to RM25.1 million from that of RM22.0 million attained in the PFQ. As for the post-tax profit, it increased by 19.5% YoY from RM15.9 million in the PFQ to RM19.0 million for the CFQ. The disparity between the pre-tax and post-tax rates of increase was due to the fact that the effective tax rate for the CFQ was only 24.3% as compared to that of 27.7% for the PFQ. The lower effective tax rate for the CFQ was due to the fact that the deferred tax on the fair value gain on revaluation of investment properties of RM5.4 million was provided at the Real Property Gains Tax ("RPGT") rate of 5%.

On a year to date ["YTD"] basis, Group's revenue of RM280.4 million was higher by 25.1% YoY. Property Development Division was also the major contributor to the higher revenue and its share of Group's revenue for the current YTD has increased to 83.5% as compared to 77.6% in the preceding YTD. With net operating expenses more or less the same YoY, the increased revenue caused the Group's PBT for the current YTD to increase by 13.7% to RM51.4 million from that of RM45.2 million achieved in the preceding YTD. The Group's profit after tax for the current YTD of RM38.0 million was higher by 14.8% YoY. The effective tax rate of 25.9% for the YTD was lower than that of 26.6% for the corresponding YTD due to the provision of deferred tax at the RPGT rate of 5% mentioned in the preceding paragraph.

B2 Comparison with Immediate Preceding Quarter's Results

The Group's revenue of RM99.7 million for the CFQ was higher by 47.7% as compared to that of RM67.5 million in the preceding financial quarter. This quarter-on-quarter ("QoQ") increase in revenue was contributed by the Property Development Division.

Gross margin of 32.3% for the CFQ was marginally higher than that of 31.9% achieved in the preceding financial quarter. With operating expenses more or less the same QoQ, the improved margin together with the huge jump in revenue and coupled with the fair value gain of RM5.4million on revaluation of investment properties caused the Group's PBT for the CFQ to increase by 182.0% to RM25.1 million from that of RM8.9 million attained in the preceding financial quarter.

On a post-tax basis, the QoQ increase was 196.8%; this is higher than the pre-tax rate of increase described in the preceding paragraph due to the fact that the effective tax rate for the CFQ was 24.3% as compared to that of 28.6% for the preceding financial quarter. The reason for the lower effective tax rate for the CFQ has been detailed in Note B1.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2017 (CONT'D)

SENTORIA GROUP BERHAD (Company No: 463344-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

B3 Commentary on Prospects

The Group's unbilled sales from its on-going projects stood at RM296 million as of 30 September 2017.

The Group believes that the demand for affordable housing will be sustained in the foreseeable future. Therefore the Group intends to launch more products in this segment in Kuantan, Morib and Kuching

The on-going projects together with the planned launches in the coming financial year should augur well for the Group going forward.

The Leisure and Hospitality Division will continue its efforts to optimise management and operational efficiencies. The Group's new theme parks, that is, Langkawi Nature Park and Borneo Samariang Water Park will come on stream by Q2FY2018 which are expected to contribute positively to its performance.

B4 Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax with profit forecast and shortfall in profit guarantee are not applicable.

B5 Taxation

	Current Year Quarter	Current Year To- Date
	RM'000	RM'000
Current tax expense – Malaysian income tax	5,772	12,662
Deferred taxation	311	671
	<u>6,083</u>	<u>13,333</u>
Effective income tax rate	<u>24.3%</u>	<u>25.9%</u>

The Group's effective income tax rate for the YTD is more than the applicable income tax rate of 24% due to losses by certain subsidiary companies not available for set-off against taxable profits of other subsidiary companies.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2017 (CONT'D)

SENTORIA GROUP BERHAD (Company No: 463344-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

B6 Status of Corporate Proposals Announced

On 15 November 2017, the shareholders of the Company approved the following corporate proposals:

- (a) A bonus issue of up to 52.8 million new ordinary shares in the Company to be credited as fully paid-up on the basis of 1 bonus share for every 10 existing ordinary shares held on an entitlement date to be determined later; and
- (b) A renounceable rights issue of up to 211.2 million new warrants ("Warrants-B") in the Company at an issue price of 25 sen per warrant on the basis of 4 Warrants-B for every 10 existing ordinary shares held by the entitled shareholders on an entitlement date to be determined later.

These corporate proposals have yet to be completed as of 17 November 2017.

Other than the above, there were no corporate proposals announced but not completed as of 17 November 2017.

B7 Borrowings and Debt Securities

The Group's borrowings, all of which were secured and denominated in RM as at the end of the current financial quarter were as follows:

	Short term RM'000	Long term RM'000	Total RM'000
Bankers' acceptances	22,824	-	22,824
Bridging loan	39,037	5,925	44,962
Bank overdrafts	27,458	-	27,458
Revolving credit	41,159	-	41,159
Finance lease liabilities	803	1,291	2,094
Term loans	34,906	215,267	250,173
	<u>166,187</u>	<u>222,483</u>	<u>388,670</u>

B8 Changes in Material Litigation

The Group has no material litigation as of 17 September 2017.

B9 Dividends

No dividend has been declared or recommended for the current financial year to-date.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2017 (CONT'D)
SENTORIA GROUP BERHAD (Company No: 463344-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2017
NOTES TO THE FINANCIAL STATEMENTS
B10 Earnings per Share
(i) Basic earnings per share

The basic earnings per ordinary share for a financial period is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period concerned.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/9/2017	Preceding Year Quarter 30/9/2016	Current Year To-Date 30/9/2017	Preceding Year To-Date 30/9/2016
Profit attributable to owners of the Company (RM'000)	18,963	15,924	38,016	33,129
Weighted average number of ordinary shares in issue ('000)	497,980	487,426	491,756	484,944
Basic earnings per share (sen)	3.81	3.27	7.73	6.83

(ii) Diluted earnings per share

The diluted earnings per ordinary share for a financial period is calculated by dividing the profit attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding and the assumed conversion of warrants outstanding during and as of the end of the financial period concerned respectively.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/9/2017	Preceding Year Quarter 30/9/2016	Current Year To-Date 30/9/2017	Preceding Year To-Date 30/9/2016
Profit attributable to owners of the Company (RM'000)	18,963	15,924	38,016	33,129
Weighted average number of ordinary shares in issue ('000)	499,948	490,080	498,656	496,001
Diluted earnings per share (sen)	3.79	3.25	7.62	6.68

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2017 (CONT'D)

SENTORIA GROUP BERHAD (Company No: 463344-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2017
NOTES TO THE FINANCIAL STATEMENTS

B11 Profit Before Tax

Profit before tax is arrived at after taking into account the following income/(expenses):

	Current Year Quarter	Current Year To-Date
	RM'000	RM'000
Interest income	132	572
Other income	5,513	6,241
Interest and commission expenses	(455)	(3,268)
Amortisation and depreciation	(3,005)	(11,186)

The following items which were not disclosed were not applicable.

- a) Allowance and write off of receivables;
- b) Allowance and write off of inventories;
- c) Gain or loss on disposal of quoted or unquoted investments or properties;
- d) Impairment of assets;
- e) Foreign exchange gain or loss;
- f) Gain or loss on derivatives; and
- g) Exceptional items (with details).

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SENTORIA GROUP FOR THE FYE 30 SEPTEMBER 2017 (CONT'D)

SENTORIA GROUP BERHAD (Company No: 463344-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS**B12 Supplementary Information Disclosed Pursuant to Listing Requirements**

The breakdown of retained profits of the Group as at the reporting dates into realised and unrealised profits is as follows:

	As at 30/9/2017 RM'000	As at 30/9/2016 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	185,675	147,509
Unrealised	59,088	58,572
Consolidation adjustments	(16,185)	(16,228)
Total retained profits of the Group	228,578	189,853

The determination of realised and unrealised profits is based on the Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to the Listing Requirements*, issued by the Malaysian Institute of Accountants.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

By order of the Board

Datuk Tan Leh Kiah
Company Secretary

24 November 2017

DIRECTORS' REPORT



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

Date: **28 NOV 2017**

To: **The Entitled Shareholders of Sentoria Group Berhad**

On behalf of the Board of Directors of Sentoria Group Berhad ("**Sentoria**" or the "**Company**") ("**Board**"), I wish to report that, after making due enquiries in relation to the Company and its subsidiary companies ("**Group**") during the period between 30 September 2016, being the date on which the latest audited consolidated financial statements have been made up, and the date of this letter, being a date not earlier than fourteen (14) days before the issuance of this Abridged Prospectus:

- (i) the business of our Group has, in the opinion of our Board, been satisfactorily maintained;
- (ii) in the opinion of our Board, no circumstances have arisen since the last audited consolidated financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;
- (iii) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) there are no contingent liabilities which have arisen by reason of any guarantee or indemnities given by our Group;
- (v) there have not been any default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings in our Group; and
- (vi) save as disclosed in Section 8.2 and Appendix IV of this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the profits of our Group since the last audited consolidated financial statements of our Group.

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



DATO' GAN KIM LEONG
Joint Managing Director

Sentoria Group Berhad (463344-K)

ADDITIONAL INFORMATION

1. SHARE CAPITAL

- (i) Save for Warrants B and the new Shares to be issued pursuant to the exercise of Warrants B, no other securities will be issued or allotted on the basis of this AP later than 12 months after the date of the issuance of this AP.
- (ii) All the new Sentoria Shares to be issued pursuant to the exercise of Warrants B shall, upon allotment and issue, rank *pari passu* in all respects with the then existing Sentoria Shares, except that such Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders, the entitlement date of which is prior to allotment date of the such Shares.
- (iii) Save for our Entitled Shareholders who will provisionally be allotted with Warrants B are entitled to subscribe for Warrants B an issue price of RM0.25 per Warrant B pursuant to the Rights Issue, no other person has been or is entitled to be granted an option to subscribe for any securities of our Company and no capital of our Company is under any option or agreed conditionally or unconditionally to be put under any option as at the date of this AP.

2. CONSTITUTION

The provisions in our Constitution (Memorandum and Articles of Association as adopted before the commencement of the Act) in relation to the remuneration of our Directors are as follows:

Article 96

The Directors shall be paid by way of remuneration for their services. The remuneration payable to non-executive Directors shall be such fixed sum (if any) as shall from time to time be determined by the Company in general meeting, and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine, PROVIDED ALWAYS that:

- (a) *fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;*
- (b) *salaries payable to executive Directors may not include a commission on or percentage of turnover; and*
- (c) *fees payable to the Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;*
- (d) *save as provided in Article 96(c) hereof, an executive Director shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration as the Directors may determine and need not be determined by the Company in general meeting;*
- (e) *any fee paid to an Alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.*

ADDITIONAL INFORMATION (CONT'D)

Article 97

- (1) *The Directors shall be paid all travelling, hotel and such other expenses properly incurred by them in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings of the Company or otherwise in or about the business of the Company.*
- (2) *If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Directors provided that such extra remuneration payable to non-executive Director shall not be by a commission on or percentage of profits or turnover. In the case of an Executive Director, such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors and shall not include a commission or percentage of profits or turnover.*

3. CONSENTS

The written consents of the Principal Adviser, Company Secretaries, Solicitors, Share Registrar, Principal Bankers and Bloomberg Finance L.P. to the inclusion in this AP of their names in the form, manner and context in which they appear have been given and have not subsequently been withdrawn before the issuance of this AP.

The written consents of the Auditors/Reporting Accountants to the inclusion in this AP of its name, Reporting Accountants' letter accompanying the pro forma financial information of our Group as at 30 September 2016 and the auditors' report accompanying the audited consolidated financial statements of our Group for the FYE 30 September 2016 in the form, manner and context in which they appear have been given and have not subsequently been withdrawn before the issuance of this AP.

4. CONFLICT OF INTEREST

Save as disclosed below, Affin Hwang IB hereby declares that there is no other situation of conflict of interest that exists or likely to exist in relation to its role as the Principal Adviser to Sentoria for the Rights Issue.

Affin Holdings Berhad (the ultimate holding company of Affin Hwang IB) and its related and associated companies ("**Affin Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses. Affin Group has engaged and may in the future, engage in transactions with and perform services for our Group, directors of Sentoria, controlling shareholder of Sentoria, in addition to the roles set out in this AP. In addition, in the ordinary course of business, any member of Affin Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of Sentoria Group, hold long or short positions in securities issued by our Company (where applicable), and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of any members of Sentoria Group.

ADDITIONAL INFORMATION (CONT'D)

As at the LPD, Affin Group has in the ordinary course of its banking business, extended credit facilities to SCSB, including subscription for the Rights Issue, and Sentoria Group. SCSB is a controlling shareholder of Sentoria.

Affin Hwang IB has considered the factors involved and believes objectivity and independence in carrying out its role are maintained at all times notwithstanding the aforementioned roles as these are mitigated by the following:

- (i) the businesses of Affin Group generally act independently of each other, and accordingly, there may be situations where parts of Affin Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of Sentoria Group. Nonetheless, Affin Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese Walls between different business divisions;
- (ii) the total outstanding amount in respect of the credit facilities provided to SCSB and the Sentoria Group as at the LPD are not material as they represent less than 1% of the latest audited consolidated gross loans, advances and financing of Affin Holdings Berhad (the ultimate holding company of Affin Hwang IB) as at 31 December 2016;
- (iii) none of the proceeds raised from the Rights Issue will be used for the repayment of the credit facilities extended to Sentoria Group;
- (iv) all credit facilities have been extended and/or will be extended by Affin Group are in its ordinary course of business; and
- (iv) the conduct of Affin Group in its banking business is strictly regulated by the Financial Services Act, 2013, the Islamic Financial Services Act, 2013, the Capital Markets and Services Act, 2007 and Affin Group's own internal controls and checks.

Accordingly, our Board has been fully informed and is aware of the roles of Affin Group mentioned above and is agreeable to the role of Affin Hwang IB as the Principal Adviser to Sentoria for the Rights Issue.

5. MATERIAL CONTRACTS

Save for the Deed Poll B, as at the LPD, Sentoria Group has not entered into any material contracts (including contracts not reduced into writing), not being contracts entered into in the ordinary course of business within the 2 years immediately preceding the date of this AP.

6. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, Sentoria Group is not engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant, which may have a material effect on the financial position or business of our Group and our Board is not aware of any proceeding, pending or threatened against our Group, or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of our Group.

ADDITIONAL INFORMATION (CONT'D)

7. GENERAL

- (i) None of the Directors has any existing or proposed service contracts with our Company or our subsidiaries, excluding contracts expiring or determinable by the employing company without payments or compensation (other than statutory compensation) within 1 year from the date of this AP.
- (ii) Save as disclosed in the sections below and after having made all reasonable enquiries and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by the following:
 - (a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;
 - (b) material information including trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits, save as disclosed in Section 6 of this AP;
 - (c) material commitments for capital expenditure, save as disclosed in Section 9.4 of this AP;
 - (d) substantial increase in revenue;
 - (e) unusual or infrequent events or transactions or any significant economic changes that materially affect the amount of reported income from the operations of our Group; and
 - (f) known trends or uncertainties that will or likely to have a material favourable or unfavourable impact on revenues or operating income of our Group.

(The rest of this page has been intentionally left blank)

ADDITIONAL INFORMATION (CONT'D)

8. DOCUMENTS FOR INSPECTION

The copies of the following documents are available for inspection at the Registered Office of our 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 from 9.00 a.m. to 6:00 p.m. from Mondays to Fridays (excluding public holidays) for a period of 12 months from the date of this AP:

- (i) Constitution of our Company (Memorandum and Articles of Association as adopted before the commencement of the Act);
- (ii) audited consolidated financial statements of Sentoria for the FYE 30 September 2015 and FYE 30 September 2016, and the latest unaudited consolidated financial statements of our Company for the FYE 30 September 2017;
- (iii) Deed Poll B;
- (iv) Pro forma consolidated statements of financial position of Sentoria as at 30 September 2016 together with the Reporting Accountants' letter thereon referred to in Appendix IV of this AP;
- (v) Directors' Report referred to in Appendix VII of this AP;
- (vi) consent letters referred to in Section 3 of Appendix VIII of this AP; and
- (vii) the irrevocable undertaking letter pursuant to the Undertaking and Additional Undertaking.

9. RESPONSIBILITY STATEMENTS

This AP together with the accompanying documents have been seen and approved by our Board and they collectively and individually, accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts if omitted would make any statement in these documents false or misleading.

Affin Hwang IB being the Principal Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of their knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue.