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 Standards ("FRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2012 and the accompanying explanatory notes attached to the interim financial statements.

These explanatory notes attached to the interim financial statements 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 2012.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 September 2012 except for the changes in accounting policies and presentation resulting from the adoption of relevant FRSs and amendments to FRSs that are effective for the financial periods beginning on or after 1 January 2012.

The Group has not applied the following relevant new FRS and amendments to FRSs issued by Malaysian Accounting Standards Board ("MASB"):-

<u>Effective for the financial periods beginning on or after 1 January 2012</u>

Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters
Amendments to FRS 7	Disclosures - Transfers of Financial Assets
Amendments to FRS 112	Deferred Tax : Recovery of Underlying Assets

<u>Effective for the financial periods beginning on or after 1 July 2012</u>

Amendments to FRS 101	Presentation of Items of Other Comprehensive Income

The adoption of the above FRSs and amendments did not cause impact on the financial statements of the Group.

Convergence of FRSs with the International Financial Reporting Standards

On 19 November 2011, the MASB issued the new Malaysian Financial Reporting Standards ("MFRS") framework, consisting of accounting standards which are in line with the International Financial Reporting Standards ("IFRS") issued by International Accounting Standard Board ("IASB").

The MFRS framework is to be applied by all Non-Private Entities for annual period beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein referred to "Transitional Entities").

A1 Accounting Policies and Basis of Preparation (Cont'd)

Convergence of FRSs with the International Financial Reporting Standards (Cont'd)

Transitional Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitional Entities will be mandatory for annual periods on or after 1 January 2014.

The Group falls within the scope of definition of Transitional Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare consolidated financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ended 30 September 2015. In presenting its first MFRS financial statements, the Group will be required to restate comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made retrospectively against retained profits brought forward. The Group expects to be in a position to fully comply with the requirements of the MFRS Frameworks not later than 30 September 2015.

IC Interpretation 15 - Agreements for the Construction of Real Estate

The MASB has on 19 November 2011 announced that IC Interpretation 15 shall be withdrawn from the FRS Framework for application for annual period beginning on and after 1 January 2012 in light of its decision for the Transitional Entities as mentioned in foregoing paragraph above. IC Interpretation 15 will be operative for the Group's financial period beginning on or after 1 October 2013 when the Group adopts the MFRS Framework for the first time.

This Interpretation clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the Interpretation provides guidance on how to determine whether an agreement is within the scope of MFRS 111 Construction Contracts or MFRS 118 Revenue.

The Group currently recognises revenue arising from property development projects using the stage of completion method. Upon the adoption of IC Interpretation 15, the Group may be required to change its accounting policy to recognise such revenues at completion, or upon or after delivery. The Group is in the process of making an assessment of the impact of this Interpretation.

A2 Report of the Auditors

The annual audited financial statements for the financial year ended 30 September 2012 were not subject to any qualification.

A3 Seasonality or Cyclicality of Operations

The results of the property development segment for the current quarter under review were not materially affected by seasonal or cyclical factors. As for the leisure and hospitality segment, its results normally peak during major festivities, public holidays 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 period ended 30 June 2013.

A5 Changes in Estimates

There were no changes in estimates of amounts reported in prior financial year, which have material impact in the current financial period ended 30 June 2013.

A6 Debts and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities in the current quarter under review except for the bonus issue of 40,000,000 new ordinary shares of RM0.20 each to be credited as fully paid-up on the basis of one (1) Bonus Share for every ten (10) existing share has been listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 24 April 2013.

A7 Dividends Paid

A final single tier dividend of 1 sen per ordinary share of RM0.20 each amounting to RM4,000,000 in respect of the financial year ending 30 September 2012 was paid on 6 May 2013.

A8 Segment Reporting

Segment results for the financial period ended 30 June 2013 are as follows:-

Descriptions	Property Development RM'000	Leisure and Hospitality RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	96,661	51,202	-	-	147,863
Inter-segment sales	101,217	306	14,907	(116,430)	-
Total Revenue	197,878	51,508	14,907	(116,430)	147,863
Results					
Operating segment results	24,055	4,261	10,195	(12,923)	25,588
Finance income	353	-	6		359
Finance costs	(464)	(1,818)	(225)		(2,507)
Profit before taxation	23,944	2,443	9,976		23,440
Taxation	(6,880)	1,098	-	404	(5,378)
Profit for the year	17,064	3,541	9,976		18,062

Geographical segment

Geographical segment is not prepared as the Group carries out its business activities mainly in Malaysia.

A9 Valuation of Property, Plant and Equipment and Investment Properties

There were no changes in the valuation on property, plant and equipment and investment properties in the current quarter under review.

A10 Material Events Subsequent to the end of the Financial Period

On 23 August 2013, Sentoria Borneo Land Sdn. Bhd., a wholly-owned subsidiary company of the Company has entered into a Sale and Purchase Agreement with Projek Bandar Samariang Sdn. Bhd. (Company No. 443828-P) to purchase 300 acres land situated at Bandar Samariang township, Kuching of Lots 7077 and 7686 both in Block 9 Salak Land District for a purchase consideration of RM30,000,000.

On 23 August 2013, Sentoria Borneo Samariang Sdn. Bhd., a wholly-owned subsidiary company of the Company has entered into a Sale and Purchase Agreement with Projek Bandar Samariang Sdn. Bhd. (Company No. 443828-P) to purchase 200 acres land situated at Bandar Samariang township, Kuching of Lot 7686 both in Block 9 Salak Land District for a purchase consideration of RM17,000,000.

A11 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

A12 Contingent Assets and Liabilities

There were no contingent assets and liabilities for the current quarter under review.

A13 Capital Commitments

The outstanding capital commitments at the end of current quarter are as follows:

	30/06/2013 RM'000
Amount authorised and contracted for	29,372
Amount authorised but not contracted for	11,427

A14 Significant Related Party Transactions

Transactions with directors of the Company and subsidiary companies and companies in which they have interests:

	01/10/2012 to 30/06/2013 RM'000
(a) Agency fee paid to persons connected to a director	60
(b) Rental paid to companies in which certain directors have interests	349
(c) Rental paid to persons connected to a director	36
(d) Sales to a company in which certain directors have interests	112

B1 Review of Performance

For 3rd quarter ended 30 June 2013, the Group's revenue increased by 43.93% to RM55.40 million as compared to RM38.49 million in the previous corresponding quarter. This was mainly due to good sales response for new housing projects. The Group's profit before taxation decreased to RM9.86 million as compared to RM15.07 million in the previous corresponding quarter. This was mainly due to:

i. Construction of lower medium costs housing project in line with government housing policy contributed lower margin.
ii. Lower margin from leisure and hospitality division due to higher operating costs and overheads incurred for Arabian Bay Resorts which newly opened in the beginning of current financial year.

The Group's revenue for cumulative 9 months ended 30 June 2013 increased by 9.22% to RM147.86 million as compared to RM135.38 million was mainly due to good sales response for new housing projects and additional revenue from Arabian Bay Resorts. However, profit before taxation for the 9 months decreased to RM23.44 million as compared to RM39.42 million in the previous corresponding period. This was mainly due to:

i. Profit for previous corresponding period inclusive of RM2.87 million gain from disposal of development land.
ii. Construction of lower medium costs housing project in line with government housing policy contributed lower margin.
iii. Lower margin from leisure and hospitality division due to the higher operating costs and overheads incurred for Arabian Bay Resorts which newly opened in the beginning of current financial year.

B2 Comparison with Immediate Preceding Quarter's Results

The Group's revenue for the current quarter increased by 14.01% to RM55.40 million as compared to RM49.27 million in the preceding quarter ending 31 March 2013. This was mainly due to improved occupancy rate and sales for Bukit Gambang Resort City and sales from the new housing projects. Therefore, the Group's profit before taxation of RM9.86 million for the current quarter is higher by RM3.49 million as compared to the preceding quarter ended 31 March 2013.

B3 Prospects

a) Property Development Division

The property development division will be bolstered by the Government's incentives to provide affordable housing schemes and to enable locals to purchase their first home.

Encourage by the high take up rate for sales of Bukit Rangin Housing Project, the property development division expect continue to contribute positively to the Group.

b) Leisure and Hospitality Division

Leveraging on the anticipated expansion in the tourism sector, the Group will continue to grow to the leisure and hospitality segment, by increasing our existing capacity and attractions in Bukit Gambang Resort City, as well as exploring opportunities to bring our success story to other viable locations.

In view of the low season in quarter 4 of financial year 2013, the performance of leisure and hospitality division in expected to maintain at present level.

B4 Variance of Actual Profit from Profit Forecast or Profit Guarantee

The Company did not announce any profit forecast or profit guarantee for the current quarter under review.

B5 Taxation

	Current Quarter Ended 30/06/2013 RM'000	Cumulative Year To Date 30/06/2013 RM'000
Current income tax	2,676	6,893
Deferred taxation	(503)	(1,515)
	2,173	5,378

The Group's effective tax rate for the current quarter under review is lower than the statutory tax rate of 25%. This is mainly because the Group enjoys a tax incentive on its Leisure and Hospitality segment thus giving rise to a reduced effective tax rate.

B6 Status of Corporate Proposal

The bonus issue of 40,000,000 new ordinary shares of RM0.20 each has been completed on 24 April 2013.

B7 Group Borrowings

The Group's borrowings, all of which are denominated in Ringgit Malaysia (RM) as at 30 June 2013 are as follows:

	Short term Secured RM’000	Long term Secured RM’000	Total RM’000
Bankers acceptances	5,466	-	5,466
Bank overdrafts	17,647	-	17,647
Hire purchase creditors	831	1,840	2,671
Term loans	7,203	52,020	59,223
	31,147	53,860	85,007

B8 Material Litigation

The Group is not engaged in any material litigation and is not aware of any legal proceeding that might materially affect the financial position or business of the Group.

B9 Realised and Unrealised Profits or Losses

The breakdown of retained profits of the Group as at the reporting date into realised and unrealised profits are as follows:

	As at 30/06/2013 RM’000	As at 30/09/2012 RM’000
Total retained profits of the Group		
Realised	92,130	66,113
Unrealised	13,972	13,966
Less : Consolidation adjustments	(12,500)	(558)
Total Group’s retained profits as per consolidated accounts	93,602	79,521

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 Bursa Malaysia Securities Berhad 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 Malaysia and should not be applied for any other purposes.

B10 Dividends

No dividends were proposed by the Group in the current quarter under review.

B11 Earnings per share

(i) Basic Earnings per share

The calculation of basic earnings per share for the financial year is based on the net profit attributable to owners of the company divided by the weighted average number of ordinary shares outstanding during the financial period.

	Individual Period		Cumulative Period	
	Current Year Quarter 30/06/2013	Preceding Year Corresponding Quarter 30/06/2012	Current Year To Date 30/06/2013	Preceding Year Corresponding 30/06/2012
Profit attributable to owners of the Company (RM'000)	7,697	13,038	18,081	31,050
Weighted average number of ordinary shares in issue ('000 shares)	440,000	440,000	440,000	402,459
Basic earnings per share (sen)	1.75	2.96	4.11	7.71

(ii) Diluted Earnings per share

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue as at the end of the current quarter under review before the implementation of ESOS which entails the issuance of up to ten percent (10%) of the issued and paid-up share capital (excluding treasury shares) pursuant to the options to be granted under the ESOS to the Group's eligible directors and employees. As such, the diluted earnings per share are presented as equal to basic earnings per share.

B12 Notes to the Statement of Comprehensive Income

	Current Quarter Ended 30/06/2013 RM'000	Cumulative Year To Date 30/06/2013 RM'000
Loss on disposal of property, plant and equipment	37	37

Except for the abovementioned, the finance income, other income, finance costs, amortisation and depreciation has been included in the Statement of Comprehensive Income except for the followings items which are not applicable.

a) Allowance and written off of receivables;
b) Allowance and written off of inventories;
c) Gain or loss on disposal of quoted or unquoted investments;
d) Impairment of assets;
e) Gain or loss on derivatives; and
f) Exceptional items (with details)

By order of the Board
Dated : 27 August 2013