

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED  
31 DECEMBER 2013**

**NOTES TO THE FINANCIAL STATEMENTS**

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**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 2013 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 2013.

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 2013 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 2013.

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

Effective for annual financial period beginning on or after 1 January 2013

Amendments to FRS 1	Government Loans
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
Amendments to FRS 10, FRS 11 and FRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
FRS 13	Fair Value Measurement
FRS 119 (2011)	Employee Benefits
FRS 127 (2011)	Separate Financial Statements
FRS 128 (2011)	Investments in Associates and Joint Ventures
IC Interpretation 20	Stripping Costs in the Production Phase Of a Surface Mine
Annual Improvements 2009 - 2011 Cycle issued in July 2012	

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

Effective for annual financial period beginning on or after 1 January 2014

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

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

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

**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”).

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 2015.

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 2016. 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 2016.

**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.

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**A2 Report of the Auditors**

The annual audited financial statements for the financial year ended 30 September 2013 were not subject to any qualification.

**A3 Seasonality or Cyclicity 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 31 December 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 31 December 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 on 23 January 2014, the Company announced that it proposes to undertake the following proposals:

- (a) a bonus issue of 88,000,000 warrants in the Company (“Warrants”) on the basis of one (1) Warrant for every five (5) existing ordinary shares of RM0.20 each in the Company held on an entitlement date to be determined;
- (b) to increase the authorised share capital of the Company from RM100,000,000 comprising 500,000,000 ordinary shares of RM0.20 each to RM200,000,000 comprising 1,000,000,000 ordinary shares of RM0.20 each; and
- (c) to amend the Memorandum of Association of the Company to facilitate the above proposed increase in authorised share capital.

The above proposals are subject to the approvals of:

- (i) Bursa Securities Malaysia Berhad for the admission of the Warrants to the Official List and the listing of and quotation for the Warrants and the new shares of the Company to be issued upon the exercise of the Warrants;
- (ii) Bank Negara Malaysia for the issuance of the Warrants to non-resident entitled shareholders of the Company; and
- (iii) shareholders of the Company at an Extraordinary General Meeting to be convened.

Barring any unforeseen circumstances and subject to all required approvals being obtained, the proposals are expected to be completed by second quarter of 2014.

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**A7 Dividends Paid**

An interim single tier dividend of RM0.01 per ordinary share amounting to RM4,400,000 in respect of financial year ended 30 September 2013 was paid on 15 January 2014.

**A8 Segment Reporting**

Segment results for the financial period ended 31 December 2013 are as follows:-

Descriptions	Property Development RM'000	Leisure and Hospitality RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>					
External sales	30,515	17,055	-	-	47,570
Inter-segment sales	27,998	134	1,631	(29,493)	-
<b>Total Revenue</b>	<b>58,513</b>	<b>17,189</b>	<b>1,631</b>	<b>(29,493)</b>	<b>47,570</b>
<b>Results</b>					
Operating segment results	10,338	(563)	19	(1,054)	8,740
Finance income	39	-	44		83
Finance costs	(80)	(1,181)	(100)		(1,361)
<b>Profit before taxation</b>	<b>10,297</b>	<b>(1,744)</b>	<b>(37)</b>		<b>7,462</b>
Taxation	(2,374)	2,940	(38)	259	784
<b>Profit for the period</b>	<b>7,923</b>	<b>1,196</b>	<b>(75)</b>		<b>8,246</b>

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**

There were no changes in the material events subsequent to the end of the financial period of the Group for the current quarter under review.

**A11 Changes in the Composition of the Group**

- (i) On 5 December 2013, the Company subscribed for 75% of the equity in Sentoria Langkawi Sdn. Bhd. for a total cash subscription of RM75,000.
- (ii) On 30 December 2013, the Company entered into a share purchase agreement with third parties for the purchase of 75,000 ordinary shares of RM1 representing 30% of the issued and paid-up

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share capital of Sentoria Alfa Sdn. Bhd. (“SAFSB”), for a total consideration of RM9 million. As a consequence, SAFSB became a wholly- owned subsidiary company of the Company.

**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:

	31/12/2013 RM'000
Amount authorised and contracted for	47,103
Amount authorised but not contracted for	4,000

**A14 Significant Related Party Transactions**

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

	01/10/2013 to 31/12/2013 RM'000
(a) Rental paid to companies in which certain directors have interests	148
(b) Rental paid to persons connected to a director	12
(c) Sales to a company in which certain directors have interests	37

**B1 Review of Performance**

For 1<sup>st</sup> quarter ended 31 December 2013, the Group’s revenue increase by 10.2% to RM47.6 million as compared to RM 43.2 million in the previous corresponding quarter. This was mainly due to improved revenue from the property development division. Lower revenue recorded from leisure and hospitality as compared to previous corresponding quarter was affected by the flood in the East Coast Region in the month of December 2013.

The Group’s profit before tax decreased by 25.7% to RM7.5 million as compared to RM 10.1 million in the previous corresponding quarter. This was mainly attributed to lower revenue as well as higher depreciation and finance expenses of the leisure and hospitality division.

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**B2 Comparison with Immediate Preceding Quarter's Results**

The Group's revenue for the current quarter decreased by 20.1% to RM47.6 million as compared to RM59.6 million in the preceding quarter ended 30 September 2013. This was mainly due to lower revenue from property development division.

The Group's profit before taxation decreased by 63.4% to RM7.5 million as compared to RM20.4 million in the preceding quarter. This was mainly due to reduced billings and a profit of RM4.2 million of gain from disposal of a piece of vacant land.

**B3 Prospects**

The Malaysian Government has announced several cooling measures in the 2014 budget such as increased Real Property Gain Tax, increased threshold for foreigner property purchases to RM1 million from RM500,000 and banning Developer Interest Bearing Scheme.

These cooling measures are not expected to adversely affect the Group as the Group's existing projects are mainly affordable housing, the supply of which is often not enough to meet demand from the local population. Going forward, the Group will be launching new affordable housing projects to cater for this strong demand.

With the Safari Park in Bukit Gambang Resort City fully operational, the Leisure and Hospitality Division is expected to see increased visitors and improved occupancy rates. The visit Malaysia Year 2014's campaign and promotional activities by the Ministry of Tourism and Culture Malaysia are expected to contribute positively as well.

Premised on the above, the Group's profitability is expected to sustain throughout the Financial Year 2014.

**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 31/12/2013 RM'000	Cumulative Year To Date 31/12/2013 RM'000
Current income tax	2,412	2,412
Deferred taxation	(3,196)	(3,196)
	(784)	(784)

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.

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**B6 Status of Corporate Proposal**

There were no corporate proposal for the current quarter except as disclosed in A6.

**B7 Group Borrowings**

The Group's borrowings, all of which are denominated in Ringgit Malaysia (RM) as at 31 December 2013 are as follows:

	Short term Secured RM'000	Long term Secured RM'000	Total RM'000
Bankers acceptances	8,554	-	8,554
Bank overdrafts	9,819	-	9,819
Hire purchase creditors	966	2,108	3,074
Term loans	36,515	54,760	91,275
	55,854	56,868	112,722

**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 31/12/2013 RM'000	As at 31/12/2012 RM'000
Total retained profits of the Group		
Realised	90,802	64,250
Unrealised	49,128	26,457
Less : Consolidation adjustments	(791)	(1,049)
Total Group's retained profits as per consolidated accounts	139,139	89,658

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.

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**B10 Dividends**

On 23 January 2014, the Directors has proposed a final single tier dividend of RM0.01 per ordinary share in respect of financial year ended 30 September 2013. The proposed dividend is subject to shareholders' approval in the forthcoming Annual General Meeting.

If approved, the Group's total dividend for financial year ended 30 September 2013 would amount to RM0.02 per ordinary share.

**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 31/12/2013	Preceding Year Corresponding Quarter 31/12/2012	Current Year To Date 31/12/2013	Preceding Year Corresponding 31/12/2012
Profit attributable to owners of the Company (RM'000)	439,999	440,000	439,999	440,000
Weighted average number of ordinary shares in issue (000)	8,254	7,866	8,254	7,866
Basic earnings per share (sen)	1.88	1.79	1.88	1.79

**(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.



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**B12** Notes to the Statement of Comprehensive Income

	Current Quarter Ended 31/12/2013 RM'000	Cumulative Year To Date 31/12/2013 RM'000
Loss on disposal of biological assets	167	167
Gain on disposal of property, plant and equipment	90	90

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 : 26 February 2014