

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014**

**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 new and revised Financial Reporting Standards ("FRSs") and amendments to FRSs that are effective for the financial periods beginning on or after 1 January 2014.

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 2014

Amendments to FRS 10,	Investment Entities
FRS 12 and FRS 127	
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

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

Amendments to FRS 119	Defined Benefit Plans: Employee Contributions
Annual Improvements to FRSs 2010-2012 Cycle issued in January 2014	
Annual Improvements to FRSs 2011-2013 Cycle issued in January 2014	

Effective for annual financial period beginning on or after 1 January 2016

FRS 14	Regulatory Deferral Accounts
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation

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 MFRS 15 Revenue from Contracts with Customers for construction of Real Estate, including its parent, significant investor and venture (herein referred to “Transitioning 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 2017.

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 2018. 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 2018.

**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 15 Revenue from Contracts with Customers.

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 30 September 2014.

**A5 Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial quarter and financial year, which have material impact in the current financial period ended 30 September 2014.

**A6 Debts and Equity Securities**

There were no cancellation, repurchase and resale in the current year under review except as follows:-

- 1) The Company has completed issuance of up to RM120.0 million in nominal value of medium term notes ("MTN") pursuant to a Medium Term Notes Programme ("MTN Programme"). The tenure of the issue is between three (3) years to seven (7) years from the issue date. The coupon payment is payable semi-annually. The proceeds raised from the MTN Programme shall be utilised by the Company to refinance existing the Company and/or its subsidiaries banking facilities, to part-finance the capital expenditure of Bukit Gambang Resort City development as well as payment of fees and expenses in relation to MTN Programme; and
- 2) The bonus issue of 88,000,000 warrant on the basis of one (1) warrant for every five (5) existing ordinary share of RM0.20 has been listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 21 April 2014.

**A7 Dividends Paid**

There was no dividend paid during the quarter under review.

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**NOTES TO THE FINANCIAL STATEMENTS**

**A8 Segment Reporting**

Segment results for the financial period ended 30 September 2014 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	160,601	57,843	-	-	218,444
Inter-segment sales	112,724	1,395	13,825	(127,944)	-
<b>Total Revenue</b>	<b>273,325</b>	<b>59,238</b>	<b>13,825</b>	<b>(127,944)</b>	<b>218,444</b>
<b>Results</b>					
Operating segment results	50,882	(5,366)	8,660	(11,786)	42,390
Finance income	128	-	103		231
Finance costs	(394)	(6,260)	(501)		(7,155)
<b>Profit/(loss) before taxation</b>	<b>50,616</b>	<b>(11,626)</b>	<b>8,262</b>		<b>35,466</b>
Taxation	(12,996)	7,053	(432)	(100)	(6,475)
<b>Profit/(loss) for the period</b>	<b>37,620</b>	<b>(4,573)</b>	<b>7,830</b>		<b>28,991</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**

The valuations of investment properties and property, plant and equipment have been revalued by an independent professional valuer who have appropriate professional qualification and recent experience in the relevant location and assets. The fair value of the properties was determined using comparison method.

The revaluation surplus of RM2.9 million for investment properties has been recognised directly to the statement of comprehensive income.

The revaluation surplus for property, plant and equipment amounting to RM77.2 million are recorded in the revaluation reserve.

**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.

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**NOTES TO THE FINANCIAL STATEMENTS**

**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 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:

	30/09/2014 RM'000
Amount authorised and contracted for	54,250
Amount authorised but not contracted for	4,616

**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 30/09/2014 RM'000
(a) Rental paid to companies in which certain directors have interests	590
(b) Rental paid to persons connected to a director	48
(c) Sales to a company in which certain directors have interests	413
(d) Staff development and training paid to a company in which certain directors have interests	1
(e) Tax consulting fee paid to a company in which connected to a director	61

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014**

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**B1 Review of Performance**

The Group's revenue for the current quarter increased by 8.2% to RM64.5 million from that of RM59.6 million in preceding year corresponding quarter. This was mainly due to higher billings from property development division. Despite this increase in revenue, the Group's profit before taxation decreased by 34.7% year-on-year ("YoY") to RM13.3 million. This decline in profitability was mainly caused by the leisure and hospitality division which has to incur much higher costs consequent to the opening of the Bukit Gambang Safari Park ("BGSP") at the end of the previous financial year.

The Group's revenue for the current financial year increased by 5.3% YoY to RM218.4 million from RM207.5 million in the previous financial year. This was mainly due to higher billings from property projects. The Group's profit before taxation for current financial year however decreased to RM35.5 million as compared to RM43.8 million in the previous financial year. This drop in profit was mainly due to lower contribution from the leisure and hospitality division resulting from the prolonged wet weather in East Coast region of Peninsular Malaysia in November/December 2013. Higher overheads of BGSP which was in its first year of full-fledged operation and higher finance cost group-wise were also contributory factors.

It must be noted that the Group's profit before tax for previous financial year included a gain of RM4.2 million from land disposal. If this credit effect is disregarded, the YoY decline for the current financial year was only 10.4%.

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

The Group's revenue for the current quarter increased by 14.4% to RM64.5 million as compared to RM56.4 million in the preceding quarter ended 30 June 2014. This was mainly contributed by higher billings from the property development division.

This increased revenue caused the Group's profit before taxation to increase 20.9% quarter-on-quarter to RM13.3 million. This sharp increase in profits was attributed to higher and improved margins achieved by the property development division.

**B3 Prospects**

It is widely anticipated that the Malaysian property sector will face challenging times in the coming financial year. Soft market conditions as well as Bank Negara Malaysia's curbs on speculative lending to the property sector will continue to be dampeners.

The Group will continue to emphasise on its core strength in building affordable homes. The Group's new affordable housing project in Taman Bukit Gambang, which was launched in 3rd quarter of the current financial year to cater for the growing demand near Bukit Gambang Resort City had received good sales response to-date and will be a major contributor in the coming financial year. The on-going construction of the Pembangunan Perumahan Rakyat 1 Malaysia (PRIMA) project, in Pahang is also expected contribute significantly.

These projects together with the anticipated launches of the initial phases of the Group's properties outside its traditional stronghold in the Greater Kuantan area will ensure that the Group sustains its profitability in the coming year.

As for the leisure and hospitality division, management will continue its efforts to enhance its operational efficiencies and cost control measures. These together with increased marketing and advertising activities should enable it to see increased visitors and improved occupancy rates.

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**NOTES TO THE FINANCIAL STATEMENTS**

**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 30/09/2014 RM'000	Cumulative Year To Date 30/09/2014 RM'000
Current income tax	4,213	13,438
Deferred taxation	(950)	(6,963)
	3,263	6,475

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**

There was 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 30 September 2014 are as follows:

	Short term Secured RM'000	Long term Secured RM'000	Total RM'000
Bankers acceptances	9,493	-	9,493
Bank overdrafts	5,499	-	5,499
Hire purchase creditors	1,005	1,420	2,425
Term loans	2,566	13,147	15,713
Medium term notes	-	120,000	120,000
	18,563	134,567	153,130

**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.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014**

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**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 30/09/2014 RM'000	As at 30/09/2013 RM'000
Total retained profits of the Group		
Realised	121,948	88,493
Unrealised	41,014	45,932
Less : Consolidation adjustments	(20,663)	(3,540)
Total Group's retained profits as per consolidated accounts	142,299	130,885

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**

The Board of Directors has proposed an interim single tier dividend of 1 sen per ordinary share of RM0.20 in respect of financial year ending 30 September 2014.

The entitlement to the interim dividend will be determined based on the shareholders registered in the record of depositors as at 29 December 2014 and the date of payment will be on 16 January 2015.



**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014**

**NOTES TO THE FINANCIAL STATEMENTS**

**B11 Earnings per share**

**(i) Basic Earnings per share**

The calculation of basic earnings per share for the financial period 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 30/09/2014	Preceding Year Corresponding Quarter 30/09/2013	Current Year To Date 30/09/2014	Preceding Year Corresponding 30/09/2013
Profit attributable to owners of the Company (RM'000)	10,058	35,012	29,139	53,093
Weighted average number of ordinary shares in issue (000)	440,000	440,000	440,000	440,000
Basic earnings per share (sen)	2.28	7.96	6.62	12.07

**(ii) Diluted Earnings per share**

The calculation of diluted earnings per share for the financial period is based on the net profit attributable to owners of the company divided by the weighted average number of ordinary shares outstanding and assuming exercise of 88,000,000 warrants during the financial period.

	Individual Period		Cumulative Period	
	Current Year Quarter 30/09/2014	Preceding Year Corresponding Quarter 30/09/2013	Current Year To Date 30/09/2014	Preceding Year Corresponding 30/09/2013
Profit attributable to owners of the Company (RM'000)	10,058	35,012	29,139	53,093
Weighted average number of ordinary shares in issue (000)	528,000	440,000	528,000	440,000
Basic earnings per share (sen)	1.90	7.96	5.52	12.07

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS

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

	Current Quarter Ended 30/09/2014 RM'000	Cumulative Year To Date 30/09/2014 RM'000
Equipment written off	2	2
Impairment loss on property	305	305
Loss on disposal of biological assets	866	1,445
Fair value gain on revaluation	(2,857)	(2,857)
Gain on disposal of property, plant and equipment	(10)	(274)

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 following 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) Gain or loss on derivatives; and
- e) Exceptional items (with details)

By order of the Board

Dated : 28 November 2014