Company No: 463344 - K

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

REPORTS AND FINANCIAL STATEMENTS

30 SEPTEMBER 2012

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SENTORIA GROUP BERHAD
(Incorporated in Malaysia)

CORPORATE INFORMATION

DIRECTORS	Dato' Chan Kong San Dato' Gan Kim Leong Aznam Bin Mansor Lee Chaing Huat Chung Wai Choong Wong Yoke Nyen (appointed on 8.10.2012) Thean Yain Peng (resigned on 8.10.2012)
SECRETARIES	Datuk Tan Leh Kiah (appointed on 1.8.2012) Chan Yoke Peng (appointed on 1.8.2012) Chin Lee Chyen (appointed on 1.8.2012) Ng Yen Hoong (resigned on 1.8.2012) Wong Peir Chyun (resigned on 1.8.2012)
AUDITORS	SJ Grant Thornton (Member of Grant Thornton International) Chartered Accountants Level 11, Bangunan Faber Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur
BANKERS	Malayan Banking Berhad RHB Bank Berhad CIMB Bank Berhad Hong Leong Bank Berhad Public Bank Berhad
SOLICITOR	Yong & Co. No. 131-B, Main Street Salak South 57100 Kuala Lumpur
REGISTERED OFFICE	No. 56 & 58 (2nd floor), Jalan Dagang SB 4/2 Taman Sungai Besi Indah 43300 Seri Kembangan Selangor Darul Ehsan

SENTORIA GROUP BERHAD
(Incorporated in Malaysia)

CORPORATE INFORMATION (CONT'D)

PRINCIPAL PLACE OF BUSINESS	No. 56 & 58, Jalan Dagang SB 4/2 Taman Sungai Besi Indah 43300 Seri Kembangan Selangor Darul Ehsan
STOCK EXCHANGE LISTING	Main Market of Bursa Malaysia Securities Berhad

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

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 2012.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holdings. The principal activities of the subsidiary companies are disclosed in Note 7 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/(loss) for the financial year	47,842	(399)
Attributable to:		
Owner of the parent	47,834	(399)
Non-controlling interest	8	-
	47,842	(399)

DIVIDENDS

The amount of dividends paid and declared since the end of financial year were as follows:-

	RM'000
Interim single tier dividend of RM0.01 per ordinary share in respect of the financial year ended 30 September 2012 paid on 28 June 2012	4,000

The Directors had proposed a final single tier dividend of RM0.01 per ordinary share in respect of the financial year ended 30 September 2012. The proposed dividends are subject to shareholders' approval at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the Financial Statements.

DIRECTORS

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

Dato' Chan Kong San
Dato' Gan Kim Leong
Aznam Bin Mansor
Lee Chaing Huat
Chung Wai Choong
Wong Yoke Nyen (appointed on 8.10.2012)
Thean Yain Peng (resigned on 8.10.2012)

According to the Register of Directors' Shareholdings, the beneficial interests of those who were Directors at the end of the financial year in the shares of the Company and its related corporations were as follows:-

	Ordinary shares of RM0.20 each					
	At 01.10.2011	Sub-divide	Bonus Issue	Bought	Sold	At 30.9.2012
Indirect Interest						
Dato' Chan Kong San*	862,000	3,448,000	142,230,000	-	(22,550,000)	123,990,000
Dato' Gan Kim Leong*	832,000	3,328,000	137,280,000	-	(17,450,000)	123,990,000

*Deemed interest by virtue of their shareholdings in Sentoria Capital Sdn. Bhd.

By virtue of Dato' Chan Kong San's and Dato' Gan Kim Leong's indirect interest in the shares of the Company, they are also deemed to have interest in the shares of all subsidiary companies under Section 6A of the Companies Act, 1965 to the extent that the Company has an interest.

Other than as disclosed above, none of the other Directors in office at the end of the financial year held any shares or had any direct interest in the 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 Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in 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 benefit (other than as disclosed in Notes 25 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 he is a member, or with a company in which he has a substantial financial interest except for those benefits which may be deemed to have arisen by virtue of those transactions entered into in the ordinary course of business by the Company and its subsidiary companies with the Directors or the companies in which the Directors are deemed to have substantial financial interests as disclosed in Note 31 to the Financial Statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its authorised ordinary share capital from RM5,000,000 to RM100,000,000 through the creation of 475,000,000 ordinary shares of RM0.20 each.

During the financial year, the Company issued:

(a) 330,000,000 new ordinary shares at RM0.20 each by way of a bonus issue on the basis of 33 new shares for every existing share by capitalisation from its retained earnings; and

(b) 60,000,000 new ordinary shares of RM0.20 each as follows:

(i) 30,000,000 new ordinary shares at an issue price of RM0.85 per ordinary share to the Malaysian public; and

(ii) 30,000,000 new ordinary shares at an issue price of RM0.87 per ordinary shares by private placement to selected investors.

The above new ordinary share issues were in conjunction with the listing of the Company's on the Main Market of Bursa Malaysia Securities Berhad.

All new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There were no debentures issued during the financial year.

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 allowance for doubtful debts and satisfied themselves that there were no bad debts to be written off and no allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company 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 any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION (CONT'D)

No contingent 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, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

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) 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

(b) 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 which is likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 35 to the Financial Statements.

EVENTS AFTER THE REPORTING YEAR

Events after the reporting year are disclosed in Note 36 to the Financial Statements.

HOLDING COMPANY

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

Company No: 463344 - K

AUDITORS

The Auditors, Messrs SJ Grant Thornton have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

.... DATO' GAN KIM LEONG	)	
	)	DIRECTORS
.... DATO' CHAN KONG SAN	)	

Kuala Lumpur
25 January 2013

Company No: 463344 - K

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

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 12 to 73 are drawn up in accordance with the Companies Act, 1965 in Malaysia and Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2012 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

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

DATO' GAN KIM LEONG

DATO' CHAN KONG SAN

Kuala Lumpur
25 January 2013

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 12 to 73 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
25 January 2013)

DATO' GAN KIM LEONG

Before me:

PESURUHJAYA SUMPAH
No W533
Nama TENGKU FARIDDUDIN
BIN TENGKU SULAIMAN
MALAYSIA

Commissioner for Oaths

205, Bangunan Loke Yew
4, Jln Mahkamah Persekutuan
50050 Kuala Lumpur

GrantThornton

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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.gt.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 2012, and the statements of 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 notes, as set out on pages 12 to 73.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia, and 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 the 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.

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Company No: 463344 - K

Report on the Financial Statements (cont'd)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and 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 2012 and of their financial performance and cash flows for the financial year then ended.

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 of which we have acted as auditors 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) The audit 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 38 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 Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA 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 MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

DATO' N. K. JASANI
(NO: 708/03/14(J/PH))
CHARTERED ACCOUNTANT

Kuala Lumpur
25 January 2013

Company No : 463344 - K

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

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	151,021	90,509	6,578	6,742
Land held for development	5	10,894	10,067	-	-
Investment properties	6	3,283	3,336	-	-
Investment in subsidiary companies	7	-	-	10,875	4,975
Deferred tax assets	8	27,026	15,144	-	-
Goodwill on consolidation	9	3	3	-	-
Total non-current assets		192,227	119,059	17,453	11,717
Current assets					
Property development costs	10	23,355	46,419	-	-
Amount due from customers	11	4,325	2,908	-	-
Inventories	12	5,463	3,808	-	-
Trade receivables	13	64,847	36,134	4	4
Other receivables	14	10,040	6,581	4,461	3,220
Amount due from subsidiary companies	7	-	-	121,345	73,779
Tax recoverable		-	-	84	201
Fixed deposits with licensed banks	15	9,030	2,835	1,308	1,271
Cash and bank balances	16	12,927	10,948	90	74
Total current assets		129,987	109,633	127,292	78,549
Total assets		322,214	228,692	144,745	90,266
EQUITY AND LIABILITIES					
Equity attributable to owners of the company					
Share capital	17	80,000	2,000	80,000	2,000
Share premium	18	37,582	-	37,582	-
Revaluation reserve	19	2,271	2,271	2,271	2,271
Retained earnings		79,521	103,922	6,845	79,479
		199,374	108,193	126,698	83,750
Non-controlling interests		199	191	-	-
Total equity		199,573	108,384	126,698	83,750
Non-current liabilities					
Borrowings	20	29,836	38,871	113	1,231
Deferred tax liabilities	8	-	-	-	-
Total non-current liabilities		29,836	38,871	113	1,231

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

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012 (CONT'D)

		Group		Company	
	Note	2012	2011	2012	2011
		RM'000	RM'000	RM'000	RM'000
Current liabilities					
Amount due to customers	11	3,271	2,825	-	-
Trade payables	21	39,465	28,805	934	1,288
Other payables	22	25,174	30,758	1,720	681
Amount due to ultimate holding company	7	115	-	103	-
Amount due to subsidiary companies	7	-	-	13,129	106
Tax payable		9,720	4,774	-	-
Borrowings	20	15,060	14,275	2,048	3,210
Total current liabilities		92,805	81,437	17,934	5,285
Total liabilities		122,641	120,308	18,047	6,516
Total equity and liabilities		322,214	228,692	144,745	90,266

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

Company No : 463344 - K

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Revenue	23	179,295	162,380	5,562	75,600
Cost of sales	24	(100,554)	(106,012)	-	-
Gross profit		78,741	56,368	5,562	75,600
Other income		1,167	2,436	265	1,495
Administration expenses		(28,126)	(21,577)	(5,760)	(4,249)
Other expenses		-	(350)	-	(84)
Finance costs		(2,334)	(2,440)	(192)	(175)
Profit/(loss) before taxation	25	49,448	34,437	(125)	72,587
Taxation	26	(1,606)	4,142	(274)	13
Net profit/(loss) for the financial year		47,842	38,579	(399)	72,600
Other comprehensive income		-	-	-	-
Total comprehensive income /(loss)		47,842	38,579	(399)	72,600
Attributable to:-					
Owners of the parent		47,834	38,510		
Non-controlling interests		8	69		
		47,842	38,579		
Earnings per share attributable to equity holders of the Company (Sen)					
- Basic	27	12.67	11.33		

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

Company No : 463344 - K

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012

	Note	←Attributable to the owners of the Company→						
		Share capital RM'000	Share Premium RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Grand total RM'000
Group								
Balance at 1 October 2010		2,000	-	2,271	65,412	69,683	272	69,955
Reversal of non-controlling interests		-	-	-	-	-	(150)	(150)
Total comprehensive income for the financial year		-	-	-	38,510	38,510	69	38,579
Balance at 30 September 2011		2,000	-	2,271	103,922	108,193	191	108,384
Transaction with owners :								
Bonus issue		66,000	-	-	(66,000)	-	-	-
Issuance of shares		12,000	39,600	-	-	51,600	-	51,600
Share issuance expenses		-	(2,018)	-	(2,235)	(4,253)	-	(4,253)
Dividend	28	-	-	-	(4,000)	(4,000)	-	(4,000)
Total comprehensive income for the financial year		-	-	-	47,834	47,834	8	47,842
Balance at 30 September 2012		80,000	37,582	2,271	79,521	199,374	199	199,573
Company								
Balance at 1 October 2010		2,000	-	2,271	6,879	11,150	-	11,150
Total comprehensive income for the financial year		-	-	-	72,600	72,600	-	72,600
Balance at 30 September 2011		2,000	-	2,271	79,479	83,750	-	83,750
Transaction with owners :								
Bonus issue		66,000	-	-	(66,000)	-	-	-
Issuance of shares		12,000	39,600	-	-	51,600	-	51,600
Share issuance expenses		-	(2,018)	-	(2,235)	(4,253)	-	(4,253)
Dividend	28	-	-	-	(4,000)	(4,000)	-	(4,000)
Total comprehensive loss for the financial year		-	-	-	(399)	(399)	-	(399)
Balance at 30 September 2012		80,000	37,582	2,271	6,845	126,698	-	126,698

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

Company No : 463344 - K

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before taxation		49,448	34,437	(125)	72,587
Adjustments for:-					
Allowance for impairment loss on trade receivables		-	167	-	84
Amortisation of investment properties		53	53	-	-
Bad debt written off		-	183	-	-
Depreciation		5,310	3,967	246	240
Interest expenses		2,375	2,428	181	156
Allowance for impairment loss on other receivables no longer required		-	(18)	-	-
Dividend income		-	-	-	(73,000)
Gain on disposal of property, plant and equipment		-	(1,340)	-	(1,267)
Interest income		(550)	(217)	(213)	(33)
Operating profit/(loss) before working capital changes		56,636	39,660	89	(1,233)
Changes in working capital:-					
Property development cost		23,064	(15,823)	-	-
Land held for development		(827)	(8,863)	-	-
Inventories		(1,655)	(501)	-	-
Amounts due from/(to) customers		(971)	(15)	-	-
Receivables		(32,172)	17,579	(1,241)	16,361
Payables		5,076	2,736	685	(5,514)
Directors		-	(1,027)	-	(1,027)
Cash generated/(used in) from operations		49,151	33,746	(467)	8,587
Interest received		550	217	213	33
Interest paid		(2,375)	(2,428)	(181)	(156)
Tax paid		(8,542)	(9,209)	(157)	(660)
Net cash from/(used in) operating activities		38,784	22,326	(592)	7,804

Company No : 463344 - K

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012 (CONT'D)

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	A	(64,833)	(35,384)	(82)	(269)
Purchase of investment properties		-	(3,389)	-	-
Additional investment in subsidiary companies		-	-	(5,900)	(150)
(Placement)/uplift of fixed deposits		(6,195)	(156)	(37)	23
Proceeds from disposal of property, plant and equipment		-	2,261	-	2,173
Acquisition of non-controlling interests		-	(150)	-	-
Net cash (used in)/from investing activities		(71,028)	(36,818)	(6,019)	1,777
CASH FLOWS FROM FINANCING ACTIVITIES					
Net proceed from issuance of shares		47,347	-	47,347	-
Dividend paid		(4,000)	-	(4,000)	-
Advances from ultimate holding company		115	-	103	-
Net repayment form subsidiary companies		-	-	(34,543)	(10,061)
Net drawndown/(repayment) of borrowings		867	(311)	(540)	(310)
Repayment of finance lease liabilities		(518)	(359)	(14)	(20)
Net (repayment)/drawdown of term loans		(8,726)	18,734	(1,166)	(145)
Net cash from/(used in) financing activities		35,085	18,064	7,187	(10,536)
Net increase/(decrease) in cash and cash equivalents		2,841	3,572	576	(955)
At beginning of financial year		5,342	1,770	(1,477)	(522)
At end of financial year	B	8,183	5,342	(901)	(1,477)

NOTES TO THE STATEMENTS CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

The Group and the Company acquired property, plant and equipment with an aggregate cost of RM65,822,007 (2011: RM36,930,121) and RM81,584 (2011: RM347,362) of which RM989,000 (2011: RM1,546,000) and RMNil (2011 RM78,000) was acquired by means of finance lease arrangements. Cash payments of RM64,833,007 (2011: RM35,384,121) and RM81,584 (2011: RM269,362) for the Group and the Company was made to purchase the property, plant and equipment.

SENTORIA GROUP BERHAD
(Incorporated in Malaysia)
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012 (CONT'D)

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:-

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash and bank balances	12,927	10,948	90	74
Bank overdrafts	(4,744)	(5,606)	(991)	(1,551)
	8,183	5,342	(901)	(1,477)

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

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

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2012

1. GENERAL INFORMATION

The Company is principally engaged in investment holdings. The principal activities of the subsidiary companies are disclosed in Note 7 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 Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The 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 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 25 January 2013.

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 the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards issued by Malaysian Accounting Standards Board (MASB).

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

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 except when otherwise stated.

2. BASIS OF PREPARATION (CONT'D)

2.4 Adoption of Revised Financial Reporting Standards ("FRSs")

On 1 October 2011, the Company have adopted the following new and revised FRSs mandatory for annual financial periods beginning on or after 1 October 2011:-

(a)	Amendments to FRS 7	- Improving Disclosures about Financial Instruments. Amendments relating to the fair value measurement using fair value hierarchy and disclosure of liquidity risk
(b)	Amendments to FRS 101	- Presentation of Financial Statements. Amendment relating to clarification of statement of changes in equity
(c)	Amendment to FRS 134	- Interim Financial Reporting. Amendment relating to significant events and transactions

Initial application of the above amendments did not have any material impact on the financial statements of the Company.

2.5 Standards issued but not yet effective

New MASB Approved Accounting Standards

To converge with International Financial Reporting Standards ("IFRSs") in 2012, the MASB had on 19 November 2011, issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), 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 IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venture ("Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRSs for an additional two years. Consequently, adoption of the MFRSs by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope of Transitioning Entities and has opted to defer 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 year ending 30 September 2015.

In presenting its first MFRS financial statements, the Group and the Company will be required to restate the 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 profits.

The Group and the Company have not completed their quantification of the financial effects of the differences between FRS and accounting standards under the MFRS Framework and are in the process of assessing the financial effects of the differences. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the financial year ended 30 September 2012 could be different if prepared under the MFRS Framework.

The Group and the Company expect to be in a position to fully comply with the requirements of the MFRS Framework not later than 30 September 2015.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements

2.6.1 Estimation uncertainty

Useful lives of depreciable assets and investment properties

Management estimates the useful lives of the property, plant and equipment to be within 2 to 96 years and reviews the useful lives of depreciable assets at each end of the reporting date. At 30 September 2012 management assesses that the useful lives represent the expected utility of the assets to the Group. The carrying amount of the Group's property, plant and equipment at the end of the reporting date is disclosed in Note 4 to the financial statements. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's assets.

Impairment of goodwill

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances.

The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

Property development

The Group recognises property development revenue and expenses in the statements of comprehensive income 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 amounts of assets and liabilities of the Group arising from property development activities are disclosed in Note 10 to the financial statements.

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

The Group assesses at each end of the 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 and Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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 amount of the Group's and Company's loans and receivables at the end of the reporting date is summarised in Notes 7, 13 and 14 to the financial statements.

Construction contract

The net carrying amount of construction contracts of RM1,053,929 (30.9.2011: RM82,928) and revenue recognised from construction contracts reflects management's best estimate about each contract's outcome and stage of completion. The Group's management assesses the profitability of ongoing construction contracts and the order backlog at least monthly, using extensive project management procedures. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation

The carrying amount of the Group's construction contract at the end of the reporting date is disclosed in Note 11 to the financial statements.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses, unabsorbed capital allowances and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unabsorbed capital allowances 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 tax

The Group is exposed to income taxes in numerous jurisdictions. Significant judgement is involved in determining the Group-wide 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 difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts, internal and external to the Group and to the Company, for matters in the ordinary course of business.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

2.6.2 Significant management judgements

Classification between investment properties and owner-occupied properties

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

Some 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.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.2 Significant management judgements (cont'd)

Construction contract

The stage of completion of any construction contract is assessed by management by taking into consideration all information available at the end of the reporting period. In this process management carries out significant judgements about milestones, actual work performed and the estimated costs to complete the work. Further information on the Group's accounting policy for construction contracts is provided in Note 3.11 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

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

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 interest 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 net identifiable assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of the non-controlling interest 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 statement of financial position. The accounting policy for goodwill is set out in Note 3.6. 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.

Subsidiaries 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 interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company ownership interest in a subsidiary 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. 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 owners of the parent.

3.2 Subsidiaries

A subsidiary is a company in which the Group or the Company has the power to exercise control over the financial and operating policies so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investment in subsidiaries is stated at cost less any impairment losses in the Company's financial position.

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

3.3 Property, plant and equipment and depreciation

Property, plant and equipment are initially stated at cost. 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.

All property, plant and equipment are subsequently stated at cost less accumulated depreciation and less impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such costs as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment and depreciation (cont'd)

Depreciation is recognised on the straight line basis in order to write off the cost of each asset to its residual value over the 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 life of the assets.

The principal annual depreciation rates used are as follows:-

Long term leasehold land	94 – 96 years
Long term leasehold land and buildings	89 – 95 years
Buildings	2%
Cabins	10% – 50%
Furniture, fittings, and office equipment	8% – 50%
Motor vehicles	20%
Plant and machinery	10% – 50%
Renovation	10%

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference 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 treated as long-term investment and are measured at cost, including transaction costs less any accumulated depreciation and impairment losses. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Amortisation on investment properties is computed on the straight line method so as to write off the cost of the assets over the estimated useful life of the properties.

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

3.4 **Investment properties (cont'd)**

The principal annual amortisation rates used are as follows:-

Buildings	2%
Land	Over 96 years

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 an investment property is recognised in the profit or loss in the financial year of retirement or disposal.

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

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 net selling price of the property i.e. the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

3.5 **Land held for development and property development costs**

3.5.1 **Land held for development**

Land held for development consists of the cost of land held for development and other related development costs common to the whole project.

Land held for development is classified as non-current asset in the statements of financial position when the development is not expected to be completed within the normal operating cycle. Such land held for development is stated at cost less any accumulated impairment losses.

Land held for development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

3.5.2 **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 the statements of comprehensive income 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Land held for development and property development costs (cont'd)

Property development costs (cont'd)

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 will be recoverable, and property development costs on properties sold are recognised as expenses in the year in which they 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, which are measured at the lower of cost and net realisable value.

The excess of revenue recognised in the statements of comprehensive income over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the statements of comprehensive income is classified as progress billings within other payables.

3.6 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 interest 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 of a subsidiary, associate and jointly-controlled entity at the date of acquisition.

Goodwill arising on the acquisition of subsidiaries 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 groups 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 the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent period.

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

3.6 **Goodwill (cont'd)**

An impairment loss recognised for goodwill should not be reversed in 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 off, the goodwill associated with the operations disposed off is included in the carrying amount of the operations when determining the gain or loss on disposal of the operations. Goodwill disposed off in these circumstances is measured based on the relative fair values of the operations disposed off and portion of the cash-generating unit retained.

3.7 **Impairment of non-financial assets**

At each end of the reporting period, 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).

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 groups 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-rate basis.

An impairment loss is recognised as an expense in the profit or loss immediately, except for the assets that are 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 end of the reporting period 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 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 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 a revaluation increase.

An impairment loss recognised for goodwill shall not be reversed in a subsequent period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial assets

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) Loans and receivables;
b) Financial assets at fair value through profit or loss;
c) Held to maturity investments; and
d) Available-for-sale financial assets

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each end of the reporting period. Financial assets are impaired when there is any objective evidence that a financial asset or a company of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or when the financial assets and all substantial risks and rewards are transferred.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group and the Company commits to purchase or sell the asset.

At the reporting date, the Company carries only loans and receivables on their 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, trade and most 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 period which are classified as non- current.

The Group and the Company assessed at each reporting date whether there is any objective evidence that a financial asset is impaired.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment of financial assets

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 and the Company considered 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 and the Company'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.

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 trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, 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.

3.10 Inventories

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 first in first out method. The cost of unsold properties consists of direct costs of construction and proportional land and development costs.

Net realisable value is estimated selling price in the ordinary course of business less the estimated cost is necessary to make the sale.

Leisure and hospitality

Inventories are stated as the lower of cost and net realisable value. Cost is determined on a 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.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 **Construction contracts**

Construction contracts are contract 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 reportimg period. 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 cost.

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 period 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 probably that they will result in revenue and they are capable of being reliably measured.

The aggregate of the costs incurred and the profit/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 amounts 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 amounts 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 overdraft 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 financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the statements of financial position date are classified as non-current asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Financial liabilities

After the initial recognition, financial liability is classified as financial liability at fair value through profit or loss or other financial liabilities measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished, discharged, cancelled or expired, or through amortisation process. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

At the reporting date, the Group and the Company have not designated any financial liabilities at fair value through profit or loss. The Group and the Company carries only other financial liabilities on their statements of financial position.

Other financial liabilities

The Group's and the Company's financial liabilities include trade and other payables and borrowings.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

3.14 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 end of each reporting period 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, provision 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Lease

Finance Lease

The cost of property, plant and equipment acquired under hire purchase 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 hire purchase arrangements after deducting finance expenses are included as liabilities in the financial statements. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as expenses in the statements of comprehensive income 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.

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 the statements of comprehensive income 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.

3.16 Equity, reserve and dividend payments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related come for benefits.

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 period retained profits.

All transactions with owners of the Company are recorded separately within equity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Government grant

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached and the grants will be received.

Government grants relating to expenditure on assets are amortised to the profit or loss on the straight line basis over the expected lives of the related assets.

3.18 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 period 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.

Other borrowing costs are expensed in the period in which they incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

3.19 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured.

Development properties

Revenue from development projects are recognised at the point of signing of sale and purchase agreement in respect of units sold and is based on the 'percentage of completion' method by reference to the proportion of total cost incurred at the reporting date to the total estimated cost of development where the outcome of the projects can be reliably estimated. Where foreseeable losses on development projects are anticipated, full provision for losses is made in the statements of comprehensive income.

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 cost incurred to date over the estimated total contract costs of a project. Any anticipated loss is recognised in full.

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.

Leisure and hospitality

Revenue is recognised upon delivery of products and/or performance of services.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Revenue recognition (cont'd)

Management fee

Management fees are recognised when services are rendered.

Dividend income

Dividend income is recognised when the right to received payment is established.

Other revenue

Interest income is recognised on receipt basis.

Rental income is recognised when the rent is due.

The revenue of the Group is stated after eliminating sales within the Group.

3.20 Income Tax

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 by the reporting date.

Deferred tax

Deferred tax liabilities and assets are provided for under the liability method in respect of all temporary differences at the statements of financial position date between the carrying amount of an asset or liability in the statement of financial position and its tax base including unabsorbed tax losses and unutilised capital allowances.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each statements of financial position date. If it is no longer probable that sufficient taxable profit 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 taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

Deferred tax is recognised in the statements of comprehensive income, 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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.21 Employee benefits

Short-term employee 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.

Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate 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 the statements of comprehensive income as incurred. As required by law, companies in Malaysia make such contributions to the Employee Provident Fund ("EPF").

3.22 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs such that outflow is probable and can be measured reliably, they will then be recognised as a provision.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.23 Related parties

A party is related to an entity if:-

(i) directly or indirectly through one or more intermediaries, the party:-
  (1) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
  (2) has an interest in the entity that gives it significant influence over the entity; or
  (3) has joint control over the entity;

(ii) the party is an associate of the entity;

(iii) the party is a joint venture in which the entity is a venturer;

(iv) the party is a member of the key management personnel of the entity or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fitting and other equipment RM'000	Renovation RM'000	Infrastructure in progress RM'000	Total RM'000
Cost							
At 1 October 2010	51,362	3,107	2,732	11,017	653	-	68,871
Additions	21,863	387	2,134	2,251	65	10,230	36,930
Transfer (Note 5)	(1,204)	-	-	-	-	-	(1,204)
Disposal	(2,243)	-	(688)	(3)	-	-	(2,934)
At 30 September 2011	69,778	3,494	4,178	13,265	718	10,230	101,663
Additions	1,049	1,300	1,461	10,279	9	51,724	65,822
Transfer	43,205	-	-	-	-	(43,205)	-
At 30 September 2012	114,032	4,794	5,639	23,544	727	18,749	167,485
Accumulated depreciation							
At 1 October 2010	1,334	1,614	2,009	2,731	305	-	7,993
Charge for the financial year	1,308	363	592	1,641	63	-	3,967
Disposal	(150)	-	(654)	(2)	-	-	(806)
At 30 September 2011	2,492	1,977	1,947	4,370	368	-	11,154
Charge for the financial year	1,453	652	727	2,412	66	-	5,310
At 30 September 2012	3,945	2,629	2,674	6,782	434	-	16,464
Net carrying amount							
At 30 September 2012	110,087	2,165	2,965	16,762	293	18,749	151,021
At 30 September 2011	67,286	1,517	2,231	8,895	350	10,230	90,509

The Group and the Company has elected to measure, in accordance with FRS 1, para 17, its revalued land and buildings at the date of transition to FRS, as deemed cost.

Company No : 463344 - K

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Analysis of land and buildings:-

Group (cont'd)	Land and buildings RM'000	Long term leasehold land RM'000	Long term leasehold buildings RM'000	Cabin RM'000	Total RM'000
Cost					
At 1 October 2010	5,867	427	44,725	343	51,362
Additions	-	815	21,048	-	21,863
Transfer	-	-	(1,204)	-	(1,204)
Disposals	-	(381)	(1,862)	-	(2,243)
At 30 September 2011	5,867	861	62,707	343	69,778
Additions	-	-	1,042	7	1,049
Transfer	-	-	43,205	-	43,205
At 30 September 2012	5,867	861	106,954	350	114,032
Accumulated depreciation					
At 1 October 2010	-	39	981	314	1,334
Charge for the financial year	-	6	1,288	14	1,308
Disposals	-	(34)	(116)	-	(150)
Transfer	-	(8)	8	-	-
At 30 September 2011	-	3	2,161	328	2,492
Charge for the financial year	-	9	1,443	1	1,453
At 30 September 2012	-	12	3,604	329	3,945
Net carrying amount					
At 30 September 2012	5,867	849	103,350	21	110,087
At 30 September 2011	5,867	858	60,546	15	67,286

Company No : 463344 - K

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Land and buildings RM'000	furniture, fittings and other equipment RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Cost						
At 1 October 2010	8,149	745	497	850	580	10,821
Additions	-	193	-	107	47	347
Disposals	(2,243)	-	-	(398)	-	(2,641)
At 30 September 2011	5,906	938	497	559	627	8,527
Additions	-	73	-	-	9	82
At 30 September 2012	5,906	1,011	497	559	636	8,609
Accumulated depreciation						
At 1 October 2010	254	403	328	816	272	2,073
Charge for the financial year	22	73	63	27	55	240
Disposals	(150)	-	-	(378)	-	(528)
At 30 September 2011	126	476	391	465	327	1,785
Charge for the financial year	10	107	51	21	57	246
At 30 September 2012	136	583	442	486	384	2,031
Net carrying amount						
At 30 September 2012	5,770	428	55	73	252	6,578
At 30 September 2011	5,780	462	106	94	300	6,742

Company No : 463344 - K

4. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Analysis of land and buildings:-

Company (cont'd)	Freehold land RM'000	Long term leasehold land RM'000	Long term leasehold buildings RM'000	Total RM'000
Cost				
At 1 October 2010	4,975	381	2,793	8,149
Disposals	-	(381)	(1,862)	(2,243)
At 30 September 2011/At 30 September 2012	4,975	-	931	5,906
Accumulated depreciation				
At 1 October 2010	-	32	222	254
Charge for the financial year	-	2	20	22
Disposals	-	(34)	(116)	(150)
At 30 September 2011	-	-	126	126
Charge for the financial year	-	-	10	10
At 30 September 2012	-	-	136	136
Net carrying amount				
At 30 September 2012	4,975	-	795	5,770
At 30 September 2011	4,975	-	805	5,780

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Leasehold land and building including infrastructure in progress of the Group and of the Company with net carrying amount of RM123,509,549 (2011: RM71,633,326) and RM795,285 (2011: RM805,749) respectively have been charged to local bank to secure banking facilities amounting to RM74,103,000 (2011: RM69,478,000) and RM675,000 (2011: RM675,000) respectively granted to the Group and the Company. The details of bank borrowings are disclosed in Note 20 to the financial statements.

Freehold land of the Group and of the Company with net carrying amount of RM892,576 (2011: 5,867,156) and Nil (2011: RM4,974,580) has been charged to local bank to secure banking facilities amounting to RM892,000 (2011: RM5,867,000) and Nil (2011: RM4,950,000) granted to the Group and the Company. The details of bank borrowings are disclosed in Note 20 to the financial statements.

Net carrying amount of assets held under finance lease arrangements

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Motor vehicles	2,433	2,041	73	95
Plant and machinery	220	51	-	-
	2,653	2,092	73	95

5. LAND HELD FOR DEVELOPMENT

	Group	
	2012	2011
	RM'000	RM'000
At beginning of financial year	10,067	-
Addition during the financial year	827	8,863
Transfer from property, plant and equipment (Note 4)	-	1,204
At end of financial year	10,894	10,067

6. INVESTMENT PROPERTIES

	Group
	RM'000
Cost	
At 30 September 2011/At 30 September 2012	3,389
Accumulated amortisation	
Charge for the financial year/At 30 September 2011	53
Charge for the financial year	53
At 30 September 2012	106

6. INVESTMENT PROPERTIES (CONT'D)

	Group RM'000
Net carrying amount	
At 30 September 2012	3,283
At 30 September 2011	3,336
Fair Value	
At 30 September 2012	3,283
At 30 September 2011	3,336

7. SUBSIDIARY COMPANIES

(a) Investment in subsidiary companies

	Company 2012 RM'000	Company 2011 RM'000
Unquoted shares - at cost		
At beginning of financial year	4,975	4,825
Additions during the financial year	5,900	150
At end of financial year	10,875	4,975

Details of the subsidiary companies, all of which are incorporated in Malaysia, are as follows:-

Name of company	Effective equity interest 2012 %	Effective equity interest 2011 %	Principal activities
1. Sentoria Properties Sdn. Bhd.	100	100	Property development
2. Sentoria Bina Sdn. Bhd.	100	100	General contractor
3. Sentoria Harta Sdn. Bhd.	100	100	Property development
4. Sentoria Alam Sdn. Bhd.	100	100	Property development
5. Sentoria Resorts Sdn. Bhd.	100	100	Property development
6. Sentoria Alfa Sdn. Bhd.	70	70	Property development and project management services
7. Sentoria Themeparks and Resorts Sdn. Bhd.	100	100	Hotel and water park operator

7. SUBSIDIARY COMPANIES (CONT'D)

(a) Investment in subsidiary companies (cont'd)

Name of company	Effective equity interest 2012 %	Effective equity interest 2011 %	Principal activities
Subsidiary of Sentoria Themeparks and Resorts Sdn. Bhd.			
- Blue Sky Leisure Sdn. Bhd.	100	100	Travel agent*
- Sentoria Morib Sdn. Bhd.	100	100	Hotel and water park operator*
- Sempurna Resort Kuantan Sdn. Bhd.	100	100	Hotel operations*
- Star Wholesale Sdn. Bhd.	100	-	Wholesaler and general merchants*
8. Sentoria Vacation Club Berhad	100	100	Vacation Club Operator

* Presently dormant

(b) Amounts due from/(to) holding company/subsidiary companies

The amounts due from/(to) holding company/subsidiary companies are non-trade in nature, unsecured, bear no interest and repayable on demand.

8. DEFERRED TAX (ASSETS)/LIABILITIES

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
At beginning of financial year	(15,144)	(2,624)	-	22
Transferred from statements of comprehensive income (Note 26)	(11,882)	(12,520)	-	(22)
At end of financial year	(27,026)	(15,144)	-	-

8. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

The balance in the deferred tax (assets)/liabilities is made up of tax impact on temporary differences arising from:-

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Carrying amount of qualifying property, plant and equipment in excess of their tax base	3,728	1,562	-	22
Unabsorbed business losses	(1,026)	(837)	-	-
Unutilised capital allowances	(1,164)	(122)	-	-
Unutilised tax allowance	(28,559)	(15,120)	-	-
Other temporary differences	(5)	(627)	-	(22)
	(27,026)	(15,144)	-	-

One of the subsidiary company is entitled to a tax exemption of an amount equivalent to 100% of qualifying expenditure incurred within 10 years from the Year of Assessment ("YA") 2008 based on the letter of approval by Majlis Pembangunan Wilayah Ekonomi Pantai Timur dated 2 December 2009. Therefore, in order to determine the statutory income, it is necessary to ascertain the total qualifying expenditure incurred by the subsidiary company during YA 2008 to YA 2017, excluding the rental income derived from certain resort suites.

9. GOODWILL ON CONSOLIDATION

The movements in goodwill on consolidation are as follows:-

	Group	
	2012 RM'000	2011 RM'000
Goodwill arising on consolidation	3	3

10. PROPERTY DEVELOPMENT COSTS

	Group	
	2012	2011
	RM'000	RM'000
At beginning of financial year		
- Freehold land, at cost	7,329	2,205
- Long term leasehold land, at cost	24,653	13,379
- Development costs	338,627	230,363
	370,609	245,947
Costs incurred during the financial year		
- Freehold land, at cost	(2,266)	5,124
- Long term leasehold land, at cost	360	11,274
- Development costs	108,099	108,264
	106,193	124,662
Total	476,802	370,609
Cost recognised in the statements of comprehensive income		
- Previous financial year	(324,190)	(215,351)
- Current financial year	(129,257)	(109,060)
- Reversal of completed project	-	221
	(453,447)	(324,190)
At end of financial year	23,355	46,419

The title deed of the freehold land and long term leasehold land amounting to RM3,262,326 and RM25,367,395 (2011: RM5,528,715 and RM25,007,142) respectively are registered in the name of third parties.

The freehold land and long term leasehold land under development amounting to RM1,800,000 and RM21,782,822 (2011: RM1,800,000 and RM21,557,939) respectively are charged to licensed banks to secure bank borrowings (Note 20).

11. AMOUNT DUE FROM/(TO) CUSTOMERS

	Group 2012 RM'000	Group 2011 RM'000
Cost incurred to date	4,325	2,908
Recognised profit less recognised loss to date	-	-
	4,325	2,908
Progress billing to date	(3,271)	(2,825)
	1,054	83
Amount due from customers	4,325	2,908
Amount due to customers	(3,271)	(2,825)
	1,054	83

12. INVENTORIES

	Group 2012 RM'000	Group 2011 RM'000
At cost:-		
Food, beverage and other hotel supplies	5,463	3,808

13. TRADE RECEIVABLES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade receivables	43,904	23,581	88	88
Accrued billings	21,110	12,720	-	-
Retention sums	33	33	-	-
	65,047	36,334	88	88

13. TRADE RECEIVABLES (CONT'D)

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Allowance for impairment loss				
At 1 October	(200)	(33)	(84)	-
Impairment loss recognised	-	(167)	-	(84)
30 September	(200)	(200)	(84)	(84)
	64,847	36,134	4	4

The normal credit terms granted by the Group and by the Company to the trade receivables ranging from 21 to 60 days (2011: 21 to 60 days).

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables are as follows:-

	Gross RM'000	Individually impaired RM'000	Net RM'000
Group 2012			
Not past due	27,697	-	27,697
Past due 0-30 days	10,901	-	10,901
Past due 31-60 days	5,127	-	5,127
Past due 61-90 days	-	-	-
More than 1 year	212	(200)	12
	43,937	(200)	43,737
Group 2011			
Not past due	8,849	-	8,849
Past due 0-30 days	4,676	-	4,676
Past due 31-60 days	2,039	-	2,039
Past due 61-90 days	3,429	(83)	3,346
More than 1 year	4,621	(117)	4,504
	23,614	(200)	23,414

13. TRADE RECEIVABLES (CONT'D)

Ageing analysis of trade receivables (cont'd)

The ageing analysis of the Group's and the Company's trade receivables are as follows (cont'd):-

	Gross RM'000	Individually impaired RM'000	Net RM'000
Company			
2012			
Past due more than 1 year	88	(84)	4
2011			
Past due more than 1 year	88	(84)	4

The Group and the Company has trade receivables amounting to RM16,040,937 and RM3,748 (2011: RM14,565,045 and RM3,748) respectively that are past due at the reporting date but not impaired. No allowance has been made as the Board is 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.

The Directors are of the opinion that the trade receivables, net of the above mentioned allowance for impairment loss are recoverable. Therefore, no additional allowance for impairment loss is required.

14. OTHER RECEIVABLES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Non-trade receivables	7,495	3,711	3,669	1,615
Deposits	2,157	2,806	792	1,605
Prepayments	388	64	-	-
	10,040	6,581	4,461	3,220

14. OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Allowance for impairment loss				
At 1 October	-	(18)	-	-
Impairment loss reversed	-	18	-	-
30 September	-	-	-	-
	10,040	6,581	4,461	3,220

15. FIXED DEPOSITS WITH LICENSED BANKS

Group

Included in fixed deposits with licensed banks is an amount of RM3,013,516 (2011: RM2,772,790) which was pledged to banks for credit facilities granted.

Company

Included in fixed deposits with licensed banks is an amount of RM1,246,085 (2011: RM1,208,835) and RM61,948 (2011: RM61,948) respectively pledged to banks for credit facilities granted to the Company and its subsidiary companies respectively.

16. CASH AND BANK BALANCES

Included in cash and bank balances of the Group is an amount of RM10,225,861 (2011: RM9,676,182) held under Housing Development Accounts pursuant to Section 7A of the Housing Development (Control and Licensing) Act ,1966.

17. SHARE CAPITAL

	Group and Company			
	No. of ordinary shares of			
	RM0.20	RM1.00	Amount	
	2012 Units	2011 Units	2012 RM'000	2011 RM'000
Authorised :				
At beginning of financial year	5,000	5,000	5,000	5,000
Sub-division	20,000	-	-	-
Created during the financial year	475,000	-	95,000	-
At end of financial year	500,000	5,000	100,000	5,000
Issued and fully paid :				
At beginning of financial year	2,000	2,000	2,000	2,000
Sub-division	8,000	-	-	-
Issued during the financial year :				
- Bonus issue	330,000	-	66,000	-
- Public shares	60,000	-	12,000	-
At end of financial year	400,000	2,000	80,000	2,000

18. SHARE PREMIUM

	Group and Company	
	2012 RM'000	2011 RM'000
Arising from issuance of shares	39,600	-
Share issuance expenses	(2,018)	-
	37,582	-

19. REVALUATION RESERVE

	Group and Company	
	2012 RM'000	2011 RM'000
Non-distributable as cash dividend		
Surplus on revaluation of freehold land	2,271	2,271

20. BORROWINGS

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Current				
Secured				
Finance lease liabilities	541	447	15	14
Bank overdrafts	4,744	5,606	991	1,551
Bankers' acceptance	3,636	2,769	1,000	1,540
Term loans	6,139	5,453	42	105
	15,060	14,275	2,048	3,210
Non-current				
Secured				
Finance lease liabilities	1,564	1,187	43	58
Term loans				
- more than 1 year but less than 5 years	16,062	28,684	70	441
- more than 5 years	12,210	9,000	-	732
	28,272	37,684	70	1,173
	29,836	38,871	113	1,231
Total	44,896	53,146	2,161	4,441

The repayment terms of the term loans vary from monthly instalments to yearly instalments.

The borrowings are secured by way of:-

(i) Legal charge over certain properties (Note 4);
(ii) Pledge of fixed deposits with licensed banks (Note 15);
(iii) Corporate guarantee from Credit Guarantee Corporation Malaysia Berhad;
(iv) Joint and several guarantee by the certain directors of the Company;
(v) Corporate guarantee of the Company for borrowings facilities granted to subsidiary companies; and
(vi) Legal charge over the freehold land and long term leasehold land under development (Note 10).

The term loans and bank overdraft facilities bear interest rates ranging from 1.00% to 2.00% (2011: 1.00% to 2.00%) per annum above the banks' base lending rates.

Bankers' acceptance is charged at commission rates of 3.37% to 5.69% (2011: 3.16% to 4.84%) per annum.

20. BORROWINGS (CONT'D)

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Finance lease liabilities				
Minimum lease payments				
- not later than 1 year	634	521	18	18
- more than 1 year but less than 5 years	1,682	1,286	46	63
	2,316	1,807	64	81
Future finance charges	(211)	(173)	(6)	(9)
Present value of finance lease liabilities	2,105	1,634	58	72
Present value of finance lease liabilities				
- not later than 1 year	541	447	15	14
- more than 1 year but less than 5 years	1,564	1,187	43	58
	2,105	1,634	58	72

The finance lease liabilities of the Group and of the Company bear interests at rates ranging from 2.28% to 5.00% (2011: 2.28% to 5.00%) and 2.70% (2011: 2.70% to 3.14%) per annum respectively.

21. TRADE PAYABLES

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Trade payables	32,375	23,151	-	144
Retention sums	7,090	5,654	934	1,144
	39,465	28,805	934	1,288

The normal credit terms granted by the trade payables range from 30 days to 60 days (2011: 30 days to 60 days).

22. OTHER PAYABLES

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Non-trade payables	2,863	2,714	567	156
Accruals	21,690	28,044	1,153	525
Deferred income	621	-	-	-
	25,174	30,758	1,720	681

Included in other payables of the Group and of the Company are amounts of RM350,000 (2011: Nil) and RM100,000 (2011: Nil) respectively which are due to companies in which certain Directors have interests. The amounts due to the said companies are non-trade in nature, unsecured, bear no interests and repayable on demand.

23. REVENUE

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Sales of properties	124,005	113,972	-	-
Rendering of services	55,290	48,408	-	-
Dividend income	-	-	-	73,000
Management fee	-	-	5,562	2,600
	179,295	162,380	5,562	75,600

24. COST OF SALES

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Rendering of services	31,835	28,958	-	-
Property development costs	68,719	77,054	-	-
	100,554	106,012	-	-

25. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation has been determined:-

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
After charging :-				
Auditor's remuneration				
-statutory audit	136	117	25	25
-other services	-	180	-	180
Allowance for impairment loss on trade receivables	-	167	-	84
Amortisation of investment properties	53	53	-	-
Bad debts written off	-	183	-	-
Bank overdrafts interest	219	179	85	90
Bankers' acceptance commission	144	141	-	-
Depreciation	5,310	3,967	246	240
Directors' remuneration	2,974	2,137	2,974	1,733
Directors' fee	311	-	311	-
- for the financial year	285	-	285	-
- underprovision in prior financial year	26	-	26	-
Finance lease interest	96	59	3	2
Letter of credit charges	-	8	-	-
Rental of premises	168	198	120	-
Term loans interest	1,916	2,041	93	64
And crediting:-				
Allowance for impairment loss on other receivables no longer required	-	18	-	-
Dividend income	-	-	-	73,000
Gain on disposal of property, plant and equipment	-	1,340	-	1,267
Interest income				
- fixed deposits	369	70	213	33
- others	181	147	-	-
Rental of premises	49	88	49	186
Rental of staff quarter	76	73	-	-

25. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

The details of remuneration receivable by Directors of the Group and of the Company during the financial year are as follows:-

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Executive:-				
Salaries and other emoluments	2,157	1,573	2,157	1,268
Bonus	473	335	473	279
Defined contribution plan	315	229	315	186
	2,945	2,137	2,945	1,733
Non-Executive:-				
Meeting allowance				
- for the financial year	27	-	27	-
- underprovision in prior financial year	2		2	-
	29		29	-

26. TAXATION

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Current financial year provision	11,135	8,380	-	9
Under/(over) provision in prior financial year	2,353	(2)	274	-
Transferred to deferred Taxation (Note 8)	(11,882)	(12,520)	-	(22)
	1,606	(4,142)	274	(13)

Malaysian income tax is calculated at the statutory rate of 25% of the estimated assessable profit for the current financial year.

The Company's unabsorbed business losses and unutilised capital allowances which can be carried forward to offset against future taxable profit amounted to approximately RM2,784,000 (2011: Nil) and RM125,000 (2011: Nil) respectively.

The Group's unabsorbed business losses, unutilised capital allowances and unutilised tax allowance which can be carried forward to offset against future taxable profit amounted to approximately RM7,102,000 (2011: RM3,545,000), RM4,781,000 (2011: RM1,752,000) and RM114,235,000 (2011: RM60,480,000) respectively.

However, the above amounts are subject to the agreement by Inland Revenue Board of Malaysia.

26. TAXATION (CONT'D)

A reconciliation of income tax expenses on profit before taxation with the applicable statutory income tax rate is as follow:-

	Group		Company	
	2012	2011	2012	2011
	%	%	%	%
Applicable statutory income tax rate	25.0	25.0	25.0	25.0
Tax effect on change in tax rate for the first tranche of chargeable income	-	(0.4)	-	(0.1)
Income not subject to tax	(0.1)	(0.1)	-	(25.1)
Tax effect on non-allowable expenses	1.9	2.4	(25.0)	0.2
Recognition of deferred tax assets during the financial year comprising of deferred tax assets not recognised in the previous financial years	(28.4)	(39.1)	-	-
Underprovision in prior financial years	4.8	-	(218.6)	-
Deferred taxation undertaken in prior financial year	-	0.2	-	-
Average effective tax rate	3.2	(12.0)	(218.6)	-

27. EARNING PER SHARE

Group

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.

	Group	
	2012	2011
	RM'000	RM'000
Profit attributable to equity holders of the Company	47,834	38,510
Weighted average number of ordinary in issue (unit '000)	377,541	340,000
Basic earnings per share (sen)	12.67	11.33

28. DIVIDEND

The interim dividend in respect of financial year ended 30 September 2012 of RM0.01 per ordinary share amounting to RM 4,000,000 has been declared and paid on 28 June 2012.

29. EMPLOYEES BENEFITS EXPENSES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Directors' remuneration - other emoluments	2,974	2,137	2,974	1,733
Salaries, wages and other emoluments	23,964	18,909	746	1,028
Defined contribution plans	1,710	1,314	77	114
Social security contributions	216	188	5	7
Other staff related expenses	863	616	187	185
	29,727	23,164	3,989	3,067

30. CONTINGENT LIABILITIES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Unsecured:-				
Corporate guarantee given to licensed banks for facilities granted to subsidiary companies	-	-	60,170	68,170

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Significant related party transactions during the financial year were as follows:-

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Transaction with ultimate holding company:				
(i) Rental expenses payables to Sentoria Capital Sdn. Bhd.	48	48	-	-
Transactions with subsidiary companies:				
(i) Management fee received	-	-	5,562	2,600
(ii) Rental received	-	-	-	138
Transaction with a director:				
(i) Sales of land to Dato' Chan Kong San	-	478	-	478
Transactions with companies in which Dato' Chan Kong San and Dato' Gan Kim Leong (Directors of the Company) have interest:				
(i) Progress billing issued to Bukit Gambang Capital Sdn. Bhd.	2,435	3,163	-	-
(ii) Rental expenses payable to Bukit Gambang Capital Sdn. Bhd.	197	197	-	-
(iii) Sales to Imperia Academy of Tourism Sdn. Bhd.	71	60	-	-

31. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(a) Significant related party transactions during the financial year were as follows (cont'd):-

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Transactions with persons connected to Dato' Gan Kim Leong (Directors of the Company)				
- Rental expenses	48	48	-	-
Transactions with entity related to Dato' Gan Kim Leong (Director of the Company):				
- Agency fee paid	150	21	-	-

(b) Personnel guarantees provided by the Directors of the Company for banking facilities (Note 20):-

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
(i) Dato' Chan Kong San	42,535	56,856	135	4,474
(ii) Dato' Gan Kim Leong	42,535	56,856	135	4,474

(c) The remuneration of other members of key management personnel during the financial year were as follows:-

	Group	
	2012	2011
	RM'000	RM'000
Salaries and other short-term employee benefits	1,200	1,065
Bonus	161	123
Defined contribution plan	135	110
	1,496	1,298

32. FINANCIAL RISK MANAGEMENT POLICIES

The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its risks. The Group and the Company operate within policies that are approved by the Board and the Group's and the Company's policies are not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:-

32.1 Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and Company's exposure to credit risk arises primarily from receivables. It is the Group's and the Company's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group and Company does not expect to incur material credit losses of its financial assets or other financial instruments.

The Group's and Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company provides services only to recognised and creditworthy third parties. It is the Group's and Company's policy that all customers are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

As at the end of the reporting period, 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 ongoing 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 and the Company 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 either past due or impaired are disclosed in Notes 13 and 14 to the Financial Statements.

32. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

32.1 Credit risk (cont'd)

In respect of trade and other receivables, the Group and the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. 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 not past due or impaired to be good.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

32.2 Market risk

For key product purchases, the Group and the Company establishes floating and fixed price levels that the Group and the Company considers acceptable and enters into physical supply agreements, where necessary, to achieve these levels. The Group and the Company does not face significant exposure from the risk of changes in price level.

32.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group's and the Company's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group and the Company 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 and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were as follows:-

32. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

32.3 **Interest rate risk (cont'd)**

	Group RM'000	Company RM'000
30 September 2012		
Fixed rate instruments		
Fixed deposits with licensed bank	9,030	1,308
Finance lease liabilities	2,105	58
Floating rate instruments		
Borrowings	42,791	2,103
30 September 2011		
Fixed rate instruments		
Fixed deposits with licensed bank	2,835	1,271
Finance lease liabilities	1,634	72
Floating rate instruments		
Borrowings	51,512	4,369

The Group and the Company 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 reporting period 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.

	Group Profit for the Financial year		Company (Loss)/Profit for the financial year	
	RM'000 +0.5%	RM'000 -0.5%	RM'000 +0.5%	RM'000 -0.5%
Floating rate instruments				
30 September 2012	175	(175)	15	(15)
30 September 2011	201	(201)	13	(13)

32.4 **Liquidity and cash flow risks**

Liquidity and cash flow risks are the risks that the Group and the Company will not be able to meet its financial obligations as they fall due, due to shortage of funds.

32. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

32.4 Liquidity and cash flow risks (cont'd)

In managing its exposures to liquidity and cash flow risks arises principally from its various payables, loans and borrowings, the Group and the Company 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 and the Company 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.

As at 30 September 2012, the Group's and the Company's non-derivative financial liabilities which have contractual maturities (including interest payments) are summarised below:-

		Group		
	Current	Non-current		
2012	Less than 1 year RM'000	Between 1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Secured:				
Borrowings	15,060	17,626	12,210	44,896
Unsecured:				
Trade payables	39,465	-	-	39,465
Other payables	25,174	-	-	25,174
Amount due to holding company	115	-	-	115
	64,754	-	-	64,754
Total	79,814	17,626	12,210	109,650

	Current	Non-current		
2011	Less than 1 year RM'000	Between 1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Secured:				
Borrowings	14,275	29,871	9,000	53,146
Unsecured:				
Trade payables	28,805	-	-	28,805
Other payables	30,758	-	-	30,758
	59,563	-	-	59,563
Total	73,838	29,871	9,000	112,709

32. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

32.4 Liquidity and cash flow risks (cont'd)

As at 30 September 2012, the Group's and the Company's non-derivative financial liabilities which have contractual maturities (including interest payments) are summarised below (cont'd):-

	Company			
	Current	Non-current		
2012	Less than 1 year RM'000	Between 1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Secured:				
Borrowings	2,048	113	-	2,161
Unsecured:				
Trade payables	934	-	-	934
Other payables	1,720	-	-	1,720
Amount due to holding company	103	-	-	103
Amount due to subsidiary companies	13,129	-	-	13,129
	15,886	-	-	15,886
Total	17,934	113	-	18,047

	Current	Non-current		
2011	Less than 1 year RM'000	Between 1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Secured:				
Borrowings	3,210	499	732	4,441
Unsecured:				
Trade payables	1,288	-	-	1,288
Other payables	681	-	-	681
Amount due to subsidiary companies	106	-	-	106
	2,075	-	-	2,075
Total	5,285	499	732	6,516

32. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

32.5 Fair value of financial instruments

The carrying amount of short-term receivables and payables, cash and cash equivalent and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant import of discounting.

33. CAPITAL MANAGEMENT

The Group's objectives 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, i.e. 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.

34. SEGMENTAL REPORTING

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 and related activities	:	Development of residential, commercial and leisure properties and its related activities
Leisure and hospitality	:	Hotel and water park operator
Others	:	Investment holdings

Transfer pricing between operating segments are on a negotiated basis and all other transactions with third parties are on an arm's length basis.

34. SEGMENTAL REPORTING (CONT'D)

(a) Business segments

2012

	Note	Property Development RM'000	Leisure and Hospitality RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue :						
External customers		124,005	55,290	-	-	179,295
Inter-segment	A	148,671	-	5,562	(154,233)	-
Total revenue		272,676	55,290	5,562	(154,233)	179,295
Results:-						
Segment profit	B	43,861	8,072	(146)	(555)	51,232
Interest income		337	-	213	-	550
Finance cost		(341)	(1,801)	(192)	-	(2,334)
Depreciation / Amortisation		(1,472)	(3,645)	(246)	-	(5,363)
Income tax expense		(13,272)	11,935	(274)	5	(1,606)
Other non-cash Income/ (expense)	C	-	-	-	-	-
Assets :						
Segment assets	D	129,165	153,582	12,441	-	295,188
Additions to non-current assets	E	2,305	63,435	82	-	65,822
Liabilities :						
Segment liabilities	F	56,604	8,665	2,756	-	68,025

34. SEGMENTAL REPORTING (CONT'D)

(a) Business segments (cont'd)

2011

	Note	Property Development RM'000	Leisure and Hospitality RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue :						
External customers		113,972	48,408	-	-	162,380
Inter-segment	A	86,851	-	75,600	(162,451)	-
Total revenue		200,823	48,408	75,600	(162,451)	162,380
Results:-						
Segment profit	B	33,022	6,549	72,729	(75,640)	36,660
Interest income		184	-	33	-	217
Finance cost		(509)	(1,757)	(174)	-	(2,440)
Depreciation / Amortisation		(1,075)	(2,705)	(240)	-	(4,020)
Income tax expense		(8,536)	12,039	13	626	4,142
Other non-cash Income/ (expense)	C	(92)	(83)	1,183	-	1,008
Assets :						
Segment assets	D	111,895	90,339	11,314	-	213,548
Additions to non-current assets	E	6,508	33,464	347	-	40,319
Liabilities :						
Segment liabilities	F	57,944	2,475	1,969	-	62,388

34. **SEGMENTAL REPORTING (CONT'D)**

(a) Business segments (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

A. Intersegment revenues are eliminated on consolidation.

B. The following items are added to/(deducted from) segment profit to arrive at "profit before tax" presented in the consolidated statements of comprehensive income:-

	2012 RM'000	2011 RM'000
Segment profit	51,232	36,660
Interest income	550	217
Finance costs	(2,334)	(2,440)
	49,448	34,437

C. Other non-cash (expenses)/income consist of the following items as presented in the respective notes to the financial statements:-

	2012 RM'000	2011 RM'000
Bad debts written off	-	(183)
Gain on disposal of property, plant and equipment	-	1,340
Impairment loss on trade receivables	-	(167)
Impairment of doubtful receivables no longer required	-	18
	-	1,008

D. The following items are added to segments assets to arrive at total assets reported in the consolidated statements of financial position:-

	2012 RM'000	2011 RM'000
Segment assets	295,188	213,548
Deferred tax	27,026	15,144
Total assets	322,214	228,692

34. SEGMENTAL REPORTING (CONT'D)

(a) Business segments (cont'd)

E. Additions to non-current assets other than financial instruments and deferred tax assets consist of:-

	2012 RM'000	2011 RM'000
Property, plant and equipment	65,822	36,930
Investment properties	-	3,389
	65,822	40,319

F. The following items are added to segments liabilities to arrive at total liabilities reported in the consolidated statements of financial position:-

	2012 RM'000	2011 RM'000
Segment liabilities	68,025	62,388
Borrowings	44,896	53,146
Tax payable	9,720	4,774
Total liabilities	122,641	120,308

(b) Geographical segment

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

(c) Major customers

The Group does not have any revenue for the single external customer which represents 10% or more of the Group's revenue.

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 5 October 2011, a subsidiary company, Sentoria Themeparks and Resorts Sdn. Bhd. had accepted the Government Grant amounting to RM6,900,000 offered by Public Private Partnership Unit of Prime Minister's Department for the purpose of financing the infrastructure cost for the project development of the Bukit Gambang Resort City;

(b) On 9 February 2012, a subsidiary company, Sentoria Themeparks and Resorts Sdn. Bhd. had signed a Facilitation Fund Agreement between Government of Malaysia, Bank Pembangunan Malaysia Berhad to accept the government grant amounting to RM6,880,000;

35. **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)**

(c) On 23 February 2012, the entire issued and paid-up capital of the Company of RM80,000,000 comprising 400,000,000 ordinary shares of RM0.20 each was listed on the Main Market of Bursa Malaysia Securities Berhad; and

(d) On 4 April 2012, a subsidiary company, Sentoria Themeparks and Resorts Sdn. Bhd. had acquired the entire equity interest of Star Wholesale Sdn. Bhd. comprising of 2 ordinary shares of RM1 each for a total consideration of RM2.

36. **EVENTS AFTER THE REPORTING YEAR**

(a) On 2 November 2012, a subsidiary company, Sentoria Alfa Sdn. Bhd. ("SAFSB") received approval letter from State Secretary of Pahang on its application for additional 3 parcels of land totalling 180 acres for total consideration of RM37.15 million. The transaction is subject to the signed formal agreement between SAFSB and Perbadanan Setiausaha Kerajaan. To date, the transaction has yet to complete;

(b) On 6 December 2012, the company had acquired Sentoria Morib Sdn. Bhd. for a total cash consideration of RM2 from its wholly-owned subsidiary company, Sentoria Themeparks and Resorts Sdn. Bhd.;

(c) On 6 December 2012, a subsidiary company, Sentoria Alam Sdn. Bhd. has entered into a Joint Development Agreement with Fajar Pertiwi Sdn. Bhd. to jointly undertake the development of vacant land situated at Bukit Rangin, in the Mukim Of Kuala Kuantan, District of Kuantan, State of Pahang measuring approximately 210 acres; and

(d) On 31 December 2012, the company had entered into a joint venture agreement with Seriemas Development Sdn. Bhd. to jointly undertake the development of 204 acres of land into a mixed development of commercial and residential units and development rights agreement to develop the remaining 150 acres of land into a water theme park, resort and convention centre, boutique hotel and safari park.

37. **CATEGORIES OF FINANCIAL INSTRUMENTS**

The table below provides an analysis of financial instruments categorised as follows:-

i. Loan and receivables (L&R);
ii. Other liabilities measured at amortised cost (AC)

Group

2012	Carrying amount RM'000	L&R RM'000	AC RM'000
Financial assets			
Trade and other receivables (Notes 13 and 14)	74,887	74,887	-
Fixed deposits (Note 15)	9,030	9,030	-
Cash and bank balances	12,927	12,927	-
	96,844	96,844	-

37. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

The table below provides an analysis of financial instruments categorised as follows (cont'd):-

Group

2012	Carrying amount RM'000	L&R RM'000	AC RM'000
Financial liabilities			
Finance lease liabilities (Note 20)	2,105	-	2,105
Bank borrowings (Note 20)	42,791	-	42,791
Trade and other payables (Notes 21 and 22)	64,639	-	64,639
Amount due to holding company (Note 7)	115	-	115
	109,650	-	109,650

Group

2011	Carrying amount RM'000	L&R RM'000	AC RM'000
Financial assets			
Trade and other receivables (Notes 13 and 14)	42,715	42,715	-
Fixed deposits (Note 15)	2,835	2,835	-
Cash and bank balances	10,948	10,948	-
	56,498	56,498	-

2011	Carrying amount RM'000	L&R RM'000	AC RM'000
Financial liabilities			
Finance lease liabilities (Note 20)	1,634	-	1,634
Bank borrowings (Note 20)	51,512	-	51,512
Trade and other payables (Notes 21 and 22)	59,563	-	59,563
	112,709	-	112,709

38. DISCLOSURE OF REALISED AND UNREALISED PROFITS

Bursa Malaysia Securities Berhad has, on 25 March 2010, and 20 December 2010, issued directives requiring all listed corporations to disclose the breakdown of retained profits or accumulated losses into realised and unrealised on group and company basis, as the case may be, in quarterly reports and annual audited financial statements.

The breakdown of retained profits as at the reporting date has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and Guidance on Special Matter No. 1 issued on 20 December 2010 by the Malaysian Institute of Accountants are as follows:-

	Group 2012 RM'000	Company 2012 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	66,113	6,845
- Unrealised	13,966	-
	80,079	6,845
Consolidated adjustments	(558)	-
	79,521	6,845

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirement stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.