

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

The Board of Directors (“**Board**”) of Astaka Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement released by the Company on 29 August 2019 in relation to its unaudited full year financial results (“**Unaudited Results**”) for the financial year ended 30 June 2019 (“**FY2019**”). Further reference is made to the audited financial statements of the Group for FY2019 (“**Audited Financial Statements**”) and the report on the Audited Financial Statements by the Company’s independent auditor set out in the Company’s annual report for FY2019 which will be despatched to shareholders of the Company in due course.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Board wishes to announce and clarify that subsequent to the release of the Unaudited Results, the Audited Financial Statements contain certain material differences. Detailed information is set out below.

STATEMENTS OF FINANCIAL POSITION

	Unaudited	Audited	Variance	Refer to
Company	RM'000	RM'000	RM'000	Explanatory Note
Non-current assets				
Investment in subsidiaries	988,038	937,832	(50,206)	(1)
Equity				
Accumulated losses	(468,507)	(518,713)	50,206	(1)
Group				
Current assets				
Development properties	478,507	467,128	(11,379)	(2)
Contract costs	-	11,379	11,379	(2)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	Audited	Variance	Refer to
Group	RM'000	RM'000	RM'000	Explanatory Note
Net cash flow from operating activities	46,955	46,504	(451)	(3a), (3b), (4)
Net cash flow from/ (used in) investing activities	120	(3,590)	(3,710)	(3b) and (5)
Cash and cash equivalents as at 30 June 2019	(15,298)	(19,302)	(4,004)	(5)

Explanatory Notes:

- (1) The decrease in investment in subsidiaries and increase in accumulated losses was due to additional provision of impairment in investment in subsidiaries recognised in the Company’s financial statements on the recoverable amount of the investments at the Group level. There is no impact to the Group’s

statements of financial position or consolidated statement of comprehensive income arising from the above.

- (2) Reclassification from development properties to contract costs to align the presentation requirement of SFRS(I) 15.
- (3) The increase in net cash flow generated from operating activities was due mainly to the following:
 - a. effects of currency translation on cash and cash equivalents of RM157,000; and
 - b. additional interest income of RM294,000 being adjusted to cash flows from investing activities.
- (4) Included in the net cash flow from operating activities is a reclassification of RM3.288 million from development properties to contract costs to align the presentation requirement of SFRS(I) 15.
- (5) Presentation of fixed deposits pledged of RM4.004 million in the cash flow from investing activities to align the presentation requirement of SFRS(I) 7.

The Company would like to highlight to shareholders of the Company that there are other reclassifications made to certain line items in the Audited Financial Statements which do not have any net impact on the Group's financial results. The Board is hence of the opinion that these reclassifications are not material, except for the reclassifications in explanatory notes (2) and (4).

Shareholders are advised to read the Audited Financial Statements set out in the Company's annual report for FY2019, which will be despatched in due course.

Shareholders of the Company are advised to exercise caution when dealing in the shares of the Company. Shareholders of the Company should note that there is no certainty or assurance that the shares of the Company will eventually resume trading on the SGX-ST. Shareholders of the Company are advised to read all further announcements by the Company carefully and to consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

On behalf of the Board

Dato Zamani Bin Kasim
Executive Director and Chief Executive Officer

6 January 2020

This announcement has been prepared by the Company and reviewed by the sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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