

**Unaudited Second Quarter Financial Statements and Dividend Announcement for the period ended 31 December 2019**

The board of directors (the “**Board**”) of Astaka Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited consolidated results of the Group for the second quarter ended 31 December 2019. Such quarterly reporting announcement is mandatory, made pursuant to the Singapore Exchange Securities Trading Limited’s (“**SGX-ST**”) requirements, as required under Rule 705(2C) of the SGX-ST Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”).

**PART I Information Required for Quarterly (Q1, Q2 & Q3), Half- Year and Full Year Announcements**

1(a)(i) **An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|  | Group                               |                                    |               | Group                               |                                    |                |
|--|-------------------------------------|------------------------------------|---------------|-------------------------------------|------------------------------------|----------------|
|  | 3 months ended                      |                                    | Change<br>%   | 6 months ended                      |                                    | Change<br>%    |
|  | 31/12/2019<br>(Unaudited)<br>RM'000 | 31/12/2018<br>(Restated)<br>RM'000 |               | 31/12/2019<br>(Unaudited)<br>RM'000 | 31/12/2018<br>(Restated)<br>RM'000 |                |
| Revenue  | 72,983                              | 66,148                             | 10.3          | 141,272                             | 110,519                            | 27.8           |
| Cost of sales  | (68,124)                            | (63,216)                           | 7.8           | (130,815)                           | (99,443)                           | 31.5           |
| Gross profit   | 4,859                               | 2,932                              | 65.7          | 10,457                              | 11,076                             | (5.6)          |
| Other income   | 4                                   | 778                                | (99.5)        | 51                                  | 3,848                              | (98.7)         |
| Other (loss)/gains   | (33)                                | (12)                               | 175.0         | (21)                                | 78                                 | (126.9)        |
| Expenses:  |                                     |                                    |               |                                     |                                    |                |
| Selling and Distribution   | (344)                               | (493)                              | (30.2)        | (1,438)                             | (1,036)                            | 38.8           |
| Administrative   | (4,877)                             | (3,388)                            | 43.9          | (9,641)                             | (7,362)                            | 31.0           |
| Finance costs  | (2,846)                             | (2,103)                            | 35.3          | (3,983)                             | (4,652)                            | (14.4)         |
| Others   | (15)                                | (298)                              | (95.0)        | (295)                               | (329)                              | (10.3)         |
| <b>(Loss)/Profit before tax</b>  | <b>(3,252)</b>                      | <b>(2,584)</b>                     | <b>25.9</b>   | <b>(4,870)</b>                      | <b>1,623</b>                       | <b>(400.1)</b> |
| Income tax credit/(expense)  | 172                                 | (544)                              | (131.6)       | 124                                 | (3,402)                            | (103.6)        |
| <b>Loss after tax and total comprehensive loss for the financial period</b>        | <b>(3,080)</b>                      | <b>(3,128)</b>                     | <b>(1.5)</b>  | <b>(4,746)</b>                      | <b>(1,779)</b>                     | <b>166.8</b>   |
| <b>Loss and total comprehensive loss attributable to:</b>                          |                                     |                                    |               |                                     |                                    |                |
| <b>Equity holders of the Company</b>   | <b>(2,586)</b>                      | <b>(1,138)</b>                     | <b>127.2</b>  | <b>(3,722)</b>                      | <b>(1,442)</b>                     | <b>158.1</b>   |
| <b>Loss and total comprehensive loss attributable to non-controlling interests</b> | <b>(494)</b>                        | <b>(1,990)</b>                     | <b>(75.2)</b> | <b>(1,024)</b>                      | <b>(337)</b>                       | <b>203.9</b>   |
| <b>Loss and total comprehensive loss</b>   | <b>(3,080)</b>                      | <b>(3,128)</b>                     | <b>(1.5)</b>  | <b>(4,746)</b>                      | <b>(1,779)</b>                     | <b>166.8</b>   |

Note: The figures of 2QFY2019 have been restated to (i) expense borrowings costs on development properties when incurred instead of capitalising, and (ii) include interest expenses for the loan agreement dated 12 April 2017 entered into between China State Construction Engineering (M) Sdn Bhd and Astaka Padu Sdn Bhd (“**APSB**”), a subsidiary of the Company (“**Loan Agreement**”).

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year: -

(Loss)/Profit for the financial period is stated after charging/(crediting) the following:

|  | Group                               |                                    | Group                               |                                    |
|--|-------------------------------------|------------------------------------|-------------------------------------|------------------------------------|
|  | 3 months ended                      |                                    | 6 months ended                      |                                    |
|  | 31/12/2019<br>(Unaudited)<br>RM'000 | 31/12/2018<br>(Restated)<br>RM'000 | 31/12/2019<br>(Unaudited)<br>RM'000 | 31/12/2018<br>(Restated)<br>RM'000 |
| Depreciation of property, plant and equipment              | 68                                  | 146                                | 141                                 | 450                                |
| Interest expense   | 2,846                               | 2,103                              | 3,983                               | 4,652                              |
| Interest income  | (38)                                | (48)                               | (66)                                | (174)                              |
| Unrealised currency translation losses/(gains)             | 253                                 | 15                                 | 1                                   | (6)                                |
| Forfeiture income  | -                                   | (542)                              | -                                   | (3,355)                            |
| Landscape maintenance                                      | 438                                 | 50                                 | 550                                 | 129                                |
| Repair and maintenance                                     | 495                                 | 13                                 | 737                                 | 55                                 |
| Allowance for foreseeable losses on development properties | 420                                 | 1,227                              | 420                                 | 1,227                              |

Note: The figures of 2QFY2019 have been restated to (i) expense borrowings costs on development properties when incurred instead of capitalising, and (ii) include interest expenses for the Loan Agreement.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

|   | Group                               |                                  | Company                             |                                  |
|---|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
|   | 31/12/2019<br>(Unaudited)<br>RM'000 | 30/6/2019<br>(Audited)<br>RM'000 | 31/12/2019<br>(Unaudited)<br>RM'000 | 30/6/2019<br>(Audited)<br>RM'000 |
| <b>ASSETS</b>   |                                     |                                  |                                     |                                  |
| <b>Non-current assets</b>   |                                     |                                  |                                     |                                  |
| Property, plant and equipment   | 542                                 | 664                              | -                                   | -                                |
| Investment in subsidiaries  | -                                   | -                                | 937,832                             | 937,832                          |
|   | 542                                 | 664                              | 937,832                             | 937,832                          |
| <b>Current assets</b>   |                                     |                                  |                                     |                                  |
| Development properties  | 456,583                             | 467,128                          | -                                   | -                                |
| Contract costs  | 11,097                              | 11,379                           | -                                   | -                                |
| Contract assets   | -                                   | 24,836                           | -                                   | -                                |
| Trade and other receivables   | 62,908                              | 109,293                          | 61                                  | 38                               |
| Cash and cash equivalents   | 6,972                               | 10,284                           | 1,645                               | 3,614                            |
| Tax recoverable   | 2,455                               | -                                | -                                   | -                                |
|   | 540,015                             | 622,920                          | 1,706                               | 3,652                            |
| <b>Total assets</b>   | <b>540,557</b>                      | <b>623,584</b>                   | <b>939,538</b>                      | <b>941,484</b>                   |
| <b>EQUITY</b>   |                                     |                                  |                                     |                                  |
| <b>Capital and reserves attributable to equity holders of the Company</b> |                                     |                                  |                                     |                                  |
| Share capital   | 259,384                             | 259,384                          | 1,455,079                           | 1,455,079                        |
| Capital reserve   | -                                   | -                                | 1,419                               | 1,419                            |
| Merger reserve  | (10,769)                            | (10,769)                         | -                                   | -                                |
| Accumulated losses  | (136,772)                           | (133,049)                        | (521,043)                           | (518,712)                        |
|   | 111,843                             | 115,566                          | 935,455                             | 937,786                          |
| Non-controlling interests   | (6,674)                             | (5,651)                          | -                                   | -                                |
| <b>Total equity</b>   | <b>105,169</b>                      | <b>109,915</b>                   | <b>935,455</b>                      | <b>937,786</b>                   |
| <b>LIABILITIES</b>  |                                     |                                  |                                     |                                  |
| <b>Current liabilities</b>  |                                     |                                  |                                     |                                  |
| Contract liabilities  | 39,156                              | 32,499                           | -                                   | -                                |
| Trade and other payables  | 303,357                             | 393,890                          | 191                                 | 656                              |
| Amount due to related parties   | 64,547                              | 58,074                           | 3,892                               | 3,042                            |
| Bank overdraft  | 26,877                              | 25,582                           | -                                   | -                                |
| Borrowings  | 1,139                               | -                                | -                                   | -                                |
| Finance lease liabilities   | 142                                 | 130                              | -                                   | -                                |

|                                     |                |                |                |                |
|-------------------------------------|----------------|----------------|----------------|----------------|
| Current tax liabilities             | -              | 3,242          | -              | -              |
|                                     | 435,218        | 513,417        | 4,083          | 3,698          |
| <b>Non-current liabilities</b>      |                |                |                |                |
| Borrowings                          | -              | -              | -              | -              |
| Finance lease liabilities           | 170            | 252            | -              | -              |
|                                     | 170            | 252            | -              | -              |
| <b>Total liabilities</b>            | <b>435,388</b> | <b>513,669</b> | <b>4,083</b>   | <b>3,698</b>   |
| <b>Total equity and liabilities</b> | <b>540,557</b> | <b>623,584</b> | <b>939,538</b> | <b>941,484</b> |

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year: -

(a) the amount repayable in one year or less, or on demand;

| As at 31/12/2019  |                     | As at 30/06/2019  |                     |
|-------------------|---------------------|-------------------|---------------------|
| Secured<br>RM'000 | Unsecured<br>RM'000 | Secured<br>RM'000 | Unsecured<br>RM'000 |
| 28,159            | -                   | 25,712            | -                   |

(b) the amount repayable after one year;

| As at 31/12/2019  |                     | As at 30/06/2019  |                     |
|-------------------|---------------------|-------------------|---------------------|
| Secured<br>RM'000 | Unsecured<br>RM'000 | Secured<br>RM'000 | Unsecured<br>RM'000 |
| 170               | -                   | 252               | -                   |

(c) whether the amounts are secured or unsecured; and

The Group did not have any unsecured loan as at 31 December 2019 and 30 June 2019.

(d) details of any collaterals

As at 31 December 2019, the Group's financing facilities of RM28,500,000 (30 June 2019: RM27,000,000) were secured by a pledge of fixed deposits from a subsidiary and a controlling shareholder. The Group's hire purchase financing facilities of RM692,000 (30 June 2019: RM882,000) were secured by its underlying assets.

As at 31 December 2019, amounts owing to a main contractor of approximately RM36,614,000 (30 June 2019: RM46,532,000) were secured against certain land parcels located in Bukit Pelali, Pengerang, Malaysia, which Bukit Pelali Properties Sdn Bhd ("**BPPSB**"), a joint venture of APSTB, has the sole and exclusive development rights to. The land parcels are owned by Saling Syabas Sdn Bhd ("**SSSB**"), an associate of our controlling shareholder, Dato Daing A Malek Bin Daing A Rahaman ("**Dato Malek**").

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

|   | Group   |                                    | Group   |                                    |
|---|---|------------------------------------|---|------------------------------------|
|   | 3 months ended<br>31/12/2019<br>(Unaudited)<br>RM'000 | 31/12/2018<br>(Restated)<br>RM'000 | 6 months ended<br>31/12/2019<br>(Unaudited)<br>RM'000 | 31/12/2018<br>(Restated)<br>RM'000 |
| <b>Cash flow from operating activities</b>                          |   |                                    |   |                                    |
| <b>Profit after income tax</b>                                      | (3,080)   | (3,128)                            | (4,746)   | (1,779)                            |
| Adjustment for:   |   |                                    |   |                                    |
| - Income tax expense  | (172)   | 544                                | (124)   | 3,402                              |
| - Depreciation of property, plant and equipment                     | 68  | 146                                | 141   | 450                                |
| - Interest expense  | 2,845   | 2,102                              | 3,983   | 4,652                              |
| - Interest income   | (38)  | (48)                               | (66)  | (174)                              |
| - Allowance for foreseeable losses on development properties        | 420   | 1,227                              | 420   | 1,227                              |
| - Unrealised currency translation loss/(gains)                      | 253   | 15                                 | 1   | (6)                                |
|   | 296   | 857                                | (391)   | 7,771                              |
| Change in working capital:  |   |                                    |   |                                    |
| Development properties  | 18,335  | (20,902)                           | 10,407  | (46,203)                           |
| Contract assets/(liabilities)                                       | 25,385  | 8,574                              | 31,494  | (17,363)                           |
| Trade and other receivables   | 25,089  | 5,543                              | 46,384  | 174,693                            |
| Trade and other payables  | (79,144)  | 26,574                             | (92,935)  | (43,487)                           |
| Cash generated from operations                                      | (10,039)  | 20,646                             | (5,041)   | 75,411                             |
| Income tax paid   | (372)   | (438)                              | (5,573)   | (5,850)                            |
| <b>Net cash flow (used in)/ generated from operating activities</b> | <b>(10,411)</b>                                       | <b>20,208</b>                      | <b>(10,614)</b>                                       | <b>69,561</b>                      |
| <b>Cash flow from investing activities</b>                          |   |                                    |   |                                    |
| Additions to property, plant and equipment                          | -   | (60)                               | (19)  | (103)                              |
| Interest received   | 38  | 48                                 | 66  | 174                                |
| <b>Net cash flow generated/(used in) from investing activities</b>  | <b>38</b>   | <b>(12)</b>                        | <b>47</b>   | <b>71</b>                          |
| <b>Cash flows from financing activities</b>                         |   |                                    |   |                                    |
| Amount due to related parties                                       | 4,354   | 5,025                              | 6,474   | 7,248                              |
| Proceeds from drawdown of term loan                                 | 1,139   | -                                  | 1,139   | -                                  |
| Repayment of term loan  | -   | (17,739)                           | -   | (71,872)                           |
| Repayment of finance lease liabilities                              | (34)  | (49)                               | (69)  | (100)                              |
| Interest paid   | (792)   | 709                                | (1,583)   | (2,225)                            |
| <b>Net cash flow generated/(used in) from financing activities</b>  | <b>4,667</b>  | <b>(12,054)</b>                    | <b>5,961</b>  | <b>(66,949)</b>                    |
| <b>Net (decrease)/increase in cash and cash equivalents</b>         | <b>(5,706)</b>  | <b>8,141</b>                       | <b>(4,606)</b>  | <b>2,683</b>                       |
| <b>Cash and cash equivalents</b>                                    |   |                                    |   |                                    |
| Beginning of financial period                                       | (18,202)  | (1,998)                            | (19,302)  | 3,460                              |
| <b>End of financial period</b>                                      | <b>(23,908)</b>                                       | <b>6,143</b>                       | <b>(23,908)</b>                                       | <b>6,143</b>                       |

Note: The figures of 2QFY2019 have been restated to (i) expense borrowings costs on development properties when incurred instead of capitalising, and (ii) include interest expenses for the Loan Agreement.

For the purposes of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

|   | 31/12/2019<br>(Unaudited)<br>RM'000 | 31/12/2018<br>(Restated)<br>RM'000 |
|---|-------------------------------------|------------------------------------|
| Cash and bank balances  | 6,973                               | 16,079                             |
| (-) Bank overdrafts   | (26,877)                            | (9,936)                            |
| (-) Fixed deposit pledged   | (4,004)                             | -                                  |
| <b>Cash and cash equivalents per consolidated statement of cash flows</b> | <b>(23,908)</b>                     | <b>6,143</b>                       |

Note: The figures of 2QFY2019 have been restated to (i) expense borrowings costs on development properties when incurred instead of capitalising, and (ii) include interest expenses for the Loan Agreement.

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Group  
(Unaudited)**

|  | Share capital<br>RM'000 | Merger reserve<br>RM'000 | Accumulated losses<br>RM'000 | Total<br>RM'000 | Non-controlling interest<br>RM'000 | Total Equity<br>RM'000 |
|--|-------------------------|--------------------------|------------------------------|-----------------|------------------------------------|------------------------|
| Balance as at 1 July 2019                          | 259,384                 | (10,769)                 | (133,049)                    | 115,566         | (5,651)                            | 109,915                |
| Loss and total comprehensive income for the period | -                       | -                        | (1,136)                      | (1,136)         | (530)                              | (1,666)                |
| <b>Balance as at 30 September 2019</b>             | <b>259,384</b>          | <b>(10,769)</b>          | <b>(134,185)</b>             | <b>114,430</b>  | <b>(6,181)</b>                     | <b>108,249</b>         |
| Loss and total comprehensive income for the period | -                       | -                        | (2,586)                      | (2,586)         | (494)                              | (3,080)                |
| <b>Balance as at 31 December 2019</b>              | <b>259,384</b>          | <b>(10,769)</b>          | <b>(136,771)</b>             | <b>111,844</b>  | <b>(6,675)</b>                     | <b>105,169</b>         |

**Group  
(Restated)**

|  | Share capital<br>RM'000 | Merger reserve<br>RM'000 | Accumulated losses<br>RM'000 | Total<br>RM'000  | Non-controlling interest<br>RM'000 | Total equity<br>RM'000 |
|--|-------------------------|--------------------------|------------------------------|------------------|------------------------------------|------------------------|
| Balance as at 1 July 2018                            | 259,384                 | (10,769)                 | (27,615)                     | 221,000          | 2,641                              | 223,641                |
| Profit and total comprehensive income for the period | -                       | -                        | (304)                        | (304)            | 1,653                              | 1,349                  |
| <b>Balance as at 30 September 2018</b>               | <b>259,384</b>          | <b>(10,769)</b>          | <b>(27,919)</b>              | <b>220,696</b>   | <b>4,294</b>                       | <b>224,990</b>         |
| Loss and total comprehensive income for the period   | -                       | -                        | (1,138)                      | (1,138)          | (1,990)                            | (3,128)                |
| <b>Balance as at 31 December 2018</b>                | <b>259,384</b>          | <b>(10,769)</b>          | <b>(29,057)</b>              | <b>(219,558)</b> | <b>2,304</b>                       | <b>221,862</b>         |

**Company  
(Unaudited)**

|  | Share capital<br>RM'000 | Capital reserve<br>RM'000 | Accumulated losses<br>RM'000 | Total equity<br>RM'000 |
|--|-------------------------|---------------------------|------------------------------|------------------------|
| Balance as at 1 July 2019                        | 1,455,079               | 1,419                     | (518,712)                    | 937,786                |
| Loss and total comprehensive loss for the period | -                       | -                         | (1,149)                      | (1,149)                |
| <b>Balance as at 30 September 2019</b>           | <b>1,455,079</b>        | <b>1,419</b>              | <b>(519,861)</b>             | <b>936,637</b>         |
| Loss and total comprehensive loss for the period | -                       | -                         | (1,182)                      | (1,182)                |
| <b>Balance as at 31 December 2019</b>            | <b>1,455,079</b>        | <b>1,419</b>              | <b>(521,043)</b>             | <b>935,455</b>         |

**Company  
(Unaudited)**

|  | Share capital<br>RM'000 | Capital reserve<br>RM'000 | Accumulated losses<br>RM'000 | Total equity<br>RM'000 |
|--|-------------------------|---------------------------|------------------------------|------------------------|
| Balance as at 1 July 2018                        | 1,455,079               | 1,419                     | (114,865)                    | 1,341,633              |
| Loss and total comprehensive loss for the period | -                       | -                         | (757)                        | (757)                  |
| <b>Balance as at 30 September 2018</b>           | <b>1,455,079</b>        | <b>1,419</b>              | <b>(115,622)</b>             | <b>1,340,876</b>       |
| Loss and total comprehensive loss for the period | -                       | -                         | (1,193)                      | (1,193)                |
| <b>Balance as at 31 December 2018</b>            | <b>1,455,079</b>        | <b>1,419</b>              | <b>(116,815)</b>             | <b>1,339,683</b>       |

Note: The figures of 2QFY2019 have been restated to (i) expense borrowings costs on development properties when incurred instead of capitalising, and (ii) include interest expenses for the Loan Agreement.

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

|                                       | Number of<br>issued shares | Issued and<br>paid-up share<br>capital<br>(RM'000) |
|---------------------------------------|----------------------------|--|
| Balance as at 30 September 2019       | 1,869,434,303              | 1,455,079  |
| <b>Balance as at 31 December 2019</b> | <b>1,869,434,303</b>       | <b>1,455,079</b>                                   |

The Company did not have any outstanding options, convertibles, treasury shares or subsidiary holdings as at 31 December 2019 and 31 December 2018.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

|                               | As at<br>31/12/2019 | As at<br>30/06/2019 |
|-------------------------------|---------------------|---------------------|
| Total number of issued shares | 1,869,434,303       | 1,869,434,303       |

There were no treasury shares as at 31 December 2019 and 30 June 2019.

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard and practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditor's report (including any modifications or emphasis of a matter).

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.  
 (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The latest financial statements of the Group are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Save as disclosed in paragraph 5, the accounting policies and methods of computations adopted in the financial statements for the current financial period reported on are consistent with those applied in the preparation of the most recent audited consolidated financial statements of the Group for the financial year ended 30 June 2019.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.**

On 1 July 2019, the Group adopted new or amended Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year, including SFRS(I) 16 - Leases. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I). Based on its assessments, the management does not expect any significant impact on the Group's financial statements for the current financial period reported on.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: -**

|   | 3 months ended            |                           | 6 months ended            |                           |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
|   | 31/12/2019<br>(Unaudited) | 31/12/2018<br>(Unaudited) | 31/12/2019<br>(Unaudited) | 31/12/2018<br>(Unaudited) |
| Loss attributable to equity holders of the Company (RM'000) | (2,586)                   | (1,138)                   | (3,722)                   | (1,442)                   |
| Weighted average number of ordinary shares in issue         | 1,869,434,303             | 1,869,434,303             | 1,869,434,303             | 1,869,434,303             |
| <b>Loss per share ("LPS") (RM'sen)</b>                      | <b>(0.14)</b>             | <b>(0.061)</b>            | <b>(0.20)</b>             | <b>(0.077)</b>            |
| <b>Fully diluted LPS (RM'sen)</b>                           | <b>(0.14)</b>             | <b>(0.061)</b>            | <b>(0.20)</b>             | <b>(0.077)</b>            |

The basic and fully diluted LPS were the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2019 and 31 December 2018.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -**

- (a) Current financial period reported on; and  
 (b) Immediately preceding financial year

|  | Group                     |                         | Company                   |                         |
|--|---------------------------|-------------------------|---------------------------|-------------------------|
|  | 31/12/2019<br>(Unaudited) | 30/06/2019<br>(Audited) | 31/12/2019<br>(Unaudited) | 30/06/2019<br>(Audited) |
| Net Asset Value (RM'000)               | 111,843                   | 115,566                 | 935,455                   | 937,786                 |
| Number of ordinary shares in issue     | 1,869,434,303             | 1,869,434,303           | 1,869,434,303             | 1,869,434,303           |
| <b>NAV per ordinary share (RM'sen)</b> | <b>5.98</b>               | <b>6.18</b>             | <b>50.04</b>              | <b>50.16</b>            |

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

### **Consolidated statement of comprehensive income**

#### Revenue

The increase in revenue for the second quarter ended 31 December 2019 ("2QFY2020") was mainly due to higher revenue recognised from the Menara Majlis Bandaraya Johor Bahru ("MBJB") project of RM25.2 million in 2QFY2020 as compared to second quarter ended 31 December 2018 ("2QFY2019") of RM14.7 million. The Astaka @ One Bukit Senyum ("The Astaka") revenue for 2QFY2020 was RM38.9 million compared to 2QFY2019 of RM17.7 million and Bukit Pelali @ Pengerang ("BPP") contributed revenue of RM8.9 million in 2QFY2020 compared to RM33.7 million in 2QFY2019.

#### Cost of Sales and Gross Profit

The Group's cost of sales increased by 7.8% in 2QFY2020 mainly due to the cost involved for the higher percentage of completion for MBJB. The Group's gross profit increased by 65.7% to RM4.86 million in 2QFY2020 primarily due to the sales of The Astaka project units as it commanded a higher margin as compared to the Group's other ongoing projects.

#### Other Income and loss

Other income decreased by RM774,000 to RM4,000 in 2QFY2020 mainly due to the absence of forfeiture payments from purchasers which were accounted for in 2QFY2019, amounting to RM542,000.

Other loss increased in 2QFY2020 mainly due to depreciation of Ringgit Malaysia against the Singapore Dollar during the 2QFY2020.

#### Expenses

Selling and distribution expenses decreased in 2QFY2020 as compared to 2QFY2019 mainly due to lesser marketing expenses incurred in relation to the organising of events and roadshows for selling and promoting The Astaka and BPP.

Administrative expenses increased in 2QFY2020 mainly due to the following:

- i. professional fees and legal fee of RM250,000 rendered for obtaining certain conditions waiver on the vacant possession billings from the local housing authority for BPP projects in 2QFY2020;
- ii. cost incurred for the landscape enhancement of RM438,141 and repair maintenance of RM461,838 for The Astaka in 2QFY2020 to enhance the marketability of the units; and
- iii. 3 months' maintenance fees for the period from 1 October 2019 to 31 December 2019 and sinking fund paid to property management for unsold units of The Astaka which amounted to RM333,000.

Finance cost increased in 2QFY2020 as compared to 2QFY2019 mainly due to overdue trade payable amounts owing to BPP's main contractor, which amounted to RM1.8 million (2QFY2019: Nil) and overdue trade payable amounts owing to The Astaka's main contractor, which was subject to an interest rate of 8.5% per annum, which amounted to RM325,089 (2QFY2019: RM988,815). In addition, the increase was also due to bank overdraft interest which amounted RM507,000 (2QFY2019: RM185,843)

Other expenses decreased in 2QFY2020 mainly due to the reduction in expenditure on corporate social responsibility activities.

Depreciation of property, plant and equipment decreased in 2QFY2020 mainly due to the full depreciation of two motor vehicles in FY2019. Interest income decreased by RM10,000 to RM38,000 in 2QFY2020 due to reduction of the cash balances in the bank.

There is an allowance for foreseeable losses on development properties of RM420,000 in 2QFY2020 to account for the additional master landscape works contracted to enhance the environment in the BPP development.



The Group has over provided for taxation of RM172,000 in 2QFY2020 as compared to income tax expense of RM544,000 in 2QFY2019. This was in line with the losses made during the quarter.

### **Consolidated statement of financial position**

Property, plant and equipment decreased by approximately RM122,000 from RM664,000 as at 30 June 2019 to RM542,000 as at 31 December 2019, mainly due to the depreciation charges on existing office equipment, office furniture and fixtures and motor vehicles for operational purposes.

Development properties decreased by approximately RM10.5 million from RM467.1 million as at 30 June 2019 to RM456.6 million as at 31 December 2019. This was due to the decrease of inventories for The Astaka sold in 2QFY2020. The decrease was compensated by the additional billings by sub-contractors, professionals and consultants for the development of MBBJ and BPP. This was in line with the progress of the on-going construction of the Group's property development projects in 2QFY2020.

Contract cost decreased in 2QFY2020 due to the increase in percentage of completion for MBBJ and BPP projects.

Contract assets decreased in 2QFY2020 mainly due to progress billings made to the purchaser of units for BPP as a result of completion of phase 1A which comprises of shop lots and terraces. Contract liabilities increased mainly because BPP has yet to receive the final progress claim from the contractor for the completion of phases in BPP.

Trade and other receivables decreased by approximately RM46.4 million from RM109.3 million as at 30 June 2019 to RM62.9 million as at 31 December 2019, mainly attributed to the increase in collections from MBBJ project.

The increase in tax recoverable and decrease in current tax liabilities were mainly due to BPP and The Astaka making a loss in 2QFY2020. Under the self-assessment system, every company is required to determine and submit an estimate of its tax payable for a year of assessment, to which the Group had over-estimated the tax payable for BPP and The Astaka.

Trade and other payables decreased by approximately RM90.5 million from RM393.9 million as at 30 June 2019 to RM303.4 million as at 31 December 2019, mainly pertaining to the payment to the contractors and sundry accruals for The Astaka. The Group is meeting the instalment schedule payments pertaining to the debt settlement agreement with The Astaka main contractor, China State Construction Engineering (M) Sdn Bhd which were announced on 2 October 2019.

Bank overdraft and current borrowings increased as at 31 December 2019 due to further drawdown from bank for financing the Group's property development projects and working capital.

Amount due to related parties increased by RM6.5 million as at 31 December 2019, which was mainly attributed to the BPP land consideration payable to the joint venture partner, SSSB of RM9.3 million. However, the aforesaid was offset by a repayment of RM3.5 million in 2QFY2020. Based on the terms of the development agreement entered into between BPPSB and SSSB, BPPSB shall pay SSSB 12.0% of the cash proceeds to be received from the individual purchasers of the properties in the BPP project, such amount to be capped at and shall not exceed the sum of RM165.0 million.

### **Consolidated statement of cash flow**

The Group reported a net cash outflow from operating activities of RM10.4 million in 2QFY2020 as compared to a net cash inflow of RM20.2 million in 2QFY2019. This was primarily due to progress billings received from the purchaser which arose from the completion of The Astaka in June 2018.

Net cash inflow from investing activities of RM38,000 in 2QFY2020 was mainly due to interest received from financial institutions.

Net cash inflow from financing activities of RM4.7 million in 2QFY2020 was mainly due to the proceeds from drawdown of term loan of RM1.1 million made in the quarter for financing of the Group's property development projects and working capital and RM4.1 million mainly due to related parties which in relation to land consideration payable to the joint venture partner as explained above. However, the aforesaid was offset by the repayment of finance lease liabilities and interest.

Included in 2QFY2020 cash and bank balances is an amount of RM802,184 (31 December 2018: RM5,281,667) of which the bank accounts are maintained in accordance with Housing Development (Housing Development Account) Regulation 1991 in Malaysia. These accounts, which consist of monies received from purchasers, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the

respective subsidiaries upon the completion of the property development properties and after all property development expenditure have been fully settled.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group is cautious that the operating environment has become more challenging given the new emerging coronavirus ("COVID-19") which was declared as global health emergency by the World Health Organisation. This will further impact not only global markets (including Malaysia) but also geopolitics, especially in light of the ongoing trade war between US and China.

The Group continues to leverage on its capabilities and track record to grow the business and explore strategic alliances to develop Phase 3 of One Bukit Senyum which spans approximately 7.65 acres.

**11. If a decision regarding dividend has been made: -**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividend has been declared or recommended for 2QFY2020.

**(b)**

**(i) Amount per share (RM'sen)**

Not applicable.

**(ii) Previous corresponding period (RM'sen)**

Not applicable. No dividend has been declared or recommended for the corresponding period of the immediately preceding financial year.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the Company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended as the Group was loss-making in 2QFY2020.

13. If the Group has obtained a general mandate from shareholders for interested person transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

| Name of interested person     | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |
|-------------------------------|--|--|
| Dato Malek and his associates | RM9,973,387 <sup>(1)</sup>   | Not applicable.  |

**Note:**

(1) Comprises:

- (i) interest payable to Dato Malek and his associates amounting RM550,485 for an extension of unsecured loans to the Company of RM27,299,867 at 4% per annum, with no fixed term of repayment;
- (ii) rental payable by APSB to Sukma Consortium Sdn Bhd, an associate of Dato Malek, for the rental of office premises by APSB from 1 July 2019 to 31 December 2019 of RM123,000; and
- (iii) amount payable by BPPSB to SSSB, an associate of Dato Malek, for the sole and exclusive right to develop the Bukit Pelali land of RM9,299,902 (please refer to the Circular issued by the Company on 29 November 2016 for more details).

Save for the above mentioned, there were no interested persons transactions of S\$100,000 or more for 2QFY2020.

The Group does not have a general mandate from its shareholders for recurring interested person transactions.

14. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Catalist Rule 720(1).

15. **Negative confirmation pursuant to Rule 705(5).**

The Board hereby confirms that, to the best of their knowledge, nothing has come to their attention that may render the unaudited financial results for 2QFY2020 to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

**Dato Zamani Bin Kasim**  
**Executive Director and Chief Executive Officer**  
**13 February 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 Catalist.*

*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.*

*The contact person for the Sponsor is Mr Pong Chen Yih, Chief Operating Officer, 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.*