ASTAKA HOLDINGS LTD.

STEADY & VIBRANT PULSE

ANNUAL REPORT 2019

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This annual report has been prepared by the Company and its contents have been reviewed by the Company's 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 annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made, or reports contained in this annual report.

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.

Astaka is the result of a reverse takeover in November 2015 of E2-Capital Holdings Limited by Astaka Padu Limited.

Astaka's founder saw the potential of Johor Bahru, and set out with a vision to transform the city. Leveraging on the management's track record and decades of experience, Astaka secured prime land in the heart of the city, now home to Group's flagship development, One Bukit Senyum.

The iconic One Bukit Senyum will transform the skyline of Johor Bahru with its elegance and modernity. It will be Johor Bahru's new central business district when completed.

The award-winning development includes The Astaka @ One Bukit Senyum residential towers, a five-star hotel, branded residences, serviced apartments, a shopping mall, an office tower, and the headquarters of Johor Bahru's City Council, Menara MBJB.

One Bukit Senyum has a total gross floor area of 6.6 million square feet and a gross development value ("GDV") of up to RM5.3 billion.

Astaka's second project is Bukit Pelali at Pengerang, a 363 -acre strata township comprising of residential units, shop offices, a clubhouse, hotel, private hospital, mart, school, mosque, food and beverage hub and petrol station. With an estimated GDV of RM2.3 billion, the project is located five kilometres away from the Pengerang Integrated Petroleum Complex in southern Johor.

Astaka will selectively explore investment opportunities and potential real estate acquisitions, particularly high-profile or strategically-located land banks, to increase its portfolio of iconic projects across the region.

ONE BUKIT SENYUM

Held by Astaka Padu Sdn Bhd, a 99.99% owned subsidiary of the Company

11.85 ACRES
OF FREEHOLD LAND

GROSS DEVELOPMENT VALUE OF
RM **5.3** BILLION

COMPONENTS: The Astaka, Menara MBJB, five-star hotel, branded residences and serviced apartments, luxury shopping mall and Grade-A office building

THE ASTAKA

1 KM
TO JOHOR CIQ

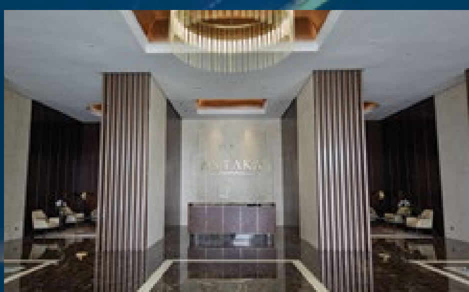
TOWER A
70
STOREYS

TOWER B
65
STOREYS

1,020 FEET
ABOVE SEA LEVEL

CIGAR ROOM

PRIVATE DINING



LOBBY

SOCIAL DINING

Bukit Pelali @ Pengerang

Developed by Bukit Pelali Properties Sdn Bhd, a 51:49 joint venture company between the Company's 99.99% owned subsidiary, Astaka Padu Sdn Bhd, and Saling Syabas Sdn Bhd

3,884
RESIDENTIAL UNITS

363 -ACRES
ABOVE SEA LEVEL

GROSS DEVELOPMENT VALUE OF
RM2.3 BILLION


BUKIT
PELALI

1993
Astaka Padu Sdn Bhd was founded by Dato' Daing A Malek Bin Daing A Rahaman.

2003
Astaka Padu Sdn Bhd makes its foray into property development through applications to develop

2004
Tebrau Junction Sdn Bhd was incorporated by Astaka Padu Sdn Bhd & Malpakat.

2012
Acquired land and commenced implementation plan for One Bukit Senyum. Engaged GDP Architects to develop The Astaka @ One Bukit Senyum. Dato' Zamani Bin Kasim appointed CEO of Astaka Padu Sdn Bhd.

2013
Grand launch and construction of The Astaka @ One Bukit Senyum, named tallest residential twin towers in Southeast Asia. Engaged Penta-Ocean (Malaysia) Sdn Bhd for substructure works for The Astaka @ One Bukit Senyum.

Twin icons prevailing through time, The Astaka @ One Bukit Senyum is the symbol of bold innovation, lifestyle trends, tied into excellent and opulent living.

2014
Astaka Padu Sdn Bhd undertook a restructuring exercise; Astaka Padu Limited became the holding company of Astaka Padu Sdn Bhd. Completed sub-structure work for The Astaka @ One Bukit Senyum ahead of schedule. Engaged China State Construction Engineering (M) Sdn Bhd for super-structure works for The Astaka @ One Bukit Senyum.

2015

Renamed Astaka Holdings Limited following listing on Singapore Exchange via the reverse takeover of E2-Capital Holdings Limited.

Change of Board members, Dato' Zamani Bin Kasim appointed as Astaka Holding's new Executive Director and Chief Executive Officer.

The Astaka @ One Bukit Senyum awarded:

- Best Condo Development (Malaysia) by South East Asia Property Awards (Malaysia) 2015
- Best Luxury Condo Development (South Malaysia) by South East Asia Property Awards (Malaysia) 2015

Completed construction of a three-storey mosque at Johor Bahru Police Headquarters for the local community.

2016

28 November 2016 – Secured RM308 million agreement to develop Menara MBJB

3 October 2016 – Entered into joint venture to develop Bukit Pelali at Pengerang

28 August 2016 – Unveiled masterplan for One Bukit Senyum officiated by Sultan of Johor

2 August 2016 – Signed MOU for the construction, development and sale of Menara MBJB

2017

26 July 2017 – One Bukit Senyum conferred node status

11 July 2017 – Announcement on adoption of FRS 115

6 June 2017 – Topping Off for The Astaka

21 May 2017 – Grand Launch of Bukit Pelali at Pengerang by Sultan of Johor

8 May 2017 – Awarded construction contract for Menara MBJB to JBB Kimlun

30 April 2017 – The Astaka achieved three million man-hours without a lost-time injury

17 April 2017 – Unveiled showrooms of Bukit Pelali at Pengerang

28 October 2017 – Launched second phase of shop offices at Bukit Pelali Township in Southeast Johor

2018

26 June 2018 – The Astaka Towers received Certificate of Completion and Compliance

27 August 2018 – Appointment of Holiday Villa Hotels & Resorts to operate hotel at Bukit Pelali Project in Pengerang, Johor

2019

15 March 2019 – The Astaka @ One Bukit Senyum awarded the Best Residential High-Rise Development and Most Inspiring New Developer by Des Prix Infinitus ASEAN Property Awards Malaysia.

14 May 2019 – The Astaka @ One Bukit Senyum awarded the Best Residential High-Rise Development in Malaysia by ASIA Pacific Awards.

23 June 2019 – Topping off for Menara MBJB

8 October 2019 – The Phase 1 of Bukit Pelali at Pengerang received Certificate of Completion and Compliance

13 November 2019 – Appointed Mr Khong Chung Lun (Executive Director), Lai Kuan Loong, Victor (Independent Director) and Dato' Sri Mohd Mokhtar Mohd Shariff (Independent Director)

11 December 2019 - Menara MBJB received Certificate of Completion and Compliance

2020

1 January 2020 – Officially handed over the fully completed Menara MBJB to Johor Bahru's City Council, a year ahead of schedule

> We believe that One Bukit Senyum is an iconic development that has clear potential to become the central business district of Johor Bahru. It is in close proximity to Singapore, where capital values are substantially higher.

MR. NEO GIM KIONG
Non-Executive Chairman and
Independent Director

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of Astaka Holdings Limited (the "Company", and together with its subsidiaries, the "Group"), I am pleased to present to you the scorecard for the financial year ended 30 June 2019 ("FY2019").

The completion of our flagship residential project, The Astaka @ One Bukit Senyum ("The Astaka"), was announced on 26 June 2018. This milestone achievement underscores our capability to deliver quality projects and establishes our track record as one of the best developers in Malaysia. On April 2019, The Astaka was awarded the Best Condo Development and Best Universal Design Development in Malaysia at the 6th annual PropertyGuru Asia Property Awards (Malaysia). Other awards which The Astaka received this year include the Best Residential High-Rise Development (Malaysia) given at the International Property Awards (Asia Pacific) 2019, as well as Best Residential High-Rise Development and Most Inspiring New Developer awarded at the 2019 Des Prix Infinitus Asean Property Awards Malaysia.

The Astaka comprises a total of 435 units in two residential towers. The achievements and recognition are testaments to The Astaka's build quality and the Group's vision of a development where luxury is combined with convenience – embodying a design philosophy that caters to all lifestyles.

FINANCIAL PERFORMANCE

Despite delivering an outstanding residential development, the project has faced headwinds due to the further weakening of the Malaysian property market arising from political uncertainty, weaker economic growth, oversupply of residential units and lending restrictions imposed by Bank Negara.

As a result, the Group's revenue decreased by 11% for FY2019 due to lower revenue recognized from The Astaka on fewer units sold in FY2019. The reduction in revenue was mitigated by revenue generated from higher percentage completion from the Menara Majlis Bandaraya Johor Bahru ("MBJB") project, and the Bukit Pelali at Pengerang ("BPP") project.

The Group's cost of sales increased by 23.1% to RM366.9 million in FY2019 due to impairment losses on the carrying value of unsold units on The Astaka, arising from the bulk purchase of units at a discounted price subsequent to FY2019, and additional development costs for this project to further enhance its market position as an iconic building in Johor Bahru.

Excluding the impairment losses on the carrying value of the unsold units in The Astaka, the Group made a gross profit of RM10.8 million in the quarter ended 30 June 2019 and a gross loss of RM3.7 million in FY2019.

DEVELOPMENT PROJECTS

Menara MBJB

The construction of Menara MBJB, a 15-storey Grade A office tower has been completed and was delivered to MBJB on 1 January 2020. Approximately around 800 MBJB staff will relocate and enjoy their new premises.

The completion of MBJB marked another milestone as two of three components of One Bukit Senyum have been completed. The two projects will also underpin the value and significance of One Bukit Senyum as the new central business district of Johor Bahru. In turn, it will position One Bukit Senyum well for potential development of the third phase which will involve commercial, hotel, serviced residence and convention facilities. We remain on the lookout for strategic partners who can work with us to bring this third phase to its full potential.

Bukit Pelali Project

The Group is on track for the construction of its developments comprising terrace houses and shop offices in the Bukit Pelali Township. Phase 1 comprising 243 terrace houses and 19 units shop lots has received its certificate of completion and compliance in October 2019 and delivery of keys to buyers are ongoing.

This 363-acre, self-contained strata township at Pengerang has an estimated GDV of RM2.3 billion. The project benefits from its proximity to the Pengerang Integrated Petroleum Complex in south-eastern Johor as our residential units and commercial outlets will see huge demand.

OUTLOOK

Headwinds in the Malaysian property market are likely to persist in the near future due to reasons described earlier. Nonetheless, we believe that One Bukit Senyum is an iconic development that has clear potential to become the central business district of Johor Bahru. It is in close proximity to Singapore, where capital values are substantially higher. Together with the completion of Menara MBJB, the project is favourably positioned for potential partnerships for the final phase of development.

CHANGE IN BOARD MEMBERSHIP

As announced on 13 November 2019, the Group has appointed Mr. Khong Chung Lun as an Executive Director, Dato' Sri Mohd Mokhtar Bin Mohd Shariff as an Independent Director, and Mr. Lai Kuan Loong, Victor as an Independent Director. On behalf of the Board, I welcome them to the Group's leadership team.

Mr. San Meng Chee, the Group's Independent Director, and I will not be seeking re-election in this year's Annual General Meeting. I would like to thank the Board, the stakeholders and shareholders for all the support during my tenure. I will cherish my experience here and will carry all that I have learned in my future endeavours. I wish the Group all the best as it strives to become the developer of quality projects in Malaysia.

ACKNOWLEDGEMENT

I would like to acknowledge the efforts of our management team, headed by our Chief Executive Officer, Dato' Zamani bin Kasim, in continually improving the market position of our iconic and strategic projects. They have managed to unlock more value from our developments even in such challenging times. This strengthens our track record and positions us as a capable and trusted developer.

On behalf of the Board, I would like to extend my appreciation to our staff, business associates and shareholders for their unwavering support and loyalty.

Thank you.

Mr. Neo Gim Kiong
Non-Executive Chairman
6 January 2020

The completion of our maiden project, The Astaka @ One Bukit Senyum ("The Astaka"), positions us as a trusted developer of quality and iconic projects. Additionally, we marked another significant milestone when we delivered our MBJB on 1 January 2020, one year ahead of schedule.

DATO' ZAMANI BIN KASIM
Executive Director and
Chief Executive Officer

Dear Shareholders,

On behalf of the Board of Directors ("Board"), I am glad to present to you the performance of Astaka Holdings Limited (the "Company", and together with its subsidiaries, the "Group") for the financial year ended 30 June 2019 ("FY2019").

The completion of our maiden project, The Astaka @ One Bukit Senyum ("The Astaka"), positions us as a trusted developer of quality and iconic projects. This achievement is subdued due to the challenging market sentiment in the Malaysian property sector.

BUSINESS REVIEW

The Group generated RM296.0 million in revenue for FY2019, 11% lower compared to RM332.7 million a year ago ("FY2018"). The Malaysian residential property market has become more challenging due to slower economic growth, oversupply, uncertainty about policy outlook following a recent change in government and continued lending restrictions imposed by Bank Negara. As a result of these factors, revenue recognised from The Astaka was lower as fewer residential units were sold amounting to RM47.2 million in FY2019 compared to RM199.6 million in FY2018.

The reduction in revenue from The Astaka was mitigated by higher revenue from higher percentage completion of the Menara Majlis Bandaraya Johor Bahru ("MBJB") project within One Bukit Senyum and the Bukit Pelali @ Pengerang ("BPP") project. The MBJB project had contributed a full-year revenue of RM143.4 million in FY2019 compared to RM78.0 million in FY2018. The MBJB will serve as the new headquarters of Johor Bahru's City Council and will become the new hub of the city's local administration.

The BPP project contributed a full-year revenue of RM105.4 million in FY2019 compared to RM55.1 million in FY2018.

The Group recorded an increase in costs of sales due to impairment losses on the carrying value of the unsold units on The Astaka of RM67.2 million, arising from the bulk purchase of units at a discounted price subsequent to FY2019, and development costs of RM27.9 million mainly due to additional touch-up works of RM20.1 million to The Astaka to further enhance its market position as an iconic landmark in Johor Bahru.

Excluding impairment losses on The Astaka, the Group made a gross loss of RM3.7 million in FY2019.

The Group recorded a net cash inflow from operating activities of RM47.0 million in FY2019 compared to a net cash outflow of RM49.0 million in FY2018 due primarily to progress billings received from the purchasers of the MBJB and BPP projects. Net cash outflow from financing activities in FY2019 amounted to RM65.8 million compared to net cash inflow of RM37.4 million in FY2018 due to the repayment of bank borrowings, finance lease liabilities and interest.

The Group ended FY2019 with cash and cash equivalents of RM10.3 million.

ONE BUKIT SENYUM

On October 2019, the Malaysia government had announced to resume the Johor Bahru-Singapore Rapid Transit System (RTS) link, which will give a great advantage and elevate One Bukit Senyum. The Group already has secured approval to build a tunnel that connects One Bukit Senyum to Johor Bahru's Customs Complex. This will shorten travel time by car between the two locations and will provide an additional and unique element to the development. The node status awarded to One Bukit Senyum by Malaysia's Ministry of Finance and the Iskandar Regional Development Authority enables the development to enjoy full income tax exemption on sales and leases.

The Astaka was recognized as the Best Condo Development and Best Universal Design Development in Malaysia at the 6th annual PropertyGuru Asia Property Awards (Malaysia) held in April 2019. Other awards which The Astaka received this year include the Best Residential High-Rise Development (Malaysia) given at the International Property Awards (Asia Pacific) 2019, as well as Best Residential High-Rise Development and Most Inspiring New Developer awarded at the 2019 Des Prix Infinitus Asean Property Awards Malaysia. This recognition underscores the quality and iconic status of the development as it provides luxury living as well as convenience to its residents.

The construction of Menara MBJB, a 15-storey Grade A office tower that will serve as the new headquarters of Johor Bahru's City Council, is wrapping up, with percentage of completion at 70% in FY2019.

BUKIT PELALI @ PENGERANG

This 363-acre, self-contained strata township in Pengerang has an estimated GDV of RM2.3 billion and is expected to be completed by 2025. The township will comprise 3,884 residential units including 1,598 units under the Johor Affordable Housing Scheme, shop offices, a clubhouse, hotel, private hospital, school, mart, mosque, F&B hub and petrol station.

Its proximity to the Pengerang Integrated Petroleum Complex in south-eastern Johor will see huge demand for our residential units and commercial outlets. We have secured 91% sales of Phase 1A, comprising 243 terrace houses and 19 shop offices at 92% and 81% completion; 53% sales of Phase 1B comprising 247 mixture of terrace and semi-detached houses at 68% completion; and sales of 77% at 71% completion comprising 81 shop lots, respectively. These projects have contributed revenue of RM105.4 million in FY2019.

The Group is on track for the construction of its two phases of development despite an approximate 3-month delay due to additional requirements on the drainage system from the local authorities in obtaining the completion certificate.

OUTLOOK

The subdued property market outlook in Malaysia will continue to remain in the short term. Despite various challenges, the Group will remain focused on maximizing the potential of our developments to deliver the highest quality products to our customers.

CHANGE IN BOARD MEMBERSHIP

Mr. Neo Gim Kiong and Mr. San Meng Chee, the Group's Non-Executive Chairman and Independent Director, respectively, will not be seeking re-election in this year's Annual General Meeting. On behalf of the Board, I thank Mr. Neo and Mr. San for the years of devoted service and commitment in advancing the Group's vision to be a trusted and prime developer of quality projects, and wish them well in their future endeavours.

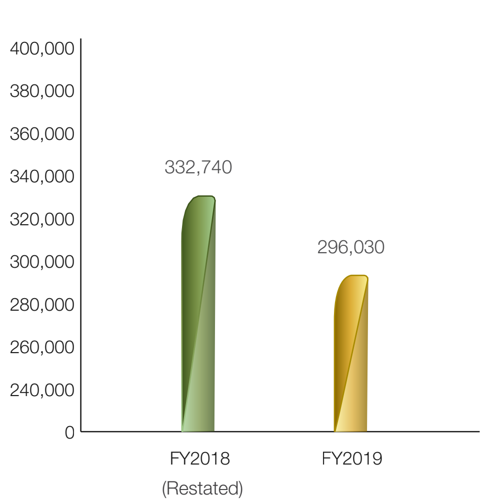
As announced on 13 November 2019, the Group has appointed Mr. Khong Chung Lun as an Executive Director, Dato' Sri Mohd Mokhtar Bin Mohd Shariff as an Independent Director, and Mr. Lai Kuan Loong, Victor as an Independent Director. I welcome their addition to the Board; their unique insights and perspectives will engender fruitful discussions to drive the Group's growth.

NOTE OF APPRECIATION

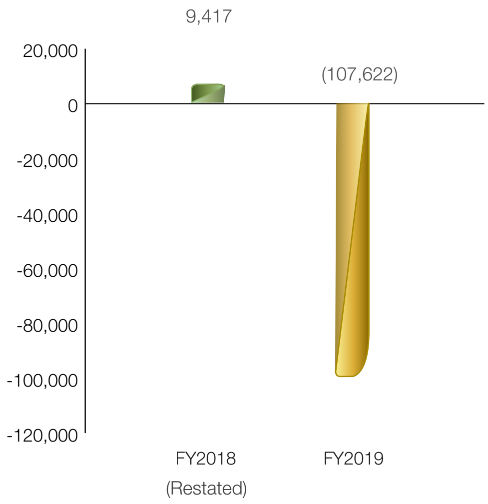
On behalf of the Board, I would like to thank our shareholders for your continued loyalty and support. I would also like to express my gratitude to our management team for their tireless efforts and dedication.

DATO' ZAMANI BIN KASIM
Executive Director and
Chief Executive Officer
6 January 2020

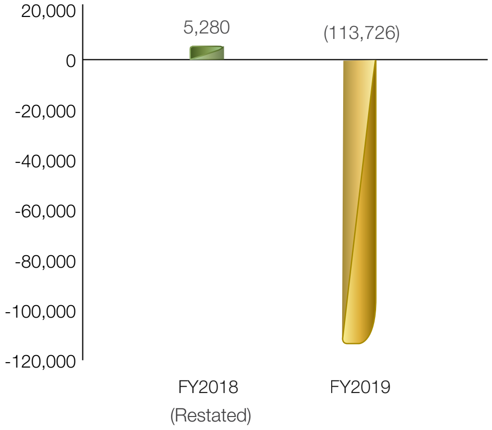
REVENUE
(RM'000)



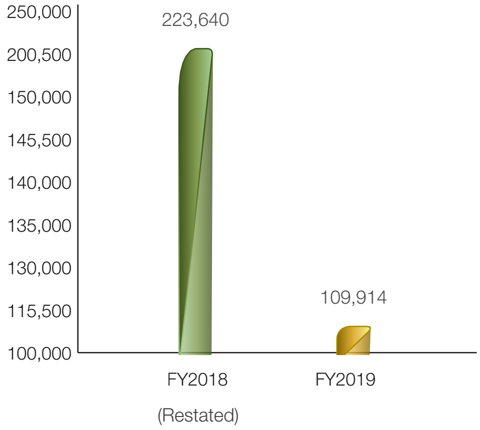
PROFIT BEFORE TAX/ LOSS BEFORE TAX
(RM'000)



NET PROFIT/ NET LOSS
(RM'000)



TOTAL EQUITY
(RM'000)



BOARD OF DIRECTORS AND KEY MANAGEMENT

(left to right) Ms. Daeng Hamizah Binti Abd Aziz; Ms. Lee Shih Yi; Mr. San Meng Chee; Dato’ Zamani Bin Kasim; Mr. Neo Gim Kiong; Mr. Lee Gee Aik

(Not in picture: Mr. Khong Chung Lun, Dato’ Sri Mohd Mokhtar Bin Mohd Shariff, Mr. Lai Kuan Loong, Victor)

MR. NEO GIM KIONG

*Non-Executive Chairman
and Independent Director*

Mr. Neo Gim Kiong was appointed to the Board as Non-Executive Chairman and Independent Director on 19 November 2015 and re-elected on 30 October 2017. Mr. Neo is presently the Executive Director and Chief Executive Officer of Sen Yue Holdings Ltd. Mr Neo is the Founding Director of Bizmen Corporation Pte Ltd and Dollar Tree Inc Pte Ltd, both of which are business advisory firms incorporated in Singapore in 2004. Prior to 2004, he was with the banking sector overseeing a portfolio of corporate clientele from 1994 to 2001. He joined Jackspeed Corporation Limited in 2001, and as the Executive Director, spearheaded the listing of the group in 2003 on the Mainboard of Singapore Exchange. Mr. Neo is also an Independent Director of Ban Leong Technologies Limited, International Press Softcom Ltd and Acesian Partners Limited. Mr Neo holds a Bachelor of Science (Honours) Degree in Mathematics from the National University of Singapore. Mr Neo will not be seeking re-appointment at the forthcoming Annual General Meeting ("AGM") of the Company and will retire as Non-Executive Chairman and Independent Director of the Company after the conclusion of the AGM.

DATO' ZAMANI BIN KASIM

*Executive Director
and Chief Executive Officer*

Dato' Zamani Bin Kasim was appointed to the Board as Executive Director and Chief Executive Officer on 19 November 2015 and re-elected on 23 October 2018. Dato' Zamani has more than 35 years' experience in property development. He began his career with C.H. Williams, Talhar & Wong as a valuation assistant, and later joined Agro Bank Malaysia (formerly known as Bank Pertanian Malaysia) as a planning and development officer for four years, overseeing the construction of the headquarters of Agro Bank Malaysia. Thereafter, Dato' Zamani joined Koperasi Belia Nasional Bhd as an Assistant General Manager and oversaw it's various residential, commercial and industrial property development projects. In June 1997, he joined Azrahi Project Management Sdn Bhd as its Project Director. A notable project was the implementation up to the handing over of Seremban Hilton, a 345-room 5-star hotel, to Hilton International for business operations. Dato' Zamani's experience includes property development in the African region, from 2004 to 2006 as Regional Head for Africa with Seloga Holdings Bhd, a company listed on the Second Board of Bursa Malaysia. He was appointed Senior General Manager of UEM Land Bhd from 2006 to 2010 and oversaw its Puteri Harbour projects. In recognition of his contributions to the Puteri Harbour project, Dato' Zamani was awarded Best Executive Award for UEM Group in 2009. During his service, Puteri Harbour was awarded The Best Masterplan by FIABCI and came in 2nd at the FIABCI Pre D'Excellence in 2009. Dato' Zamani graduated from Universiti Sains, Malaysia with a Bachelor of Science (Housing, Building and Planning) degree with honours.

MR. KHONG CHUNG LUN

Executive Director

Mr. Khong Chung Lun was appointed as Executive Director on 13 November 2019 and will be seeking re-appointment at the forthcoming AGM. He was also appointed as a member of the Nominating Committee . Mr. Khong joined the Group in May 2015 as General Manager. Prior to this, he held senior positions in Country Garden Real Estate Sdn. Bhd., including Business Development Manager from June 2012 to May 2015. He was Concept Specialist and Mechanical Engineer for Primepoint Oil & Gas Pte. Ltd., Singapore, from January 2011 to May 2012. He currently holds senior positions in various companies and is also a Non-Executive Director of Damansara Realty Pahang Sdn. Bhd., a subsidiary of Bursa Malaysia-listed Damansara Realty Bhd. Mr. Khong has extensive knowledge in mergers and acquisitions, business development and sales, as well as marketing in the property development industry. Mr. Khong holds a Bachelor of Engineering (Honours) degree and a Master of Business Administration degree, both from Sheffield Hallam University, England.

MR. LEE GEE AIK

Independent Director

Mr. Lee Gee Aik was re-designated as Independent Director of the Board on 19 November 2015 and re-elected on 23 October 2018. Prior to this, he was the Executive Vice Chairman from 29 January 2014. Mr. Lee is a practicing accountant and is an Independent Director of three other Singapore-listed companies, namely Anchun International Holdings Limited, SHS Holdings Limited and Uni-Asia Group Limited. Mr. Lee started his career as an auditor in one of the Big Four accounting firms in 1979 and was subsequently seconded to their USA Executive Office from 1986 to 1988, specialising in the professional development and research work in audit methodologies and financial reporting. Mr. Lee qualified as a Chartered Certified Accountant with The Association of Chartered Certified Accountants, United Kingdom in 1984. He holds a Master degree in Business Administration from Henley Management College, United Kingdom. He is currently a Fellow with The Association of Chartered Certified Accountants, United Kingdom and The Institute of Certified Public Accountants of Singapore.

DATO' SRI MOHD MOKHTAR BIN MOHD SHARIFF
Independent Director

Dato' Sri Mohd Mokhtar Bin Mohd Shariff was appointed as Independent Director on 13 November 2019 and will be seeking re-appointment at the forthcoming AGM. He was also appointed as a member of the Nominating, Audit and Remuneration Committees. Dato' Sri Mokhtar is currently the Independent Non-Executive Director of TMC Life Sciences Bhd. He has over 41 years' experience serving in the Royal Malaysian Police, having held various senior positions including Chief Police Officer of Johor from January 2008 to April 2015, Director of Narcotics and Crime Investigation Department from April 2015 to September 2017 and Director of Special Branch from September 2017 to May 2018. Dato' Sri Mokhtar holds a Bachelor of Laws (Honours) degree from the University of Wolverhampton, United Kingdom, and has a Certificate of Legal Practice from the Legal Profession Qualifying Board of Malaysia. He was admitted as an advocate and solicitor of the High Court of Malaya in September 2019.

MR. LAI KUAN LOONG, VICTOR
Independent Director

Mr. Lai Kuan Loong, Victor was appointed as Independent Director on 13 November 2019 and will be seeking re-appointment at the forthcoming AGM. He was also appointed as a member of the Nominating, Audit and Remuneration Committees. Mr. Lai is a practising accountant and is currently a Director of Daiho Energy Services Pte. Ltd. and Transcorp Holdings Limited , a company listed on SGX-ST. He has over 17 years of professional experience in Corporate Advisory matters and has led and advised on Board and Corporate Governance issues, supporting many listed entities and large privately-owned businesses with their corporate actions. He also has extensive experience in AML/CFT regulatory compliance, having served as the Industry Sector representative for Global Regulatory reviews. Mr. Lai holds a Bachelor of Accountancy (Honours) degree from Nanyang Technological University, Singapore. He qualified as a Chartered Accountant with the Institute of Singapore Chartered Accountants ("ISCA") in 2002. He is currently a board member on the Accounting Technician Development Board (ISCA), and affiliate member of the chartered secretaries Institute of Singapore and a MAS Capital Market license holder.

MR. SAN MENG CHEE
Independent Director

Mr. San Meng Chee was appointed as Independent Director of the Board on 19 November 2015 and re-elected on 30 October 2017. Mr. San is currently the Chief Financial Officer ("CFO") of Mencast Holdings Ltd, responsible for its corporate finance activities, investor relations and all aspects of the treasury, financial and accounting functions. Mr. San has more than 20 years of experience in accounting, financial and corporate matters. He has held senior financial positions in listed companies and served as CFO of New Toyo International Holdings Ltd from May 2015 to February 2017. Prior to that, he was the CFO of Superior Multi-Packaging Limited from September 2006 to August 2013. He holds a Bachelor of Business degree in Accountancy from the Edith Cowan University, Western Australia and is a fellow member of CPA Australia. Mr San will not be seeking re-appointment at the forthcoming AGM of the Company and will retire as an Independent Director of the Company after the conclusion of the AGM.

MS. DAENG HAMIZAH BINTI ABD AZIZ

Chief Operating Officer

Ms. Daeng Hamizah Binti Abd Aziz was appointed as Chief Operating Officer of the Group on 1 October 2016. She oversees the daily operations of the Group, liaises with government authorities, plans strategic activities and ensures effectiveness and efficiency of the operational processors.

Daeng Hamizah first joined the Group in June 2012 as a Project Executive and held various positions including Special Assistant to the Chief Executive Officer where she oversaw several departments, assisted in fundraising activities and acquisition of development projects. Daeng Hamizah also played an instrumental role in the reverse takeover of E2-Capital Holdings Limited in November 2015.

Daeng Hamizah began her professional career as an Assistant Quantity Surveyor. Subsequently, she joined JB Bergabung Sdn Bhd as a Project Executive. She is presently a Director of Equapro Sdn Bhd and holds a Bachelors Degree in Surveying (with Honours) from The Robert Gordon University of Scotland in 2011.

MS. LEE SHIH YI

Chief Financial Officer

Ms. Lee Shih Yi was appointed to the Group in November 2016 as the Chief Financial Officer. Ms. Lee plays a strategic role in the Group and oversees all finance and investor relations matters.

Ms. Lee has extensive experience in group financial reporting, strategic business planning, corporate finance, corporate governance, tax strategies as well as treasury and risk management. She has held many senior roles in various conglomerates and public listed companies in Singapore and Malaysia.

Ms. Lee holds a Master of Business from Charles Sturt University, Australia and a Bachelor of Commerce (Accounting) from the University of Adelaide, Australia. She is a Fellow Member of the Certified Practicing Accountants Australia, a Chartered Accountant of the Malaysian Institute of Accountants and a Chartered Public Accountant of the ASEAN Chartered Professional Accountant.

Astaka Holdings Limited
(Singapore Incorporated,
Listed on SGX Catalist)

99.99%

Astaka Padu Limited
(BVI incorporated)

100%

Astaka Padu
Sdn Bhd
(Malaysia
Incorporated)

51%

Bukit Pelali
Properties Sdn Bhd
(Malaysia
Incorporated)

100%

Bukit Pelali Healthcare
Sdn Bhd
(Malaysia
Incorporated)

100%

Bukit Pelali Hotels
Sdn Bhd
(Malaysia
Incorporated)

"Slated to be the upcoming administrative and commerical hub, One Bukit Senyum is tipped to play a key role in Johor's transformation into a burgeoning metropolis of Malaysia".

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive:
Dato' Zamani bin Kasim
(Executive Director and Chief Executive Officer)
Khong Chung Lun
(Executive Director)

Non-Executive:
Neo Gim Kiong
(Non-Executive Chairman and Independent Director)
Lee Gee Aik
(Independent Director)
Dato' Sri Mohd Mokhtar Bin Mohd Shariff
(Independent Director)
Lai Kuan Loong, Victor
(Independent Director)
San Meng Chee
(Independent Director)

AUDIT COMMITTEE

Lee Gee Aik *(Chairman)*
Neo Gim Kiong
Dato' Sri Mohd Mokhtar Bin Mohd Shariff
Lai Kuan Loong, Victor
San Meng Chee

NOMINATING COMMITTEE

Neo Gim Kiong *(Chairman)*
Dato' Zamani Bin Kasim
Khong Chung Lun
Lee Gee Aik
Dato' Sri Mohd Mokhtar Bin Mohd Shariff
Lai Kuan Loong, Victor
San Meng Chee

REMUNERATION COMMITTEE

San Meng Chee *(Chairman)*
Neo Gim Kiong
Lee Gee Aik
Dato' Sri Mohd Mokhtar Bin Mohd Shariff
Lai Kuan Loong, Victor

COMPANY SECRETARY

Lai Foon Kuen

REGISTERED OFFICE

38 Beach Road #29-11
South Beach Tower
Singapore 189767
Tel: +65 6808 1600 Fax: +65 6808 1616

BUSINESS OFFICE

No. 22, Jalan Padi Emas 1/4
UDA Business Centre 81200
Johor Bahru
Johor, Malaysia
Tel: +607 231 5457 Fax:+607 244 3427

SPONSOR

Novus Corporate Finance Pte. Ltd.
9 Raffles Place, #17-05
Republic Plaza Tower 1
Singapore 048619

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

AUDITORS

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Audit Partner-in-charge: Teo Han Jo
since financial year 30 June 2017

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The Board of Directors (the "**Board**") of Astaka Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") are committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximization of long-term shareholder value.

The new Code of Corporate Governance 2018 was issued on 6 August 2018 (the "**2018 Code**"), and will only effect for annual reports covering financial year commencing from 1 January 2019. As such, the 2018 Code is not updated into the Company's corporate governance report for the financial year ended 30 June 2019 ("**FY2019**").

This report sets out the Company's corporate governance framework and practices for FY2019 with reference to the Code of Corporate Governance 2012 (the "**2012 Code**"). The Board is pleased to report the compliance with the principles of the 2012 Code except where otherwise stated and explained.

BOARD MATTERS

The Board's Conduct of Affairs

The Board provides strategic guidance, oversees the key activities for the Company and ensures that there are adequate financial and human resources to achieve its objectives and long-term success of the business.

Roles and Duties of the Board

The Board's principal functions include providing entrepreneurial leadership and approving strategic business plans, annual budget plan, major acquisition and disposal of assets and businesses, and financial results of the Group. It also establishes a framework of prudent and effective controls appropriate to the nature and size of the Group's operations which enable risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets and sets corporate values and standards (including ethical standards) for the Company to ensure that the obligation to shareholders and other stakeholders are met. In addition, the Board reviews the Company's corporate policies and financial performance.

The Board is responsible for long-term succession of the Company and will also consider sustainability issues, including environmental and social factors, as part of the strategic formulation of the Group.

The Directors have the obligation to act in good faith and in the best interests of the Company.

Delegations of Authority to the Board Committees

The Board has established a number of committees to assist the Board in discharging its responsibilities efficiently and effectively. These committees include the Audit Committee ("**AC**"), the Remuneration Committee ("**RC**") and the Nominating Committee ("**NC**") (collectively the "**Board Committees**"). Each of the Board Committee's functions, roles and authorities are clearly set out in their respective terms of reference.

Meetings of the Board and Board Committees

The Board conducts regularly scheduled meetings on a quarterly basis to coincide with the announcement of the Group's quarterly and full-year financial results and to keep the Board updated on business activities and the overall business environment in which the Group operates. Additional meetings are convened as and when circumstances dictate. The Company's Constitution allows meetings to be conducted by way of telephone conferencing or any other electronic means of communication. The number of Board and Board Committee meetings held in FY2019 and the attendance of each Director are set out as follows:

Name of Director		**Board**	**AC**	**RC**	**NC**
No. of meetings held in FY2019		**6**	**4**	**1**	**1**
Mr Neo Gim Kiong	Non-Executive Chairman and Independent Director	6	4	1	1
Mr Lee Gee Aik	Independent Director	6	4	1	1
Mr San Meng Chee	Independent Director	6	4	1	1
Dato' Zamani Bin Kasim (note 1)	Executive Director and Chief Executive Officer	6	Not Applicable	Not Applicable	Not Applicable
Mr Khong Chung Lun (note 2)	Executive Director	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Dato' Sri Mohd Mokhtar Bin Mohd Shariff (note 3)	Independent Director	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Mr Lai Kuan Loong, Victor (note 4)	Independent Director	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Notes:

(1) Dato' Zamani Bin Kasim was appointed as a member of the NC on 13 November 2019.

(2) Mr Khong Chung Lun was appointed as an Executive Director and a member of the NC on 13 November 2019.

(3) Dato' Sri Mohd Mokhtar Bin Mohd Shariff was appointed as an Independent Director and a member of the AC, NC and RC on 13 November 2019.

(4) Mr Lai Kuan Loong, Victor was appointed as an Independent Director and a member of the AC, NC and RC on 13 November 2019.

Matters Reserved for the Board's Decision

The Company has established approval limits for operating and capital expenditure, procurement of goods and services as well as operational and financial authorization on daily and ad-hoc operation decision-making. In addition to matters that specifically require the Board's approval, such as the review and approval of periodic and full-year financial results announcement and annual audited financial statements, major acquisitions and realizations, issue of shares, interested person transactions, appointment of new directors, dividend distributions and other returns to shareholders, the Board approves transactions exceeding certain designated threshold limits, while delegating authority for transactions below those limits to the Board Committees and Management so as to optimize operation efficiency.

Appointment and Training for Directors

Orientations would be organized for new director(s), when appointed, that include briefing by Management on the Group's structure, business strategies and operations. The Company will provide newly appointed director(s) with a formal letter setting out their duties and obligations. First-time directors of a listed company will receive relevant training in the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.

Subsequent to FY2019, the following changes were made to the Board on 13 November 2019:

1) Appointment of Mr Khong Chung Lun as an Executive Director;

2) Appointment of Dato' Sri Mohd Mokhtar Bin Mohd Shariff as an Independent Director; and

3) Appointment Mr Lai Kuan Loong, Victor as an Independent Director.

The above Directors were given service agreement and/or letter of appointment respectively, setting out their duties, obligations and the terms of appointment, and were briefed on the Group's structure, business, operations and policies as well as given a tour of the Company's operating sites.

Mr Khong Chung Lun and Dato' Sri Mohd Mokhtar Bin Mohd Shariff, being First-time Directors, will undergo training on the roles and responsibilities of a director a listed issuer as prescribed by the Exchange to meet the Mandatory Training requirements under Rule 406(3)(a) of the Listing Manual of the Singapore Exchange Securities Trading Limited Section B: Rules of Catalist (the "**Catalist Rules**").

The Company recognizes the importance of appropriate training for the Directors, apart from the initial orientation. The Directors are updated on amendments/requirements of the Catalist Rules and other statutory and regulatory requirements from time to time, to enable them to discharge their duties effectively. Continual training particularly on relevant new laws, regulations and changing commercial risks (including update on the real estate development in Malaysia) will be provided to the Directors from time to time.

The briefings, updates and trainings attended by the Directors collectively for FY2019 include:

- the Company's external auditors updated the AC members on developments and/or changes on the accounting standards.
- The Directors are updated on the business activities and strategic directions of the Group.
- The Directors are updated on changes to the listing rules, corporate governance and other regulatory requirements, on a regular basis.
- Relevant training courses organized by the institutes and/ or group associations of specific interests.

Board Composition and Guidance

Composition of the Board

The Board currently comprises two (2) Executive Directors and five (5) Independent Directors (including the Chairman of the Board). As the Independent Directors make up approximately 71% of the Board, no individual or small group of individuals dominate the Board's decision making. The requirement of the 2012 Code that at least one-third of the Board comprise Independent Directors is satisfied.

Independence of Directors

The Independent Directors have confirmed that they do not have any relationship with the Company or related companies, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interest of the Company.

The Board considers an Independent Director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment of the Company's affairs with a view to the best interests of the Company.

The Board has taken into account the assessment of the NC on whether a Director is independent in character and judgment and whether there are relationships or circumstances which are likely to affect or could appear to affect the Director's judgment. In assessing the independence of each Director, the NC had examined different relationships identified by the 2012 Code that might impair the Directors' independence and objectivity. The NC had reviewed and determined that the said Directors are independent.

There are no Independent Directors whom have served beyond nine (9) years since the date of their appointments as an Independent Director.

Size, Composition and Competency of the Board

The NC, taking into account the nature of operations of the Group, reviews the size and composition of the Board from time to time, to ensure that the size of the Board is conducive for effective discussion and decision-making with an appropriate number of Independent Directors. The NC seeks to maintain an appropriate balance of expertise and attributes among the Directors, including relevant core competencies in areas such as accounting and finance, legal, business and management, strategic planning and real estate related industry knowledge, familiar with regulatory and compliance requirements and knowledge of risk management.

The diversity of the Directors' experience allows for the useful exchange of ideas and views. Taking into account the scope and nature of the operations of the Group, the Board considers its current size to be adequate for effective decision-making.

The current Board composition provides a diversity of skills, experience, knowledge and ethnicity to the Company as follows:

Core Competencies	Number of Directors	Proportion of Board
Accounting or Finance	4	57%
Business Management	6	86%
Legal or Corporate Governance	5	71%
Relevant industry knowledge or experience	2	29%
Strategic Planning experience	6	86%

The Board carries out a Board performance evaluation annually. The Directors are requested to complete a Board evaluation questionnaire designed to seek their view on various aspects of the Board performance. The results were thereafter compiled and submitted by the Company Secretary to the NC Chairman, in consultation with the NC, to access if the current size of the Board, combined experience, skills, knowledge and expertise of the Directors provide effective decision-making and leadership to the Company and to understand the range of expertise that is lacking by the Board, if any. Subsequent to FY2019, there were new appointments to the Board, to enhance the diversity of the Board in terms of balance of skills, experience and knowledge. The NC is of the view that the current Board comprises persons who as a group provide capabilities required for the Board to be effective. The Board collectively has professional expertise in finance, accounting, business management, legal, corporate governance and real estate development.

Renewal of the Board

The Board is of the opinion that it would be most effective to draw on the wealth of experience from the longer serving directors while concurrently taking progressive steps to review and consider opportunities to refresh the Board as and when deemed required.

To meet the changing challenges in the industry which the Group operates in, such reviews, which includes considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies would be done periodically to ensure that the Board dynamics remain optimal.

Check and Balance Provided by Independent and/or Non-Executive Directors

Independent and/or Non-Executive Directors constructively challenge and help develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of the Company's performance.

The Independent and/or Non-Executive Directors communicate with each other without the presence of Management as and when the need arises. The Company also benefits from Management's ready access to its Directors for guidance and exchange of views at the Board and Board Committee meetings or informal meetings.

Key information of the Directors is set out on pages 17 to 19 of this annual report.

Chairman and Chief Executive Officer

Clear Division of Responsibilities and Authorities

Mr Neo Gim Kiong is the Non-Executive Chairman of the Board, and Dato' Zamani Bin Kasim is the Executive Director and Chief Executive Officer ("**CEO**") of the Company. Mr Neo and Dato' Zamani are not related to each other. There is a clear division of roles and responsibilities between the Non-Executive Chairman and the CEO to ensure an appropriate balance of power and authority, thus no individual represents a considerable concentration of power.

The CEO is responsible for charting and reviewing corporate directions and strategies, which cover areas of marketing and strategic alliances and providing the Company and/or the Group with strong leadership and vision while the Non-Executive Chairman is responsible for providing leadership to the Board and for enhancing the effectiveness of the Board, Board Committees and individual director.

In addition, the Chairman ensures that Board meetings are held as and when necessary, sets the meeting agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues. He also ensures that any information and materials to be discussed at Board meetings are circulated on a timely basis to Directors so as to enable them to be updated and prepared, thereby enhancing the effectiveness of the Non-Executive Directors and the Board as a whole. He engages and promotes constructive engagement among the Directors and engages with Management regularly. The Chairman assumes the lead role in promoting high standards of corporate governance and ensures the effective communication with shareholders.

Board Membership

Composition of the Nominating Committee

Currently, the NC is chaired by Mr Neo Gim Kiong with Mr Lee Gee Aik, Mr San Meng Chee, Dato' Zamani Bin Kasim, Dato' Sri Mohd Mokhtar Bin Mohd Shariff, Mr Lai Kuan Loong, Victor and Mr Khong Chung Lun as members, of which 5 are independent. The NC Chairman is not associated with any substantial shareholders or officers of the Company.

Roles and Responsibilities of the Nominating Committee

The NC carries out its duties in accordance with the written terms of reference of the NC, which includes:

(i) to make recommendations to the Board on the appointment and re-appointment of Directors;

(ii) to regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;

(iii) to determine the process for the search, nomination, selection and appointment of new board members and assess nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he is independent. Important issues to be considered as part of the process for the selection, appointment and re-appointment of Directors include the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an Independent Director;

(iv) to review and make recommendations to Board on matters relating to the succession plans for Directors, in particular, the Chairman and CEO;

(v) to develop a process for the evaluation of the performance of the Board, its Board Committees and Directors;

(vi) to determine how the Board's performance may be evaluated and propose objective performance criteria;

(vii) to assess the effectiveness of the Board as a whole and the Board Committees and to assess the contribution by the Chairman and each individual Director to the effectiveness of the Board and Board Committees;

(viii) to review training and professional development programmes for the Board;

(ix) to determine, on an annual basis, if a Director is independent;

(x) to recommend Directors who are retiring by rotation or are newly appointed to be put forward for re-election;

(xi) to review and determine whether the Director is able to and has been adequately carrying out his duties as a Director of the Company, taking into consideration, inter alia, the Director's number of listed company board representations and other principal commitments; and

(xii) such other duties or functions as may be delegated by the Board or required by regulatory authorities.

Commitments of Directors

The NC assesses each Director's competencies, commitment, contribution and performance, as well as independence on an annual basis or when necessary to decide whether a Director is able to, and has been adequately carrying out his duties as a Director.

The NC has adopted internal guidelines to address competing time commitments of Directors who serve on multiple boards by setting a maximum number of listed company board representations of not more than six (6).

Having assessed the capacity of the Directors based on factors such as the expected and/or competing time commitments of Directors, the size and composition of the Board and the nature and scope of the Group's operations and size, the Board is of the view that this number would allow Directors to have increased exposure to different Boards and broaden their experience and knowledge in relation to Board matters, hence ultimately benefitting the Company.

The NC will review whether a Director is able to and has adequately carried out his duties as a director of the Company from time to time, in particular, where a Director has multiple board representations and/or other principal commitments. Although some of the Board members have multiple board representations and hold other principal commitments, the NC, having reviewed each Director's other listed company directorships and/or principal commitments, where applicable, as well as each Director's attendance and contributions to the Board, is satisfied that sufficient time and attention was given by the Directors to the Company to discharge their responsibilities for the financial year in review. Holistically, the contributions by the Directors during the meetings and attendance at such meetings should also be taken into consideration. The NC would continue to review from time to time the board representations of each Director to ensure that the Directors continue to meet the demands of the Company and/or Group and are able to discharge their duties adequately.

Process for the Selection, Appointment and Re-appointment of Directors

The NC would evaluate the needs of the Board to determine the relevant competencies required. The Company has in place a search and nomination process for the appointment of new Directors. Potential candidates are sourced from the Board's and Management's network of contacts and are identified based on the needs and the relevant expertise required by the Company. The Company may appoint professional search firms and recruitment consultants to assist in the selection and evaluation process if the appointment requires a specific skill set or industry specialization. The NC, having assessed each candidate based on the essential and desirable competencies for a particular appointment, will nominate the most suitable candidate for appointment to the Board.

As at the date of this report, the Company does not have any alternate Directors.

All Directors are subjected to the Regulation in the Constitution whereby one-third of the Directors are required to retire by rotation and be nominated for re-election by the shareholders at the annual general meeting (the "**AGM**"). Accordingly, the Directors are to submit themselves for re-nomination and re-election at regular intervals and at least once every three (3) years. In addition, any Director appointed during the year, shall hold office until the next AGM.

In considering the nomination, the NC took into account the composition of the Board, and the competency, performance and contribution of the Directors with reference to their attendance, preparedness and participation in the Board and Board Committees as well as the time and effort accorded to the Company's business and affairs. Subject to the NC's satisfactory assessment, the NC would recommend and propose re-appointment of the director to the Board for its consideration and approval. To ensure the independence of the Director's appointment, re-nomination and retirement, each member of the NC abstains from voting on any resolution and making any recommendations and/or participating in respect of matters of which he has an interest in.

For FY2019, the NC had recommended to the Board that Mr Neo Gim Kong, Mr San Meng Chee, Dato' Sri Mohd Mokhtar Bin Mohd Shariff, Mr Lai Kuan Loong, Victor and Mr Khong Chung Lun be nominated for re-election at the forthcoming AGM. Mr Neo Gim Kiong and Mr San Meng Chee had informed the Board that they will not be seeking re-appointment at the forthcoming AGM and will accordingly retire from office as Directors of the Company after the conclusion of the AGM. Dato' Sri Mohd Mokhtar Bin Mohd Shariff, Mr Lai Kuan Loong, Victor and Mr Khong Chung Lun have given their consent to continue in office.

Dato' Sri Mohd Mokhtar Bin Mohd Shariff will, upon re-election as a Director of the Company, remain as an Independent Director of the Company, and a member of the AC, the NC and the RC. Mr. Lai Kuan Loong, Victor will, upon re-election as a Director of the Company, remain as an Independent Director of the Company and a member of the AC, the NC and the RC. Mr. Khong Chung Lun will, upon re-election as a Director of the Company, remain as an Executive Director of the Company and a member of the NC.

In making the recommendations, the NC had considered the Directors' overall contribution and performance. The respective Director has abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of their re-election as a Director. Mr Neo Gim Kiong, Mr San Meng Chee, Dato' Sri Mohd Mokhtar Bin Mohd Shariff and Mr Lai Kuan Loong, Victor will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

Pursuant to Rule 720(5) of the Catalist Rules, the following is the information relating to the Directors seeking re-appointment (as set out in Appendix 7F to the Catalist Rules):

Name of Person	**Khong Chung Lun**	**Dato' Sri Mohd Mokhtar Bin Mohd Shariff**	**Lai Kuan Loong, Victor**
Date of Appointment	13 November 2019	13 November 2019	13 November 2019
Date of last re-appointment (if applicable)	N.A.	N.A.	N.A.
Age	32	62	41
Country of principal residence	Malaysia	Malaysia	Singapore

Name of Person	Khong Chung Lun	Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Lai Kuan Loong, Victor
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	After assessing Mr Khong Chung Lun's contribution to the Company and the Group, the NC has recommended that he be re-elected as Director of the Company	After assessing Dato' Sri Mohd Mokhtar Bin Mohd Shariff's contribution to the Company and the Group, the NC has recommended that he be re-elected as Director of the Company	After assessing Mr Lai Kuan Loong, Victor's contribution to the Company and the Group, the NC has recommended that he be re-elected as Director of the Company
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Khong will be responsible for the day-to-day management of the group's operations	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Member of the Nominating Committee	Independent Director, Member of the Nominating Committee, Audit Committee and Remuneration Committee	Independent Director, Member of the Nominating Committee, Audit Committee and Remuneration Committee
Professional qualifications	1. MBA Industrial Management, Sheffield Hallam University 2. Graduate Diploma in Engineering, The City and Guilds of London 3. Bachelor of Engineering (Hons) in Automation and Manufacturing Systems Engineering, Sheffield Hallam University 4. Advanced Diploma in Technology (Mechanical & Manufacturing Engineering), Tunku Abdul Rahman College 5. Diploma in Mechanical & Manufacturing Engineering, Tunku Abdul Rahman College	1. Bachelor of Laws (Hons), University of Wolverhampton, United Kingdom 2.Certificate of Legal Practice, Legal Profession Qualifying Board of Malaysia	1. Bachelor of Accountancy (Honours), Nanyang Technological University 2. Public Accountant, Accounting & Corporate Regulatory Authority 3. Chartered Accountant (Practising), Institute of Singapore Chartered Accountants 4. MAS Authorised Representative, MAS Capital Market Licence Holder 5. Affiliate Member, Chartered Secretaries Institute of Singapore 6. Board Member, Accounting Technician Development Board (Institute of Singapore Chartered Accountants) 7. Board Member, Kampong Kapor Community Services
Working experience and occupation(s) during the past 10 years	1. May 2015 to Present, General Manager, Astaka Padu Sdn Bhd, Malaysia 2. June 2012 to May 2015, Business Development Manager, Country Garden Real Estate Sdn Bhd, Malaysia 3. January 2011 to May 2012, Concept Specialist & Mechanical Engineer, Primepoint Oil & Gas Pte Ltd, Singapore	1. September 2017 to May 2018, Director of Special Branch, Royal Malaysian Police 2. April 2015 to September 2017, Director of Narcotics Crime Investigation Department, Royal Malaysian Police 3. January 2008 to March 2015, Chief Police Officer of Johor, Royal Malaysian Police	1. July 2019 to Present, Daiho Energy Services Pte Ltd, Director 2. July 2019 to October 2019, Boardroom Limited, Independent Consultant 3. February 2015 to July 2019, Boardroom Limited, Regional Managing Director 4. October 2002 to December 2014, PricewaterhouseCoopers LLP, Director

Name of Person	Khong Chung Lun	Dato’ Sri Mohd Mokhtar Bin Mohd Shariff	Lai Kuan Loong, Victor
Shareholding interest in the listed issuer and its subsidiaries	47,900 shares in Astaka Holdings Limited	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil
Conflict of interest (including any competing business)	Mr Khong is a non-executive director of Damansara Realty (Pahang) Sdn Bhd (“DRP”), a company involved in property development in Malaysia. DRP is a 80% subsidiary of Damansara Realty Berhad, a company listed on Bursa Malaysia. In the event that approval from the board of director of Astaka Holdings Limited is required for any transaction involving DRP, Mr Khong will abstain from reviewing and voting on such transaction.	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments* Including Directorships# * “Principal Commitments” has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)			
Past (for the last 5 years)	Nil	Nil	1. Boardroom Corporate & Advisory Services Pte Ltd 2. Boardroom Executive Services Pte Ltd 3. Boardroom Share Registrars (HK) Ltd 4. Boardroom Share Registrar Sdn Bhd
Present	1. MoleQ Asset Management Sdn Bhd 2. HHM Development Sdn Bhd 3. Damansara Realty (Pahang) Sdn Bhd 4. Grand Pacific Seafood Sdn Bhd	TMC Life Sciences Berhad	1. Daiho Energy Services Pte Ltd 2. Transcorp Holdings Limited

Name of Person	Khong Chung Lun	Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Lai Kuan Loong, Victor
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

Name of Person	Khong Chung Lun	Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Lai Kuan Loong, Victor
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

Name of Person	Khong Chung Lun	Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Lai Kuan Loong, Victor
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

Name of Person	Khong Chung Lun	Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Lai Kuan Loong, Victor
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Disclosure applicable to the appointment of Director only.			
Any prior experience as a director of an issuer listed on the Exchange?	This relates to re-appointment of Director.	This relates to re-appointment of Director.	This relates to re-appointment of Director.
If yes, please provide details of prior experience.	N.A.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.	N.A.

A record of the NC members' attendance at the NC meetings during FY2019 is set out on page 25 of this annual report. Key information of the Directors is set out on pages 17 to 19 of this annual report.

Board Performance

Assessment of the Effectiveness of the Board and Board Committees

The Board and NC strive to ensure that the Directors on the Board possess the experience, knowledge and skills critical to the Company's business so as to enable the Board to make sound and well-considered strategic decisions. The NC assesses the independence of each Director according to the guidance given under the 2012 Code. The NC also reviews the Directors' attendance, preparedness, participation and candour in the meetings.

The performance evaluation was conducted for the Board as a whole and each of the Board Committees (namely the AC, NC and RC) in FY2019 for assessing the contribution by the Chairman and each of the Board Committees' members to the effectiveness of the Board. This evaluation exercise reviews the effectiveness of the Board as a whole and of its Board Committees and provides an opportunity to obtain constructive feedback from each Director and Board Committee member on whether procedures and processes had allowed him to discharge his duties effectively. They were also encouraged to propose changes which may be made to enhance the effectiveness of the Board and Board Committees.

In evaluating the Board's and its Board Committees' performance, the NC considers a set of quantitative and qualitative performance criteria that has been approved by the Board. The performance criteria for the Board evaluation includes:

(i) Board size and composition;

(ii) Board information;

(iii) Board process and accountability;

(iv) Board committee performance in relation to discharging their responsibilities set out in the respective terms of reference; and

(v) Standards of conduct.

The NC has assessed the performance of the Board as a whole and the Board Committees based on the above quantitative and qualitative performance criteria approved by the Board.

The following director's performance criterions were assessed by the NC during the annual Board performance evaluation:

(i) Interactive skills;

(ii) Knowledge including professional expertise, specialist or functional contribution and regional expertise;

(iii) Duties including attendance at meetings, meeting preparation, participation and performance of specific assignments; and

(iv) Conduct including maintenance of independence, disclosure of related party transactions and compliance with Company policies.

The performance evaluation for FY2019 was conducted by having all Directors complete a questionnaire, which included questions on the Board and Board Committees' composition and effectiveness as well as process and contribution, timeliness of Board information and accountability. The NC discussed the results of the performance evaluation and tabled the appropriate improvements to be taken up with the Chairman of the Board and of each Board Committee. No external facilitator had been engaged by the Board for this purpose.

The NC is of the view that the performance of the Board as a whole and the Board Committees were satisfactory and had met the respective performance objectives as set out for FY2019.

Access to Information

Provision of Information to the Board

Prior to each Board meeting and when the need arises, the Board is provided with adequate information in a timely manner, thus allowing them to deliberate on issues which require consideration. Management also provides the Board with periodic management reports pertaining to the operational and financial performance as well as through informal discussions on the Company to enable the Board to be fully cognizant of the decisions and actions of Management. Directors are entitled to request from Management and be provided with additional information as needed to make informed decisions to discharge their duties and responsibilities.

Board's Access to Management and the Company Secretary

The Directors have separate and independent access to Management and the Company Secretary at all times. They also have unrestricted access to the Company's records and information. The Company Secretary administers, attends and prepares minutes of all Board and Board Committees meetings for circulation and approval. The appointment and the removal of the Company Secretary rests with the Board as a whole.

Roles and Responsibilities of the Company Secretary

The Company Secretary is responsible for, amongst other things, ensuring that Board procedures are observed and that applicable rules and regulations are complied with. Under the direction of the Chairman, the Company Secretary is also responsible for ensuring good information flows within the Board and Board Committees, and between Management and Non-Executive Directors, as well as advising the Board on all governance matters. The Company Secretary and/or her representative attended all Board and Board Committees' meetings held in FY2019.

Board's Access to Independent Professional Advice

Procedures are in place for the Directors and Board Committees, where necessary, to seek independent professional advice in the furtherance of their duties and on matters affecting the Company, at the Company's expense.

During the financial year, certain matters arose pertaining to the prior year adjustment made to account for interest payable, and the non-disclosure to the Board in relation to: (a) late payment of interest amounts, (b) status of loan agreement and (c) letters of demand. The Company appointed an independent reviewer, Ernst & Young Advisory Pte. Ltd., to review these matters ("Independent Review"). The background of the Independent Review has been duly announced and disclosed on SGXNet. The Independent Review is still ongoing and a draft report has been circulated for review. Potential implications to Corporate Governance disclosures and further updates on the Independent Review will be announced in due course when the formal review report is issued.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Composition of the Remuneration Committee

The RC was established with written terms of reference, which sets out the role and authority delegated to it by the Board. The RC currently comprises Mr San Meng Chee who is the Chairman of the RC, Mr Neo Gim Kiong, Mr Lee Gee Aik, Dato' Sri Mohd Mokhtar Bin Mohd Shariff and Mr Lai Kuan Loong, Victor.

All the members of the RC (including the RC Chairman) are Independent Directors, free from any business or other relationship which may materially interfere with the exercise of their independent judgement. This is to minimize the risk of any potential conflict of interest. No Director is involved in deciding his own remuneration.

A record of the RC members' attendance at the RC meetings during FY2019 is set out on page 25 of this annual report.

Remuneration Committee

The RC was established to review and recommend to the Board:

(i) a general framework of remuneration for the Board members and key management personnel;

(ii) the specific remuneration package and terms of employment for each Executive Director, key management personnel of the Group and employees related to Directors or, controlling shareholders of the Company;

(iii) whether the Executive Directors and key management personnel should be eligible for benefits under any long term incentive schemes which may be set up from time to time and to do all acts necessary in connection therewith;

(iv) the Performance Based Bonus Scheme and any other share option scheme or share plan established from time to time for the Directors and key management personnel; and

(v) Directors' fees and relevant remuneration packages for Non-Executive Directors, which are subject to shareholders' approval at the AGM.

The RC considers the compensation and commitments of each Director, if any. This would entail, in the event of early termination, the review of contract of service, if any, with a view to be fair and not overly generous.

Remuneration Committee's Access to Advice on Remuneration Matters

The RC has access to professional advice regarding compensation matters, if required. No remuneration experts have been appointed to advise on remuneration matters for FY2019.

Level and Mix of Remuneration

Determining the Remuneration of Executive Directors and Key Management Personnel

The RC makes recommendations on an appropriate framework of remuneration taking into account employment conditions within the industry and the Company's performance to ensure that the package is competitive and sufficient to attract, retain and motivate the Executive Directors and key management personnel, if any, so as to align their interests with those of shareholders and promote long-term success of the Company. The remuneration of the Executive Director and key management personnel are determined based on the performance of the ongoing operations and corporate actions of the Company and/or Group. The RC has reviewed and is satisfied that the performance for Dato' Zamani Bin Kasim, Ms Daeng Hamizah Binti Abd Aziz and Ms Lee Shih Yi were satisfied and met for FY2019.

The Company currently does not have any contractual provisions allowing the Company to reclaim incentives from Executive Directors and key management personnel in exceptional cases of wrong doings. The Board is of the view that as the Group pays management bonus based on the performance of the Group/Company (and not on possible future results) and the results that have actually delivered by its Executive Director and key management personnel, "clawback" provisions in the service agreements may not be relevant or appropriate.

Determining the Remuneration of Independent and/or Non-Executive Directors

In setting remuneration packages of Independent and/or Non-Executive Directors, effort and time spent, and responsibilities of the Independent and/or Non-Executive Directors are taken into account. No retirement benefit schemes are in place for the Independent and/or Non-Executive Directors. No Director decides his own remuneration. Directors' fees are recommended by the RC and are submitted for endorsement by the Board. Directors' fees to be paid to Independent and/or Non-Executive Directors are subject to the approval of shareholders at the AGM.

The RC has reviewed and is satisfied that the performance conditions as abovementioned were met for FY2019.

Disclosure on Remuneration

(A) *Remuneration of Directors*

A breakdown, showing the level and mix of each Director's remuneration for FY2019 is as follows:

Remuneration Band & Name of Director	Directors' fees (%)	Base/ Fixed Salary (%)	Variable or Performance Related Income/ Bonuses (%)	Benefits in Kind (%)	Total (%)
S$250,000 to below S$500,000					
Dato' Zamani Bin Kasim	–	100	–	–	100
Below S$250,000					
Mr Neo Gim Kiong	100	–	–	–	100
Mr Lee Gee Aik	100	–	–	–	100
Mr San Meng Chee	100	–	–	–	100
Mr Khong Chung Lun	–	–	–	–	–
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	–	–	–	–	–
Mr Lai Kuan Loong, VIctor	–	–	–	–	–

Mr. Khong Chung Lun, Dato' Sri Mohd Mokhtar Bin Mohd Shariff and Mr. Lai Kuan Loong, Victor were appointed as Directors of the Company, subsequent to FY2019 (ie. on 13 November 2019).

(B) Remuneration of key management personnel

Remuneration Band & Name of Key Management Personnel	Base/ Fixed Salary (%)	Variable or Performance Related Income/ Bonuses (%)	Benefits in Kind (%)	Share Option (%)	Total (%)
Below S$250,000					
Ms Daeng Hamizah Binti Abd Aziz	100	–	–	–	100
Ms Lee Shih Yi	100	–	–	–	100

(C) Remuneration of Immediate Family Member of Directors or the Chief Executive Officer

For FY2019, there was no employee who is an immediate family member of the Directors or the CEO and whose remuneration exceeded S$50,000.

The Board, taking into consideration the competitive business environment, has decided not to disclose the exact details of the remuneration of each individual Director and key management personnel. The Company is of the view that providing full details of the remuneration of each individual Director and key management personnel is not in the best interests of the Company and may adversely affect talent attraction and retention. The Company has, however, disclosed the remuneration of the Directors in bands of S$250,000.

The Company only had two key management personnel during FY2019. The annual aggregate remuneration paid to the top two key management personnel (who are not Directors or the CEO of the Company) was approximately S$394,000 for FY2019.

There were no termination, retirement and post-employment benefits given to Directors, the CEO and the top key management personnel.

Following the expiry of the Astaka Share Option Scheme on 22 December 2018, the Company does not have any long-term incentive scheme or share option scheme in place, and the RC and the Board would consider incentive schemes for the Group in future.

ACCOUNTABILITY AND AUDIT

Accountability

Accountability on Information Provided to Investors

It is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Group's performance, position and prospects. This responsibility extends to the quarterly and full-year financial results announcements and other price-sensitive public reports, and reports to regulators (if required).

The Board has taken adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules.

Management Accounts and Information Provided to Directors

Management currently provides the Board with management accounts and such explanation and information of the Group's performance and position on a quarterly basis, upon request, or as and when deemed necessary.

Prior to the release of quarterly and full year results to the public, Management presents the Group's financial performance together with notes explaining in detail the operations and the prospects of the Group to the AC for review and then make their recommendation to the Board for approval. For accountability purpose, negative assurance confirmation was provided by the Board that nothing has come to their attention which may render the unaudited quarterly and full year financial statements to be false or misleading in any material aspect. These confirmations were incorporated into the results announcements of the first, second and third quarters.

These enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

Risk Management and Internal Controls

Risk Management and Monitoring

The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard shareholders' interests and the assets of the Group and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board acknowledges that no cost effect risk management and internal control system will preclude all errors and irregularities. Any system of internal controls is designed to mitigate rather than eliminate risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss, occurrence of errors, poor judgement in decision making, fraud or other irregularities. The Board reviews all significant control policies and procedures and highlights all significant matters to Management.

The Board of Directors and the AC have reviewed the adequacy of the Group's internal controls addressing its financial, operational, compliance and information technology risk, relying on reports from external auditor and internal auditors. Any significant internal control weaknesses and non-compliance that are highlighted during the audit together with recommendations by the external auditors and internal auditors are reported to the AC. The AC will follow up to review the actions taken by Management to address the weaknesses highlighted based on the recommendations made by the external auditors and internal auditors.

In FY2019, the Group's external auditors as part of their audit of the Group's consolidated financial statements have highlighted certain internal control weaknesses to the Board. The matters raised by the external auditors pertain to project budget monitoring and the competencies of the finance personnel. Further details are set out below under "Internal Audit".

As mentioned under "Access to Information", the Company had also engaged Ernst & Young Advisory Pte Ltd to conduct the Independent Review. The Independent Review is still ongoing and further updates on the Independent Review will be announced in due course when the formal review report is issued.

The Board, had on 5 September 2019, announced its intention to appoint Ernst & Young Advisory Pte Ltd to conduct the Independent Review to look into, among others, the circumstances leading to the prior year adjustment arising from the omission to accrue interest payable to its main contractor and the non-disclosure of letters of demand to the Board, which include, amongst others, identifying any lapses or weaknesses in internal and financial reporting controls and procedures, breaches in applicable rules, laws and regulation, making recommendations on remedial measures to enhance the systems of internal controls and governance practices. As at the date of this report, the Independent Review is ongoing and a draft report has been circulated for review but has not finalised.

Internal Audit

The AC is responsible for the appointment, removal, evaluation and compensation of the accounting or auditing firm or corporation that the internal audit function of the Company is outsourced to.

The Group's internal audit function is outsourced to an independent audit firm, Ernst & Young Advisory Pte Ltd, who report functionally to the AC. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to AC, to effectively discharge its responsibilities.

The internal auditors had during the course of their audit performed tests over operating effectiveness of certain controls and made some observations on internal controls and proposed recommendations to assist Management in enhancing existing controls, reducing risks and improving operational efficiency and effectiveness in the areas reviewed. Action plans to address these observations and findings have been put in place.

The AC assesses the adequacy and effectiveness of the internal audit function annually. The AC is satisfied that the internal audit function is independent, effective, adequately qualified (given, inter alia, its adherence to standards set by internationally recognised professional bodies) and resourced and has the appropriate standing within the Group.

The Board has received assurance from the CEO and CFO that, save for the implementation of recommendations from the external auditors and the finalisation of the Independent Review by Ernst & Young Advisory Pte Ltd (as announced on 5 September 2019):

(i) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(ii) the systems of internal controls and risk management in place were adequate and effective as at 30 June 2019, to address financial, operational, information technology and compliance risks of which considered relevant and material to its operations.

Based on the internal controls framework established, reviews carried out by Management and the Board Committees, work performed by the internal auditors and external auditors, and the assurance from Management, the Board opines, with the concurrence of the AC, that there are adequate and effective controls in place addressing financial, operational, information technology, compliance risks and risk management systems within the current scope of the Group's business operations, save for findings which may arise from the Independent Review that may have potential impact on the Group's systems of internal controls and governance practices which cannot be presently determined. The AC and Board have also noted that there are other internal control weaknesses highlighted by the external auditors as part of their audit during the financial year and are of the view that the material internal control weaknesses to be addressed by the Company are (i) project budgeting process; and (ii) the competencies of the finance team personnel. In respect of (i), it is recommended that a regular communication channel between the project team and finance team is established in order to ensure budgeted costs are updated on a timely basis with latest information and actual progress of the project. For item (ii), it is recommended to further enhance the competencies of the finance team via trainings, improve supervision and effective communication. The AC and the Board will work together with Management on the implementation of the recommendations made to enhance the Group's systems of internal controls.

Audit Committee

Composition of the Audit Committee

The AC was established with written terms of reference, setting out the role and authority delegated to it by the Board.

The AC is currently chaired by Mr Lee Gee Aik with Mr Neo Gim Kiong, Mr San Meng Chee, Dato' Sri Mohd Mokhtar Bin Mohd Shariff and Mr Lai Kuan Loong, Victor as members. All members of the AC are independent and non-executive directors. None of the AC members were previously partners or directors of the Company's external audit firm and none of the AC members hold any financial interest in the external audit firm.

All AC members have many years' experience in senior management position in commercial, financial and industrial sectors. The Board is of the view that the AC members, having relevant accounting and relevant financial management expertise and experience, are appropriately qualified to discharge their responsibilities.

Authorities, and Roles and Responsibilities of the Audit Committee

The Board recognizes the importance of good corporate governance and the offering of a high standard of accountability to the shareholders. The AC is authorized by the Board to investigate all matters within its term of reference. The AC has full access to, and the co-operation of Management, as well as full discretion to invite any Director to attend its meetings, and is provided with reasonable resources for it to discharge its functions properly.

The AC carries out its duties in accordance with the written terms of reference of the AC, which includes:

(i) review with the external auditors, the scope and results of the external audit, evaluation of the accounting controls, audit reports and any matters which the external auditors wish to discuss;

(ii) review with the internal auditors, their audit plan and reports, the adequacy of the internal audit procedures and their evaluation of the adequacy and effectiveness of the overall internal control systems, including financial, operational, compliance and informational technology controls and risk management systems;

(iii) review and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls, which addresses the Group's financial, operational, compliance and information technology risks and risk management systems, and any other matters requiring the Board's attention;

(iv) evaluate the Group's system of internal controls with the internal auditors and assess the effectiveness and adequacy of internal accounting and financial control procedures;

(v) review the Company's whistle-blowing policy and to ensure that arrangements are in place for concerns about possible improprieties in financial reporting or other matters to be raised and investigated, and for appropriate follow-up action to be taken;

(vi) conduct annual reviews of the cost effectiveness of the audit, the independence and objectivity of the external auditors, including the volume of non-audit services provided by the external auditors, to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors before recommending their re-appointment to the Board;

(vii) make recommendations to the Board on proposals to shareholders on the appointment, re-appointment, resignation and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

(viii) review interested person transactions and to report its findings to the Board; and

(ix) review the quarterly and full year financial statements of the Company and the Group prior to submission to the Board for approval and the dissemination of the results announcements to shareholders and SGX-ST.

The AC met with the internal auditors and external auditors without the presence of Management in respect of FY2019 audit to review matters that might be raised privately and also review the independence of the external auditor annually.

The Company confirms that it complies with Rules 712 and 715 of the Catalist Rules in engaging KPMG LLP, an auditing firm registered with the Accounting and Corporate Regulatory Authority, as the external auditors of the Company and its significant subsidiaries for consolidation purposes.

The AC has reviewed the fees for the non-audit services provided to the Company by the external auditors. The aggregate amount of fees paid by the Company to the external auditors, KPMG LLP, amounted to S$191,927 for audit services and S$20,982 for non-audit services for its role for examination of housing development accounts and sustainability reporting. The nature of these non-audit services rendered to the Company and their related fees for FY2019 are as follows:

	S$	**%**
Audit Fees	191,927	90
Non-Audit Fees: - for examination of housing development accounts and sustainability reporting	20,982	10
Total	**212,909**	**100**

Having reviewed all non-audit services provided by the external auditors, the AC is satisfied that the nature and extent of such services would not affect the independence and objectivity of the external auditors.

The Company requested for proposals from various audit firms in view of KPMG not seeking re-appointment in the forthcoming AGM. The Board had reviewed proposals from various audit firms, and in consultation with the Audit Committee, has determined the fee proposal from Mazars LLP ("Mazars") to be the most competitive and the scope of the audit services to be provided by Mazars is comparable to the services previously provided by KPMG. Accordingly, the Company will be able to realise certain cost savings in audit fees without any reduction in the scope of audit. As such, the Board is of the view that it would be in the interests of the Company and Shareholders to effect a change of Auditors to Mazars in place of KPMG with effect from the current financial year ending 30 June 2020, subject to the approval of the Shareholders at the AGM.

During FY2019, the AC reviewed the quarterly and full-year financial statements prior to submission to the Board for approval; the annual audit plan of the external auditor and the results of the audit performed by them; interested person transactions; effectiveness and adequacy of the Company's risk management and internal controls systems; audit and non-audit services rendered by the external auditors and the re-appointment of external auditors and their remuneration. The AC members had been briefed by the external auditors, KPMG LLP, on any changes to accounting standards and issues which have a direct impact on financial statements as part of their audit.

In the review of financial statements for FY2019, the AC discussed with Management, CFO and the external auditors the significant accounting policies, judgements and estimates applied by Management in preparing the annual financial statements. The AC focused particularly on:

- Significant adjustments resulting from the audit;
- The appropriateness of the going concern assumption in the preparation of the financial statements; and
- Significant deficiencies in internal controls over financial reporting matters (if any) that came to the external auditors' attention during their audit together with their recommendations.

In addition, significant matters that were discussed with Management and the external auditors have been included as Key Audit Matters ("**KAMs**") in the audit report for FY2019 in pages 52 to 54 of the Annual Report.

In assessing each KAM, the AC took into consideration the approach and methodology applied in the recognition of revenue and cost of sales for sales of development properties and completeness of trade and other payables, valuation of development properties and contract assets and impairment of investment in subsidiaries, as well as the reasonableness of the estimates and key assumptions used. The AC concluded that Management's accounting treatment and estimates in each of the KAMs were appropriate.

Following the review and discussions, the AC then recommended to the Board for approval of the audited annual financial statements.

A record of the AC members' attendance at the AC meetings during FY2019 is set out on page 25 of this annual report.

Whistle-blowing Policy

The Company is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Company undertakes to investigate complaints of suspected fraud in an objective manner, and has put in place a whistle-blowing policy which provides employees and any other person with well-defined and accessible channels, including direct access to the Chairman of the AC or Company Secretary, to raise concerns about possible irregularities in matters of financial reporting or other matters in confidence (the "**Whistle-blowing Policy**"). The Whistle-blowing Policy defines the processes clearly to ensure independent investigation of such matters and permits whistle blowers to report directly via the following:-

(i) by email to (i) Chairman of AC (geeaiklee@gmail.com) or (ii) Company Secretary (janice.lai@tmf-group.com); and

(ii) by surface mail for the attention of the Chairman of AC or the Company Secretary at the following address: 38 Beach Road, #29-11 South Beach Tower, Singapore 189767.

The Whistle-blowing Policy is intended to encourage the reporting of such matters in good faith, with confidence that employees and any other person making such reports will be treated fairly and, as far as possible, be protected from possible reprisal. The AC is in charge of overseeing the function and handling of matters being reported through the whistle-blowing system.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

The Company recognizes the importance of treating all shareholders fairly and equitably, as well as the responsibility to facilitate the exercise of shareholders' rights. All registered shareholders are given the opportunity to participate in and vote at general meetings. Shareholders are informed of shareholders' meetings through notices published in major newspaper(s) and via SGXNet. Notices of general meetings are issued with the annual report or relevant circulars and sent to shareholders within the prescribed time frame.

Communication with Shareholders

The Company adopts an open and non-discriminatory communication program to promote regular, effective and fair communication with shareholders.

The Company has engaged the services of a public and investor relations firm and communicates with its investors on a regular basis.

The Company is committed to keeping shareholders apprised of the Company's performance and prospects. In line with its continuous disclosure obligations pursuant to the Catalist Rules, the Board's policy is that all shareholders should be informed of all major developments that impact the Company on an equitable and timely basis. Such information will be disseminated through SGXNet.

Financial results of the Group are announced in a timely manner. The results announcements contain detailed disclosures as required by the SGX-ST and voluntary disclosures are made as and when appropriate to enhance the level of transparency to shareholders.

The Company does not have a fixed dividend policy. The Board will consider various factors, such as the Company's and/or Group's earnings, general financial position, capital expenditure requirements, cash flow, general business environment, development plans and other factors that may be deemed appropriate, to determine whether dividends would be paid for the financial year.

The Board has not declared or recommended any dividend for FY2019, as the Company incurred a loss for FY2019.

During the financial year, certain matters arose pertaining to the prior year adjustment made to account for interest payable, and the non-disclosure to the Board in relation to: (a) late payment of interest amounts, (b) status of loan agreement and (c) letters of demand. The Company appointed an independent reviewer, Ernst & Young Advisory Pte. Ltd., to review these matters ("Independent Review"). The background of the Independent Review has been duly announced and disclosed on SGXNet. The Independent Review is still ongoing and a draft report has been circulated for review. Potential implications to Corporate Governance disclosures and further updates on the Independent Review will be announced in due course when the formal review report is issued.

Conduct of Shareholder Meetings

Shareholders' Participation and Proxies

The AGM is a principal forum for dialogue and interaction with all Shareholders. The Company's forthcoming AGM will be held on 5 February 2020, notice of which is set out on pages 128 to 131 of this annual report. The Company encourages active participation from the shareholders at its AGM. To facilitate voting by the shareholders, the regulations allow the shareholders to vote by proxies. Proxy forms can be sent to the Company by mail. Each distinct issue will be tabled for shareholders' approval via separate resolutions at AGM. The Chairmen of the AC, the RC and the NC as well as the external auditors will be present and available to assist the Board in addressing any queries from the shareholders.

Minutes of Annual General Meetings

The Company Secretary prepares minutes of general meetings which are available to shareholders present upon request.

Voting

All resolutions are to put to vote by poll, and the results of the AGM will be announced via SGXNet after the conclusion of the AGM.

INTERESTED PERSON TRANSACTIONS ("IPTS")

The Company adopts a set of procedures governing all IPTS to ensure that they are carried out on arms' length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The AC reviews the rational and terms of the Group's IPTS to ensure that they are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. When a potential conflict of interest occurs, the Director concerned will be excluded from discussions and refrain from exercising any influence over other members of the Board.

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' Daing A Malek Bin Daing A Rahaman ("**Dato' Malek**") and his associates	RM13,486,465[(1)]	–

Note:

(1) Comprise (i) rental payable by the Company's 99.99% owned subsidiary, Astaka Padu Sdn Bhd ("**APSB**"), to Sukma Consortium Sdn Bhd, an associate of Dato' Malek, for the rental of office premises by APSB from 1 July 2018 to 30 June 2019 of RM246,000, (ii) interest payable to Dato' Malek and his associates amounting to RM892,914 for an extension of unsecured loan by Dato' Malek to the Company in 2016 of RM27,299,867 at 4.0% per annum, with no fixed terms of repayment, and (iii) amount payable by the Company's 51% subsidiary, Bukit Pelali Properties Sdn Bhd, to Saling Syabas Sdn Bhd, an associate of Dato' Malek, for the sole and exclusive right to develop the Bukit Pelali land of RM12,347,551 (please refer to the circular issued by the Company on 29 November 2016 for more details).

Save for the abovementioned, there were no IPTS of S$100,000 or more entered into during FY2019.

The Group does not have a general mandate from its shareholders for recurring IPTS.

DEALING IN SECURITIES

In line with Rule 1204(19) of the Catalist Rules, the Company has adopted an internal code of best practice with respect to dealing in securities by the Company, the Directors and its officers. The Company, the Directors, Management and officers of the Company who have access to price-sensitive, financial or confidential information are not permitted to deal in the Company's shares during the period commencing two (2) weeks before the announcement of the Company's quarterly financial results and one (1) month before the announcement of the Company's full-year financial results and ending on the date of the announcement of the relevant financial results, or when they are in possession of unpublished price-sensitive information of the Company. In addition, the Company, the Directors and its officers are expected to observe insider trading laws at all times even when dealing in securities within permitted trading periods. The Directors and officers of the Company should not deal in the Company's shares on short-term considerations.

MATERIAL CONTRACTS

Save as disclosed under the section "Interested Person Transactions" above, there were no material contracts entered into by the Company or its subsidiaries that involved the interests of the Directors, CEO or controlling shareholders which are still subsisting as at the end of FY2019, or if not then subsisting, entered into since the end of the previous financial year.

NON-SPONSOR FEES

During the year, there was no non-sponsor fees payment made to the Company's sponsor for FY2019, PrimePartners Corporate Finance Pte. Ltd..

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 30 June 2019.

In our opinion:

(a) the financial statements set out on pages 57 to 125 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and financial position of the Company as at 30 June 2019 and the consolidated financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, having regard to the financial support provided by the controlling shareholder, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Mr Neo Gim Kiong	
Dato' Zamani Bin Kasim	
Mr Khong Chung Lun	(appointed on 13 November 2019)
Mr Lee Gee Aik	
Mr San Meng Chee	
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	(appointed on 13 November 2019)
Mr Lai Kuan Loong, Victor	(appointed on 13 November 2019)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), no director who held office at the end of the financial year had interests (including those held by their spouses and infant children) in shares, debentures or share options of the Company or of related corporations, either at the beginning or at the end of the financial year.

There were no changes in any of the directors' interests in the Company between the end of the financial year and 21 July 2019.

In respect of the directors who were appointed on 13 November 2019 (namely, Mr Khong Chung Lun, Dato' Sri Mohd Mokhtar Bin Mohd Shariff and Mr Lai Kuan Loong, Victor), Mr Khong Chung Lun had a direct interest in 47,900 ordinary shares in the Company as of 21 July 2019.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

During the financial year, the Company has in the normal course of business entered into transactions with the directors and/or their affiliated companies, being related parties and parties in which some of the directors are deemed to have an interest, with the directors having disclosed their interests in such transactions pursuant to Section 156 of the Act. Such transactions disclosed in Note 29 to the financial statements were carried out on normal commercial terms and in the normal course of business of the Company.

Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company and its subsidiaries under option.

The Company had implemented a share option scheme on 23 December 2008, which had expired on 22 December 2018.

Audit Committee

The members of the Audit Committee during the year and at the date of this statement are:

1.	Mr Lee Gee Aik (Chairman)	
2.	Mr Neo Gim Kiong	
3.	Mr San Meng Chee	
4.	Dato' Sri Mohd Mokhtar Bin Mohd Shariff	(appointed on 13 November 2019)
5.	Mr Lai Kuan Loong, Victor	(appointed on 13 November 2019)

All members of the Audit Committee were independent non-executive directors of the Company.

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance 2012.

The Audit Committee met four times during the financial year ended 30 June 2019. In performing its function, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Group's systems of internal controls.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption;
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual); and
- the financial statements of the Group and the Company for the financial year ended 30 June 2019 before their submission to the Board of Directors.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee has recommended to the Board of Directors the appointment of Mazars LLP as external auditor of the Company in place of the retiring auditor, KPMG LLP, at the forthcoming Annual General Meeting of the Company.

In appointing our auditors of the Company, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Auditors

The retiring auditors, KPMG LLP, will not be seeking re-appointment. Mazars LLP has expressed its willingness to accept appointment as auditors.

On behalf of the Board of Directors

Dato' Zamani Bin Kasim
Director

Mr Neo Gim Kiong
Director

6 January 2020

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Astaka Holdings Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 57 to 125.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *"Auditors' responsibilities for the audit of the financial statements"* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Uncertainties related to pending outcome of independent review

We draw attention to Note 3.1 (A)(ii) to the consolidated financial statements. On 5 September 2019, the board of directors announced the appointment of an external reviewer to perform an independent review to look into the circumstances leading to the prior year adjustment as stated in Note 3.1(A)(ii), which include, amongst others, identifying any lapses or weaknesses in internal and financial reporting controls and procedures, breaches in applicable rules, laws and regulations, and making recommendations on remedial measures to be taken by the Group. As at the date of this report, the independent reviewer's work is still ongoing and has not been concluded, and the outcome of the independent review could provide new information or findings. As a result of the pending outcome of the independent review, uncertainties exist and as such, may have a consequential impact on the consolidated financial statements. Our opinion is not modified in respect of this matter.

Material uncertainty related to going concern

We draw attention to Note 2 to the consolidated financial statements which indicates that the Group incurred a net loss of RM113.7 million for the year ended 30 June 2019, and as of that date, the Group recorded development properties amounting to RM467.1 million, representing the completed properties held for sale and future phases of land to be developed. As stated in Note 2, the directors of the Company have considered the slowdown in the property market in Malaysia, which has impacted on the sale of development properties of the Group. In the event that the Group is unable to sell its completed properties and launch its new projects as planned, the Group may not be able to generate sufficient operating cash flows for the next twelve months to cover its operating costs and settle its current liabilities, which include settling the remaining outstanding balances of RM74,379,000 (inclusive of interests) pursuant to a settlement agreement entered with the main contractor of a project by 30 June 2020. This indicates that a material uncertainty exists that may cast significant doubt on the ability of the Group and the Company to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in Material Uncertainty Related to Going Concern section of our report, we have determined the matters described below to be communicated in our report.

Recognition of revenue and cost of sales for sales of development properties, and completeness of trade and other payables

(Refer to Note 4.11, Note 8 and Note 19 to the consolidated financial statements)

RISK:

The Group enters into contracts with customers to deliver specified building units to the customers based on the plans and specifications as set out in the contracts. In accordance with SFRS(I) 15 *Revenue from Contracts with Customers,* the analysis of whether the contracts comprise one or more performance obligations, determining whether the performance obligations are satisfied over time or at a point in time, the method used to measure progress for revenue recognition where performance obligations are satisfied over time and estimated variable consideration included in the transaction price represent areas requiring critical judgement and estimates by the Group.

For those contracts where revenue is recognised over time, the Group measures its work progress by reference to the construction costs incurred to date to the estimated total construction costs, including contingencies and variation orders, which are highly judgemental. Any changes in these estimates could result in material variance in revenue recognised and the recognition for the provision of rectification costs and liquidated damages.

There is a broad range of possible outcomes resulting from these judgements that could lead to different revenue, costs and profit being reported in the consolidated financial statements.

OUR RESPONSE:

We evaluated the Group's processes over revenue recognition for sales of development properties and assessed the basis for the identification of performance obligations. We also read the sales and purchase agreements of development properties and discussed each of the developments with management to obtain an understanding of the specific terms so as to identify performance obligations. Also, we assessed whether the criteria are met for recognising revenue over time or at a point in time of revenue recognition.

We assessed the appropriateness of methods and amounts used to measure the progress of the construction of specified building units by reference to construction costs incurred to date compared to the estimated total construction costs where the performance obligation is satisfied over time.

We assessed the adequacy of the estimated total construction costs by comparing them with the actual costs incurred to-date and discussed with management on the progress of the projects, taking into consideration of any significant deviation in design plans or potential delays. We also reviewed management's assessment of the estimated costs to complete the projects and probability of further costs to be incurred arising from the progress of the projects. For works that have been contracted to third party contractors, we agreed to the underlying contracts. For construction costs incurred to date, we tested the significant items of cost components by vouching to the supporting documents pertaining to the claims from main contractors to ascertain the existence and accuracy of the costs of work done. We also had discussion with the quantity surveyors and external main contractors on the work done to date, and status of the outstanding claims to be submitted.

We assessed the appropriateness of assumptions used to measure the variable consideration, which includes rebates, discounts, transaction costs borne by the Group and liquidated damages included in the transaction price by comparing the supporting documents pertaining to rebates and discounts granted by the Group. For transaction costs borne by the Group, we discussed with management, taking into consideration the historical costs borne by the Group. For liquidated damages, we compared the actual delivery date of the property developments against the promised delivery date as well as penalty terms in the contracts.

OUR FINDINGS:

We found the basis and result for the identification of performance obligations and the assessment of whether the identified performance obligations are satisfied over time or at a point in time by the Group to be appropriate. We also found the point of revenue recognition applied by the Group to be consistent with the revenue recognition criteria set out.

We found the method used to recognise revenue from the delivery of specified building units to be consistent with the transfer of control of the units to the customers.

We found the estimated total construction costs and costs of work performed to date for the projects to be reasonable.

We found the estimated variable consideration included in the transaction price to be reasonable.

Valuation of development properties and contract costs

(Refer to Note 4.6, Note 8 and Note 9 to the consolidated financial statements)

RISK:

The Group has residential and commercial development properties held for sale in its core market, Malaysia. Development properties are stated at the lower of their cost and their net realisable values. Net realisable value represents the estimated future selling price, less estimated costs of completion and selling expenses.

The estimated future selling prices is dependent on the Group's expectation of the market development in Malaysia. There is therefore a risk that the estimated net realisable value exceeds the future actual selling prices, resulting in losses when these properties are sold.

The Group assessed the net realisable value of development properties and recoverable amounts of contract costs, based on the estimated selling prices, future costs to complete the projects and development plans of the Group, taking into consideration available industry data, status of construction progress, deviation in design plans, cost overruns and current market factors.

For land to be developed, the Group has assessed the net realisable value of the proposed development, based on valuation obtained from an independent external valuer. Significant judgement and estimates are involved in determining the appropriate valuation methods and assumptions applied in the valuation.

OUR RESPONSE:

For development properties and contract costs, we assessed the reasonableness of the Group's estimated selling prices by comparing them with recent transacted selling prices of the development properties.

For land to be developed, we evaluated the independence, objectivity and competency of the independent external valuer. We considered the valuation methodologies used and assessed the reasonableness of the key assumptions used by the independent external valuer, which included a comparison of the discount rates, and price per square metre, against historical rates and available market data, taking into consideration comparable and market factors.

OUR FINDINGS:

We found the Group's assumptions used in the estimated selling prices to be within the market's expectation and the estimated construction costs to complete the projects to be reasonable.

We are satisfied with the competency, capability and objectivity of the independent external valuer. The valuer is a member of generally-recognised professional bodies for valuers. The valuation methodologies used by the valuer are in line with generally accepted market practices and comparable to methods used for similar property types. The key assumptions used in the valuations were found to be reasonable, and where available, consistent with current market data.

Impairment of investment in subsidiaries

(Refer to Note 4.5 and Note 6 to the consolidated financial statements)

RISK:

Management assessed the recoverable amount of the investment in subsidiaries based on the estimated cash flows generated from the sale of development properties and proposed development projects to be undertaken by the subsidiaries.

For estimated cash flows generated from the sale of development properties and future phases to be developed, the Company has assessed the estimated selling prices, future costs to complete the projects and development plans of the Group, taking into consideration available industry data, status of construction progress, deviation in design plans, cost overruns and current market factors.

For estimated cash flows generated from the land to be developed, the Company has assessed based on valuation obtained from an independent external valuer. Significant judgement and estimates are involved in determining the appropriate valuation methods and assumptions applied in the valuation.

OUR RESPONSE:

For estimated cash flows generated from the sale of development properties and future phases to be developed, we assessed the reasonableness of the Group's estimated selling prices by comparing them with recent transacted selling prices of the development properties.

For estimated cash flows generated from the land to be developed, we evaluated the independence, objectivity and competency of the independent external valuer. We considered the valuation methodologies used and assessed the reasonableness of the key assumptions used by the independent external valuer, which included a comparison of the discount rates, and price per square metre, against historical rates and available market data, taking into consideration comparable and market factors.

OUR FINDINGS:

For estimated cash flows generated from the sale of development properties and future phases to be developed, we found the Group's assumptions used in the estimated selling prices to be within the market's expectation and the estimated construction costs to complete the projects to be reasonable.

For estimated cash flows generated from the land to be developed, we are satisfied with the competency, capability and objectivity of the external valuer. The valuer is a member of generally-recognised professional bodies for valuers. The valuation methodologies used by the valuer are in line with generally accepted market practices and comparable to methods used for similar property types. The key assumptions used in the valuations were found to be reasonable, and where available, consistent with current market data.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit 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 Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Teo Han Jo.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
6 January 2020

	Note	Group			Company		
		30 June 2019 RM	30 June 2018 RM Restated	1 July 2017 RM Restated	30 June 2019 RM	30 June 2018 RM	1 July 2017 RM
Assets							
Plant and equipment	5	**664,340**	1,279,218	2,500,932	**–**	–	–
Investment in subsidiaries	6	**–**	–	–	**937,831,738**	1,229,000,000	1,229,000,000
Deferred tax assets	7	**–**	5,161,117	2,254,755	**–**	–	–
Non-current assets		**664,340**	6,440,335	4,755,687	**937,831,738**	1,229,000,000	1,229,000,000
Development properties	8	**467,128,000**	515,759,517	352,221,014	**–**	–	–
Contract costs	9	**11,378,916**	18,615,462	9,834,301	**–**	–	–
Contract assets	10	**24,835,892**	21,580,768	162,473,986	**–**	–	–
Trade and other receivables	11	**109,293,124**	261,181,856	128,515,208	**38,605**	42,991	200,244
Amount due from related parties	12	**–**	–	–	**–**	111,318,203	112,100,104
Cash and cash equivalents	13	**10,283,705**	16,421,920	27,151,167	**3,614,037**	4,777,902	9,684,770
Current assets		**622,919,637**	833,559,523	680,195,676	**3,652,642**	116,139,096	121,985,118
Total assets		**623,583,977**	839,999,858	684,951,363	**941,484,380**	1,345,139,096	1,350,985,118
Equity							
Share capital	14	**259,383,777**	259,383,777	259,383,777	**1,455,078,944**	1,455,078,944	1,455,078,944
Merger reserve	15	**(10,769,090)**	(10,769,090)	(10,769,090)	**–**	–	–
Capital reserve	16	**–**	–	–	**1,419,389**	1,419,389	1,419,389
Accumulated losses		**(133,049,461)**	(27,615,110)	(33,787,307)	**(518,712,417)**	(114,864,995)	(109,240,163)
Equity attributable to owners of the Company		**115,565,226**	220,999,577	214,827,380	**937,785,916**	1,341,633,338	1,347,258,170
Non-controlling interests	17	**(5,650,738)**	2,640,425	1,082,613	**–**	–	–
Total equity		**109,914,488**	223,640,002	215,909,993	**937,785,916**	1,341,633,338	1,347,258,170
Liabilities							
Loans and borrowings	18	**252,024**	14,330,052	21,124,183	**–**	–	–
Non-current liabilities		**252,024**	14,330,052	21,124,183	**–**	–	–
Contract liabilities	10	**32,498,637**	33,341,596	26,540,826	**–**	–	–
Trade and other payables	19	**393,890,871**	436,838,000	336,782,142	**656,203**	552,915	609,690
Amount due to related parties	12	**58,073,890**	44,392,139	38,765,355	**3,042,261**	2,952,843	3,117,258
Loans and borrowings	18	**25,712,043**	75,056,038	33,717,726	**–**	–	–
Current tax liabilities		**3,242,024**	12,402,031	12,111,138	**–**	–	–
Current liabilities		**513,417,465**	602,029,804	447,917,187	**3,698,464**	3,505,758	3,726,948
Total liabilities		**513,669,489**	616,359,856	469,041,370	**3,698,464**	3,505,758	3,726,948
Total equity and liabilities		**623,583,977**	839,999,858	684,951,363	**941,484,380**	1,345,139,096	1,350,985,118

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2019

	Note	2019 RM	2018 RM Restated
Revenue	20	**296,030,245**	332,739,871
Cost of sales	21	**(366,942,066)**	(298,016,622)
Gross (loss)/profit		**(70,911,821)**	34,723,249
Other income	22	**3,628,839**	193,042
Selling and distribution expenses		**(5,526,371)**	(2,549,701)
Administrative expenses		**(19,428,356)**	(12,927,914)
Other expenses		**(8,559,814)**	(1,549,339)
Results from operating activities		**(100,797,523)**	17,889,337
Finance income	23	**603,598**	2,730,237
Finance costs	23	**(7,428,238)**	(11,202,900)
Net finance costs	23	**(6,824,640)**	(8,472,663)
(Loss)/Profit before tax	24	**(107,622,163)**	9,416,674
Tax expense	25	**(6,103,351)**	(4,136,665)
(Loss)/Profit for the year, representing total comprehensive income for the year		**(113,725,514)**	5,280,009
Total comprehensive income attributable to:			
Owners of the Company		**(105,434,351)**	6,172,197
Non-controlling interests		**(8,291,163)**	(892,188)
Total comprehensive income for the year		**(113,725,514)**	5,280,009
(Loss)/Earnings per share			
Basic and diluted (loss)/earnings per share (cents per share)	26	**(5.64)**	0.33

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

The Group	Note	Attributable to owners of the Company				Non-controlling interests	Total equity
		Share capital	Merger reserve	Accumulated losses	Total		
		RM	RM	RM	RM	RM	RM
At 1 July 2017, as previously stated		259,383,777	(10,769,090)	(26,892,318)	221,722,369	1,083,303	222,805,672
Prior year adjustments	3.1	–	–	(6,894,989)	(6,894,989)	(690)	(6,895,679)
At 1 July 2017, as restated		259,383,777	(10,769,090)	(33,787,307)	214,827,380	1,082,613	215,909,993
Profit and total comprehensive income for the year							
Profit and total comprehensive income for the year, as previously stated		–	–	10,258,341	10,258,341	(891,779)	9,366,562
Prior year adjustments	3.1	–	–	(4,086,144)	(4,086,144)	(409)	(4,086,553)
Profit and total comprehensive income for the year, as restated		–	–	6,172,197	6,172,197	(892,188)	5,280,009
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Capital injection in a subsidiary by non-controlling interests		–	–	–	–	2,450,000	2,450,000
Total transactions with owners		–	–	–	–	2,450,000	2,450,000
At 30 June 2018, as restated		259,383,777	(10,769,090)	(27,615,110)	220,999,577	2,640,425	223,640,002
At 1 July 2018		259,383,777	(10,769,090)	(27,615,110)	220,999,577	2,640,425	223,640,002
Loss and total comprehensive income for the year		–	–	(105,434,351)	(105,434,351)	(8,291,163)	(113,725,514)
At 30 June 2019		259,383,777	(10,769,090)	(133,049,461)	115,565,226	(5,650,738)	109,914,488

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2019

	Note	2019 RM	2018 RM Restated
Cash flows from operating activities			
(Loss)/Profit for the year		(113,725,514)	5,280,009
Adjustments for:			
Allowance for foreseeable losses on development properties	21	69,085,195	–
Depreciation charge of plant and equipment	5	729,877	1,477,166
Government grants receivable written off	21	6,810,711	–
Impairment losses on contract costs	21	3,948,859	2,419,957
Interest expense	23	7,428,238	10,570,670
Interest income	23	(528,798)	(2,730,237)
Plant and equipment written off	24	288	–
Provision for late payment interests	24	4,816,145	–
Unrealised (gain)/loss on foreign exchange		(141,783)	587,805
Tax expense	25	6,103,351	4,136,665
		(15,473,431)	21,742,035
Changes in:			
- Development properties		(20,453,678)	(163,538,503)
- Contract costs		3,287,687	(11,201,118)
- Contract assets and liabilities		(4,098,083)	147,693,988
- Trade and other receivables		145,078,021	(132,666,648)
- Trade and other payables		(51,733,952)	96,108,599
Cash generated from/(used in) operations		56,606,564	(41,861,647)
Tax paid		(10,102,241)	(6,752,134)
Net cash from/(used in) operating activities		46,504,323	(48,613,781)
Cash flows from investing activities			
Acquisition of plant and equipment		(116,574)	(145,452)
Fixed deposits pledged		(4,003,500)	–
Interest received		528,798	2,730,237
Proceeds from disposal of plant and equipment		1,287	–
Net cash (used in)/from investing activities		(3,589,989)	2,584,785
Cash flows from financing activities			
Advances from affiliated corporations		7,996,849	4,733,870
Advances from a controlling shareholder		5,684,902	892,914
Capital injection in a subsidiary by non-controlling interests		–	2,450,000
Interest paid		(3,472,979)	(6,615,411)
Proceeds from draw down of term loans		–	76,637,158
Repayment of term loans		(75,846,526)	(40,494,352)
Repayment of finance lease liabilities		(195,709)	(183,903)
Net cash (used in)/from financing activities		(65,833,463)	37,420,276
Net decrease in cash and cash equivalents		(22,919,129)	(8,608,720)
Cash and cash equivalents at 1 July		3,460,180	12,664,705
Effect of exchange rate fluctuation on cash held		157,202	(595,805)
Cash and cash equivalents at 30 June	13	(19,301,747)	3,460,180

Significant non-cash transactions

In 2018, the Group acquired plant and equipment amounting to RM255,452, of which RM111,000 was acquired under finance lease arrangements.

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 6 January 2020.

1 Domicile and activities

Astaka Holdings Limited ('the Company') is incorporated in the Republic of Singapore. The address of the Company's registered office is 38 Beach Road, #29-11 South Beach Tower, Singapore 189767.

The financial statements of the Company as at and for the year ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

2 Going concern

The Group incurred a net loss of RM113.7 million for the year ended 30 June 2019 and, as of that date, the Group recorded development properties amounting to RM467.1 million, representing the completed properties held for sale and future phases of land to be developed. Due to the slowdown in the property market in Malaysia, the Group may not be able to generate sufficient operating cash flows for the next twelve months to cover its operating costs and settle its current liabilities.

Notwithstanding the above, the financial statements have been prepared on a going concern basis. To support the financial statements having been prepared on going concern basis and to ensure the adequacy of funds required to meet the Group's obligations and working capital needs, the Group has prepared a 18-month consolidated cash flow forecast from 1 July 2019. In preparing the 18-month consolidated cash flow forecast, the Group exercised judgement and made certain key assumptions including the followings:

(i) The Group has reached a settlement agreement with the main contractor of a project on 1 October 2019 to settle the remaining outstanding balances of RM74,379,000 (inclusive of interests) in instalments until 30 June 2020. Following the execution of the settlement agreement, the main contractor has issued a letter of withdrawal to the Group confirming the withdrawal of its claim of RM125,347,303 and all demands and claims that it had made against the Group.

(ii) The Group is able to sell its completed properties and launch the new projects as planned during the forecast period.

The above matters represent a material uncertainty that may cast a significant doubt on the ability of the Group and the Company to continue as a going concern and therefore, the Group and the Company may not be able to realise their assets and discharge their liabilities in the normal course of business. However, taking into consideration that the controlling shareholder of the Company has undertaken to provide the necessary financial support to the Group to enable it to continue its operation and to pay its debts as and when they fall due, the directors of the Company believe that the Group and the Company will be able to continue operations in the foreseeable future, and that the preparation of the accompanying consolidated financial statements on a going concern basis is appropriate.

3 Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)"). These are the Company's first annual financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied.

In the previous financial years, the annual financial statements were prepared in accordance with Financial Reporting Standards in Singapore ("FRS").

In adopting SFRS(I) in 2019, the Company has applied the transition requirement in SFRS(I) 1 with 1 July 2017 as at the date of transition. SFRS(I) generally requires that the Company applies SFRS(I) that are effective as at 30 June 2019 on a retrospective basis as if such accounting policy had always been applied, subject to the mandatory exceptions and optional exemptions in SFRS(I) 1. Except as described below, the application of the mandatory exceptions and optional exemptions in SFRS(I) did not have any significant impact on the financial statements.

Exemptions applied on adoption of SFRS(I)

SFRS(I) 1 allows first-time adopters exemptions from the retrospective application of certain requirements under SFRS(I). The Company has applied the following exemptions:

- SFRS(I) 3 *Business Combinations* has not been applied to acquisitions of subsidiaries that are considered businesses under SFRS(I) that occurred before 1 July 2017. The carrying amounts of assets and liabilities at the date of transition to SFRS(I) is the same as previously reported under FRS.

- The comparative information does not comply with SFRS(I) 9 *Financial Instruments* or SFRS(I) 7 *Financial Instruments: Disclosures* to the extent the disclosures relate to items within the scope of SFRS(I) 9.

New accounting standards effective on 1 July 2018

The accounting policies adopted are consistent with those previously applied under FRS except that in the current financial year, the Company adopted the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date, in addition to the adoption of the new framework.

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016;

- SFRS(I) 9 *Financial Instruments* which includes the amendments to IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;

- requirements in SFRS(I) 2 *Share-based Payment* arising from the amendments to IFRS 2 - *Classification and Measurement of Share-based Payment Transactions* issued by the IASB in June 2016;

- requirements in SFRS(I) 1-40 *Investment Property* arising from the amendments to IAS 40 - *Transfers of Investment Property* issued by the IASB in December 2016;

- requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – *Deletion of short-term exemptions for first-time adopters* issued by the IASB in December 2016;

- requirements in SFRS(I) 1-28 *Investment in Associates and Joint Ventures* arising from the amendments to IAS 28 – *Measuring an associate or joint venture at fair value* issued by the IASB in December 2016; and

- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration.*

3 Basis of preparation (Continued)

3.1 Statement of compliance (Continued)

New accounting standards effective on 1 July 2018 (Continued)

The Group early adopted SFRS(I) 15 *Revenue from Contracts with Customers* with a date of initial application of 1 July 2015. For an explanation on the revenue recognition under SFRS(I) 15, see Note 4.11.

Except for the impact arising from the exemptions applied as described above and the adoption of SFRS(I) 9 described below, the adoption of these standards did not have any material effect on the financial position of the Group and the Company.

Summary of quantitative impact

The following reconciliations summarise the impacts of the prior years' adjustments and initial application of SFRS(I) 9 on the Group's consolidated financial positions as at 1 July 2017, 30 June 2018 and 1 July 2018 and the Group's consolidated comprehensive income for the year ended 30 June 2018. There were no material adjustments to the Group's consolidated statement of cash flows for the year ended 30 June 2018 arising on the transition to SFRS(I).

Consolidated statement of financial position
As at 1 July 2017

		Prior year adjustments			
	FRS Framework	Reclassifications	Borrowing costs relating to development properties	Under-recognition of interest expense	SFRS(I) 1 Framework
	RM	RM	RM	RM	RM
Assets					
Deferred tax assets	77,172	–	2,177,583	–	2,254,755
Development properties	371,128,577	(13,678,232)	(5,229,331)	–	352,221,014
Contract costs	–	13,678,232	(3,843,931)	–	9,834,301
Total assets other than deferred tax assets and development properties	320,641,293	–	–	–	320,641,293
Total assets	691,847,042	–	(6,895,679)	–	684,951,363
Equity					
Accumulated losses	(26,892,318)	–	(6,894,989)	–	(33,787,307)
Non-controlling interests	1,083,303	–	(690)	–	1,082,613
Total equity other than accumulated losses and non-controlling interests	248,614,687	–	–	–	248,614,687
Total equity	222,805,672	–	(6,895,679)	–	215,909,993
Total liabilities	469,041,370	–	–	–	469,041,370
Total equity and liabilities	691,847,042	–	(6,895,679)	–	684,951,363

3 Basis of preparation (Continued)

3.1 Statement of compliance (Continued)

Consolidated statement of financial position
As at 30 June 2018

	FRS Framework	Prior year adjustments: Reclassifications	Prior year adjustments: Borrowing costs relating to development properties	Prior year adjustments: Under-recognition of interest expense	SFRS(I) 1 Framework
	RM	RM	RM	RM	RM
Assets					
Deferred tax assets	2,942,073	–	2,219,044	–	5,161,117
Development properties	543,620,996	(18,615,462)	(9,246,017)	–	515,759,517
Contract costs	–	18,615,462	–	–	18,615,462
Total assets other than deferred tax assets and development properties	300,463,762	–	–	–	300,463,762
Total assets	847,026,831	–	(7,026,973)	–	839,999,858
Equity					
Accumulated losses	(16,633,977)	–	(7,026,270)	(3,954,863)	(27,615,110)
Non-controlling interests	2,641,524	–	(703)	(396)	2,640,425
Total equity other than accumulated losses and non-controlling interests	248,614,687	–	–	–	248,614,687
Total equity	234,622,234	–	(7,026,973)	(3,955,259)	223,640,002
Liabilities					
Trade and other payables	432,882,741	–	–	3,955,259	436,838,000
Total liabilities other than Trade and other payables	179,521,856	–	–	–	179,521,856
Total liabilities	612,404,597	–	–	3,955,259	616,359,856
Total equity and liabilities	847,026,831	–	(7,026,973)	–	839,999,858

3 Basis of preparation (Continued)

3.1 Statement of compliance (Continued)

Consolidated statement of comprehensive income
Year ended 30 June 2018

		Prior year adjustments		
	FRS Framework	Borrowing costs relating to development properties	Under-recognition of interest expense	SFRS(I) 1 Framework
	RM	RM	RM	RM
Revenue	332,739,871	–	–	332,739,871
Cost of sales	(304,427,604)	6,410,982	–	(298,016,622)
Gross profits	28,312,267	6,410,982	–	34,723,249
Finance costs	(663,904)	(6,583,737)	(3,955,259)	(11,202,900)
Tax expense	(4,178,126)	41,461	–	(4,136,665)
Others	(14,103,675)	–	–	(14,103,675)
Profit for the year, representing total comprehensive (loss)/income for the year	9,366,562	(131,294)	(3,955,259)	5,280,009
Total comprehensive income attributable to:				
Owners of the Company	10,258,341	(131,281)	(3,954,863)	6,172,197
Non-controlling interests	(891,779)	(13)	(396)	(892,188)
Total comprehensive income for the year	9,366,562	(131,294)	(3,955,259)	5,280,009

3 Basis of preparation (Continued)

3.1 Statement of compliance (Continued)

Consolidated statement of cash flows
Year ended 30 June 2018

	FRS Framework	Prior year adjustments: Reclassifications	Prior year adjustments: Borrowing costs relating to development properties	Prior year adjustments: Under-recognition of interest expense	SFRS(I) 1 Framework
	RM	RM	RM	RM	RM
Cash flows from operating activities					
Profit for the year	9,366,562	–	(131,294)	(3,955,259)	5,280,009
Adjustments for:					
Interest expense	31,674	–	6,583,737	3,955,259	10,570,670
Tax expense	4,178,126	–	(41,461)	–	4,136,665
Others	1,754,691	–	–	–	1,754,691
	15,331,053	–	6,410,982	–	21,742,035
Changes in:					
Development properties	(168,328,639)	4,790,136	–	–	(163,538,503)
Contract costs	–	(4,790,136)	(6,410,982)	–	(11,201,118)
Others	111,135,939	–	–	–	111,135,939
Cash used in operations	(41,861,647)	–	–	–	(41,861,647)
Tax paid	(6,752,134)	–	–	–	(6,752,134)
Net cash used in operating activities	(48,613,781)	–	–	–	(48,613,781)
Net cash from investing activities	2,584,785	–	–	–	2,584,785
Net cash from financing activities	37,420,276	–	–	–	37,420,276
Net decrease in cash and cash equivalents	(8,608,720)	–	–	–	(8,608,720)
Cash and cash equivalents at 1 July	12,664,705	–	–	–	12,664,705
Effect of exchange rate fluctuation on cash held	(595,805)	–	–	–	(595,805)
Cash and cash equivalents at 30 June	3,460,180	–	–	–	3,460,180

3 Basis of preparation (Continued)

3.1 Statement of compliance (Continued)

A Prior years' adjustments

(i) Borrowing costs relating to development properties

Arising from the agenda decision issued by the IFRS Interpretation Committee (IFRIC) in March 2019 relating to the capitalisation of borrowing costs for the construction of a residential multi-unit estate development where revenue is recognised over time, the Group has ceased capitalisation of borrowing costs on its development properties. Borrowing costs relating to development properties will instead be expensed when incurred. The impact to the consolidated financial statements is as follows:

	30 June 2018 RM	1 July 2017 RM
Consolidated statement of financial position		
Increase in deferred tax assets	2,219,044	2,177,583
Decrease in development properties	(9,246,017)	(5,229,331)
Decrease in contract costs	–	(3,843,931)
Increase in accumulated losses	(7,026,270)	(6,894,989)
Decrease in non-controlling interests	(703)	(690)

	Year ended 30 June 2018 RM
Consolidated statement of comprehensive income	
Decrease in cost of sales	6,410,982
Increase in finance costs	(6,583,737)
Decrease in tax expense	41,461

(ii) Under-recognition of interest expense

On 12 April 2017, the Group entered into an agreement with a main contractor to repay its overdue trade payables amounting to RM46,532,461 by 30 June 2017 ("Loan Agreement"). These amounts are subject to an interest rate of 8.5% per annum commencing from 30 June 2017 if these amounts are not settled by 30 September 2017. The Group has defaulted on the settlement to the main contractor and these amounts remained unsettled as at 30 June 2019, 30 June 2018 and 1 July 2017. The Group has inadvertedly under- recognised an interest expense of RM3,955,259 for the year ended 30 June 2018 and the impact to the consolidated financial statements is as follows:

	30 June 2018 RM
Consolidated statement of financial position	
Increase in accumulated losses	(3,954,863)
Decrease in non-controlling interests	(396)
Increase in trade and other payables	3,955,259

	Year ended 30 June 2018 RM
Consolidated statement of comprehensive income	
Increase in finance costs	(3,955,259)

3 Basis of preparation (Continued)

3.1 Statement of compliance (Continued)

A Prior years' adjustments (Continued)

(ii) Under-recognition of interest expense (Continued)

On 5 September 2019, the board of directors announced the appointment of an external reviewer to perform an independent review to look into the circumstances leading to the prior year adjustment as above, which include, amongst others, identifying any lapses or weaknesses in internal and financial reporting controls and procedures, breaches in applicable rules, laws and regulations, and making recommendations on remedial measures to be taken by the Group. As at the date of this report, the independent reviewer's work is still ongoing and has not been concluded, and the outcome of the independent review could provide new information or findings that may have an impact on the consolidated financial statements, if any, which cannot presently be determined.

B SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 Financial Instruments sets out requirements for recognised and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new "expected credit loss ("ECL") model and new general hedge accounting model. The Group adopted SFRS(I) 9 from 1 July 2018.

In accordance with the exemption in SFRS(I) 1, the Group elected not to restate information for 2018. Accordingly, the information presented for 2018 is presented, as previously reported, under FRS 39 *Financial Instruments: Recognition and Measurement.* Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in accumulated losses as at 1 July 2018.

Arising from this election, the Group is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under SFRS(I) 7 relating to items within the scope of FRS 39 are provided for the comparative period.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 will generally be applied by the Group retrospectively, except as described below.

- The following assessments were made on the basis of facts and circumstances that existed at 1 July 2018:
  - The determination of the business model within which a financial asset is held; and
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The impact upon adoption of SFRS(I) 9, including the corresponding tax effects, are described below.

(i) Classification of financial assets and financial liabilities

SFRS(I) 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI – debt instrument, FVOCI – equity instrument; or FVTPL. The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous categories under *FRS 39 Financial Instruments: Recognition and measurement* of held to maturity, loans and receivables and available for sale.

For an explanation of how the Group classifies and measures financial assets and related gains and losses under SFRS(I) 9, see Note 4.3.

The adoption of SFRS(I) 9 has not had a significant effect on the Group's accounting policies related to financial liabilities.

3 Basis of preparation (Continued)

3.1 Statement of compliance (Continued)

B SFRS(I) 9 Financial Instruments (Continued)

(i) Classification of financial assets and financial liabilities (Continued)

The following table and the accompanying notes below explain the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9 for each class of the Group's and the Company's financial assets as at 1 July 2018.

			As at 1 July 2018	
	Original classification under FRS 39	New classification under SFRS(I) 9	Original carrying amount under FRS 39	New carrying amount under SFRS(I) 9
			RM	RM
Group				
Financial assets				
Trade and other receivables*	Loans and receivables	Amortised cost	173,286,956	173,286,956
Cash and cash equivalents	Loans and receivables	Amortised cost	16,421,920	16,421,920
Total financial assets			189,708,876	189,708,876
Company				
Financial assets				
Amount due from related parties	Loans and receivables	Amortised cost	111,318,203	111,318,203
Cash and cash equivalents	Loans and receivables	Amortised cost	4,777,902	4,777,902
Total financial assets			116,096,105	116,096,105

* Excludes advance payments, prepayments and government grants receivable

Loans and receivables that were originally accounted for at amortised cost under FRS 39 are continued to be accounted for using amortised cost model under SFRS(I) 9. There was no material impact on the carrying amount of loans and receivables on transition to SFRS(I) 9 on 1 July 2018.

(ii) Impairment of financial assets

SFRS(I) 9 replaces the current 'incurred loss' model in FRS 39 with an ECL model. The new impairment model applies to financial assets measured at amortised cost and contract assets, but not to equity investments.

Under SFRS(I) 9, credit losses are recognised earlier than under FRS 39. For assets in the scope of the SFRS(I) 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group and the Company have determined that the application of SFRS(I) 9's impairment requirements at 1 July 2018 has no material impact on the allowance for impairment.

3 Basis of preparation (Continued)

3.1 Statement of compliance (Continued)

B SFRS(I) 9 Financial Instruments (Continued)

(ii) Impairment of financial assets (Continued)

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Additional information about how the Group and the Company measure the allowance for impairment is described in Note 4.5.

3.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

3.3 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

3.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation of uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and significant risk of resulting in a material adjustment within next financial year are included in the following notes:

Note 4.11	–	Revenue recognition
Note 6	–	Impairment of investment in subsidiaries
Note 8 and 9	–	Estimation of allowance for foreseeable losses for development properties and impairment losses for contract costs
Note 19	–	Completeness of trade and other payables

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

3 Basis of preparation (Continued)

3.4 Use of estimates and judgements (Continued)

Measurement of fair values (Continued)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 30 – financial instruments.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening SFRS(I) statements of financial position at 1 July 2017 for the purposes of the transition to SFRS(I), unless otherwise indicated.

The accounting policies have been applied consistently by Group entities.

4.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

Acquisitions from 1 July 2017

For acquisitions from 1 July 2017, the Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests (“NCI”) in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

4 Significant accounting policies (Continued)

4.1 Basis of consolidation (Continued)

(i) Business combinations (Continued)

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Acquisitions before 1 July 2017

As part of transition to SFRS(I), the Group elected not to restate those business combinations that occurred before the date of transition to SFRS(I), i.e. 1 July 2017.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or; if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

4 Significant accounting policies (Continued)

4.1 Basis of consolidation (Continued)

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(vi) Subsidiaries in the separate financial statements

Investment in subsidiaries is stated in the Company's statement of financial position at cost less accumulated impairment losses. The initial cost of the investment in Astaka Group is based on the fair value of the ordinary shares issued by the Company upon the completion of reverse acquisition.

4.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding fair value adjustments arising on acquisition, are translated to Ringgit Malaysia at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Ringgit Malaysia at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income ("OCI'). However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation differences is allocated to the NCI. When a foreign operation is disposed of such that control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant portion of the cumulative amount is reattributed to NCI.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI.

4 Significant accounting policies (Continued)

4.3 Financial instruments

(i) Recognition and measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade recievable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component initially is measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets – Policy applicable from 1 July 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment – Policy applicable from 1 July 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. This information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

4 Significant accounting policies (Continued)

4.3 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets: Business model assessment – Policy applicable from 1 July 2018 (Continued)

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 July 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows; and

- terms that may adjust the contractual coupon rate, including variable rate features.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 July 2018

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial assets – Policy applicable before 1 July 2018

The Group classifies non-derivative financial assets into loans and receivables.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 July 2018

Loans and receivables

Loans and receivables were financial assets with fixed or determinable payments that were not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables were measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprised cash and cash equivalents and trade and other receivables (excluding advance payments and prepayments).

4 Significant accounting policies (Continued)

4.3 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial liabilities; Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. These financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

These financial liabilities comprised trade and other payables, amounts due to related parties, and loans and borrowings.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the consolidated statement of cash flows, bank overdrafts that are repayable on demand and fixed deposits pledged that form an integral part of the Group’s cash management are included in cash and cash equivalents.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

4 Significant accounting policies (Continued)

4.4 Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour; and
- any other costs directly attributable to bringing the assets to a working condition for their intended use.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised within other income/other expenses in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

4 Significant accounting policies (Continued)

4.4 Plant and equipment (Continued)

(iii) Depreciation (Continued)

The estimated useful lives for the current and comparative years are as follows:

Renovations	–	2 years or shorter of lease period
Computers	–	2.5 years
Equipment and fittings	–	2 to 5 years
Motor vehicles	–	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

4.5 Impairment

(i) Non-derivative financial assets and contract assets

Policy applicable from 1 July 2018

The Group recognises loss allowances for expected credit loss ("ECLs") on:

- financial assets measured at amortised costs; and
- contract assets (as defined in SFRS(I) 15).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

4 Significant accounting policies (Continued)

4.5 Impairment (Continued)

(i) Non-derivative financial assets and contract assets (Continued)

Policy applicable from 1 July 2018 (Continued)

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

4 Significant accounting policies (Continued)

4.5 Impairment (Continued)

(i) Non-derivative financial assets and contract assets (Continued)

Policy applicable from 1 July 2018 (Continued)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Policy applicable before 1 July 2018

A financial asset not carried at FVTPL was assessed at each reporting date to determine whether there was any objective evidence that it was impaired. A financial asset was impaired if objective evidence indicated that a loss event(s) had occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that could be estimated reliably.

Objective evidence that financial assets were impaired included default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor would enter bankruptcy, adverse changes in the payment status of borrowers, economic conditions that correlate with defaults.

Loans and receivables and contract assets

The Group considered evidence of impairment for loans and receivables and contract assets at both an individual asset and collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than development properties, deferred tax assets and contract assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

4 Significant accounting policies (Continued)

4.5 Impairment (Continued)

(ii) Non-financial assets (Continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU group (groups of CGUs) on a *pro rata* basis.

An impairment loss in respect of assets recognised in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

4.6 Development properties

Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs (applicable to construction of a development for which revenue is to be recognised at a point in time) and other costs directly attributable to the development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The write-downs to net realisable value are presented as allowance for foreseeable losses.

4.7 Contract costs

Incremental costs of obtaining a contract for the sale of a development property are capitalised as contract costs only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue on the contract. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

4.8 Contract assets and liabilities

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on construction of development properties. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

Contract liabilities primarily relate to:

- advance consideration received from certain customers; and
- progress billings issued in excess of the Group's rights to the consideration.

4 Significant accounting policies (Continued)

4.9 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

4.10 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

4.11 Revenue

Revenue comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue are presented, net of goods and service tax, rebates and discounts.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

Sale of development properties

Revenue is recognised when control over the property has been transferred to the customer. The properties generally have no alternative use for the Group due to contractual restrictions.

For development properties whereby the Group has an enforceable right to payment for performance completed to date, revenue is recognised based on the percentage of completion of construction. The percentage of completion is measured by reference to the construction costs incurred to date to the estimated total construction costs. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

For development properties whereby the Group has no enforceable right to payment until legal title has passed to the customer, revenue is recognised when the legal title has been transferred to the customer.

The revenue is measured at the transaction price agreed under the contract, net of rebates, discounts, reimbursement costs borne by the Group and liquidated damages. Progress billings to the customer are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. When the period between the recognition of revenue and payment by the customer exceeds one year, an adjustment is made to the transaction price for the time value of money.

4 Significant accounting policies (Continued)

4.11 Revenue (Continued)

Sale of development properties (Continued)

Critical judgements in identifying performance obligations, measuring progress and measuring estimated variable consideration included in transaction price

Under the terms of the contract, the Group contracts with customers to build and deliver a specified building unit in accordance with the plans and specifications set out in the contract. The contract includes the specified building unit and an undivided share in the land and the common property. The analysis of whether the contract comprises one or more performance obligations, the method used to measure progress for revenue recognition, the amounts to be included as fulfilment cost for calculating the percentage of completion and estimated variable consideration included in the transaction price represent areas requiring critical judgement by the Group.

4.12 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as ‘other income’ on a systematic basis in the same periods in which the expenses are recognised.

Grants that compensate the Group for expenditures incurred for the development expenditures are recognised initially as deduction against the carrying amount of the development properties. Subsequent to initial measurement, these grants are amortised in profit or loss as deduction against cost of sales using the same measure of progress as the related contract revenue.

4.13 Leases

When the Group is lessee of a finance lease

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

When the Group is lessee of an operating lease

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

4 Significant accounting policies (Continued)

4.14 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; and
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

4.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

4 Significant accounting policies (Continued)

4.15 Tax (Continued)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

4.16 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

4.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment.

4 Significant accounting policies (Continued)

4.18 New standards, amendments to standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in Note 32.

5 Plant and equipment

	Renovations RM	Computers RM	Equipment and fittings RM	Motor vehicles RM	Total RM
Group					
Cost					
At 1 July 2017	2,841,731	214,511	389,400	2,074,729	5,520,371
Additions	3,990	55,061	54,632	141,769	255,452
Write off	–	(1,291)	–	–	(1,291)
At 30 June 2018	2,845,721	268,281	444,032	2,216,498	5,774,532
Additions	–	94,809	21,765	–	116,574
Disposals	–	(2,900)	(4,999)	–	(7,899)
Write off	–	–	(628)	–	(628)
At 30 June 2019	2,845,721	360,190	460,170	2,216,498	5,882,579
Accumulated depreciation					
At 1 July 2017	1,796,083	115,063	196,758	911,535	3,019,439
Depreciation charge	897,116	62,527	91,614	425,909	1,477,166
Write off	–	(1,291)	–	–	(1,291)
At 30 June 2018	2,693,199	176,299	288,372	1,337,444	4,495,314
Depreciation charge	152,522	91,774	50,722	434,859	729,877
Disposals	–	(2,030)	(4,582)	–	(6,612)
Write off	–	–	(340)	–	(340)
At 30 June 2019	2,845,721	266,043	334,172	1,772,303	5,218,239
Carrying amount					
At 1 July 2017	1,045,648	99,448	192,642	1,163,194	2,500,932
At 30 June 2018	152,522	91,982	155,660	879,054	1,279,218
At 30 June 2019	–	94,147	125,998	444,195	664,340

The carrying amount of motor vehicles held by the Group under finance leases amounted to RM426,514 (30 June 2018: RM677,270; 1 July 2017: RM805,454).

6 Investment in subsidiaries

	Company		
	30 June 2019	30 June 2018	1 July 2017
	RM	RM	RM
Equity investment, at cost less accumulated impairment	937,831,738	1,229,000,000	1,229,000,000

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Ownership interest		
			30 June 2019	30 June 2018	1 July 2017
			%	%	%
Held by the Company					
Astaka Padu Limited [1]	Investment holding	British Virgin Islands	99.99	99.99	99.99
Held by Astaka Padu Limited					
Astaka Padu Sdn Bhd [2]	Property development	Malaysia	100	100	100
Held by Astaka Padu Sdn Bhd					
Bukit Pelali Properties Sdn Bhd [2]	Property development	Malaysia	51	51	51
Held by Bukit Pelali Properties Sdn Bhd					
Bukit Pelali Healthcare Sdn Bhd [2]	Dormant	Malaysia	100	100	100
Bukit Pelali Hotels Sdn Bhd [2]	Dormant	Malaysia	100	100	–

[1] Not required to be audited by law in the country of incorporation
[2] Audited by KPMG, Malaysia

Impairment of investment in subsidiaries

The Company assesses at the end of each reporting date whether there is objective evidence that the investment in subsidiaries is impaired and recognises an impairment charge when such evidence exists.

For the purposes of impairment testing, the underlying cash-generating units comprise Astaka Padu Sdn Bhd and Bukit Pelali Properties Sdn Bhd.

Management assessed the recoverable amount of the investment in subsidiaries based on the estimated cash flows generated from the sale of development properties and proposed development projects to be undertaken by the subsidiaries.

6 Investment in subsidiaries (Continued)

Impairment of investment in subsidiaries (Continued)

For estimated cash flows generated from the sale of development properties and future phases to be developed, the Company has assessed the estimated selling prices, future costs to complete the on-going projects and development plans of the Group, taking into consideration available industry data, status of construction progress, deviation in design plans, cost overruns and current market factors.

For estimated cash flows generated from the land to be developed, the Company has assessed based on valuation obtained from an independent external valuer. Significant judgement and estimates are involved in determining the appropriate valuation methods and assumptions applied in the valuation.

Based on the assessment, the Company determined the recoverable amount to be RM937,831,738 and recognised an impairment loss of RM291,168,262 in the statement of comprehensive income for the year ended 30 June 2019 as a result of the slowdown in the property market in Malaysia.

Key assumptions used in the estimated cash flows

The key assumptions used in the estimation of cash flows are set out below.

Development properties	Key assumptions
Completed projects	■ Estimated selling price of RM418 to RM750 (30 June 2018: RM1,007; 1 July 2017: RM978) per square feet. ■ Construction costs of RM816 (30 June 2018: RM791; 1 July 2017: RM763) per square feet.
On-going projects	■ Estimated selling of RM212 to RM263 (30 June 2018: RM212 to RM263; 1 July 2017: RM212 to RM263) per square feet. ■ Estimated construction costs of RM173 to RM293 (30 June 2018: RM160 to RM248; 1 July 2017: RM178 to RM243) per square feet.
Land to be developed	■ Estimated selling price of RM800 to RM2,260 (30 June 2018: RM750 to RM2,260; 1 July 2017: RM800 to RM2,350) per square feet for apartments, offices and retail mall. ■ Estimated construction costs of RM2,700 to RM5,000 (2018: RM2,500 to RM4,800) per square metre for apartments, offices, retail mall and hotel. ■ Discounting rate using post-tax-rates of 9% (30 June 2018: 9%; 1 July 2017: 9%).

6 Investment in subsidiaries (Continued)

Key assumptions used in the estimated cash flows (Continued)

Development properties	Key assumptions
Future phases to be developed	■ Estimated selling price of RM300 to RM800 (30 June 2018: RM260 to RM650; 1 July 2017: RM260 to RM650) per square feet for apartments, offices, houses, hotel and club house.
	■ Estimated selling price of RM58 to RM167 (30 June 2018: RM58 to RM167; 1 July 2017: RM58 to RM167) for low-cost houses and shops.
	■ Estimated construction costs of RM208 to RM740 (30 June 2018: RM195 to RM747; 1 July 2017: RM195 to RM747) per square feet for apartments, offices, houses, hotel and club house.
	■ Estimated construction costs of RM129 to RM360 (30 June 2018: RM122 to RM342; 1 July 2017: RM122 to RM342) per square feet for low-cost houses and shops.
	■ Discounting rate using post-tax-rates of 9% (30 June 2018: 9%; 1 July 2017: 9%).

The movement in allowance for impairment loss on investment in subsidiaries during the year is as follows:

	Company	
	2019	2018
	RM	RM
At beginning of the year	–	–
Addition	291,168,262	–
At end of the year	291,168,262	–

7 Deferred tax assets

Movements in the deferred tax assets of the Group during the year are as follows:

Group	At 1 July 2017	Recognised in profit or loss (Note 25)	At 30 June 2018	Recognised in profit or loss (Note 25)	At 30 June 2019
	RM	RM	RM	RM	RM
	Restated	Restated	Restated		
Deferred tax assets					
Plant and equipment	44,412	65,781	110,193	(110,193)	–
Development properties	2,177,583	41,461	2,219,044	(2,219,044)	–
Other payables and accrued expenses	32,760	2,493,080	2,525,840	(2,525,840)	–
Unutilised tax losses and capital allowances	–	306,040	306,040	(306,040)	–
	2,254,755	2,906,362	5,161,117	(5,161,117)	–

8 Development properties

		Group		
		30 June 2019	30 June 2018	1 July 2017
		RM	RM	RM
			Restated	Restated
Completed properties held for sale:				
- completed properties	(i)	214,737,112	291,700,315	–
Properties in the course of development (on-going projects):				
Unsold units				
- aggregate costs incurred	(ii)	66,423,126	79,186,995	272,188,687
- government grant		–	–	(29,299,909)
		66,423,126	79,186,995	242,888,778
Properties for development representing mainly land, at cost		185,967,762	144,872,207	109,332,236
Total		467,128,000	515,759,517	352,221,014

Securities

In 2018, certain development properties of the Group amounting to RM361,124,166 (1 July 2017: RM198,779,252) have been charged to the banks as collateral for term loan facilities provided to the Group as disclosed in Note 18. In 2019, these collaterals have been discharged as the Group has fully settled the term loans.

Certain development properties of the Group amounting to RM32,201,435 (30 June 2018: RM15,277,143; 1 July 2017: RM680,556) have been secured for a loan agreement with a main contractor as disclosed in Note 19.

Completed properties held for sale

(i) Completed properties held for sale

The amount relates primarily to cost attributable to the completed properties held for sale.

	Group		
	30 June 2019	30 June 2018	1 July 2017
	RM	RM	RM
		Restated	
Completed properties held for sale			
- aggregate costs incurred	281,950,178	291,700,315	–
- allowance for foreseeable losses	(67,213,066)	–	–
	214,737,112	291,700,315	–

8 **Development properties (Continued)**

Properties in the course of development (on-going projects)

(ii) Unsold units

The amount relates primarily to cost attributable to the unsold units.

	Group		
	30 June 2019	**30 June 2018**	**1 July 2017**
	RM	**RM**	**RM**
			Restated
Unsold units			
- aggregate costs incurred	68,295,255	79,186,995	272,188,687
- government grant	–	–	(29,299,909)
- allowance for foreseeable losses	(1,872,129)	–	–
	66,423,126	79,186,995	242,888,778

Estimation of allowance for foreseeable losses for development properties and impairment losses for contract costs

The Group assesses at every reporting date whether any allowance for foreseeable losses and impairment losses is required. The allowance for foreseeable losses and impairment losses is estimated after taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on prevailing market trends in relation to the recent transacted of comparable properties in Malaysia. The estimated total construction costs are based on future costs to complete the projects and development plans of the Group, taking into consideration available industry data, status of construction progress, deviation in design plans, cost overruns and current market factors.

Based on the assessment, the Group recognised an allowance for foreseeable losses on development properties amounting to RM69,085,195 (2018: RMNil), as a result of the slowdown in the property market in Malaysia.

The movement in allowance for foreseeable losses on development properties during the year is as follows:

	Group	
	2019	**2018**
	RM	**RM**
At beginning of the year	–	–
Addition	69,085,195	–
At end of the year	69,085,195	–

Development properties of the Group recognised as cost of sales, excluding foreseeable losses amounted to RM21,233,690 (2018: RMNil).

8 Development properties (Continued)

The major development properties are as follows:

Project name	Description	Tenure	Site area (acre)	Estimated gross floor area (acre)	Stage of completion	Expected completion (Financial Year)	Group's interest in properties
The Astaka @ One Bukit Senyum	Luxury condominium	Freehold	2.42	43.18	100%	Completed	99.99%
Majlis Bandaraya Johor Bahru	15-storey commercial office tower	Freehold	1.37	10.17	70%	2020	99.99%
Phase 3@ One Bukit Senyum	Integrated commercial, mall, hotel and residential	Freehold	8.06	–	–	–	99.99%
Bukit Pelali Phase 1A	Commercial development	99 years leasehold	0.84	1.74	81%	2020	50.99%
Bukit Pelali Phase 1A	Residential development	99 years leasehold	16.95	8.51	92%	2020	50.99%
Bukit Pelali Phase 1B	Residential development	99 years leasehold	25.47	11.76	68%	2020	50.99%
Bukit Pelali Phase 2A & 2B	Commercial development	99 years leasehold	3.48	8.93	71%	2020	50.99%
Future phases in Bukit Pelali	Mixed township development comprising of residential, shop offices, private mart, hospital, school, mosque, petrol station and food and beverage hub	99 years leasehold	166.05	–	–	–	50.99%

9 Contract costs

		Group		
		30 June 2019	30 June 2018	1 July 2017
		RM	RM	RM
Capitalised commission	(i)	169,098	371,576	7,741,717
Fulfilment costs	(ii)	11,209,818	18,243,886	15,615,214
Government grant	(iii)	–	–	(13,522,630)
		11,378,916	18,615,462	9,834,301

(i) Capitalised commission

Management expects the incremental commission fees paid to property agents as a result of securing sale contracts to be recoverable. The Group has therefore capitalised the commission fees and amortised these commission fees when the related revenue is recognised.

	Group	
	2019	2018
	RM	RM
Capitalised commission		
At beginning of the year	371,576	7,741,717
Addition	1,510,482	2,433,290
Amortised to profit or loss	(1,309,266)	(9,796,263)
Allowance for impairment losses	(403,694)	(7,168)
At end of the year	169,098	371,576

(ii) Fulfilment costs

Costs that are attributable to the sold units are capitalised as fulfilment costs. These costs are expected to be recoverable and are amortised to profit or loss as cost of sales when the related revenue are recognised.

	Group	
	2019	2018
	RM	RM
		Restated
Fulfilment costs		
At beginning of the year	18,243,886	15,615,214
Addition	239,767,619	304,481,792
Amortised to profit or loss	(243,256,522)	(299,440,331)
Allowance for impairment losses	(3,545,165)	(2,412,789)
At end of the year	11,209,818	18,243,886

9 **Contract costs (Continued)**

(iii) Capitalised government grant

Government grant of RM84,430,000 (Note 11) represented grant receivable from the Government of Malaysia in relation to the reimbursement of the construction costs incurred on The Astaka @ One Bukit Senyum development project of the Group. The Group had therefore capitalised them by deducting against the carrying amount of development properties.

Capitalised government grant are amortised to profit or loss included as deduction against cost of sales when the related revenue is recognised.

	Group	
	2019	2018
	RM	RM
Capitalised government grant		
At beginning of the year	–	13,522,630
Reclassification from unsold units	–	117,299
Amortised to profit or loss	–	(13,639,929)
At end of the year	–	–

Estimation of allowance for impairment losses for contract costs

The estimation of allowance for impairment losses for contract costs is disclosed in Note 8.

The movement in allowance for impairment losses on contract costs during the year is as follows:

	Group	
	2019	2018
	RM	RM
At beginning of the year	2,419,957	–
Addition	3,948,859	2,419,957
At end of the year	6,368,816	2,419,957

10 Contract assets/(liabilities)

	Group		
	30 June 2019	30 June 2018	1 July 2017
	RM	RM	RM
Contract assets	24,835,892	21,580,768	162,473,986
Contract liabilities	(32,498,637)	(33,341,596)	(26,540,826)
	(7,662,745)	(11,760,828)	135,933,160

Contract assets represent the unbilled amount for work completed to date. The amount is transferred to trade receivable when the right to bill becomes unconditional upon receipts of the architects' certification. This typically occurs when the construction milestones are achieved. The significant changes in the contract assets during the year are as follows:

	Group	
	2019	2018
	RM	RM
At beginning of the year	21,580,768	162,473,986
Contract assets reclassified to trade receivables that was included in the contract asset balance at the beginning of the year	(21,580,768)	(162,473,986)
Revenue recognised but not billed, excluding amounts reclassified to trade receivables during the year	24,835,892	21,580,768
At end of the year	24,835,892	21,580,768

Contract liabilities represent the progress billings exceed costs incurred plus recognised profits. The amount is recognised as revenue when the Group performs the underlying performance obligations under the contract. The significant changes in the contract liabilities during the year are as follows:

	Group	
	2019	2018
	RM	RM
At beginning of the year	(33,341,596)	(26,540,826)
Revenue recognised that was included in the contract liability balance at the beginning of the year	33,341,596	26,540,826
Increases due to cash received and billings issued, excluding amounts recognised as revenue during the year	(32,498,637)	(33,341,596)
At end of the year	(32,498,637)	(33,341,596)

The exposure to credit risk and impairment losses related to contract assets is disclosed in Note 30.

11 Trade and other receivables

	Group			Company		
	30 June 2019	30 June 2018	1 July 2017	30 June 2019	30 June 2018	1 July 2017
	RM	RM	RM	RM	RM	RM
Trade receivables from:						
- third parties	70,039,133	153,507,119	36,334,706	–	–	–
- a director	–	702,620	613,729	–	–	–
- a controlling shareholder	–	937,134	17,540	–	–	–
- key management personnel	13,698	2,307,515	1,656,089	–	–	–
	70,052,831	157,454,388	38,622,064	–	–	–
Stakeholding money receivables	18,193,977	–	–	–	–	–
Retention sums receivables	16,843,075	9,352,953	–	–	–	–
Other receivables	1,009,482	89,742,591	84,952,504	–	–	–
Deposits	2,105,275	1,167,024	280,364	–	–	–
	108,204,640	257,716,956	123,854,932	–	–	–
Advance payments	839,741	3,263,176	4,349,000	–	–	–
Prepayments	248,743	201,724	311,276	38,605	42,991	200,244
	109,293,124	261,181,856	128,515,208	38,605	42,991	200,244

In 2018, included in the Group's other receivables are government grants receivable from the Government of Malaysia of RM84,430,000 (1 July 2017: RM84,430,000) in relation to the reimbursement of the construction costs incurred on The Astaka @ One Bukit Senyum development project of the Group. In 2019, the Group received the government grants of RM77,619,289. Accordingly, the Group had written off the remaining Government grants receivable of RM6,810,711 to the consolidated statement of comprehensive income.

The Group's stakeholding money receivables represent the payments received from the purchasers of The Astaka @ One Bukit Senyum, which were held by the solicitors of the Group at the reporting date. Such monies will be released to the Group upon the expiry of the defective period of the development properties. Included in the stakeholding money receivables is an amount of RM17,000,000 being pledged as security to obtain a bank overdraft facility as disclosed in Note 18.

The exposure to credit risk and impairment losses related to trade and other receivables is disclosed in Note 30.

12 Amount due from/(to) related parties

	Group			Company		
	30 June 2019 RM	30 June 2018 RM	1 July 2017 RM	30 June 2019 RM	30 June 2018 RM	1 July 2017 RM
Amounts due from subsidiary	–	–	–	–	111,318,203	112,100,104
Amounts due to:						
- affiliated corporations	(32,454,611)	(24,457,762)	(19,723,892)	–	–	–
- a controlling shareholder	(25,619,279)	(19,934,377)	(19,041,463)	–	–	–
- subsidiary	–	–	–	(3,042,261)	(2,952,843)	(3,117,258)
	(58,073,890)	(44,392,139)	(38,765,355)	(3,042,261)	(2,952,843)	(3,117,258)

Amounts due from/(to) subsidiaries are non-trade, unsecured, interest-free and are repayable on demand.

Amounts due from affiliated corporations and a controlling shareholder are non-trade, unsecured, interest-free and are repayable on demand except for amounts of RM27,299,867 (30 June 2018: RM27,299,867; 1 July 2017: RM27,299,867), which bear interest at rate of 4.0% (30 June 2018: 4.0%; 1 July 2017: 4.0%) per annum.

Affiliated corporations are defined as those companies in which a controlling shareholder of the Company is a director of these companies.

The exposure to credit risk and impairment losses related to amount due from related parties is disclosed in Note 30.

13 Cash and cash equivalents

	Group			Company		
	30 June 2019 RM	30 June 2018 RM	1 July 2017 RM	30 June 2019 RM	30 June 2018 RM	1 July 2017 RM
Cash and bank balances	6,280,205	16,421,920	27,151,167	3,614,037	4,777,902	9,684,770
Fixed deposits pledged	4,003,500	–	–	–	–	–
	10,283,705	16,421,920	27,151,167	3,614,037	4,777,902	9,684,770

13 Cash and cash equivalents (Continued)

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

	Group	
	2019	2018
	RM	RM
Cash and bank balances per consolidated statement of financial position	10,283,705	16,421,920
Less: Fixed deposits pledged	(4,003,500)	–
Less: Bank overdrafts	(25,581,952)	(12,961,740)
Cash and cash equivalents per consolidated statement of cash flows	(19,301,747)	3,460,180

The Group's fixed deposits are pledged as security to obtain a bank overdraft facility as disclosed in Note 18. The effective interest rate on fixed deposits of the Group is 3.90% per annum.

Included in cash and bank balances is an amount of RM2,260,272 (30 June 2018: RM4,140,524; 1 July 2017: RM2,691,166) 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 projects and after all property development expenditure have been fully settled.

14 Share capital

	No. of ordinary shares issued	Amount of share capital	
	Company	Group	Company
		RM	RM
2019			
At beginning and end of the year	1,869,434,303	259,383,777	1,455,078,944
2018			
At beginning and end of the year	1,869,434,303	259,383,777	1,455,078,944

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

The Group's share capital amount differs from that of the Company as a result of reverse acquisition accounting upon completion of reverse acquisition on 19 November 2015.

14 Share capital (Continued)

Capital management

The Group's primary objective in capital management is to maintain a strong capital base so as to maintain investor, creditor and market confidence, to continue to maintain the future development and growth of the business.

The Group monitors capital using a net debt equity ratio, which is adjusted net debt divided by total equity. For this purpose, adjusted net debt is defined as total loans and borrowings less cash and cash equivalents. Total equity includes equity attributable to owners of the Company and non-controlling interests.

	Group		
	30 June 2019	30 June 2018	1 July 2017
	RM	RM	RM
		Restated	Restated
Trade and other payables	46,532,461	46,532,461	–
Loans and borrowings (including finance liabilities)	25,964,067	89,386,090	54,841,909
Less: Cash and cash equivalents	(10,283,705)	(16,421,920)	(27,151,167)
Net debts	62,212,823	119,496,631	27,690,742
Total equity	109,914,488	223,640,002	215,909,993
Net debt ratio	0.57	0.53	0.13

No changes were made to the above objectives, policies and processes during the year ended 30 June 2019, 30 June 2018 and 1 July 2017.

The Group is not subject to externally imposed capital requirements.

15 Merger reserve

In 2014, Astaka Padu Limited ("APL") acquired the entire share capital of Astaka Padu Sdn Bhd ("APSB") through a share-for-share swap by issuing 80 ordinary shares amounting to RM20,000,000 to the shareholders of APSB. The acquisition of APSB by APL had been accounted for as a capital reorganisation as both APL and APSB were under common control of the same controlling shareholders.

The share capital of the Group issued for the purpose of the capital reorganisation in 2014 amounting to RM30,769,090 was measured based on deemed cost of acquiring APSB, being the existing carrying values of the net assets acquired. The resulting differences are recognised separately as a merger reserve.

16 Capital reserve

	Company	
	2019	2018
	RM	RM
At beginning and end of the year	1,419,389	1,419,389

Capital reserve represents the issue of shares to the Arranger of the Company during the listing of the Company in 2009 and the listing expenses borne by the shareholders were deemed to be capital contributions by the shareholders and were recognised as a component of equity in capital reserve.

17 Non-controlling interests

The following subsidiary has non-controlling interests ("NCI") that are material to the Group.

Name of subsidiary	Country of incorporation	Ownership interests held by NCI		
		30 June 2019	30 June 2018	1 July 2017
		%	%	%
Bukit Pelali Properties Sdn Bhd ("Bukit Pelali Properties")	Malaysia	49.01	49.01	49.01

The following summarises the financial information for the above subsidiary which are prepared in accordance with SFRS(I).

	Bukit Pelali Properties	Other immaterial NCI	Total
	RM	RM	RM
30 June 2019			
Revenue	105,442,609		
Loss for the year, representing total comprehensive income for the year	(16,878,047)		
Attributable to NCI:			
- Loss for the year, representing total comprehensive income for the year	(8,271,104)	(20,059)	(8,291,163)
Non-current assets	142,488		
Current assets	184,088,555		
Non-current liabilities	(60,478)		
Current liabilities	(195,670,268)		
Net liabilities	(11,499,703)		
Net liabilities attributable to NCI	(5,635,441)	(15,297)	(5,650,738)
Cash flows from operating activities	21,476,907		
Cash flows from investing activities	24,666		
Cash flows used in financing activities	(27,239,974)		
Net decrease in cash and cash equivalents	(5,738,401)		

17 Non-controlling interests (Continued)

	Bukit Pelali Properties RM	Other immaterial NCI RM	Total RM
30 June 2018			
Revenue	55,143,252		
Loss for the year, representing total comprehensive income for the year	(1,809,164)		
Attributable to NCI:			
- Loss for the year, representing total comprehensive income for the year	(886,583)	(5,605)	(892,188)
Non-current assets	521,806		
Current assets	161,567,102		
Non-current liabilities	(82,488)		
Current liabilities	(156,628,076)		
Net assets	5,378,344		
Net assets attributable to NCI	2,635,663	4,762	2,640,425
Cash flows used in operating activities	(23,706,702)		
Cash flows used in investing activities	(25,180)		
Cash flows from financing activities	30,446,975		
Net increase in cash and cash equivalents	6,715,093		
1 July 2017			
Non-current assets	53,202		
Current assets	81,367,726		
Non-current liabilities	–		
Current liabilities	(79,233,420)		
Net assets	2,187,508		
Net assets attributable to NCI	1,071,991	10,622	1,082,613

18 Loans and borrowings

	Group		
	30 June 2019	30 June 2018	1 July 2017
	RM	RM	RM
Non-current liabilities			
Secured			
Term loans	–	13,938,266	20,641,576
Finance lease liabilities	252,024	391,786	482,607
	252,024	14,330,052	21,124,183
Current liabilities			
Secured			
Term loans	–	61,908,260	19,062,144
Bank overdrafts	25,581,952	12,961,740	14,486,462
Finance lease liabilities	130,091	186,038	169,120
	25,712,043	75,056,038	33,717,726
Total loans and borrowings	25,964,067	89,386,090	54,841,909

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

Group	Currency	Nominal interest rate %	Year of maturity	Carrying amount RM
30 June 2019				
Secured				
Bank overdrafts	RM	7.31%	2020	25,581,952
Finance lease liabilities	RM	2.41% to 2.96%	2019 to 2023	382,115
				25,964,067
30 June 2018				
Secured				
Term loan V	RM	10.60%	2019	5,487,019
Term loan VI	RM	10.65%	2020	43,938,267
Term loan VII	RM	8.34%	2019	26,421,240
Bank overdrafts	RM	7.35%	2019	12,961,740
Finance lease liabilities	RM	2.41% to 2.96%	2019 to 2023	577,824
				89,386,090

18 Loans and borrowings (Continued)

Terms and debt repayment schedule (Continued)

Group	Currency	Nominal interest rate %	Year of maturity	Carrying amount RM
1 July 2017				
Secured				
Term loan I	RM	10.60%	2019	2,437,377
Term loan III	RM	10.60%	2020	8,274,004
Term loan IV	RM	10.60%	2019	14,761,396
Term loan V	RM	10.60%	2019	14,230,943
Bank overdrafts	RM	7.35%	2018	14,486,462
Finance lease liabilities	RM	2.41 to 2.96%	2019 to 2022	651,727
				54,841,909

Security

In 2018, included in the term loans I, III, IV, V and VI and bank overdraft is a AL Murabahah credit facility from Maybank Islamic Berhad of RM316,770,000 (1 July 2017: RM270,770,000) for the purpose of the construction of the Group's development properties. It is secured against a legal charge over the land and building to be erected on the land in Bukit Senyum under PTO 216346 1-ISD520590, Mukim Plentong, District of Johor Bahru of up to the outstanding borrowing amount. The term loan is jointly and severally guaranteed by the controlling shareholder of the Company, a director of the Company and the directors of Astaka Padu Sdn Bhd.

In 2018, the term loan VII relates to Term Financing and Bridging Financing facilities from Malaysia Building Society Berhad of RM10,000,000 and RM33,000,000 for the purpose of the construction of the Group's development properties. It is secured by third party first open monies legal charge over the land held under Lot PTD 6007 and 6008, Mukim of Pengerang, District of Kota Tinggi, Johor.

Included in the bank overdrafts are:

- an Affin Bank Berhad overdraft facility of RM10,000,000 (30 June 2018: RM10,000,000; 1 July 2017: RM10,000,000) for the working capital requirements of the Group, which is secured against a controlling shareholder's fixed deposit of RM10,000,000 (30 June 2018: RM10,000,000; 1 July 2017: RM10,000,000); and

- an RHB Bank Berhad overdraft facility of RM17,000,000 for the working capital requirements of the Group, which is secured against the stakeholding money receivables of RM17 million, fixed deposits of the Group and severally guaranteed by a director of the Company and the directors of Astaka Padu Sdn Bhd.

18 Loans and borrowings (Continued)

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments RM	Interest RM	Present value of minimum lease payments RM
Group			
30 June 2019			
Within one year	144,828	(14,737)	130,091
Between one to five years	269,065	(17,041)	252,024
	413,893	(31,778)	382,115
30 June 2018			
Within one year	212,216	(26,178)	186,038
Between one to five years	424,841	(33,055)	391,786
	637,057	(59,233)	577,824
1 July 2017			
Within one year	198,491	(29,371)	169,120
Between one to five years	530,836	(48,229)	482,607
	729,327	(77,600)	651,727

18 Loans and borrowings (Continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities						
Group	Amount due to affiliated corporations RM	Amount due to a controlling shareholder RM	Trade and other payables RM	Term loans RM	Bank overdrafts RM	Finance lease liabilities RM	Total RM
At 1 July 2017	19,723,892	19,041,463	46,532,461	39,703,720	14,486,462	651,727	140,139,725
Changes from financing cash flows:							
- Advances from affiliated corporations	4,733,870	–	–	–	–	–	4,733,870
- Advances from a controlling shareholder	–	892,914	–	–	–		892,914
- Interest Paid	(199,080)	(892,914)	–	(4,491,839)	(999,904)	(31,674)	(6,615,411)
- Proceeds from draw down of term loans	–	–	–	76,637,158	–	–	76,637,158
- Repayment of term loans	–	–	–	(40,494,352)	–	–	(40,494,352)
- Repayment of finance lease liabilities	–	–	–	–	–	(183,903)	(183,903)
Total changes from financing cash flows	4,534,790	–	–	31,650,967	(999,904)	(215,577)	34,970,276
Other changes:							
Liability-related							
- Changes in bank overdrafts	–	–	–	–	(1,524,722)	–	(1,524,722)
- Additions to finance lease liabilities	–	–	–	–	–	110,000	110,000
- Interest expense	199,080	892,914	3,955,259	4,491,839	999,904	31,674	10,570,670
Total liability-related other changes	199,080	892,914	3,955,259	4,491,839	(524,818)	141,674	9,155,948
At 30 June 2018	**24,457,762**	**19,934,377**	**50,487,720**	**75,846,526**	**12,961,740**	577,824	**184,265,949**

18 Loans and borrowings (Continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities (Continued)

Group	Liabilities						
	Amount due to affiliated corporations RM	Amount due to a controlling shareholder RM	Trade and other payables RM	Term loans RM	Bank overdrafts RM	Finance lease liabilities RM	Total RM
At 1 July 2018	24,457,762	19,934,377	50,487,720	75,846,526	12,961,740	577,824	184,265,949
Changes from financing cash flows:							
- Advances from affiliated corporations	7,996,849	–	–	–	–	–	7,996,849
- Advances from a controlling shareholder	–	5,684,902	–	–	–	–	5,684,902
- Interest paid	(199,080)	(892,914)	–	(1,577,034)	(776,496)	(27,455)	(3,472,979)
- Repayment of term loans	–	–	–	(75,846,526)	–	–	(75,846,526)
- Repayment of finance lease liabilities	–	–	–	–	–	(195,709)	(195,709)
Total changes from financing cash flows	7,797,769	4,791,988	–	(77,423,560)	(776,496)	(223,164)	(65,833,463)
Other changes:							
Liability-related							
- Changes in bank overdrafts	–	–	–	–	12,620,212	–	12,620,212
- Interest expense	199,080	892,914	3,955,259	1,577,034	776,496	27,455	7,428,238
Total liability-related other changes	199,080	892,914	3,955,259	1,577,034	13,396,708	27,455	20,048,450
At 30 June 2019	32,454,611	25,619,279	54,442,979	–	25,581,952	382,115	138,480,936

19 Trade and other payables

	Group			Company		
	30 June 2019 RM	30 June 2018 RM Restated	1 July 2017 RM	30 June 2019 RM	30 June 2018 RM	1 July 2017 RM
Trade payables	339,357,920	350,648,101	263,219,820	–	–	–
Other payables	9,386,336	17,442,189	23,102,776	656,203	552,915	609,690
Accrued land costs	17,997,621	30,345,172	30,943,036	–	–	–
Accrued transaction costs	11,278,209	20,630,253	16,558,429	–	–	–
Accrued expenses	15,870,785	17,772,285	2,958,081	–	–	–
	393,890,871	436,838,000	336,782,142	656,203	552,915	609,690

Included in the Group's trade payables is an amount of RM34,652,800 (30 June 2018: RM34,652,800; 1 July 2017: RM34,652,800) due to the Johor State Government for acquisition of development land.

Included in the Group's other payables are deposits received from the purchasers of the property development totalling RM30,948 (30 June 2018: RM47,948; 1 July 2017: RM1,071,237).

Included in the Group's accrued expenses are:

(a) accrued interest expense of RM7,910,518 (30 June 2018: RM3,955,259; 1 July 2017: RMNil) arising from its overdue trade payable amounts of RM46,532,461 owing to a main contractor;

(b) accrued late payment interest of RM4,816,145 (30 June 2018: RMNil; 1 July 2017: RMNil) arising from its trade payable amounts owing to a main contractor; and

(c) accrued liquidated damages amounting to RM413,431 (30 June 2018: RM10,524,334; 1 July 2017: RMNil), representing late payment charges for late delivery of the property development to the purchasers.

On 12 April 2017, the Group entered into an agreement with a main contractor to repay its overdue trade payable amounting to RM46,532,461 by 30 June 2017 ("Loan Agreement"). These amounts are subject to an interest rate of 8.5% per annum commencing from 30 June 2017 if these amounts are not settled by 30 September 2017. Arising from the Loan Agreement, certain development properties of a subsidiary, Bukit Pelali Properties Sdn Bhd were secured to the main contractor. The Group has defaulted on the settlement to the main contractor and these amounts remained unsettled as at 30 June 2019, 30 June 2018 and 1 July 2017. In addition, the Group has also received various letters of demands dated 2 October 2018, 1 February 2019 and 11 July 2019 from the solicitor of the main contractor to demand the payments of total trade payable amounts of RM125,347,303 (inclusive of the overdue trade payable amounts of RM46,532,461) and interest thereon.

On 1 October 2019, the Group has reached a settlement with the main contractor to settle the remaining outstanding balances of RM74,390,000 (inclusive of interests) in instalments until 30 June 2020. Following the execution of the settlement agreement, the main contractor has issued a letter of withdrawal to the Group confirming the withdrawal of its claims of RM125,347,303 and all demands that it had made against the Group.

Completeness of trade and other payables

The Group records the construction costs of development properties at each reporting date based on certified claims submitted by the main contractors. The Group also accrues the construction costs by relying on the estimates of claims prepared by quantity surveyors in relation to those physical work done performed by the main contractors but yet to be submitted by the main contractors to the Group at the reporting dates. The ultimate of actual claims may differ from the accrued construction costs and the difference may affect the Group's results.

20 Revenue

	Group	
	2019	2018
	RM	RM
Revenue from sale of development properties		
- transferred at a point in time	47,154,173	–
- transferred over time	248,876,072	332,739,871
	296,030,245	332,739,871

Geographic market information in relation to revenue of the Group is not presented as the Group's revenue is substantially derived from Malaysia.

Revenue from one customer (2018: two customers) of the Group represents approximately RM143,433,464 (2018: RM92,055,864) of the Group's total revenue.

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	Group	
	2019	2018
	RM	RM
Aggregate amount of the transaction price allocated to sale of development properties for contracts that are partially unsatisfied as at the reporting date		
- 30 June 2019	–	127,600,927
- 30 June 2020	154,843,023	141,386,258
	154,843,023	268,987,185

21 Cost of sales

	Group	
	2019	2018
	RM	RM
		Restated
Fulfilment cost for sale of development properties	285,788,035	299,440,331
Amortisation of capitalised commission	1,309,266	9,796,263
Allowance for foreseeable losses on development properties	69,085,195	–
Impairment losses on contract costs	3,948,859	2,419,957
	360,131,355	311,656,551
Add: Government grants receivable written off	6,810,711	–
Less: Amortisation of capitalised government grants	–	(13,639,929)
	366,942,066	298,016,622

22 Other income

	Group	
	2019	2018
	RM	RM
Advertisement sponsorship	–	2,641
Government grants	–	1,241
Forfeiture payment from purchasers of development properties	3,499,908	3,000
Others	128,931	80,043
Reimbursement of staff costs from customers	–	106,117
	3,628,839	193,042

23 Net finance costs

	Group	
	2019	2018
	RM	RM
		Restated
Finance income		
Foreign exchange gain	74,800	–
Interest income	528,798	2,730,237
	603,598	2,730,237
Finance costs		
Foreign exchange loss	–	(632,230)
Interest expense on:		
- term loans	(1,577,034)	(4,491,839)
- bank overdrafts	(776,496)	(999,904)
- advances from a controlling shareholder	(892,914)	(892,914)
- advances from affiliated corporations	(199,080)	(199,080)
- finance lease liabilities	(27,455)	(31,674)
- overdue trade payables	(3,955,259)	(3,955,259)
	(7,428,238)	(11,202,900)
Net finance costs	(6,824,640)	(8,472,663)

24 (Loss)/Profit before tax

The following items have been included in arriving at (loss)/profit for the year:

	Group	
	2019	2018
	RM	RM
Audit fees paid to:		
- auditors of the Company	357,587	192,309
- other member firms of the auditors of the Company	229,000	152,000
Non audit fees paid to:		
- auditors of the Company	61,126	–
- other member firms of the auditors of the Company	3,000	6,000
Depreciation of plant and equipment	729,877	1,477,166
Directors' fee	667,266	664,693
Employee benefits expenses (see below)	6,857,169	6,061,988
Operating lease expense	588,598	384,739
Plant and equipment written off	288	–
Provision for late payment interests	4,816,145	–
Employee benefits expense:		
Wages and salaries	6,280,736	5,611,239
Employer's contribution to defined contribution plans including Central Provident Fund	513,517	384,116
Other benefits	62,916	66,633
	6,857,169	6,061,988

25 Tax expense

	Note	Group	
		2019	2018
		RM	RM
			Restated
Current tax expense			
Current year		–	8,060,779
Adjustment for prior years		942,234	(1,017,752)
		942,234	7,043,027
Deferred tax expense/(credit)			
Current year		2,338,561	(2,896,429)
Adjustment for prior years		2,822,556	(9,933)
	7	5,161,117	(2,906,362)
Tax expense		6,103,351	4,136,665

25 **Tax expense (Continued)**

	Group	
	2019	2018
	RM	RM
		Restated
Reconciliation of effective tax rate		
(Loss)/Profit before tax	(107,622,163)	9,416,674
Tax using the Malaysia tax rate of 24% (2018: 24%)	(25,829,319)	2,260,002
Effect of different tax rates in foreign jurisdiction	315,952	393,738
Non-deductible expenses*	20,042,959	2,565,635
Non-taxable income	(30,566)	(55,025)
Deferred tax assets not recognised	7,839,535	–
Adjustment for prior years	3,764,790	(1,027,685)
	6,103,351	4,136,665

* In prior year, the land costs of a subsidiary of the Company were treated as deductible expenses. Following a desktop tax audit undertaken by the Inland Revenue Board Malaysia during the financial year, certain portion of these land costs do not qualify for deductible expenses. As a result, additional deferred tax liabilities in relation to the non-deductible land costs amounting to RM13,597,791 as at 30 June 2018 was recognised as non-deductible expenses during the financial year.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2019	2018
	RM	RM
Plant and equipment	397,462	–
Unutilised tax losses	32,009,536	–
Unutilised capital allowances	248,732	–
Others	9,000	–
	32,664,730	–

The unutilised tax losses will expire in year 2026 under the current tax legislation in Malaysia while the unutilised capital allowances and other deductible temporary differences do not expire under current tax legislation in Malaysia. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

26 (Loss)/Earnings per share

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the net (loss)/earnings attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2019	2018 Restated
(Loss)/Profit attributable to owners of the Company (RM)	(105,434,351)	6,172,197
Weighted average number of ordinary shares outstanding for basic (loss)/earnings per share (in units)	1,869,434,303	1,869,434,303
Basic (loss)/earnings per share (RM cents per share)	(5.64)	0.33

(b) Diluted (loss)/earnings per share

The basic (loss)/earnings per share for the year ended 30 June 2019 and 30 June 2018 is the same as the respective diluted (loss)/earnings per share, as there were no potential dilutive ordinary shares in existence during the year ended 30 June 2019 and 30 June 2018.

27 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors. The Board of Directors is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by management.

Management considers that the entire Group's operations constitute a single segment which is in the business of property development in Malaysia. Management assesses the performance of the Group's operations based on the profit before tax, total assets and total liabilities which are measured in a manner consistent with that of the consolidated financial statements.

28 Commitments

Operating lease commitments – where the Group is a lessee

The Group leases office spaces from other related parties (Note 29) under non-cancellable operating lease agreements. The leases typically run for an initial period of one to two years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

	Group	
	2019 RM	2018 RM
Not later than 1 year	710,840	138,600
Between 1 to 5 years	532,920	–
	1,243,760	138,600

29 Related party transactions

In addition to the related party information disclosed elsewhere in the consolidated financial statements, the following significant transactions took place between the Group and related parties during the financial year on terms agreed between the parties concerned:

	Group	
	2019	2018
	RM	RM
Affiliated corporations		
Rental expenses	246,000	259,530
Interest expenses	199,080	199,080
Land costs paid/payable	12,347,551	6,757,789
A controlling shareholder of the Company		
Interest expenses	892,914	892,914
Progress billings issued	–	1,149,493

The controlling shareholder of the Company is Dato' Daing A Malek Bin Daing A Rahman.

Key management personnel remuneration

	Group	
	2019	2018
	RM	RM
Short-term employee benefits	2,972,889	2,934,435
Post-employment benefits (Employer's contribution to defined contribution plans)	237,537	191,432
	3,210,426	3,125,867

In addition to the related party information disclosed elsewhere in the consolidated financial statements,

(a) progress billings of RMNil and RMNil (2018: RM746,251 and RM4,393,902) were issued to a director and certain key management personnel respectively for the development properties sold; and

(b) late payment interest of RMNil and RMNil (2018: RM7,519 and RM15,142) were charged on a director and certain key management personnel respectively for the development properties sold.

30 Financial instruments

Financial risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by internal auditors. Internal auditors undertake both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

The Group has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. The Group's trade receivables represent progress billings for sale of development properties. However, the ownership and rights to the development properties sold will revert to the Group in the event of default. Cash at banks are placed with regulated banks and financial institutions.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the reporting date.

At the reporting dates, the Group has significant concentration of credit risk with respect to trade receivables arising from two customers amounting to RM77,384,331 (30 June 2018: RM27,971,277; 1 July 2017: RM12,238,912). Other than as disclosed above, there is no significant concentration of credit risk as a result of the Group's large number of customers, which are widely distributed and covers a broad range of end markets.

30 Financial instruments (Continued)

Exposure to credit risk

The exposure to credit risk for contract assets and trade and other receivables (excluding prepayments and advances to suppliers) at the reporting date was:

	Group			Company		
	30 June 2019	30 June 2018	1 July 2017	30 June 2019	30 June 2018	1 July 2017
	RM	RM	RM	RM	RM	RM
Contract assets	24,835,892	21,580,768	162,473,986	–	–	–
Trade receivables	70,052,831	157,454,388	38,622,064	–	–	–
Stakeholding money receivables	18,193,977	–	–	–	–	–
Retention sum receivables	16,843,075	9,352,953	–	–	–	–
Other receivables and deposits (excludes government grants receivable)	3,114,757	6,479,615	802,868	–	–	–
Amount due from related parties	–	–	–	108,165,553	111,318,203	112,100,104
	133,040,532	194,867,724	201,898,918	108,165,553	111,318,203	112,100,104
Impairment loss allowance	–	–	–	(108,165,553)	–	–
	133,040,532	194,867,724	201,898,918	–	111,318,203	112,100,104

The following table provides information about the exposure to credit risk and ECLs for contract assets and trade and other receivables as at 30 June 2019.

			Comparative information under FRS 39	
		2019	30 June 2018	1 July 2017
Group	**Weighted average loss rate**	**Gross carrying amount**	**Gross carrying amount**	**Gross carrying amount**
		RM	**RM**	**RM**
Contract assets				
Not past due	0%	24,835,892	21,580,768	162,473,986
Trade receivables				
Not past due	0%	54,903,175	139,405,015	21,847,351
Past due 1 to 30 days	0%	635,319	3,939,529	3,491,616
Past due 31 to 60 days	0%	1,670,666	1,367,559	3,466,011
Past due 61 to 90 days	0%	1,190,991	1,118,639	5,908,212
Past due more than 91 days	0%	11,652,680	11,623,646	3,908,874
		70,052,831	157,454,388	38,622,064

30 Financial instruments (Continued)

Exposure to credit risk (Continued)

Group	Weighted average loss rate	2019 Gross carrying amount RM	Comparative information under FRS 39 30 June 2018 Gross carrying amount RM	1 July 2017 Gross carrying amount RM
Stakeholding money receivables				
Not past due	0%	18,193,977	–	–
Retention sum receivables				
Not past due	0%	16,843,075	9,352,953	–
Other receivables and deposits (excludes government grants receivable)				
Not past due	0%	3,114,757	6,479,615	802,868
		133,040,532	194,867,724	201,898,918

Company	Weighted average loss rate	2019 Gross carrying amount RM	2019 Impairment loss allowance RM	Comparative information under FRS 39 30 June 2018 Gross carrying amount RM	1 July 2017 Gross carrying amount RM
Amount due from related parties					
Not past due	100%	108,165,553	(108,165,553)	111,318,203	112,100,104

Expected credit loss assessment for contract assets, trade receivables, stakeholders' sum receivables and retention sum receivables as at 1 July 2018 and 30 June 2019

These contract assets and receivables represents progress billings for sale of development properties. The Group assessed the expected credit loss exposure of these contract assets and receivables to be insignificant based on the historical default rates, the Group's view of current and future conditions corresponding with the default rates pertaining to group of customers because the ownership and rights to the development properties sold to the customers will be reverted to the Group in the event of default, which is governed under the Housing Development (Control and Licensing) Act 1966 in Malaysia.

Expected credit loss assessment for other receivables and deposits as at 1 July 2018 and 30 June 2019

The Group assessed the credit exposure of these receivables is insignificant based on the historical default rates, the Group's view of current and future conditions corresponding with the default rates pertaining to group of customers. The Group considers that the credit risk of these counter parties has not increased. The amount of the allowance on other receivables and deposits was insignificant.

30 **Financial instruments (Continued)**

Expected credit loss assessment for amount due from related parties as at 1 July 2018 and 30 June 2019

As at 30 June 2019, the Company measured the impairment losses of amount due from related parties of RM108,165,553 at an amount equal to lifetime ECLs because the said receivables are assessed to be credit-impaired due to the significant financial difficulty encountered by its subsidiary as disclosed in Note 2.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents. The cash and cash equivalents are held with banks and financial institutions with sound credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group and the Company consider that their cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was insignificant.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents and credit facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group also obtained financial support from its controlling shareholder to finance the Group's operations, hence reducing liquidity risk.

The following are the contractual undiscounted cash outflows of financial liabilities, including interest payments:

		Cash flows		
	Carrying amounts RM	Contractual cash flows RM	Within 1 year RM	After 1 year but within 5 years RM
Group				
30 June 2019				
Trade and other payables	393,890,871	(393,890,871)	(393,890,871)	–
Amounts due to related parties	58,073,890	(58,073,890)	(58,073,890)	–
Loans and borrowings	25,964,067	(25,995,845)	(25,726,780)	(269,065)
	477,928,828	(477,960,606)	(477,691,541)	(269,065)
30 June 2018				
Trade and other payables (Restated)	436,838,000	(436,838,000)	(436,838,000)	–
Amounts due to related parties	44,392,139	(44,392,139)	(44,392,139)	–
Loans and borrowings	89,386,090	(96,930,824)	(82,163,924)	(14,766,900)
	570,616,229	(578,160,963)	(563,394,063)	(14,766,900)
1 July 2017				
Trade and other payables	336,782,142	(336,782,142)	(336,782,142)	–
Amounts due to related parties	38,765,355	(38,765,355)	(38,765,355)	–
Loans and borrowings	54,841,909	(59,531,711)	(37,482,850)	(22,048,861)
	430,389,406	(435,079,208)	(413,030,347)	(22,048,861)

30 Financial instruments (Continued)

		Cash flows		
	Carrying amounts	Contractual cash flows	Within 1 year	After 1 year but within 5 years
	RM	RM	RM	RM
Company				
30 June 2019				
Trade and other payables	656,203	(656,203)	(656,203)	–
Amounts due to related parties	3,042,261	(3,042,261)	(3,042,261)	–
	3,698,464	(3,698,464)	(3,698,464)	–
30 June 2018				
Trade and other payables	552,915	(552,915)	(552,915)	–
Amounts due to related parties	2,952,843	(2,952,843)	(2,952,843)	–
	3,505,758	(3,505,758)	(3,505,758)	–
1 July 2017				
Trade and other payables	609,690	(609,690)	(609,690)	–
Amounts due to related parties	3,117,258	(3,117,258)	(3,117,258)	–
	3,726,948	(3,726,948)	(3,726,948)	–

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group is not exposed to fair value interest rate risk.

The Group's interest bearing assets are primarily bank balances. The interest rates on these bank balances are monitored closely to ensure that they are maintained at favourable rates. The Group considers the risk of significant changes to interest rates on bank balances to be unlikely.

The Group's exposure to cash flow interest rate risks arises mainly from variable rate borrowings. The Group manages its interest rate exposure by monitoring movements in interest rates and actively reviewing its borrowings.

30 Financial instruments (Continued)

Market risk (Continued)

Interest rate profile

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, was as follows:

	Group		
	30 June 2019	30 June 2018	1 July 2017
	RM	RM	RM
		Restated	
Fixed rate instruments			
Term loans	–	26,421,240	–
Finance lease liabilities	382,115	577,824	651,727
Trade and other payables	46,532,461	46,532,461	–
Amount due to related parties	27,299,867	27,299,867	27,299,867
	74,214,443	100,831,392	27,951,594
Variable rate instruments			
Term loans	–	49,425,286	39,703,720
Bank overdrafts	25,581,952	12,961,740	14,486,462
	25,581,952	62,387,026	54,190,182

Cash flow sensitivity analysis for variable instruments

The movement of the interest rate for the loans and borrowings does not have any impact on the profit before tax for the year as the entire interest expense is capitalised into development properties during the financial year. A change of 100 basis points (bps) in interest rates at the reporting date would have increased/(decreased) development properties by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group		
	30 June 2019	30 June 2018	1 July 2017
	RM	RM	RM
Variable rate instruments			
100 bp increase	255,820	623,870	541,902
100 bp decrease	(255,820)	(623,870)	(541,902)

Foreign currency risk

The Group is exposed to foreign currency risk on cash and cash equivalents held by the Group denominated in Singapore Dollars ("SGD") and Hong Kong Dollars ("HKD") that are denominated other than the functional currency of the Group entities, Ringgit Malaysia ("RM").

30 Financial instruments (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

The Group's exposure to foreign currency risk based on notional amounts is as follows:

	SGD RM	HKD RM	Total RM
Group			
30 June 2019			
Cash and cash equivalents	875,828	2,740,027	3,615,855
30 June 2018			
Cash and cash equivalents	486,340	4,294,011	4,780,351
1 July 2017			
Cash and cash equivalents	1,777,072	7,910,665	9,687,737

Sensitivity analysis

A 5% strengthening of the following major currencies against RM at the reporting dates held by the Group would decrease loss before tax (2018: increase profit before tax) by the amounts shown below. Similarly, a 5% weakening would have the equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date and assumes that all other variables, in particular interest rates, remain constant.

	Group (Loss)/Profit before tax 2019 RM	 2018 RM
SGD	43,791	24,317
HKD	137,001	214,701
	180,792	239,018

Apart from these SGD and HKD denominated cash and cash equivalents, the Group is not exposed to significant foreign currency risk on monetary assets and liabilities that are denominated in a currency other than the functional currencies of the entities within the Group.

30 Financial instruments (Continued)

Accounting classifications and fair values

The accounting classification of financial assets and liabilities amounts shown in the statements of financial position, are as follows. Fair value information for financial assets and financial liabilities not measured at fair value has not been presented if the carrying amount is a reasonable approximation of fair value due to short term period to their maturity.

	Note	Amortised cost RM	Liabilities at amortised cost RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group								
30 June 2019								
Financial assets not measured at fair value								
Trade and other receivables*	11	108,204,640	–	108,204,640				
Cash and cash equivalents	13	10,283,705	–	10,283,705				
		118,488,345	–	118,488,345				
Financial liabilities not measured at fair value								
Trade and other payables	19	–	(393,890,871)	(393,890,871)				
Amount due to related parties	12	–	(58,073,890)	(58,073,890)				
Loans and borrowings	18	–	(25,964,067)	(25,964,067)	–	(25,964,067)	–	(25,964,067)
		–	(477,928,828)	(477,928,828)				
Company								
30 June 2019								
Financial assets not measured at fair value								
Cash and cash equivalents	13	3,614,037	–	3,614,037				
		3,614,037	–	3,614,037				
Financial liabilities not measured at fair value								
Trade and other payables	19	–	(656,203)	(656,203)				
Amount due to related parties	12	–	(3,042,261)	(3,042,261)				
		–	(3,698,464)	(3,698,464)				

30 Financial instruments (Continued)

Accounting classifications and fair values (Continued)

	Note	Loans and receivables RM	Liabilities at amortised cost RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group								
30 June 2018								
Financial assets not measured at fair value								
Trade and other receivables*	11	173,286,956	–	173,286,956				
Cash and cash equivalents	13	16,421,920	–	16,421,920				
		189,708,876	–	189,708,876				
Financial liabilities not measured at fair value								
Trade and other payables (Restated)	19	–	(436,838,000)	(436,838,000)				
Amount due to related parties	12	–	(44,392,139)	(44,392,139)				
Loans and borrowings	18	–	(89,386,090)	(89,386,090)	–	(95,817,792)	–	(95,817,792)
		–	(570,616,229)	(570,616,229)				
Company								
30 June 2018								
Financial assets not measured at fair value								
Amounts due from related parties	12	111,318,203	–	111,318,203				
Cash and cash equivalents	13	4,777,902	–	4,777,902				
		116,096,105	–	116,096,105				
Financial liabilities not measured at fair value								
Trade and other payables	19	–	(552,915)	(552,915)				
Amount due to related parties	12	–	(2,952,843)	(2,952,843)				
		–	(3,505,758)	(3,505,758)				

30 Financial instruments (Continued)

Accounting classifications and fair values (Continued)

	Note	Loans and receivables RM	Liabilities at amortised cost RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group								
1 July 2017								
Financial assets not measured at fair value								
Trade and other receivables*	11	39,424,932	–	39,424,932				
Cash and cash equivalents	13	27,151,167	–	27,151,167				
		66,576,099	–	66,576,099				
Financial liabilities not measured at fair value								
Trade and other payables	19	–	(336,782,142)	(336,782,142)				
Amount due to related parties	12	–	(38,765,355)	(38,765,355)				
Loans and borrowings	18	–	(54,841,909)	(54,841,909)	–	(57,239,060)	–	(57,239,060)
		–	(430,389,406)	(430,389,406)				
Company								
1 July 2017								
Financial assets not measured at fair value								
Amounts due from related parties	12	112,100,104	–	112,100,104				
Cash and cash equivalents	13	9,684,770	–	9,684,770				
		121,784,874	–	121,784,874				
Financial liabilities not measured at fair value								
Trade and other payables	19	–	(609,690)	(609,690)				
Amount due to related parties	12	–	(3,117,258)	(3,117,258)				
		–	(3,726,948)	(3,726,948)				

* Excludes advance payments, prepayments and government grants receivable

30 Financial instruments (Continued)

Valuation techniques and significant unobservable inputs.

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant observable inputs used.

Financial instruments not measures at fair value

Type	Valuation techniques	Significant observable inputs
Group		
Loans and borrowings	Discounted cash flows: The valuation model considers the present value of expected future payments, discounted using a risk-adjusted discount rate.	Discount rate

31 Contingent liabilities

The Group is exposed to various claims from the contractors. The contractors may or may not impose such claims on the Group and the finalisation of these claims, if any, will be subjected to further negotiations between the Group and the contractors. At the reporting dates, these amounts cannot be estimated reliably as they are subject to the occurrence of future negotiations with these contractors if they impose such claims on the Group in the future.

32 New standards, amendments to standards and interpretations not adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 July 2018 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are effective for annual periods beginning after 1 July 2018:

Applicable to 2020 financial statements

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Previously Held Interest in a Joint Operation* (Amendments to SFRS(I) 3 and 11)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to SFRS(I) 1-12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I) 1-23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to SFRS(I) 1-19)

Applicable to 2021 financial statements

- *Definition of a Business* (Amendments to SFRS(I) 3)
- *Definition of Material* (Amendments to SFRS(I) 1-1 and 1-8)
- *Amendments to References to the Conceptual Framework in SFRS(I) Standards*

32 New standards, amendments to standards and interpretations not adopted (Continued)

Applicable to 2022 financial statements

- SFRS(I) 17 *Insurance Contracts*

Mandatory effective data deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)

The Group has assessed the estimated impact that initial application of SFRS(I) 16 will have on the financial statements. The Group's assessment of SFRS(I) 16, which is expected to have a more significant impact on the Group, is as described below.

SFRS(I) 16

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group and the Company plan to apply SFRS(I) 16 initially on 1 July 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of accumulated losses at 1 July 2019, with no restatement of comparative information. The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that they will apply SFRS(I) 16 to all contracts entered into before 1 July 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

The Group as lessee

The Group is in the process determining the discount rate to be used in measuring their lease liabilities. Furthermore, the Group is likely to apply the practical expedient to recognise amounts of ROU assets equal to their lease liabilities at 1 July 2019. For lease contracts that contain the option to renew, the Group is likely to use hindsight in determining the lease term.

The Group has performed a preliminary high-level assessment of the new standard on its existing operating lease arrangements as a lessee. Based on the preliminary assessment, the Group expects their existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. Lease payments that are increased every three years to reflect market rentals, and those that are based on changes in local price index, are included in the measurement of lease liabilities as at date of initial application. In addition, the Group will no longer recognise provisions for operating leases that it assessed to be onerous. Instead, the Group will include the payments due under the lease in their lease liabilities.

The Group is still currently assessing and gathering data to quantify the potential impact arising from the adoption of SFRS(I) 16.

The nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with a depreciation charge for ROU assets and interest expense on lease liabilities.

No significant impact is expected for the Group's finance leases.

As at 27 December 2019

Class of Shares	:	Ordinary Shares of equal voting rights
Issued and fully paid-up capital	:	S$477,554,589.08
Number of shares issued	:	1,869,434,303
Number of subsidiary holdings	:	NIL

The company does not hold any treasury shares.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	96	43.64	3,184	0.00
100 - 1,000	21	9.54	8,928	0.00
1,001 - 10,000	41	18.64	188,485	0.01
10,001 - 1,000,000	48	21.82	5,718,965	0.31
1,000,001 and above	14	6.36	1,863,514,741	99.68
TOTAL	**220**	**100.00**	**1,869,434,303**	**100.00**

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Horizon Sea Limited	1,244,062,150	66.55	–	–
Dato' Daing A Malek bin Daing A Rahaman[1]	–	–	1,244,062,150	66.55

Note:

[1] Dato' Daing A Malek bin Daing A Rahaman is deemed interested in the shares held by Horizon Sea Limited by virtue of him being the sole shareholder of Horizon Sea Limited.

TWENTY LARGEST SHAREHOLDERS AS AT 27 DECEMBER 2019

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	HORIZON SEA LIMITED	1,244,062,150	66.55
2	PHILLIP SECURITIES PTE LTD	213,657,820	11.43
3	ACE POINT HOLDINGS LIMITED	93,281,075	4.99
4	GLORYBASE HOLDINGS LIMITED	93,281,075	4.99
5	RHB SECURITIES SINGAPORE PTE LTD	63,343,798	3.39
6	LUXUS HOLDINGS LIMITED	55,968,645	2.99
7	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	48,800,331	2.61
8	HSBC (SINGAPORE) NOMINEES PTE LTD	23,906,966	1.28
9	CLASSIC LINK INVESTMENTS LIMITED	18,656,215	1.00
10	NG SAY PIYU	3,783,666	0.20
11	HANIFAH BINTE MOHAMED HOSNAN	1,235,000	0.07
12	RYAISHA FILDA BINTE ROSLAN	1,235,000	0.07
13	ZHAO JING	1,212,000	0.06
14	MA ZHEN	1,091,000	0.06
15	CITIBANK NOMINEES SINGAPORE PTE LTD	940,600	0.05
16	RAFFLES NOMINEES (PTE) LIMITED	842,797	0.05
17	TAN SIEW BOOY	564,000	0.03
18	DBS NOMINEES PTE LTD	473,432	0.03
19	UOB KAY HIAN PTE LTD	413,900	0.02
20	YU KAM YUEN LINCOLN	226,666	0.01
	Total:	**1,866,976,136**	**99.88**

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 27 December 2019, approximately 23.47% of the issued ordinary shares of the company were held by the public.

Accordingly, the Company has complied with Rule 723 of the Catalist Rules.

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "**Annual General Meeting**") of ASTAKA HOLDINGS LIMITED (the "**Company**") will be held at Chartroom, Level 2, Raffles Marina Ltd, 10 Tuas West Drive, Singapore 638404 on Wednesday, 5 February 2020 at 11.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

Ordinary Resolutions

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2019 together with the Auditors' Report thereon.
   (Resolution 1)

2. To note the retirement of the following Directors of the Company pursuant to Regulation 91 of the Company's Constitution:

   i) Mr. Neo Gim Kiong; and
   ii) Mr. San Meng Chee

   [See Explanatory Note (i)]

3. To re-elect the following Directors retiring pursuant to the Company's Constitution:

Mr. Khong Chung Lun	(Retiring under Regulation 88)	**(Resolution 2)**
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	(Retiring under Regulation 88)	**(Resolution 3)**
Mr. Lai Kuan Loong, Victor	(Retiring under Regulation 88)	**(Resolution 4)**

   [See Explanatory Note (ii)]

4. To approve the payment of Directors' fees of SGD251,000 for the financial year ending 30 June 2020, to be paid quarterly in arrears (FY2019: SGD220,000).
   (Resolution 5)

5. To note the retirement of KPMG LLP as the Company's Auditors.

6. To appoint Mazars LLP as the Company's Auditors and to authorise the Directors of the Company to fix their remuneration.

   [See Explanatory Note (iii)] **(Resolution 6)**

7. To transact any other ordinary business which may be transacted at the Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions, with or without any modifications:

<u>Ordinary Resolutions</u>

8. **AUTHORITY TO ALLOT AND ISSUE SHARES**

THAT:

Pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") Lisitng Manual Section B: Rules of Catalist ("**Catalist Rules**"), authority be given to the Directors of the Company to allot and issue shares of the Company ("**Shares**") whether by way of rights, bonus or otherwise, and/or make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be allotted and issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and (notwithstanding the authority conferred in this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force, provided that:

(a) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per cent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to all shareholders of the Company shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

   (i) new Shares arising from the conversion or exercise of convertible securities;

   (ii) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

   (iii) any subsequent bonus issue, consolidation or subdivision of Shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(d) unless revoked or varied by the Company in a general meeting, such authority shall continue to be in force until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)]

(Resolution 7)

By Order of the Board

Lai Foon Kuen
Secretary
Singapore, 21 January 2020

Explanatory Notes on Resolutions to be passed:

(i) Mr. Neo Gim Kiong will retire as a Non-Executive Chairman and Independent Director of the Company after the conclusion of the Annual General Meeting. He will also cease to be Chairman of the Nominating Committee and a member of Audit Committee and Remuneration Committee.

Mr. San Meng Chee will retire as an Independent Director after the conclusion of the Annual General Meeting. He will also cease to be the Chairman of the Remuneration Committee and a member of the Nominating Committee and Audit Committee.

(ii) Mr. Khong Chung Lun will, upon re-election as a Director of the Company, remain as an Executive Director.

Both Dato' Sri Mohd Mokhtar Bin Mohd Shariff and Mr. Lai Kuan Loong, Victor will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

Both Dato' Sri Mohd Mokhtar Bin Mohd Shariff and Mr. Lai Kuan Loong, Victor will, upon re-election as a Director of the Company, remain as an Independent Director, and a member of Audit Committee, Nominating Committee and Remuneration Committee of the Company.

Key information on Mr. Khong Chung Lun, Dato' Sri Mohd Mokhtar Bin Mohd Shariff and Mr. Lai Kuan Loong, Victor can be found on pages 17 to 19 of the Annual Report 2019.

(iii) Information relating to the proposed appointment of Mazars LLP as the Company's Auditors are set out in the Appendix to the Annual Report 2019 accompanying this notice.

(iv) The Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors of the Company, from the date of the Annual General Meeting effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of passing of Ordinary Resolution 7, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

Notes:

1. A member of the Company (who is not a relevant intermediary as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

2. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting.

3. Where a member appoints more than one proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy in the instrument appointing the proxies.

4. If the member is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

5. The duly executed instrument appointing a proxy must be deposited at the registered office of the Company at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767 not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

6. A depositor shall not be regarded as a member of the Company entitled to attend and vote at the Annual General Meeting unless his/her name appears on the Depository Register not less than seventy-two (72) hours before the time of the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

APPENDIX

This Appendix is circulated to shareholders of Astaka Holdings Limited (the "**Company**") together with the Company's Annual Report for its financial year ended 30 June 2019 ("**Annual Report**"). Its purpose is to provide information to shareholders for the proposed change of auditors to be tabled at the Annual General Meeting of the Company to be held on Wednesday, 5 February 2020 at Chartroom, Level 2, Raffles Marina Ltd, 10 Tuas West Drive, Singapore 638404 at 11a.m.

The Notice of Annual General Meeting and Proxy Form are enclosed with the Annual Report.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, please forward this Appendix, the Notice of Annual General Meeting and Proxy Form immediately to the purchaser or to the stockbroker, bank or agent through whom the sale was effected for onward transmission to the purchaser.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company's 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 Appendix has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made, or reports contained in this Appendix.

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

ASTAKA HOLDINGS LTD.

ASTAKA HOLDINGS LIMITED

(Company Registration No. 200814792H)
(Incorporated in the Republic of Singapore)

APPENDIX TO THE ANNUAL REPORT IN RELATION TO THE PROPOSED CHANGE OF AUDITORS

LETTER TO SHAREHOLDERS

Directors

Mr. Neo Gim Kiong (Non-Executive Chairman and Independent Director)
Dato' Zamani Bin Kasim (Executive Director and Chief Executive Officer)
Mr. Khong Chung Lun (Executive Director)
Mr. Lee Gee Aik (Independent Director)
Mr. San Meng Chee (Independent Director)
Dato' Sri Mohd Mokhtar Bin Mohd Shariff (Independent Director)
Mr. Lai Kuan Loong, Victor (Independent Director)

Registered Office

38 Beach Road
#29-11 South Beach Tower
Singapore 189767

21 January 2020

To: The Shareholders of the Company

Dear Shareholder,

1. INTRODUCTION

We refer to:

(a) the Notice of Annual General Meeting (the "**Notice**") of Astaka Holdings Limited (the "**Company**") dated 21 January 2020, accompanying the Annual Report 2019, convening the Annual General Meeting of the Company to be held on 5 February 2020 (the "**AGM**"); and

(b) Ordinary Resolution 6 proposed in item 6 of the Notice.

The Directors are proposing to seek Shareholders' approval for the Proposed Change of Auditors at the AGM. The purpose of this Appendix is to provide Shareholders with the relevant information pertaining to the Proposed Change of Auditors and to seek Shareholders' approval for the resolution relating to the same at the AGM.

2. THE PROPOSED CHANGE OF AUDITORS

2.1 Background and Rationale

The Company's current auditors, Messrs KPMG LLP ("**KPMG**"), has been auditors ("**Auditors**") of the Company and its subsidiaries (the "**Group**") since 25 May 2017. KPMG was re-appointed as Auditors of the Company at the last Annual General Meeting of the Company held on 23 October 2018 to hold office until the conclusion of the next Annual General Meeting of the Company. KPMG's term of office as Auditors of the Company will therefore expire upon the conclusion of the forthcoming AGM.

The Company requested for proposals from various audit firms in view of KPMG not seeking re-appointment in the forthcoming AGM. The Board had reviewed proposals from various audit firms, and in consultation with the Audit Committee, has determined the fee proposal from Mazars LLP ("**Mazars**") to be the most competitive and the scope of the audit services to be provided by Mazars is comparable to the services previously provided by KPMG. Accordingly, the Company will be able to realise certain cost savings in audit fees without any reduction in the scope of audit. As such, the Board is of the view that it would be in the interests of the Company and Shareholders to effect a change of Auditors to Mazars in place of KPMG with effect from the current financial year ending 30 June 2020, subject to the approval of the Shareholders at the AGM.

KPMG have, in their letter dated 7 January 2020, given notice to the Directors of their retirement as Auditors with effect from the conclusion of the forthcoming AGM of the Company and Mazars have, on 7 January 2020, given their written consent to act as Auditors, subject to the approval of the Shareholders at the AGM.

The appointment of Mazars would be effective upon obtaining the approval of Shareholders at the AGM to be held on 5 February 2020 for the Proposed Change of Auditors. If approved, Mazars will hold office until the conclusion of the next annual general meeting of the Company.

In view of the above, KPMG will retire and not seek re-appointment as Auditors of the Company at the AGM to be held on 5 February 2020, being the end of their current term. The Directors wish to express their appreciation for the past services rendered by KPMG.

2.2 Information on Mazars and the audit engagement partner

Mazars is an international, integrated and independent organization, specializing in audit, accountancy, tax, legal and advisory services. Mazars and its correspondents operate throughout 92 countries. 73 of these countries are part of Mazars' integrated partnership and 19 are Mazars correspondents. They draw on the expertise of over 15,000 professionals to assist major international groups, SMEs, private investors and public bodies at every stage of their development. Mazars is the only European-based audit and advisory firm being selected as joint auditor to Global 500 companies.

Mazars in Singapore is a globally integrated firm that provides audit and advisory advice to the world's leading organizations and fastest growing businesses. With more than 200 professionals, the firm is a fast growing and independent firm servicing clients across Asia-Pacific. Mazars is registered with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") in Singapore. For more information about Mazars, please visit www.mazars.sg.

For the audit of the Group, Mazars's engagement team has 5 professionals, comprising 1 Partner, 1 Manager and 3 Associates. In addition, the engagement will be reviewed by a concurring partner, an independent quality control reviewer and technical reviewer.

The audit engagement partner who will be in charge of the audit is Mr. Rick Chan Hock Leong. Mr Rick is the head of audit and head of technical and training of Mazars LLP Singapore, and has more than 20 years of experience in International Public Accounting firm including Big 4 in Singapore and Malaysia. In addition, Mr Rick also has extensive experience in auditing listed companies in Singapore and Malaysia and is the engagement partner of several companies listed on SGX-ST. Mr Rick's industry experience includes resources, education, insurance, professional services, information technology, manufacturing, semiconductor, constructions, property development, hospitality, retail, electronics, shipping and logistics. He is also experienced in assisting companies going for Initial Public Offering (IPO) on the SGX-ST and the Stock Exchange of Hong Kong (SEHK) and is the engagement partner for several companies listed on SGX-ST and SEHK. He is also a fellow member of The Chartered Association of Certified Accountants (FCCA) and practicing member of the Institute of Singapore Chartered Accountants (ISCA).

The Audit Committee has enquired on whether the audit engagement partner who will be assigned to the audit of the Group has been subject to the Practice Monitoring Programme review by ACRA. In this regard, the Audit Committee has noted that the audit engagement partner had passed the review and received feedback from such exercise previously when forming their views on the suitability of the appointment.

2.3 Compliance with Rule 712 of the Catalist Rules

The Directors and the Audit Committee, having considered various factors, including the adequacy of the resources and experience of Mazars and the audit engagement partner assigned to the audit, Mazars' other audit engagements, the size and complexity of the Group, the number and experience of supervisory and professional staff assigned to the audit of the Group, are of the opinion that Mazars will be able to meet the audit requirements of the Group and that Rules 712(1) and 712(2) of the Catalist Rules have been complied with.

In consideration of the abovementioned factors and the audit quality indicators introduced by ACRA when evaluating and selecting the new auditors, the Audit Committee is of the view that the quality and scope of the audit to be undertaken will be at least similar, if not more stringent, than the previous year.

In compliance with Rule 712(3) of the Catalist Rules:

(a) KPMG has confirmed that they are not aware of any professional reasons why Mazars should not accept appointment as Auditors of the Company;

(b) the Company confirms that there were no disagreements with KPMG on accounting treatments within the last 12 months;

(c) the Company confirms that it is not aware of any circumstances connected with the change of auditors that should be brought to the attention of the Shareholders;

(d) the specific reasons for the change of auditors are disclosed in Section 2.1 above. The Proposed Change of Auditors is not due to the dismissal of KPMG or due to KPMG declining to continue to service as the Auditors of the Company; and

(e) the Company confirms that it has complied with Rule 712 and Rule 715 of the Catalist Rules in relation to the appointment of Mazars as its new Auditors.

2.4 Compliance with Rule 715 of the Catalist Rules

Following Shareholders' approval of the Proposed Change of Auditors, Mazars will become the Auditors of the Company in place of KPMG.

As Mazars does not have a presence in Johor, Malaysia, the area in which the businesses of the Group are conducted, to ensure a more effective and efficient audit, Mazars will work with RSM Malaysia, Johor office ("**RSM Johor**") and RSM Johor will be appointed as auditors of the Company's significant subsidiaries incorporated in Malaysia. The other foreign-incorporated subsidiary of the Company, Astaka Padu Limited, an investment holding company is incorporated in British Virgin Islands ("**BVI**") is not required to be audited by law in BVI.

RSM Malaysia was founded in 1978 and is now one of the leading and fastest-growing providers of audit, assurance, accounting and tax services to companies in Malaysia. RSM Malaysia's affiliates also provide a diverse range of business solutions and consulting services, including corporate finance and transaction support, cross-border tax, risk assurance service, business restructuring, outsourcing and general management consultancy.

RSM Malaysia currently has approximately 350 staff members across all service lines led by 18 partners and directors. In 2017, RSM Johor opened its branch located in Johor Bahru with staff strength currently of 27 staff members led by 1 partner offering audit, taxation and outsource services.

As at the date of this Circular, the Company does not have any Singapore incorporated-subsidiaries nor any associated companies.

In view of the above, the Directors confirm that Rule 715 of the Catalist Rules have been complied with.

3. Directors' Recommendations

Having considered the rationale and benefit of the Proposed Change of Auditors, the Directors are of the opinion that the Proposed Change of Auditors is in the best interests of the Company. Accordingly, the Directors recommend that the Shareholders vote in favour of the Ordinary Resolution in respect of the Proposed Change of Auditors at the AGM.

4. Audit Committee's Statement

The Audit Committee has reviewed the Proposed Change of Auditors and recommends the Proposed Change of Auditors after taking into consideration the suitability of Mazars to meet the audit requirements of the Group, the various factors set out in Section 2 of this Circular, and compliance with the requirements of the Catalist Rules.

5. Director's Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Change of Auditors, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

6. Documents Available For Inspection

Copies of the following documents may be inspected at the registered office of the Company at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767, during normal business hours from the date of this Appendix up to and including the date of the AGM:

(a) The Constitution of the Company;

(b) Notice of resignation as Auditors dated 7 January 2020 from KPMG;

(c) The professional clearance letter issued by KPMG to Mazars dated 7 January 2020;

(d) Letter of consent to act as Auditors dated 7 January 2020 from Mazars; and

(e) The Company's annual report for FY2019.

Yours faithfully
For and on behalf of the Board of Directors of
Astaka Holdings Limited

Neo Gim Kiong
Non-Executive Chairman and Independent Director

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ASTAKA HOLDINGS LIMITED

(Incorporated in Singapore)
(Company Registration No: 200814792H)

IMPORTANT:

SRS Investors

1. For investors who holds the Company's shares under the Supplementary Retirement Scheme ("SRS Investors") may attend and cash his/her vote(s) at the annual general meeting ("Meeting") in person. SRS Investors who are unable to attend the Meeting but would like to vote, may inform their SRS approved nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the SRS Investors shall be excluded from attending the Meeting.
2. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal Data Privacy

3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Company's Notice of Annual General Meeting.

PROXY FORM

(Please see notes overleaf before completing this Form)

*I/We, ______________________________ (Name)

of ______________________________ (Address)

being a member/members of Astaka Holdings Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her, the Chairman of the Annual General Meeting (the "Meeting") as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Meeting of the Company to be held at Chartroom, Level 2, Raffles Marina Ltd, 10 Tuas West Drive, Singapore 638404 on Wednesday, 5 February 2020 at 11.00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	Ordinary Resolutions relating to:	For	Against
1	Directors' Statement and Audited Financial Statements for the year ended 30 June 2019.		
2	Re-election of Mr. Khong Chung Lun as a Director of the Company.		
3	Re-election of Dato' Sri Mohd Mokhtar Bin Mohd Shariff as a Director of the Company.		
4	Re-election of Mr. Lai Kuan Loong, Victor as a Director of the Company.		
5	Approval of Directors' fees amounting to SGD251,000 for the financial year ending 30 June 2020, to be paid quarterly in arrears.		
6	Appointment of Mazars LLP as Auditors of the Company.		
7	Authority to allot and issue shares.		

**Delete where inapplicable*

Dated this __________ day of ____________________ 2020

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

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Signature of Shareholder(s)/
and, Common Seal of Corporate Shareholder

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. (a) A member of the Company who is not a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) ("**Companies Act**") is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the AGM. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the proxy whose name appears after shall be deemed to be appointed in the alternate.

   (b) A member who is a relevant intermediary (as defined in Section 181 of the Companies Act) such as banks and capital markets services licence holders which provide custodial services and are members of the Company, may appoint more than two proxies, provided each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767 not less than forty eight (48) hours before the time appointed for the Meeting. If a shareholder submits a proxy form and subsequently attends the meeting in person and votes, the appointments of the proxy should be revoked.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with its constitution and Section 179 of the Companies Act.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

ASTAKA HOLDINGS LTD.

ASTAKA HOLDINGS LIMITED

SINGAPORE REGISTERED OFFICE
38 Beach Road,
#29-11 South Beach Tower,
Singapore 189767

MALAYSIA OFFICE
No. 22, Jalan Padi Emas 1/4,
UDA Business Centre,
81200 Johor Bahru, Johor, Malaysia.

THE ASTAKA SALES GALLERY
One Bukit Senyum, Jalan Tebrau,
80200 Johor Bahru, Johor, Malaysia.

BUKIT PELALI SALES GALLERY
Bukit Pelali @ Pengerang, Jalan Murai, Bukit Pelali,
81600 Mukim Pengerang, Johor Darul Ta'zim,
Malaysia