

Unaudited Condensed Interim Financial Statements for the three months ended 31 December 2021 and Full Year Financial Statements and Dividend Announcement ended 31 December 2021

The board of directors (the “**Board**”) of Astaka Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited condensed consolidated financial statements of the Group for the 6th quarter and full year ended 31 December 2021. Such quarterly reporting announcement is mandatory, made pursuant to the Singapore Exchange Securities Trading Limited’s (“**SGX-ST**”) requirements, as required under Rule 705(2C) of the SGX-ST Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”).

A. Condensed consolidated statement of profit or loss and other comprehensive income

	Note	Group			Group		
		3 months ended 31/12/2021 (Unaudited) RM'000	3 months ended 31/12/2020 (Unaudited) RM'000	Change %	18 months ended 31/12/2021 (Unaudited) RM'000	12 months ended 30/06/2020 (Audited) RM'000 Note 1	Change %
Revenue	5	7,874	26,691	(70.5)	52,001	201,311	(74.2)
Cost of sales		(4,406)	(19,886)	(77.8)	(35,366)	(187,373)	(81.1)
Gross profit		3,468	6,805	(49.0)	16,635	13,938	19.3
Other income		20	92	(78.3)	268	47	470.2
Selling and distribution expenses		(302)	(206)	46.6	(1,173)	(2,107)	(44.3)
Administrative expenses		(4,887)	(3,983)	22.7	(21,582)	(20,342)	6.1
Other expenses		(440)	(410)	7.3	(2,933)	(3,637)	(19.4)
Results from operating activities		(2,141)	2,298	n.m.	(8,785)	(12,101)	(27.4)
Finance income		65	6	n.m.	313	932	(66.4)
Finance costs		(2,173)	(1,915)	13.5	(12,387)	(7,022)	76.4
Net finance costs		(2,108)	(1,909)	10.4	(12,074)	(6,090)	98.3
(Loss)/Income before Income tax	7	(4,249)	389	n.m.	(20,859)	(18,191)	14.7
Tax (expense)/credit	8	(570)	(222)	156.8	(1,930)	108	n.m.
(Loss)/Income for the period, representing total comprehensive (loss)/income for the period		(4,819)	167	n.m.	(22,789)	(18,083)	26.0
Total comprehensive (loss)/income attributable to:							
Owners of the Company		(3,034)	(1,302)	133.0	(22,877)	(20,753)	10.2
Non-controlling interests		(1,785)	1,469	n.m.	88	2,670	(96.7)
Total comprehensive (loss)/income for the period		(4,819)	167	n.m.	(22,789)	(18,083)	26.0
Loss per share attributable to the owners of the Company							
Basic and diluted loss per share (cents per share)		(0.16)	(0.07)	128.6	(1.22)	(1.11)	9.9

n.m. – not meaningful

Note 1:

The audited comparative figures presented in this condensed consolidated statement of profit or loss and other comprehensive income are not entirely comparable as they cover a 12-month period from 1 July 2019 to 30 June 2020.

The basic and fully diluted LPS (calculated based on the weighted average number of ordinary shares in issue) were the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2021 and 30 June 2020.

B. Condensed statement of financial position

	Note	Group		Company	
		31/12/2021 (Unaudited) RM'000	30/06/2020 (Audited) Note A RM'000	31/12/2021 (Unaudited) RM'000	30/06/2020 (Audited) RM'000
Assets					
Property, plant and equipment	10	811	855	-	-
Investment in subsidiaries	11	-	-	200,000	811,832
Non-current assets		811	855	200,000	811,832
Development properties	12	337,281	454,906	-	-
Asset held for sales	13	115,402	-	-	-
Contract costs		-	1,229	-	-
Contract assets		2,815	13,351	-	-
Trade and other receivables		20,499	20,475	82	41
Tax recoverable		207	1,846	-	-
Cash and cash equivalents		6,465	19,011	520	595
Current assets		482,669	510,818	602	636
Total assets		483,480	511,673	200,602	812,468
Equity					
Share capital	14	259,384	259,384	1,455,079	1,455,079
Merger reserve		(10,769)	(10,769)	-	-
Capital reserve		-	-	1,419	1,419
Accumulated losses		(176,679)	(153,802)	(1,259,678)	(647,710)
Equity attributable to owners of the Company		71,936	94,813	196,820	808,788
Non-controlling interests		3,967	(2,981)	-	-
Total equity		75,903	91,832	196,820	808,788
Liabilities					
Lease liabilities	15	408	227	-	-
Non-current liabilities		408	227	-	-
Contract liabilities		-	3,406	-	-
Trade and other payables	16	246,182	310,534	732	639
Amount due to related parties		148,463	94,197	3,050	3,041
Lease liabilities	15	309	412	-	-
Loans and borrowings	17	11,899	11,065	-	-
Current tax liabilities		316	-	-	-
Current liabilities		407,169	419,614	3,782	3,680
Total liabilities		407,577	419,841	3,782	3,680
Total equity and liabilities		483,480	511,673	200,602	812,468

Note A:

Differences between the figures set out herein and the figures set out in the Company's annual report for the financial year ended 30 June 2020 are due to rounding.

C. Condensed statement of changes in equity**Group
(Unaudited)**

	Share capital RM'000	Merger reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
Balance as at 1 July 2020	259,384	(10,769)	(153,802)	94,813	(2,981)	91,832
Loss and total comprehensive loss for the period	-	-	(22,877)	(22,877)	88	(22,789)
Transactions with owners, recognised directly in equity						
Contribution by and distributions to owner						
Capital injection in a subsidiary by non-controlling interests	-	-	-	-	6,860	6,860
Balance as at 31 December 2021	259,384	(10,769)	(176,679)	71,936	3,967	75,903

**Group
(Audited)**

	Share capital RM'000	Merger reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
Balance as at 1 July 2019	259,384	(10,769)	(133,049)	115,566	(5,651)	109,915
Loss and total comprehensive loss for the year	-	-	(20,753)	(20,753)	2,670	(18,083)
Balance as at 30 June 2020	259,384	(10,769)	(153,802)	94,813	(2,981)	91,832

**Company
(Unaudited)**

	Share capital RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Balance as at 1 July 2020	1,455,079	1,419	(647,710)	808,788
Loss and total comprehensive loss for the period	-	-	(611,968)	(611,968)
Balance as at 31 December 2021	1,455,079	1,419	(1,259,678)	196,820

**Company
(Audited)**

	Share capital RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Balance as at 1 July 2019	1,455,079	1,419	(518,712)	937,786
Loss and total comprehensive loss for the year	-	-	(128,998)	(128,998)
Balance as at 30 June 2020	1,455,079	1,419	(647,710)	808,788

D. Condensed consolidated statement of cash flows

	Note	Group	
		18 months ended 31/12/2021 (Unaudited) RM'000	12 months ended 30/06/2020 (Audited) RM'000 Note 1
Cash flows from operating activities			
Loss before income tax		(20,859)	(18,191)
Adjustments for:			
Accruals for late payment interests	7.1	1,853	1,401
Depreciation of property, plant and equipment	7.1	753	535
Gain on disposal of property, plant and equipment	7.1	(7)	-
Interest expense	7.1	12,387	7,022
Interest income	7.1	(313)	(918)
(Reversal of)/Accrual for liquidated ascertained damages	7.1	(652)	1,214
Reversal of foreseeable loss on development properties	12	(2,085)	(678)
Unrealised loss on foreign exchange		46	114
Total operating cash flows before movements in working capital		(8,877)	(9,501)
Changes in working capital:			
Development properties		119,710	12,900
Asset held for sales		(115,402)	-
Contract costs		1,229	10,150
Contract assets and liabilities		7,130	(17,608)
Trade and other receivables		(24)	105,885
Trade and other payables		(39,716)	(70,386)
Cash (used in)/generated from operations		(35,950)	31,440
Tax refund		1,416	902
Tax paid		(1,391)	(5,882)
Net cash (used in)/generated from operating activities		(35,925)	26,460
Cash flows from investing activities			
Acquisition of property, plant and equipment	10	(102)	(136)
Decrease/(Increase) in fixed deposit pledged		3,572	(998)
Interest received		313	918
Proceeds from disposal of property, plant and equipment		57	-
Net cash generated from/(used in) investing activities		3,840	(216)
Cash flows from financing activities			
Advances from affiliated corporations		54,528	12,117
Advances from a controlling shareholder		-	30,000
Capital injection in a subsidiary by non-controlling interests		6,860	-
Interest paid		(6,032)	(11,236)
Proceeds from drawdown of term loans		-	1,138
Repayment to affiliated corporations		(2,940)	(4,977)
Repayment to bank overdraft		-	(17,000)
Repayment to trade and other payables		(29,500)	(12,418)
Repayment to term loan		(1,138)	-
Repayment to lease liabilities		(587)	(370)
Net cash generated from/(used in) financing activities		21,191	(2,746)
Net (decrease)/ increase in cash and cash equivalents		(10,894)	23,498
Cash and cash equivalents at 1 July		4,082	(19,302)
Effect of exchange rate fluctuation on cash held		(52)	(114)
Cash and cash equivalents at the end of period/year		(6,864)	4,082

Note 1:

The audited comparative figures presented in this condensed consolidated statement of cash flows are not entirely comparable as they cover a 12-month period from 1 July 2019 to 30 June 2020.

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

	31/12/2021 (Unaudited) RM'000	30/06/2020 (Audited) RM'000
Cash and bank balances	6,465	19,011
(-) Bank overdrafts	(11,899)	(9,927)
(-) Fixed deposit pledged	(1,430)	(5,002)
Cash and cash equivalents per consolidated statement of cash flows	(6,864)	4,082

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Astaka Holdings Limited is incorporated in Singapore and listed on the SGX Catalist. These condensed interim consolidated financial statements as at and for the period ended 31 December 2021 comprise the Company and its subsidiaries. The principal activity of the Company is that of investment holding and the principal activity of the Group is property development. As announced on 13 July 2021, the Group has changed its financial year end (“FYE”) from 30 June to 31 December (the “Change of FYE”). Following the Change of FYE, the most recently completed financial period of the Company has ended on 31 December 2021, and the audited financial statements for the financial period ended 31 December 2021 will cover a period of 18 months from 1 July 2020 to 31 December 2021 (“FY2021”). Thereafter, the financial year of the Company will commence on 1 January each year, and end on 31 December each year.

2. Going concern

The Group incurred a net loss of RM22.79 million for the period ended 31 December 2021 (30 June 2020: RM18.08 million) and, as of 31 December 2021, the Group reported net current assets of RM75.50 million (30 June 2020: RM91.20 million), for which current assets comprised mainly development properties amounting to RM337.28 million (30 June 2020: RM454.91 million), representing the completed properties held for sale, properties in the course of development and land to be developed in future phases. In light of the weak sentiment surrounding the Malaysian residential property sector, prolonged closures of international borders and the disruption caused by the COVID-19 pandemic, the Group may not be able to generate sufficient operating cash flows for the next 18 months to cover its operating costs and settle its current liabilities.

The above matters represent material uncertainty that may cast significant doubt on the ability of the Group and of 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.

Notwithstanding the above, the condensed interim consolidated financial statements have been prepared on a going concern basis. To support the condensed interim consolidated 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 an 18-month consolidated cash flow forecast from 1 January 2022. In preparing the 18-month consolidated cash flow forecast, the Group exercised judgement and made certain key assumptions and basis of judgements including the following:

- (i) Following the full reopening of all economic sectors in Malaysia in October 2021, the Board is of the view that the Group is able to sell certain completed properties through various sales packages and promotions, including special rebates and discount during the forecasted period.

- (ii) The Group aims to launch new commercial development projects namely Phase 3A, 3B and 3C located in Bukit Pelali, Pengerang (“**BPP**”), which spans approximately 20.49 acres, in the second quarter of 2022.
- (iii) The subsidiary of the Group, Astaka Padu Sdn Bhd (“**APSB**”) has entered into a conditional sale and purchase agreement (the “**SPA**”) with Seaview Holdings Sdn. Bhd. for the proposed sale of a parcel of freehold land held under H.S.(D) 571006, PTD 233330, Mukim of Plentong, District of Johor Bahru, State of Johor, measuring approximately 7.65 acres in area on 14 January 2022 (the “**Land**”) (the “**Proposed Disposal**”). The sale consideration for the Land is RM116.0 million. The Company will convene an extraordinary general meeting to seek the approval of the Shareholders for the Proposed Disposal.
- (iv) Continuing support from its controlling shareholder of the Company. The controlling shareholder of the Company has undertaken to provide the necessary financial support to the Group to enable it to continue its operations and to pay its debts as and when they fall due.

APSB has on 8 December 2021 obtained an additional loan facility from DMR Holdings Sdn Bhd (“**DMR Holdings**”) (the “**Additional Loan Facility**”) of up to RM8.0 million for general corporate and working capital purposes. APSB has drawn down RM4.7 million of the Additional Loan Facility, with RM3.3 million available for further drawdown as at 31 December 2021.

In addition, subsequent to the financial period end, APSB has on 21 February 2022, obtained an additional unsecured, interest free loan facility from Dato’ Daing A Malek Bin Daing A Rahaman (“**Dato’ Malek**”), the controlling shareholder of the Company, of up to RM60.0 million (the “**2022 New Loan**”) for general corporate and working capital purposes. The 2022 New Loan has not been utilised by the Group as at the date of this announcement.

- (v) APSB, has entered into a settlement agreement on 29 November 2021 with the main contractor, China State Construction Engineering (M) Sdn Bhd (“**CSCE**”) by way of consent judgment, as full and final settlement. The details of the settlement are disclosed in Note 16.

The Board believe that the Group and the Company will be able to continue operations in the foreseeable future based on the 18-month consolidated cash flow forecast, and that the preparation of the accompanying condensed interim consolidated financial statements on a going concern basis is appropriate.

If the going concern assumption were inappropriate, the Group may be unable to discharge its liabilities in the normal course of business and, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group may have to reclassify non-current assets and liabilities to current assets and liabilities respectively. No such adjustments have been made to the consolidated condensed interim financial statements.

3. Basis of preparation

The condensed consolidated financial statements for the three-month period and full financial period ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2020.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year which were prepared in accordance with the SFRS(I)s, except for the adoption of new and amended standards as set out in Note 3.1.

The condensed interim consolidated financial statements are presented in Malaysia Ringgit (“**RM**”) which is also the functional currency of the Company.

3.1 New and amended standards adopted by the Group

The Group has adopted the applicable revised Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) that are mandatory for the accounting periods beginning on or after 1 January 2021.

The following is the amended SFRS(I), SFRS(I) Interpretations and amendments to SFRS(I) that are relevant to, the Group:

- Amendments to SFRS(I) 16 COVID-19 Related Rent Concessions

The adoption of the above amended SFRS(I) did not have any significant impact on the financial statements of the Group.

3.2. Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2020.

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.

3.2.1 Critical judgements made in applying the Group’s accounting policies

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.

3.2.2 Key sources of estimation uncertainty

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 actual certified claims may differ from the accrued construction costs and the difference may affect the Group’s results. The carrying amount of the Group’s trade and other payables as at 31 December 2021 was RM246,182,000 (30 June 2020: RM310,534,000).

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment (“**PPE**”) over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management’s estimate of the period that the Group intends to derive future economic benefits from the use of the Group’s PPE. Management estimates the useful lives of these PPE to be within 2 to 5 years. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group’s PPE at 31 December 2021 were RM811,000 (30 June 2020: RM855,000).

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 transactions 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, no additional allowance for foreseeable losses on development properties and impairment losses for contract costs were recognised by the Group as at 31 December 2021 and 30 June 2020.

Measurement of Expected Credit Losses (“ECL”) of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group’s historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the country (i.e., Malaysia). The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group’s trade receivables as at 31 December 2021 was RMNil (30 June 2020: RMNil).

Provision for income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group’s income tax as at 31 December 2021 which was net tax liabilities amounted to RM109,000 (30 June 2020: tax recoverable of RM1,846,000).

Impairment of investment in subsidiaries

At the end of financial period, an assessment is made on whether there are indicators that the Company’s investment in subsidiaries should be impaired or that an impairment loss recognised in prior periods may no longer exist or may have decreased. Where applicable, the Group’s and the Company’s determination of the recoverable value is based on the estimation of the value-in-use of the applicable assets as defined in SFRS(I) 1-36 *Impairment of Assets* by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company’s carrying amounts of investment in subsidiaries as at 31 December 2021 was RM200,000,000 (30 June 2020: RM811,832,000).

4. Seasonal operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

5. Segment and revenue information

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

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

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.

In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments is not applicable, as the Group only operates in a single segment.

5.1 Revenue

	Group		Group	
	3 months ended 31/12/2021 (Unaudited) RM'000	3 months ended 31/12/2020 (Unaudited) RM'000	18 months ended 31/12/2021 (Unaudited) RM'000	12 months ended 30/06/2020 (Audited) RM'000
Revenue from sale of development properties				
- transferred at a point in time	7,874	5,916	21,649	43,932
- transferred over time	-	20,775	30,352	157,379
	<u>7,874</u>	<u>26,691</u>	<u>52,001</u>	<u>201,311</u>

5.2 A breakdown of sales and operating profit/(loss) are as follows:

	Current financial period RM'000	Group Previous financial year RM'000 *	% increase/ (decrease)
Sales reported for the first 6 months (July'20 – December'20)	39,790	141,272	(71.8)
Operating profit/(loss) after tax before deducting minority interests reported for the first 6 months (July'20 – December'20)	(3,180)	(3,722)	(14.6)
Sales reported for the next 6 months (January'21 – June'21)	3,794	60,039	(93.7)
Operating loss after tax before deducting minority interests reported for the next 6 months (January'21 – June'21)	(11,477)	(17,031)	(32.6)
Sales reported for the next 6 months (July'21 – December'21)	8,417	39,790	(78.8)
Operating loss after tax before deducting minority interests reported for the next 6 months (July'21 – December'21)	<u>(8,220)</u>	<u>(3,180)</u>	<u>158.5</u>

* The 18-month period results ended 31 December 2020, which is computed by adding the results of the 6-month period ended 31 December 2020 (from 1 July 2020 to 31 December 2020) to that of the 12-month period ended 30 June 2020, is presented for comparative purposes only.

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 30 June 2020.

Note	Group		Company	
	31/12/2021 (Unaudited) RM'000	30/06/2020 (Audited) RM'000	31/12/2021 (Unaudited) RM'000	30/06/2020 (Audited) RM'000
Financial Assets not measured at fair value				
Trade and other receivables	20,212	19,749	-	-
Cash and cash equivalents	6,465	19,011	520	595
	<u>26,677</u>	<u>38,760</u>	<u>520</u>	<u>595</u>
Financial liabilities not measured at fair value				
Trade and other payables	16 (246,182)	(310,534)	(732)	(639)
Amount due to related parties	(148,463)	(94,197)	(3,050)	(3,041)
Loans and borrowings	17 (11,899)	(11,065)	-	-
Lease liabilities	15 (717)	(639)	-	-
	<u>(407,261)</u>	<u>(416,435)</u>	<u>(3,782)</u>	<u>(3,680)</u>

7 (Loss)/Profit before income tax

7.1 Significant items

	Group			
	3 months ended		18 months ended	12 months ended
	31/12/2021 (Unaudited) RM'000	31/12/2020 (Unaudited) RM'000	31/12/2021 (Unaudited) RM'000	30/06/2020 (Audited) RM'000
Other Income				
Forfeiture of payment from purchaser	-	13	25	-
Gain on disposal of property, plant and equipment	-	12	7	-
Interest earned on deposit placed with Tenaga Nasional Berhad	-	44	44	-
Rental income	18	13	107	46
Discount received from rental of premises	-	-	31	-
Finance Income				
Interest income	65	6	313	918
Foreign exchange gain	-	-	-	9
Late payment interest charged to customers	-	-	-	5
Finance costs				
Interest expense	2,173	1,915	12,387	7,022
Expenses				
Accruals for late payment interests (Reversal of)/Accrual for liquidated ascertained damages	-	373	1,853	1,401
Depreciation of property, plant and equipment	116	131	753	535
(Gain)/Loss on foreign exchange	(18)	2	25	-

	Group			
	3 months ended		18 months ended	12 months ended
	31/12/2021	31/12/2020	31/12/2021	30/06/2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Manpower cost, including director remuneration	1,670	1,368	8,206	6,309
Operating lease expense	115	68	681	653
Reversal of foreseeable loss on development properties sold at carrying amount	-	-	-	(48,706)
Reversal of foreseeable loss on development properties sold at above carrying amount	(1,332)	(707)	(2,085)	(678)
Waiver of late payment interest charged to customers	44	-	187	-

7.2 Significant related party transactions

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

	Group			
	3 months ended		18 months ended	12 months ended
	31/12/2021	31/12/2020	31/12/2021	30/06/2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Affiliated corporations				
Advances from	19,000	4,000	59,700	5,000
Rental expenses	62	61	338	246
Interest expenses	1,091	219	2,874	184
Land costs paid/payable	686	1,934	3,905	10,733
A controlling shareholder of the Company				
Advances from	-	-	-	30,000
Rental expenses	41	41	244	41
Interest expenses	830	828	4,948	1,382

8 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	Group			
	3 months ended		18 months ended	12 months ended
	31/12/2021	31/12/2020	31/12/2021	30/06/2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Current tax expense/(credit)				
Current period/year	622	222	1,500	-
Adjustment for prior years	(52)	-	430	(108)
Tax expense/(credit)	570	222	1,930	(108)

9 Net asset value

	Group		Company	
	31/12/2021 (Unaudited) RM'000	30/06/2020 (Audited) RM'000	31/12/2021 (Unaudited) RM'000	30/06/2020 (Audited) RM'000
Net Asset Value ⁽¹⁾ ("NAV") (RM'000)	71,936	94,813	196,820	808,788
Number of ordinary shares in issue	1,869,434,303	1,869,434,303	1,869,434,303	1,869,434,303
NAV per ordinary share (RM'sen)	3.85	5.07	10.53	43.26

Note:

(1) NAV attributable to owners of the Company.

10 Property, plant and equipment

During the financial period ended 31 December 2021, the Group acquired assets amounting to RM102,000 (30 June 2020: RM136,000).

11 Investment in subsidiaries

	Company	
	31 December 2021 (Unaudited) RM'000	30 June 2020 (Audited) RM'000
Unquoted equity shares, at cost	1,229,000	1,229,000
Less: Impairment loss	(1,029,000)	(417,168)
Carrying amount	200,000	811,832

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

	Company	
	31 December 2021 (Unaudited) RM'000	30 June 2020 (Audited) RM'000
At beginning of the period/year	417,168	291,168
Addition	611,832	126,000
At end of the period/year	1,029,000	417,168

An assessment is made on whether there are indicators that the Company's investment in subsidiaries are impaired. The estimate of the recoverable amount is determined based on value-in-use calculations. Value-in-use is calculated based on the estimated cash flows generated from the sale of development properties and proposed development projects to be undertaken by the cash generating units comprise APSB and Bukit Pelali Properties Sdn Bhd ("BPPSB").

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.

Based on the assessment, the Company determined the recoverable amount to be RM200,000,000 (30 June 2020: RM811,832,000) and recognised an impairment loss of RM611,832,000 (30 June 2020: RM126,000,000) in the statement of comprehensive income for the period ended 31 December 2021 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 | <ul style="list-style-type: none"> ▪ Estimated selling price of RM280 to RM740 (2020: RM250 to RM750) per square feet. ▪ Construction costs of RM180 to RM730 (2020: RM240 to RM 720) per square feet. |
| Land to be developed | <ul style="list-style-type: none"> ▪ Estimated selling price of RM700 to RM1,700 (2020: RM800 to RM2,260) per square feet for apartments, offices and retail mall. ▪ Estimated construction costs of RM2,700 to RM6,000 (2020: RM2,700 to RM5,000) per square metre for apartments, offices, retail mall and hotel. ▪ Pre-tax discount rate of 11.18% (2020: 10.53%). |
| Future phases to be developed | <ul style="list-style-type: none"> ▪ Estimated selling price of RM240 to RM650 (2020: RM240 to RM650) per square feet for apartments, offices, houses, hotel and club house. ▪ Estimated selling price of RM50 to RM170 (2020: RM50 to RM170) for low-cost houses and shops. ▪ Estimated construction costs of RM230 to RM570 (2020: RM230 to RM570) per square feet for apartments, offices, houses, hotel and club house. ▪ Estimated construction costs of RM120 to RM180 (2020: RM120 to RM180) per square feet for low-cost houses and shops. ▪ Pre-tax discount rate of 11.18% (2020: 10.53%). |

12 Development properties

	Group	
	31 December 2021 (Unaudited) RM'000	30 June 2020 (Audited) RM'000
Completed properties held for sale:		
- completed properties (i)	217,129	186,600
Properties in the course of development (on-going projects):		
- unsold units (ii)	-	39,548
- properties for development representing mainly land, at cost (iii)	120,152	228,758
	337,281	454,906

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	
	31 December 2021 (Unaudited) RM'000	30 June 2020 (Audited) RM'000
Completed properties held for sale:		
- aggregate costs incurred	234,745	205,715
- allowance for foreseeable losses	(17,616)	(19,115)
	217,129	186,600

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

(ii) Unsold units

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

	Group	
	31 December 2021 (Unaudited) RM'000	30 June 2020 (Audited) RM'000
Unsold units:		
- aggregate costs incurred	-	40,134
- allowance for foreseeable losses	-	(586)
	-	39,548

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

	Group	
	31 December 2021 (Unaudited) RM'000	30 June 2020 (Audited) RM'000
At beginning of the period/year	19,701	69,085
Reversal of foreseeable loss on development properties sold at carrying amount	-	(48,706)
Reversal of foreseeable loss on development properties sold at above carrying amount	(2,085)	(678)
At end of the period/year	17,616	19,701

(iii) Securities

On 12 April 2017, APSB entered into a loan agreement (the "**Loan Agreement**") with a main contractor, CSCE to convert the outstanding trade payables of RM46,532,461 due to CSCE under the letter of award dated 18 December 2014 and a construction agreement dated 2 August 2015 between APSB and CSCE into a loan (the "**Loan**"). As a security for the Loan, certain land parcels located in BPP ("**Land Parcels**"), which are owned by Saling Syabas Sdn Bhd ("**SSSB**") and over which a subsidiary, BPPSB holds development rights, were secured to CSCE. SSSB is owned by the controlling shareholder of the Company, Dato Malek.

Further to the Loan Agreement, a dispute arose between APSB and CSCE for the sum of RM50,878,046.41 and interests thereon (the "**Dispute**"), pursuant to which a settlement agreement was entered into between APSB and CSCE on 29 November 2021 by way of consent judgment, as full and final settlement and discharge of all disputes, differences and claims by either party in connection with the dispute (the "**2021 Settlement Agreement**"). As at 31 December 2021, the Group had incurred and recorded RM40,264,000 (30 June 2020: RM43,274,000) in connection with certain Land Parcels in development properties for the share of master infrastructure costs on the said lands. As at the date of announcement, only 4 Land Parcels remain secured to CSCE in accordance with the terms of the 2021 Settlement Agreement.

As at 31 December 2021, the Group has recorded an amount owing to a CSCE of approximately RM34,073,120 (30 June 2020: RM63,573,120). This outstanding amount as at 31 December 2021 shall be paid by APSB to CSCE in accordance with the terms of the 2021 Settlement Agreement.

13 Asset held for sales

On 14 January 2022, APSB has entered into SPA with Seaview Holdings Sdn. Bhd. for the proposed sale of a parcel of freehold land held under H.S.(D) 571006, PTD 233330, Mukim of Plentong, District of Johor Bahru, State of Johor, measuring approximately 7.65 acres in area. The sale consideration for

the Land is RM116.00 million. Asset held for sales stated at the lower of carrying amount and fair value less costs to sell. The Company will convene an extraordinary general meeting to seek the approval of the Shareholders for the Proposed Disposal of the Land.

14 Share capital

	31 December 2021			30 June 2020		
	Number of shares	Amount		Number of shares	Amount	
		Group RM'000	Company RM'000		Group RM'000	Company RM'000
At beginning and end of the period/year	1,869,434,303	259,384	1,455,079	1,869,434,303	259,384	1,455,079

The Company did not hold any treasury shares as at 31 December 2021 and 30 June 2020.

There were no outstanding convertibles as at 31 December 2021 and 30 June 2020.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and at 30 June 2020.

There was no sale, transfer, disposal, cancellation and use of treasury shares or subsidiary holdings during, and at the end of, the three months financial period ended 31 December 2021.

15 Lease liabilities

	Group	
	31 December 2021 (Unaudited) RM'000	30 June 2020 (Audited) RM'000
Amount repayable within one year or on demand:		
- Secured	91	143
- Unsecured	218	269
Amount repayable after one year:		
- Secured	16	144
- Unsecured	392	83
	<u>717</u>	<u>639</u>

The Group's hire purchase financing facilities of RM692,000 (30 June 2020: RM692,000) are secured by its underlying assets.

16 Trade and other payables

	Group		Company	
	31/12/2021 (Unaudited) RM'000	30/06/2020 (Audited) RM'000	31/12/2021 (Unaudited) RM'000	30/06/2020 (Audited) RM'000
Trade payables	207,084	256,655	-	-
Other payables	7,045	19,720	732	639
Accrued land costs	3,391	7,709	-	-
Accrued transaction costs	10,957	13,290	-	-
Accrued expenses	17,705	13,160	-	-
	<u>246,182</u>	<u>310,534</u>	<u>732</u>	<u>639</u>

Dispute with China State Construction Engineering (M) Sdn Bhd

- (a) On 12 April 2017, APSB has entered into a loan agreement (the “**Loan Agreement**”) with a main contractor, CSCE to convert the outstanding trade payables of RM46,532,461 due to CSCE under the letter of award dated 18 December 2014 and a construction agreement dated 2 August 2015 between APSB and CSCE (collectively, the “**Contract**”) into a loan (the “**Loan**”). The Loan is subject to an interest rate of 8.5% per annum commencing from 30 June 2017 until the date of full repayment of the loan. As security for the Loan, certain land parcels located in BPP, which are owned by SSSB and over which a subsidiary, BPPSB holds development rights, were secured to CSCE. APSB has defaulted on the settlement to CSCE and these amounts remained unsettled as at 1 July 2017, 30 June 2018, 30 June 2019 and 30 June 2020. In addition, APSB has also previously received letters of demands dated 2 October 2018, 1 February 2019 and 11 July 2019 from the solicitor of CSCE to demand the payments of the total trade payable amounts of RM125,347,303 (inclusive of the overdue trade payable amounts of RM46,532,461) relating to the Loan Agreement and Contract, and interest thereon.
- (b) On 1 October 2019, APSB entered into a settlement agreement with CSCE to settle the remaining outstanding balances of RM74,390,000 (inclusive of interests) in instalments until 30 June 2020 (the “**Settlement Agreement**”). The Settlement Agreement constitutes full and final settlement between APSB and CSCE for all claims and disputes in relation to the Contract and Loan Agreement, subject to the terms and conditions of the Settlement Agreement. Following the execution of the Settlement Agreement, CSCE 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.
- (c) On 8 April 2020, APSB received a letter of default dated 3 April 2020 by email from CSCE in relation to the Settlement Agreement and on 1 July 2020, setting out, inter alia, APSB’s failure to pay RM5,000,000 that was due and payable by APSB to CSCE under the Settlement Agreement for the month of February 2020 and March 2020.
- (d) On 1 July 2020, APSB received a letter of demand from CSCE in relation to the Settlement Agreement (the “**Letter of Demand**”). Pursuant to the Letter of Demand, CSCE claimed that it is entitled to immediately initiate legal proceedings against the Group for the entire unpaid portion of the settlement sum and any other amount due including interest without any further reference to the Group, including but not limited to:
- (i) initiating adjudication in accordance with the Construction Industry Payment and Adjudication Act 2012; and/or
 - (ii) commencing winding up proceedings against the Group.
- Pursuant to the Letter of Demand, CSCE demanded that APSB paid CSCE the outstanding sums (together with applicable interests) within seven (7) days from the date of the Letter of Demand, failing which CSCE would initiate legal proceedings against APSB to recover the outstanding sums.
- (e) On 2 July 2020, the Company announced among others, that following receipt of the Letter of Demand, the management of APSB would (i) continue to engage CSCE to negotiate a further extension of time and/or a revised Settlement Agreement as APSB’s ability to repay the outstanding sums under the Settlement Agreement has been impeded as a result of the government of Malaysia’s imposition of the Movement Control Order to curb the spread of COVID-19, and the weak property market sentiment in Malaysia, especially the high-end condominium/service apartment sector; and (ii) verify the payments due to CSCE as set out in the Letter of Demand.
- (f) On 25 November 2020, APSB received a payment claim from CSCE for amounts owing by APSB to CSCE (the “**Payment Claim**”). Pursuant to the Payment Claim:
- (i) CSCE claims against APSB for the sum of RM50,878,046.41 and interest thereon (being RM5,824,944.96 calculated as at 25 November 2020), pursuant to Section 5 of the Construction Industry Payment and Adjudication Act 2012 (“**CIPAA**”); and

- (ii) CSCE's cause of action is based on breach of the terms of payment contained in the Settlement Agreement which is to provide for the payment of works done under the Contract.

In addition, CSCE specified that it would claim for costs against APSB in the adjudication proceedings and/or other legal proceedings and reserved their rights against APSB to make further and other claims arising from the Settlement Agreement against APSB. The Group appointed Sanjay Mohan Advocates & Solicitors ("**Sanjay Mohan**") as its Malaysian legal advisers to advise APSB on the Payment Claim and next steps.

- (g) On 7 December 2020, APSB responded to CSCE in relation to the Payment Claim through its Malaysian legal advisers, Sanjay Mohan (the "**Payment Response**"). In the Payment Response, APSB denied each and every claim set out in the Payment Claim (including setting out the merits of each defence in the Payment Response), and took the position that it has a valid counterclaim against CSCE for damages or liquidated damages for delay to the progress of works by CSCE, such that the amounts claimed by CSCE will be significantly reduced or negative.

Matter in the Kuala Lumpur High Court (the "KL Matter")

- (h) On 25 January 2021, APSB filed an originating summons in the Kuala Lumpur High Court ("**KL Court**") against CSCE ("**Originating Summons**") seeking for, amongst others, the following orders:
 - (i) a declaration that the disputes between the APSB and the CSCE as set out in the Payment Claim do not fall within the ambit of the CIPAA;
 - (ii) a declaration that the Payment Claim issued pursuant to Section 5 of the CIPAA is invalid, unlawful and an abuse of process; and
 - (iii) an order restraining CSCE from commencing and/or proceeding with the adjudication proceedings based on the claims set out in the Payment Claim.

APSB had also filed a notice of application seeking for, inter alia, an interim injunction to prevent the CSCE from commencing and/or proceeding with the adjudication proceedings against the APSB pursuant to CIPAA until the disposal of the Originating Summons (the "**Notice of Application**").

- (i) On 30 July 2021, the Company announced that the hearing of the originating summons and notice of application was heard on 26 July 2021 before the KL Court and is fixed for a decision on 6 August 2021.
- (j) On 10 August 2021, the Company announced that the KL Court had, on 6 August 2021, dismissed APSB's Originating Summons and the Notice of Application, which were heard before the KL Court on 26 July 2021, with costs of RM 6,000 and RM 4,000 awarded to CSCE, respectively (the "**KL Dismissal**").
- (k) On 25 August 2021, the Company announced that APSB had, on 24 August 2021, filed for a notice of appeal in the Court of Appeal of Malaysia at Putrajaya (Appellate Jurisdiction) to appeal against the KL Dismissal.
- (l) On 5 October 2021, the Company announced that APSB, had on 1 October 2021, filed a notice of application in the KL Court for the following orders pursuant to Order 29, Order 69A and Order 92 Rule 4 of the Rules of Court 2012: (i) an Erinford Injunction to preserve the status quo of the matter pending the disposal of APSB's appeal to the Court of Appeal against the KL Dismissal by KL Court; (ii) that the cost of the application be paid by CSCE; and (iii) any further orders and/or reliefs that the KL Court deems fit, appropriate, and just (collectively, the "Erinford Injunction").

- (m) On 26 October 2021 and 30 November 2021, the Company announced that the hearing in relation to the Erinford Injunction was fixed on 31 January 2022 by the KL Court.

Matter in the High Court of Malaya at Johor Bahru (the “JB Matter”)

- (n) On 25 January 2021, APSB was served with a (i) sealed “Writ” dated 30 December 2020 (the “**Writ of Summons**”) and “Pernyataan Tuntutan” dated 30 December 2020 (the “**Statement of Claim**”) by CSCE in the High Court of Malaya at Johor Bahru (“**JB Court**”); and (ii) “Notis Pengurusan Kes Secara e-Review” dated 31 December 2020 (the “**e-Review Case Management Notice**”), in relation to the Payment Claim.

Pursuant to the Statement of Claim, CSCE claimed from the APSB: (i) the sum of RM50,878,046.41; (ii) interest to be calculated at the rate of 8.5% per annum in respect of the sums allowed under item (i) above, to be calculated from 1 September 2019 until the date of actual payment; (iii) costs; and (iv) any other or further relief that the JB Court deems fit to grant, including any applicable tax.

- (o) On 16 February 2021, APSB filed a stay of proceedings pending referral to arbitration pursuant to Section 10 of the Arbitration Act 2005 (“**Stay of Proceedings**”) in relation to CSCE’s Writ of Summons and Statement of Claim.
- (p) On 17 February 2021, APSB filed its Statement of Defence in response to CSCE’s Statement of Claim and counterclaimed for, inter alia, the sum of RM67,328,000 or such other sums as assessed by the JB Court for damages for the losses incurred by APSB as a result of the delays caused by CSCE to the progress of the works and a declaration that the loan agreement dated 12 April 2017 and the Settlement Agreement dated 1 October 2019 are unenforceable in law.
- (q) On 30 July 2021, the Company announced that hearing in relation to the Stay of Proceedings was heard before the JB Court on 26 July 2021 and is fixed for a decision on 1 September 2021.
- (r) On 3 September 2021, the Company announced that the JB Court had, on 1 September 2021, dismissed APSB’s Stay of Proceedings with costs of RM5,000 awarded to CSCE (the “**JB Dismissal**”).
- (s) On 15 September 2021, the Company announced that APSB had, on 13 September 2021, filed for a notice of appeal in the Court of Appeal of Malaysia at Putrajaya (Appellate Jurisdiction) to appeal against the JB Dismissal and is fixed for further case management on 1 December 2021 to update the status of the filing of appeal record following the 1 November 2021’s case management.
- (t) On 5 October 2021, the Company announced that APSB, had on 1 October 2021, received a letter from Raja, Darryl & Loh (being CSCE’s Malaysian legal advisers for the JB Matter) enclosing, inter alia, an unsealed notice of application for an order from the JB Court for a summary judgment against APSB pursuant to Order 14 of the Rules of Court 2012 as follows: (i) the sum of RM50,878,046.41; (ii) interest to be calculated at the rate of 8.5% per annum in respect of the sums allowed under paragraph (i) above to be calculated from 1 September 2019 until the date of actual payment; (iii) costs; and (iv) any other or further relief that the JB Court deems fit to grant (collectively, the “**Summary Judgment**”).
- (u) On 26 October 2021 and 30 November 2021, the Company announced that the hearing in relation to the Summary Judgement was fixed on 13 December 2021 by the JB Court.

2021 Settlement Agreement

- (v) On 30 November 2021, the Company announced that APSB had, on 29 November 2021, entered into a settlement agreement with CSCE by way of consent judgment, as full and final settlement and discharge of all disputes, differences and claims by either party in connection with CSCE’s claim against APSB for the sum of RM50,878,046.41 and interests thereon (the “**Dispute**”) (the “**2021 Settlement Agreement**”). The terms of the 2021 Settlement Agreement

include the (a) potential transfer of up to five (5) properties within the development, The Astaka @ Bukit Senyum (“**The Astaka**”) from APSB to CSCE or nominees of CSCE, at the discretion of APSB; and (b) payment by APSB to CSCE of a settlement sum of RM44,073,120.00, which includes the potential transfer of up to five (5) properties within the development.

- (w) On 30 December 2021, the Company announced that following the execution of the 2021 Settlement Agreement, CSCE had filed and recorded the consent judgment of the civil proceedings relating to the 2021 Settlement Agreement in the JB Court on 13 December 2021 (the “**Consent Judgment**”). Accordingly, both CSCE and APSB had since started to withdraw and/or discontinue the adjudication or civil proceedings relating to the Dispute.

Further to the Consent Judgment, APSB had on 22 December 2021, filed the notice of discontinuance in the Court of Appeal at Putrajaya and had withdrawn the Erinford Injunction at the KL Court.

- (x) As at the date of announcement, APSB has fulfilled its repayment milestones to CSCE in accordance with the 2021 Settlement Agreement as follows:

- (i) RM5,000,000.00 which was paid on the same day which the 2021 Settlement Agreement was entered into;
- (ii) RM5,000,000.00 which was paid on 14 December 2021 following the receipt of the Consent Judgment; and
- (iii) RM900,000.00 which was paid on 25 January 2022,

and accordingly, an amount of RM33,173,120.00 remains outstanding under the 2021 Settlement Agreement.

17 Loans and borrowings

	Group	
	31 December 2021 (Unaudited) RM'000	30 June 2020 (Audited) RM'000
Amount repayable within one year or on demand:		
Secured		
Term loan	-	1,138
Bank overdraft	11,899	9,927
	<u>11,899</u>	<u>11,065</u>

Included in the bank overdrafts is Affin Bank Berhad overdraft facility of RM12,000,000 (30 June 2020: RM10,000,000) for the working capital requirements of the Group, which is secured against a controlling shareholder’s fixed deposit of RM12,000,000 (30 June 2020: RM12,000,000).

In 2020, the term loan relates to Term Financing and Bridging Financing Facilities from Malaysia Building Society Berhad of RM1,200,000 for the purpose of the constructing the Group’s development properties. It is secured by third party for the first open monies legal charge over the land held under Lot PTD 6009, Mukim of Pengerang, District of Kota Tinggi, Johor which is owned by SSSB. This term loan has been fully settled during the financial period.

18 Subsequent events

On 14 January 2022, APSB has entered into a SPA with Seaview Holdings Sdn. Bhd (“**SHSB**”) for the proposed sale of a parcel of freehold land held under H.S.(D) 571006, PTD 233330, Mukim of Plentong, District of Johor Bahru, State of Johor, measuring approximately 7.65 acres in area. The sale consideration for the Land is RM116.00 million. The Company will convene an extraordinary general meeting to seek the approval of the Shareholders for the Proposed Disposal of the Land.

On 19 January 2022, APSB has entered into a settlement agreement with Aliran Asia Sdn Bhd (“**Aliran Asia**”) as full and final settlement of all the disputes, differences and claims between the Parties in connection with the Dispute. As at the date of announcement, APSB has made a full payment of RM3.4 million in accordance with the payment schedule to Aliran Asia as follows:

- (a) RM2,000,000.00 which was paid on 19 January 2022; and
- (b) RM1,357,487.00 which was paid on 18 February 2022.

On 24 January 2022, APSB has entered a non-binding memorandum of understanding (“**MOU**”) with DMR Holdings for a potential collaboration to jointly undertake land development projects in Johor, Malaysia.

On 26 January 2022, APSB has entered a MOU with Straits Perkasa Services Sdn Bhd. (“**SPSSB**”) for a potential collaboration for a mix used development project in Johor, Malaysia.

On 28 January 2022, the Group has incorporated a wholly-owned subsidiary, Astaka Development Sdn Bhd with an issued and paid-up capital of 500,000 shares of RM1.00 per share, and its principal activities are investment holding and property development.

On 21 February 2022, APSB has obtained the 2022 New Loan from Dato’ Malek of up to RM60.0 million for general corporate and working capital purposes.

On 21 February 2022, APSB and SHSB has entered into a supplemental letter agreement to the SPA, to vary, amend and alter certain terms of the SPA.

19 Other information

19.1 Review

The condensed interim consolidated statement of financial position of the Group as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period then ended and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

19.2 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

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

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

Not applicable. Save for an audit matter that is a material uncertainty relating to going concern, the latest financial statements of the Group were not subject to an adverse opinion, qualified opinion or disclaimer of opinion. Due to the Change of FYE, FY2021 covers an 18-month period from 1 July 2020 to 31 December 2021 *vis-à-vis* the comparative figures for the 12-month period from 1 July 2019 to 30 June 2020 (“**FY2020**”).

19.3 Review of performance of the Group

Consolidated statement of profit or loss and other comprehensive income

Sixth quarter ended 31 December 2021 (“6QFY2021”) against second quarter ended 31 December 2020 (“2QFY2021”)

Revenue

The decrease in revenue for 6QFY2021 as compared to 2QFY2021 was mainly due to weak sentiment surrounding the Malaysian residential property sector, prolonged closures of international borders and

the disruption caused by the COVID-19 pandemic. In addition, the decrease in the revenue was also due to the completion of the phases 1B and 2A & 2B of BPP in 2QFY2021.

Cost of Sales and Gross Profit

The decrease in cost of sales was in line with the decrease in sales.

Reversal of the impairment losses on development properties was in view of the higher selling price on those development properties sold and as a result, the impairment losses on development properties which was previously provided was no longer applicable to those sold units.

Excluding reversal of foreseeable loss on development properties and allowance for foreseeable loss on development properties, gross profit in 6QFY2021 would have been approximately RM2.1 million as compared to RM6.1 million in 2QFY2021.

Other Income

Other income decreased in 6QFY2021 mainly due to the absence of gain on disposal of property, plant and equipment, forfeiture of payment from purchaser, as well as interest earned on deposit placed with Tenaga Nasional Berhad which was received in 2QFY2021.

Finance Income

The increase in finance income in 6QFY2021 was mainly due to the increase in interest received from fixed deposit placements.

Expenses

Increase in selling and distribution expenses in 6QFY2021 as compared to 2QFY2021 was due mainly to the full reopening of all economic sectors in Malaysia in October 2021 as well as the lifting of the border controls in Malaysia since November 2021 and the Group stepping up its marketing efforts such as organizing of events and roadshows.

Administrative expenses increased in 6QFY2021 mainly due to the following:

- i. quit rent and assessment of RM0.67 million (2QFY2021: RM0.50 million);
- ii. professional and legal fee of RM1.35 million (2QFY2021: RM0.86 million);
- iii. manpower costs of RM1.67 million (2QFY2021: RM1.37 million);
- iv. landscape maintenance expenses of RM0.14 million (2QFY2021: RM22,000); and
- v. management fee and sinking fund of RM0.43 million (2QFY2021: RM0.41 million).

However, the increase in administrative expenses in 6QFY2021 was partially offset by a decrease in:

- i. depreciation of PPE of RM0.12 million (2QFY2021: RM0.13 million);
- ii. insurance of RM57,000 (2QFY2021: RM0.13 million); and
- iii. office expenses of RM73,000 (2QFY2021: RM0.17 million).

Other expenses increased in 6QFY2021 mainly due to increase in donation and sponsorship as compared to 2QFY2021.

In 6QFY2021, the Group's finance costs relate mainly to (i) bank overdraft interest which amounted to approximately RM0.15 million, and (ii) interest expenses in relation to the loan agreements entered into by APSB, a subsidiary of the Company, which on aggregate, amounted to approximately RM2.02 million. The increase in interest expenses in relation to the loan agreements for 6QFY2021 was mainly due to the additional unsecured loan obtained from DMR Holdings at the interest rate of 8% per annum.

FY2021 against FY2020

Revenue

The decrease in revenue for the FY2021 as compared to the FY2020 was mainly due to weak sentiment surrounding the Malaysian residential property sector, prolonged closures of international borders and the disruption caused by the COVID-19 pandemic. In addition, the decrease in the revenue was also due to the completion of the Menara Majlis Bandaraya Johor Bahru project in FY2020.

Cost of Sales and Gross Profit

The decrease in cost of sales was in line with the decrease in sales.

Additional development costs of RM2.6 million were incurred in FY2020 for The Astaka. These additional development costs were mainly incurred for touch-up works to The Astaka. The Group commenced touch-up works after the completion of the project in June 2018 to enhance the marketability of the balance unsold units of The Astaka.

In addition, reversal of the impairment losses on development properties in FY2021 was in view of the higher selling price for those development properties sold and as a result, the impairment losses on development properties which was previously provided was no longer applicable to those sold units.

Excluding reversal of foreseeable loss on development properties and allowance for foreseeable loss on development properties, gross profit in FY2021 would have been approximately RM14.6 million as compared to RM15.9 million in FY2020.

Other Income

Other income increased in FY2021 due to the gain on disposal of property, plant and equipment, forfeiture of payment from purchaser, discount received from rental of premises, rental income as well as interest earned on deposit placed with Tenaga Nasional Berhad which was received in FY2021.

Finance Income

The decrease in finance income in FY2021 was mainly due to the decrease in interest received generated from fixed deposit placements.

Expenses

Decrease in selling and distribution expenses in FY2021 as compared to FY2020 was due mainly to the Johor state entering into "total lockdown" imposed by the Malaysia government since 1 June 2021 to 23 September 2021 under phase 1 of Malaysia's national recovery plan ("**NRP Phase 1**"). The Group's business premises and sales galleries in Malaysia were closed during NRP Phase 1 and all the economic sectors were only reopened in October 2021 as well as lifting of the border controls since November 2021.

Administrative expenses increased in FY2021 mainly due to the following:

- i. quit rent and assessment of RM3.72 million (FY2020: RM3.13 million);
- ii. professional and legal fee of RM3.64 million (FY2020: RM2.85 million);
- iii. manpower costs of RM8.21 million (FY2020: RM6.31 million);
- iv. management fee and sinking fund of RM2.57 million (FY2020: RM2.05 million);
- v. depreciation of PPE of RM0.75 million (FY2020: RM0.54 million); and
- vi. rental of premises of RM0.65 million (FY2020: RM0.44 million)

However, the increase in administrative expenses in FY2021 was partially offset by a decrease in:

- i. over provision of liquidated ascertained damages of RM0.65 million (FY2020: RM1.21 million);
- ii. office expense of RM0.47 (FY2020: RM0.52 million);

- iii. repair and maintenance of RM0.10 million (FY2020: RM0.83 million); and
- iv. landscape maintenance expenses of RM0.31 million (FY2020: RM0.63 million);

Other expenses decreased in FY2021 mainly due to lower provision of late payment interests on outstanding amount owing to contractors during the financial period.

In FY2021, the Group's finance costs relate mainly to (i) bank overdraft interest which amounted to approximately RM0.85 million, and (ii) interest expenses in relation to the loan agreements entered into by APSB, a subsidiary of the Company, which on aggregate, amounted to approximately RM11.54 million. The increase in interest expenses for FY2021 in relation to the loan agreements was mainly due to the additional unsecured loan obtained from DMR Holdings at the interest rate of 8% per annum.

Consolidated statement of financial position

PPE decreased by RM44,000 from RM855,000 as at 30 June 2020 to RM811,000 as at 31 December 2021. This was mainly due to the depreciation charged during the financial period, which was partially offset by additions of new PPE and rights-of-use assets.

Development properties decreased by approximately RM117.6 million from RM454.9 million as at 30 June 2020 to RM337.3 million as at 31 December 2021. The decrease was due to classification of the Land at One Bukit Senyum to asset held for sales following the announcement on the Proposed Disposal.

Decrease in contract cost and contract assets as at 31 December 2021 was due to the completion of phases 1B and 2A & 2B of BPP, and no contract liabilities were recorded as at 31 December 2021.

Trade and other receivables consist of stakeholder money received in respect of phase 1B of BPP, which were held by the solicitors of the Group. Such monies will be released to the Group upon expiry of the defective period of the development properties. Trade and other receivables also consist of deposit paid to office rental, office utilities, local authority for construction.

Tax recoverable recorded is in relation to the tax instalments made by the Group. Under the self-assessment system, every company is required to determine and submit an estimate of its tax payable for the respective year of assessment ("YOA"), and the estimate of tax payable shall not be less than eighty-five per cent of the revised estimate of tax payable in the immediately preceding YOA.

Trade and other payables decreased by approximately RM64.3 million from RM310.5 million as at 30 June 2020 to RM246.2 million as at 31 December 2021, mainly due to payments made during the financial period.

Amount due to related parties increased by approximately RM54.3 million from RM94.2 million as at 30 June 2020 to RM148.5 million as at 31 December 2021, which was mainly due to the Group drawing down approximately RM59.7 million from the loan facilities provided by DMR Holdings, at the interest rate of 8% per annum, which is repayable on demand. The purpose of the loan is to finance general corporate expenses and working capital needs. In addition, the increase in amount due to related parties was also attributable to the BPP land consideration payable to the joint venture partner, SSSB. Based on the terms of the development agreement entered into between BPPSB and SSSB, BPPSB shall pay SSSB 12.0% of the cash proceeds to be received from the individual purchasers of the properties in the BPP project, such amount to be capped at and shall not exceed the sum of RM165.0 million. Such increase was partially offset by the interest paid to and capital injection by the related party during the financial period.

The current and non-current lease liabilities increased by approximately RM78,000 from RM639,000 as at 30 June 2020 to RM717,000 as at 31 December 2021. This was mainly due to the increase of right-of-use assets leased by the Group. The lease liabilities are payable on a monthly basis according to the lease payment terms.

The increase in loans and borrowings by approximately RM0.8 million from RM11.1 million as at 30 June 2020 to RM11.9 million as at 31 December 2021 was due to the additional drawdown of bank

overdraft to finance the Group's property development projects and working capital. This was partially offset by the repayment made during the financial period.

Current tax liabilities were recorded as a result of higher profit recorded by BPPSB as at 31 December 2021 which will RMNil as at 30 June 2020.

Consolidated statement of cash flows

The Group reported a net cash outflow used in operating activities of approximately RM35.9 million as at 31 December 2021. This was primarily due to (i) cash outflow from operating activities before changes in working capital, (ii) the decrease in development properties arising from the reclassification of the Land, and (iii) the decrease in trade and other payables arising from the repayments made during the financial period, which was partially offset by the increase in asset held for sales arising from the reclassification of the Land and the decrease in contract assets as a result of progress billing issued for both MBBJ and BPP projects.

Net cash inflow generated from investing activities of approximately RM3.8 million was mainly due to the decrease in fixed deposit pledged, interest received from the financial institution and the proceeds received from disposal of PPE as at 31 December 2021. The aforesaid was partially offset by the acquisition of PPE.

Net cash inflow generated from financing activities of approximately RM21.2 million as at 31 December 2021 was mainly due to the additional loan drawdown from DMR Holdings amounting to approximately RM59.7 million and capital injection in BPPSB by SSSB amounting to approximately RM6.9 million. However, the aforesaid was offset by repayment to affiliated corporations, repayments of trade and other payables, term loan, lease liabilities as well as interest paid.

Included in the year-to-date ("YTD") December 2021 cash and bank balances is an amount of approximately RM818,000 (YTD June 2020: RM1.0 million) 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 payments of property development expenditure incurred. The surplus monies, if any, will be released to the respective subsidiaries upon the completion of the property development properties and after all property development expenditure have been fully settled.

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

No variance as the Group's financial results for 6QFY2021 and FY2021 were in line with the profit guidance released on 17 February 2022.

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

The Malaysian economy is expected to recover in tandem with the gradual stabilisation of the Covid-19 situation. Nearly 80% of the population of Malaysia has received at least two doses¹, and the vaccinated travel lane ("VTL") arrangement with Singapore has also resumed. Despite the emergence of the new Covid-19 Omicron variant, the Malaysian government have reiterated their stand that it would not re-enforce any movement control order ("MCO") or declare another emergency despite the spike of Covid-19 cases in the country, and that Malaysians need to live with Covid-19 and view it as an endemic just like other infectious diseases².

¹ CNA - Yelps, tears as Malaysia starts COVID-19 vaccinations for young children
(<https://www.channelnewsasia.com/asia/covid19-malaysia-starts-vaccination-young-children-2477946>)

² Malay Mail - Covid-19: PM reiterates government's 'no MCO, no Emergency' stand
(<https://www.malaymail.com/news/malaysia/2022/02/11/covid-19-pm-reiterates-governments-no-mco-no-emergency-stand/2040998>)

The pandemic has also changed the demand for residential spaces where the implementation of the lockdown restrictions and normalisation of hybrid work arrangements have resulted in homebuyers demanding for residential developments in established areas with good connectivity and amenities for convenience³. Together with the introduction of new government initiatives, such as the removal of Real Property Gains Tax, it is expected to stimulate demand and aid in the recovery of the residential property market.

While Malaysia has only established VTL with Singapore, the National Recovery Council has recently submitted a proposal recommending the reopening of all borders fully by March 2022⁴. The reopening of international borders is expected to bode well for the Malaysian property market, with pent-up demand from foreign investors as a result of the prolonged MCO. Additionally, despite the more stringent rules for foreign home seekers under Malaysia My Second Home (MM2H) scheme since it was reactivated in November 2021, it has received 111 applications with 15 approved applications⁵. In the recent United States-Asean Business Council (US-ABC) meeting, which was also attended by multinational corporations such as Amazon and Johnson & Johnson, the authorities also expressed their commitment to provide a conducive economic climate and business ecosystem⁶.

With expectation of improvement in the property sector along with the endemic living approach, the Group also made encouraging progress in both enhancing its operations and also in expanding into newer segment of properties such as industrial properties. The Group has been closely monitoring the market and identifying projects with strong potential to help build itself as an integrated property developer and in that endeavour, it recently signed an MOU with DMR Holdings to jointly develop 42 acres of land in Johor, Malaysia with an estimated gross development value (“**GDV**”) of RM1 billion. The recent MOU also marks the Group’s first foray into industrial properties, having already built its reputation in residential and commercial developments. Building on that momentum, the Group soon after announced the entry into an MOU with SPSSB for a potential collaboration for a commercial mix-used development in Johor, Malaysia with an estimated GDV of RM160 million.

With the progress on the operational front, the Group has also been working towards the resumption of trading of its shares on SGX, having reached a settlement for both of its legal cases. The Group has also been working on broadening its products and services, as well as looking to securing additional funds to further support its operations.

19.6 Dividend information

If a decision regarding dividend has been made: -

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

No dividend has been declared or recommended for 6QFY2021.

(b) (i) Amount per share (RM’sen)

Not applicable.

(ii) Previous corresponding period (RM’sen)

³ New Straits Times - RPGT exemption for property disposals is expected to increase activity in the secondary market (<https://www.nst.com.my/property/2022/01/760900/rpgt-exemption-property-disposals-expected-increase-activity-secondary>)

⁴ CNA – Malaysia’s National Recovery Council agrees to fully reopen borders without quarantine by March (<https://www.channelnewsasia.com/asia/malaysia-reopen-borders-no-quarantine-mar-1-muhyiddin-national-recovery-council-2485591>)

⁵ The Edge Markets - MM2H: 111 new applications received — Hamzah (<https://www.theedgemarkets.com/article/mm2h-111-new-applications-received---hamzah>)

⁶ Malay Mail – Azmin: Malaysia to continue redoubling efforts to provide conducive economic climate (<https://www.malaymail.com/news/malaysia/2022/01/20/azmin-malaysia-to-continue-redoubling-efforts-toprovide-conducive-economic/2036527>)

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended as the Group continues to incur losses attributable to owners of the Company in 6QFY2021 and FY2021 with accumulated loss position as at 31 December 2021.

- (g) **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows**

Not applicable. No dividend has been declared for FY2021 and FY2020.

19.7 Interested person transactions

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

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Dato' Malek	Controlling Shareholder	RM829,995 ⁽¹⁾	Not applicable
DMR Holdings	An associate of Dato' Malek	RM1,091,375 ⁽²⁾	Not applicable
SSSB	An associate of Dato' Malek	RM685,517 ⁽³⁾	Not applicable

Notes:

- (1) Dato' Malek, the controlling shareholder of the Company, had extended unsecured loans in aggregate principal outstanding amount of RM52,322,839 to the subsidiary of the Company, APSB, comprising: (i) a loan in principal outstanding amount of RM22,322,839 at a fixed interest rate of 4% per annum extended in FY2017, repayable on demand; and (ii) a loan in principal outstanding amount of RM30,000,000 pursuant to the loan agreement dated 14 February 2020 entered into between Dato' Malek and APSB (as supplemented by the supplemental letter agreement dated 3 November 2020) ("**DM Loan Agreement**") at a fixed interest rate of 8% per annum, repayable within one year (unless

automatically extended) or on demand. Please refer to the Company's circular to Shareholders dated 9 October 2020 for further details on the DM Loan Agreement.

- (2) DMR Holdings (an associate of Dato' Malek) agreed to grant an unsecured loan in the principal outstanding amount not exceeding RM60,000,000 to APSB (as supplemented by the supplemental letter agreement dated 3 November 2020) ("**DMR Loan Agreement**") at a fixed interest rate of 8% per annum, repayable within one year (unless automatically extended) or on demand. Please refer to the Company's circular to Shareholders dated 9 October 2020 for further details on the DMR Loan Agreement.

In addition, APSB has on 8 December 2021 obtained an additional loan facility (the "**Additional Loan Facility**") of up to RM8.0 million for general corporate and working capital purposes. APSB has drawn down RM4.7 million of the Additional Loan Facility, with RM3.3 million available for further drawdown as at 31 December 2021.

- (3) This comprises the amount payable by the subsidiary of the Company, BPPSB, to SSSB which was incurred in 6QFY2021 for the sole and exclusive right to develop the Land, and was approved by Shareholders at an extraordinary general meeting on 16 December 2016. Please refer to the Company's circular to Shareholders dated 29 November 2016 for further details.

Save for the above mentioned, there were no interested persons transactions of S\$100,000 or more for 6QFY2021.

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

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

20.0 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Daeng Hamizah Binti Abd Aziz (" Ms Hamizah ")	34	Niece of Dato Malek, a controlling shareholder of the Company	Chief operating officer of the Company, since 1 October 2016. Ms Hamizah oversees the daily operations of the Group, liaises with government authorities, plans strategic activities and ensures effectiveness and efficiency of the operational processes.	-

Except for Ms Hamizah, the Company confirmed that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company pursuant to Catalist Rule 704(10).

By Order of the Board

Khong Chung Lun
Executive Director and Chief Executive Officer

23 February 2022

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

The contact person for the Sponsor is Mr Andrew Leo, Chief Executive Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.
