ASTAKA HOLDINGS LIMITED
(Company Registration No.: 200814792H)
(Incorporated in the Republic of Singapore)

Unaudited First Quarter Condensed Interim Consolidated Financial Statements and Dividend Announcement for the period ended 31 March 2022

The board of directors (the "**Board**" or "**Directors**") of Astaka Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce the unaudited condensed interim consolidated financial statements of the Group for the three months ended 31 March 2022. 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 Catalist (the "**Catalist Rules**").

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

		Group		
		3 months ended		
	Note	31/03/2022 (Unaudited) RM'000	31/03/2021 (Unaudited) RM'000	Change %
Revenue	5	14,560	3,087	371.7
Cost of sales		1,488	(3,551)	n.m
Gross profit/(loss)		**16,048**	**(464)**	**n.m**
Other income		23	27	(14.8)
Selling and distribution expenses		(212)	(138)	53.6
Administrative expenses		(3,947)	(2,770)	42.5
Other expenses		(11)	(912)	(98.8)
Results from operating activities		**11,901**	**(4,257)**	**n.m**
Finance income		9	15	(40.0)
Finance costs		(2,257)	(1,973)	14.4
Net finance costs		**(2,248)**	**(1,958)**	**14.8**
Profit/(Loss) before income tax	7	**9,653**	**(6,215)**	**n.m**
Tax expense	8	-	(682)	(100.0)
Profit/(Loss) and total comprehensive income for the period		**9,653**	**(6,897)**	**n.m**
Profit/(Loss) and total comprehensive income attributable to:				
Owners of the Company		10,039	(6,293)	n.m
Non-controlling interests		(386)	(604)	(36.1)
Profit/(Loss) and total comprehensive income for the period		**9,653**	**(6,897)**	**n.m**
Earnings/(Loss) per share attributable to the owners of the Company				
Basic and diluted earnings/(loss) per share (cents per share)		**0.54**	**(0.34)**	**n.m**

n.m. – not meaningful

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 March 2022 and 31 March 2021.

B. Condensed statement of financial position

	Note	Group		Company	
		31/03/2022 (Unaudited) RM'000	**31/12/2021 (Audited) RM'000**	**31/03/2022 (Unaudited) RM'000**	**31/12/2021 (Audited) RM'000**
Assets					
Property, plant and equipment	10	756	810	-	-
Investment in subsidiaries	11	-	-	200,000	200,000
Non-current assets		756	810	200,000	200,000
Development properties	12	328,438	337,281	-	-
Asset held for sales	13	115,401	115,401	-	-
Contract assets		1,200	2,815	-	-
Trade and other receivables		28,276	20,499	52	82
Tax recoverable		329	207	-	-
Cash and cash equivalents		5,582	6,465	76	520
Current assets		479,226	482,668	128	602
Total assets		**479,982**	**483,478**	**200,128**	**200,602**
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		(166,639)	(176,678)	(1,260,283)	(1,259,678)
Equity attributable to owners of the Company		81,976	71,937	196,215	196,820
Non-controlling interests		3,580	3,966	-	-
Total equity		**85,556**	**75,903**	**196,215**	**196,820**
Liabilities					
Lease liabilities	15	346	408	-	-
Non-current liabilities		346	408	-	-
Trade and other payables	16	231,266	246,180	844	732
Amount due to related parties		150,381	148,463	3,069	3,050
Lease liabilities	15	286	309	-	-
Loans and borrowings	17	11,932	11,899	-	-
Current tax liabilities		215	316	-	-
Current liabilities		394,080	407,167	3,913	3,782
Total liabilities		**394,426**	**407,575**	**3,913**	**3,782**
Total equity and liabilities		**479,982**	**483,478**	**200,128**	**200,602**

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 January 2022	259,384	(10,769)	(176,678)	71,937	3,966	75,903
Profit and total comprehensive income/ (loss) for the period	-	-	10,039	10,039	(386)	9,653
Balance as at 31 March 2022	**259,384**	**(10,769)**	**(166,639)**	**81,976**	**3,580**	**85,556**

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 2020	259,384	(10,769)	(153,803)	94,812	(2,981)	91,831
Loss and total comprehensive income/(loss) for the period	-	-	(22,875)	(22,875)	87	(22,788)
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 (Note A)	**259,384**	**(10,769)**	**(176,678)**	**71,937**	**3,966**	**75,903**

Company (Unaudited)

	Share capital RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Balance as at 1 January 2022	1,455,079	1,419	(1,259,678)	196,820
Loss and total comprehensive loss for the period	-	-	(605)	(605)
Balance as at 31 March 2022	**1,455,079**	**1,419**	**(1,260,283)**	**196,215**

Company (Audited)

	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 (Note A)	**1,455,079**	**1,419**	**(1,259,678)**	**196,820**

Note A:

In 2021, the Company has changed its financial year end from 30 June to 31 December. Accordingly, the audited financial statements for the financial period ended 31 December 2021 cover a period of 18 months from 1 July 2020 to 31 December 2021.

D. Condensed consolidated statement of cash flows

	Note	Group 3 months ended 31/03/2022 (Unaudited) RM'000	31/03/2021 (Unaudited) RM'000
Cash flows from operating activities			
Profit/(Loss) before income tax		9,653	(6,215)
Adjustments for:			
Accruals for late payment interests	7.1	-	365
Depreciation of property, plant and equipment	7.1	98	130
Interest expense	7.1	2,257	1,973
Interest income	7.1	(9)	(15)
(Reversal of)/Accrual for liquidated ascertained damages	7.1	-	(652)
Reversal of foreseeable loss on development properties	12	(1,030)	(60)
Unrealised loss on foreign exchange		(5)	45
Total operating cash flows before movements in working capital		10,964	(4,429)
Changes in working capital:			
Development properties		9,873	(644)
Contract assets		1,615	5,120
Trade and other receivables		(7,776)	6,318
Trade and other payables		(12,170)	(13,190)
Cash generated from/(used in) operations		2,506	(6,825)
Tax refund		-	-
Tax paid		(223)	(101)
Net cash generated from/(used in) operating activities		**2,283**	**(6,926)**
Cash flows from investing activities			
Acquisition of property, plant and equipment	10	(44)	(18)
Increase in fixed deposit pledged		(1)	(430)
Interest received		9	15
Net cash used in investing activities		**(36)**	**(433)**
Cash flows from financing activities			
Advances from affiliated corporations		104	5,477
Interest paid		(162)	(969)
Repayment to affiliated corporations		(373)	-
Repayment to trade and other payables		(2,700)	-
Repayment to term loan		-	(206)
Repayment to lease liabilities		(33)	(48)
Net cash (used in)/generated from financing activities		**(3,164)**	**4,254**
Net decrease in cash and cash equivalents		**(917)**	**(3,105)**
Cash and cash equivalents at the beginning of period		(6,864)	29
Effect of exchange rate fluctuation on cash held		2	(41)
Cash and cash equivalents at the end of period		**(7,779)**	**(3,117)**

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

	Group	
	31/03/2022 (Unaudited) RM'000	**31/03/2021 (Unaudited) RM'000**
Cash and cash equivalents	5,582	9,251
(-) Bank overdrafts	(11,932)	(10,940)
(-) Fixed deposit pledged	(1,429)	(1,428)
Cash and cash equivalents per consolidated statement of cash flows	**(7,779)**	**(3,117)**

E. Notes to the condensed interim consolidation 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 March 2022 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.

2. Going concern

The Group recorded a net profit of RM9.65 million for the financial period ended 31 March 2022 (31 December 2021: net loss of RM22.79 million) and, as of 31 March 2022, the Group reported net current assets of RM85.15 million (31 December 2021: RM75.50 million), for which current assets comprised mainly development properties amounting to RM328.44 million (31 December 2021: RM337.28 million), representing the completed properties held for sale and properties in the course of development. As at 31 March 2022, the Company was in net current liability position of RM3.79 million (31 December 2021: RM3.18 million). In light of the weak sentiment surrounding the Malaysian residential property sector 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 a 18-month consolidated cash flow forecast from 1 April 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 opening of Malaysia international borders in April 2022, the Board is of the view that this will have positive effects on the Group's sale campaign 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.

(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. ("**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 "**Land**") on 14 January 2022 (the "**Proposed Disposal**"). The sale consideration for the Land is RM116.0 million (the "**Consideration**").

On 21 February 2022, APSB and SHSB entered into a supplemental letter agreement to the SPA (the "**Supplemental Letter Agreement**"), to vary, amend and alter certain terms of the SPA. APSB and the SHSB have agreed, under the terms of the Supplemental Letter Agreement, to remove the set-off arrangement in respect of the balance of the 90% Consideration (being RM104,400,000.00) (the "**Balance**") against the amount of loans and/or advances extended to APSB by SHSB and/or its related parties and persons connected with them entirely from the SPA, and that the Balance shall be paid and settled in full by SHSB to APSB in cash via 6 tranches in a fixed sum of RM17,400,000.00 for each Instalment Tranche.

Following the receipt of approval from shareholders of the Company on the Proposed Disposal at the extraordinary general meeting held on 12 April 2022, the Proposed Disposal will be completed upon full settlement of the Balance amount.

(iv) Continuing support from Dato' Daing A Malek Bin Daing A Rahaman ("Dato' Malek"), the 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. Since the inception of this undertaking of continuing support, the controlling shareholder has consistently met the Company's requirement for the drawdown of the loan facilities, and will continue to do so.

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 March 2022.

In addition, APSB has on 21 February 2022, obtained an additional unsecured, interest free loan facility from 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, and shall only be drawn only when required. The 2022 New Loan has not been utilised by the Group as at the date of this announcement.

(v) On 17 March 2022, APSB entered into a supplemental agreement to the construction contract (the "**Contract**") previously granted to JBB Kimlun Sdn Bhd ("**JBB Kimlun**") with JBB Kimlun for the full and final settlement of the outstanding amount of RM24,761,348.35 payable from APSB to JBB Kimlun in respect of work done for the 15-storey Grade A office tower Menara MBJB, the headquarters of the Johor Bahru City Council. The said outstanding amount will be settled in the following manner: (i) a sum of RM12,867,695.00 to be settled by way of transferring 11 properties (the "**Contra Properties**") in accordance with the terms of the contra agreement; (ii) a sum of RM5,865,159.97 shall be paid to JBB Kimlun based on 2 years instalment plan and (iii) RM6,028,493.38 which being the retention sum, shall be paid to JBB Kimlun after the issuance of the certificate of making good defects by the superintending officer and within fourteen (14) days from the date on which APSB is in receipt of the retention sum under the MBJB Project from the Mayor of Johor Bahru. The contra arrangement will reduce the current liabilities of the Group without having to overstretch its current working capital requirements

(vi) The Group has been making timely payment to its other creditors as set out in the repayment schedules entered into with the respective creditors. Other than those main contractors for which the Group had confirmed on the settlement arrangement, the Group has engaged in further discussions with other trade creditors on possible settlement arrangements, including offsetting the amount owing to these trade creditors through the transfer of the Group's properties.

The Board believes 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 ended 31 March 2022 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 31 December 2021.

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 below.

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)**") including related Interpretations of SFRS(I) ("**SFRS(I) INT**") that are mandatory for the accounting periods beginning on or after 1 January 2022.

In the current period, the Group has adopted all the new and revised SFRS(I) and SFRS(I) INT that are relevant to its operations and effective for annual periods beginning on or after 1 January 2022. The adoption of these new or revised SFRS(I) and SFRS(I) INT did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior period's financial statement and is not expected to have a material effect on future periods.

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 period ended 31 December 2021.

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

The Group enters into contracts with customers to deliver specified building units to the customers based on the plan and specifications as set out in the contracts. In accordance with SFRS(I) 15, 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.

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 performed by the main contractors but yet to be submitted by the main contractors to the Group at the reporting dates. The final actual 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 March 2022 were RM231,266,000 (31 December 2021: RM246,180,000).

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 property, plant and equipment. Management estimates the useful lives of these PPE to be within 2 to 10 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 property, plant and equipment at 31 March 2022 were RM756,000 (31 December 2021: RM810,000).

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 are 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 management's assessment, no additional allowance for foreseeable losses on development properties and impairment losses for contract costs were recognised by the Group as at 31 March 2022 and 31 December 2021.

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 March 2022 was RMNil (31 December 2021: 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 for 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 March 2022 was net tax recoverable of RM114,000 (31 December 2021: net tax liabilities of RM109,000).

Impairment of investment in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investment in subsidiaries are impaired or that an impairment loss recognised in prior periods may no longer exist or may have decreased. Where applicable, the Company's and Group'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 March 2022 was RM200,000,000 (31 December 2021: RM200,000,000).

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 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.

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	
	3 months ended	
	31/03/2022 (Unaudited) RM'000	31/03/2021 (Unaudited) RM'000
Revenue from sale of development properties		
- transferred at a point in time	14,560	3,087
	14,560	3,087

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

	Group		
	31/03/2022 RM'000	31/03/2021 RM'000	% increase/ (decrease)
Sales reported for the first 3 months	14,560	3,087	371.7
Operating profit/(loss) after tax before deducting minority interests reported for the first 3 months	10,039	(6,293)	(259.5)

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 March 2022 and 31 December 2021.

		Group		Company	
	Note	31/03/2022 (Unaudited) RM'000	31/12/2021 (Audited) RM'000	31/03/2022 (Unaudited) RM'000	31/12/2021 (Audited) RM'000
Financial Assets not measured at fair value					
Trade and other receivables		27,854	20,212	-	-
Cash and cash equivalents		5,582	6,465	76	520
		33,436	26,677	76	520
Financial liabilities not measured at fair value					
Trade and other payables	16	(231,266)	(246,180)	(844)	(732)
Amount due to related parties		(150,381)	(148,463)	(3,069)	(3,050)
Loans and borrowings	17	(11,932)	(11,899)	-	-
Lease liabilities	15	(632)	(717)	-	-
		(394,211)	(407,259)	(3,913)	(3,782)

7 Profit/(Loss) before income tax

7.1 Significant items

	Group 3 months ended	
	31/03/2022 (Unaudited) RM'000	31/03/2021 (Unaudited) RM'000
Other Income		
Rental income	23	26
Finance Income		
Interest income	9	15
Finance costs		
Interest expense	2,257	1,973
Expenses		
Accruals for late payment interests	-	365
Reversal of liquidated ascertained damages	-	(652)
Depreciation of property, plant and equipment	98	130
Loss on foreign exchange	2	6
Landscape maintenance	2	(9)
Manpower cost, including director remuneration	1,491	1,386
Operating lease expense	115	115
Repair and maintenance	15	20
Cost recovery from the relevant government authority	(7,291)	-
Reversal of foreseeable loss on development properties sold at above carrying amount	(1,030)	(60)
Waiver of late payment interest charged to customers	-	136

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	
	31/03/2022 (Unaudited) RM'000	31/03/2021 (Unaudited) RM'000
Affiliated corporations		
Advances from	-	4,000
Rental expenses	62	62
Interest expenses	1,276	312
Land costs paid/payable	269	1,477
A controlling shareholder of the Company		
Rental expenses	41	41
Interest expenses	811	811

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	
	31/03/2022 (Unaudited) RM'000	31/03/2021 (Unaudited) RM'000
Current tax expense		
Current period	-	200
Adjustment for prior years	-	482
Tax expense	-	682

9 Net asset value

	Group		Company	
	31/03/2022 (Unaudited) RM'000	31/12/2021 (Audited) RM'000	31/03/2022 (Unaudited) RM'000	31/12/2021 (Audited) RM'000
Net Asset Value[(1)] ("**NAV**") (RM'000)	81,976	71,937	196,215	196,820
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)	4.39	3.85	10.50	10.53

Note:

(1) NAV attributable to owners of the Company.

10 Property, plant and equipment

During the financial period ended 31 March 2022, the Group acquired assets amounting to RM44,000 (31 December 2021: RM18,000).

11 Investment in subsidiaries

	Company	
	31 March 2022 (Unaudited) RM'000	31 December 2020 (Audited) RM'000
Unquoted equity shares, at cost	1,229,000	1,229,000
Less: Impairment loss	(1,029,000)	(1,029,000)
Carrying amount	200,000	200,000

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

	Company	
	31 March 2022 (Unaudited) RM’000	31 December 2021 (Audited) RM’000
At beginning of the period	1,029,000	417,168
Addition	-	611,832
At end of the period	1,029,000	1,029,000

12 Development properties

	Group	
	31 March 2022 (Unaudited) RM’000	31 December 2021 (Audited) RM’000
Completed properties held for sale:		
- completed properties (i)	205,058	217,129
Properties in the course of development (on-going projects):		
- properties for development representing mainly development cost, at cost (ii)	123,380	120,152
	328,438	337,281

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 March 2022 (Unaudited) RM’000	31 December 2021 (Audited) RM’000
Completed properties held for sale:		
- aggregate costs incurred	221,644	234,745
- allowance for foreseeable losses	(16,586)	(17,616)
	205,058	217,129

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

	Group	
	31 March 2022 (Unaudited) RM’000	31 December 2021 (Audited) RM’000
At beginning of the period	17,616	19,701
Reversal of foreseeable loss on development properties sold at above carrying amount	(1,030)	(2,085)
At end of the period	16,586	17,616

(ii) Securities

On 12 April 2017, a subsidiary of the Company, APSB has entered into a loan agreement with China State Construction Engineering (M) Sdn Bhd ("**CSCE**") and as a security under the loan agreement, a lien holder caveat has been created on certain lands owned by Saling Syabas Sdn Bhd ("**SSSB**") which owns 49.0% of Bukit Pelali Properties Sdn Bhd ("**BPPSB**"). SSSB is owned by the controlling shareholder of the Company, Dato' Malek. The said lands are located in BPP, which the Group has the sole and exclusive development rights to develop its development properties. On 29 November 2021, APSB and CSCE has entered into the 2021 Settlement Agreement (as defined herein). As at the date of this announcement, 4 land parcels located in BPP remain secured to CSCE in accordance with the terms of the 2021 Settlement Agreement (as defined herein). As at 31 March 2022, the Group had incurred and recorded RM36,512,700 (31 December 2021: RM40,264,000) in development properties for the share of master infrastructure costs on the said lands.

For more details, please refer to Note 16 of the condensed interim consolidated financial statements of the Group.

13 Asset held for sales

On 14 January 2022, APSB has entered into SPA with 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 "**Land**"). 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 carrying amount of asset held for sale as at 31 March 2022 was RM115.40 million (31 December 2021: RM115.40 million). Following the receipt of approval from shareholders of the Company on the Proposed Disposal at the extraordinary general meeting held on 12 April 2022, the Proposed Disposal will be completed upon full settlement of the Balance amount.

14 Share capital

	31 March 2022			31 December 2021		
		Amount			Amount	
	Number of shares	Group RM'000	Company RM'000	Number of shares	Group RM'000	Company RM'000
At beginning and end of the period	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 March 2022 and 31 December 2021.

There were no outstanding convertibles as at 31 March 2022 and 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2022 and at 31 December 2021.

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 March 2022.

15 Lease liabilities

	Group	
	31 March 2022 (Unaudited) RM'000	31 December 2021 (Audited) RM'000
Amount repayable within one year or on demand:		
- Secured	65	91
- Unsecured	221	218
Amount repayable after one year:		
- Secured	11	16
- Unsecured	335	392
	632	717

The Group's hire purchase financing facilities of RM587,000 (31 December 2021: RM692,000) are secured by its underlying assets.

16 Trade and other payables

	Group		Company	
	31/03/2022 (Unaudited) RM'000	31/12/2021 (Audited) RM'000	31/03/2022 (Unaudited) RM'000	31/12/2021 (Audited) RM'000
Trade payables	178,811	207,084	-	-
Other payables	18,413	7,045	844	732
Accrued land costs	3,287	3,391	-	-
Accrued transaction costs	11,287	10,957	-	-
Accrued expenses	19,468	17,703	-	-
	231,266	246,180	844	732

2021 Settlement Agreement with China State Construction Engineering (M) Sdn Bhd

(a) 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.

(b) 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 High Court of Malaya at Johor Bahru 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 in the Kuala Lumpur High Court.

(c) 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 which was paid on the same day which the 2021 Settlement Agreement was entered into;

(ii) RM5,000,000 which was paid on 14 December 2021 following the receipt of the Consent Judgment;

(iii) RM900,000 which was paid on 25 January 2022;

(iv) RM900,000 which was paid on 16 February 2022;

(v) RM900,000 which was paid on 28 March 2022; and

(vi) RM900,000 which was paid on 25 April 2022,

and accordingly, an amount of RM30,473,120 remains outstanding under the 2021 Settlement Agreement.

17 Loans and borrowings

	Group	
	31 March 2022 (Unaudited) RM'000	**31 December 2021 (Audited) RM'000**
Amount repayable within one year or on demand:		
Secured		
Bank overdraft	11,932	11,899
	11,932	11,899

Included in the bank overdrafts is Affin Bank Berhad overdraft facility of RM12,000,000 (31 December 2021: RM12,000,000) for the working capital requirements of the Group, which is secured against a controlling shareholder's fixed deposit of RM12,000,000 (31 December 2021: RM12,000,000).

18 Subsequent events

On 12 April 2022, the shareholders of the Company have approved the Proposed Disposal at the extraordinary general meeting held on 12 April 2022. The Proposed Disposal will be completed upon full settlement of the Balance amount.

On 19 April 2022, Astaka Development Sdn Bhd, a 99.99%-indirect owned subsidiary, has entered into a joint development agreement with Straits Perkasa Services Sdn. Bhd. in relation to a development of a mixed commercial development project consisting of serviced apartments on a parcel of land on Mukim Tebrau, Tempat Taman Setia Indah, Daerah Johor Bahru, Negeri Johor.

The financial effects of the Proposed Disposal have not been included in these condensed interim consolidated financial statements for the period ended 31 March 2022, and the impact of the Proposed Disposal will be reflected in the 30 June 2023 condensed interim consolidated financial statements and full year financial statements for the financial year ending 31 December 2023. It is expected that the Proposed Disposal will result in an estimated net gain of approximately RM0.6 million, being the excess of the consideration over the carrying amount of asset held for sale as at 31 March 2022 of the Land.

19 Other information

19.1 Review

The condensed interim consolidated statement of financial position of the Group as at 31 March 2022 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 Emphasis of Matter on Going Concern in the Independent Auditor's report, the latest financial statements of the Group were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

19.3 Review of performance of the Group

Consolidated statement of profit or loss and other comprehensive income

Revenue

The increase in revenue for the three months ended 31 March 2022 ("**3M2022**") as compared to the three months ended 31 March 2021 ("**3M2021**") was mainly due to the 11 contra properties transferred to one of the main contractors in 3M2022 which was considered as sales to third party as further elaborated under Note 2.

Cost of Sales and Gross Profit

Cost of sales was positive in 3M2022 due to (i) cost recovery from the relevant government authority of approximately RM7.3 million which the relevant government authority has approved the claim and the Company has received the said amount in April 2022, and (ii) cost saving of approximately RM6.1 million arising from the signed final account for Menara Majlis Bandaraya Johor Bahru project.

As a result of the positive cost of sales, the Company recognised a gross profit in 3M2022 as compared to a gross loss in 3M2021. In addition, gross loss in 3M2021 was mainly due to (i) additional contribution of RM670,000 to the authority for the purposes of tapping into the existing sewerage treatment plant, and (ii) additional cost relating to desilting works of RM267,000 at the BPP site as a result of the heavy rainfall in 3M2021. Excluding the reversal of foreseeable loss on development properties and the abovementioned cost saving, cost recovery and additional costs, gross profit in 3M2022 would have been approximately RM1.6 million as compared to gross profit of RM0.4 million in 3M2021.

Other Income

Other income mainly due to rental income received in 3M2022.

Finance Income

The decrease in finance income in 3M2022 as compared to 3M2021 was mainly due to lesser interest received from fixed deposit placements from a financial institution.

Expenses

The increase in selling and distribution expenses in 3M2022 as compared to 3M2021 was mainly due to the Group stepping up its marketing efforts such as organising of events and roadshows following the full reopening of all economic sectors in Malaysia in October 2021.

The administrative expenses increased in 3M2022 was mainly due to the following:

i. quit rent and assessment of RM1.03 million (3M2021: RM0.68 million);
ii. professional and legal fee of RM0.62 million (3M2021: RM0.37 million);
iii. manpower costs of RM1.49 million (3M2021: RM1.39 million);
iv. office expenses of RM0.14 million (3M2021: RM35,000); and
v. liquidated ascertained damages of RMNil (3M2021: over provision of RM0.65 million).

However, the increase in administrative expenses in 3M2022 was partially offset by a decrease in:

i. depreciation of PPE of RM98,000 (3M2021: RM129,000);
ii. insurance of RM68,000 (3M2021: RM75,000);
iii. management fee and sinking fund of RM0.19 million (3M2021: RM0.44 million).

Other expenses decreased in 3M2022 as compared to 3M2021 mainly due to the absence of provision of late payment interest on outstanding amount owing to CSCE pursuant to the 2021 Settlement Agreement.

In 3M2022, the Group's finance costs relate mainly to (i) bank overdraft interest which amounted to approximately RM0.16 million, and (ii) interest expenses in relation to the loan agreements entered into by APSB, a subsidiary of the Company, with Dato' Malek and its associated company, DMR Holdings which in aggregate, amounted to approximately RM2.09 million. The increase in interest expenses in relation to the loan agreements for 3M2022 as compared to 3M2021 was mainly due to the additional unsecured loan obtained from DMR Holdings at the interest rate of 8% per annum.

Despite posting a net profit in 3M2022, no income tax expense was recorded due to unutilised tax losses carried forward from prior years.

As a result of the abovementioned, the Group recognised a net profit after tax of RM9.7 million in 3M2022 as compared to a net loss after tax of RM6.9 million in 3M2021.

Consolidated statement of financial position

PPE decreased by RM54,000 from RM810,000 as at 31 December 2021 to RM756,000 as at 31 March 2022. 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 RM8.8 million from RM337.3 million as at 31 December 2021 to RM328.4 million as at 31 March 2022. The decrease was due to the sale of completed properties for The Astaka and BPP.

Decrease in contract assets as at 31 March 2022 was due to progress billing issued for BPP projects.

Trade and other receivables increased by approximately RM7.8 million from RM20.5 million as at 31 December 2021 to RM28.3 million as at 31 March 2022 which was mainly due to cost recovery from the relevant government authority of approximately RM7.3 million which the relevant government authority has approved the claim and the Company has received the said amount in April 2022.

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 RM14.9 million from RM246.2 million as at 31 December 2021 to RM231.3 million as at 31 March 2022, which was mainly due to payments made during the financial period. The decrease was partially offset by the receipt of first 10% deposit pertaining to the SPA entered into with SHSB for the Proposed Disposal. The sale consideration for the Proposed Disposal is RM116.0 million.

Amount due to related parties increased by approximately RM1.9 million from RM148.5 million as at 31 December 2021 to RM150.4 million as at 31 March 2022, which was mainly due to interest charged on the loan facilities provided by Dato' Malek and its associated company, DMR Holdings, at the interest rate of 8% per annum. 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 repayment to the related party during the financial period.

The current and non-current lease liabilities decreased by approximately RM85,000 from RM717,000 as at 31 December 2021 to RM632,000 as at 31 March 2022. This was mainly due to the 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 was due to the additional drawdown of bank overdraft to finance the Group's property development projects and working capital.

Current tax liabilities were recorded as a result of profit recorded by BPPSB in financial period ended 31 December 2021.

The Group has recorded an increase of net current assets from RM75,501,000 as at 31 December 2021 to RM85,146,000 as at 31 March 2022.

<u>Consolidated statement of cash flows</u>

The Group reported a net cash flow generated from operating activities of approximately RM2.3 million as at 31 March 2022. This was primarily due to receipt of first 10% deposit of RM11.6 million pertaining to the SPA entered into with SHSB for the Proposed Disposal during the financial period. However, this was partially offset by the repayments made to trade and other payables during the financial period.

Net cash flow used in investing activities of approximately RM36,000 was mainly due to acquisition of PPE as at 31 March 2022. The aforesaid was partially offset by the interest received from financial institution.

Net cash flow used in financing activities of approximately RM3.2 million as at 31 March 2022 was mainly due to the repayment to affiliated corporations, repayment of trade and other payables and lease liabilities as well as interest paid.

Included in the year-to-date ("**YTD**") March 2022 cash and bank balances is an amount of approximately RM806,000 (YTD March 2021: RM989,000) 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

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

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 full re-opening of the Malaysia's international borders to travellers on 1 April 2022 is boding well for the Malaysian economy as tourists continue to stream in, particularly from Singapore. The removal of strict quarantine and testing requirements saw over 33,000 travellers crossing the Malaysia-Singapore land border on the first day of the re-opening[1]. Singaporean tourists in the pre-pandemic period had spent approximately RM21 billion in total based on 2019 figures[2], and the situation is expected to improve and return to pre-pandemic levels as the pandemic situation continues to stabilise.

The positive development of Malaysia's National Recovery Plan has restored the confidence of investors in the overall recovery of the nation's economy. While the volume of property transactions in Johor, Malaysia decreased slightly by 1.9% for the first nine months of 2021 over the same period in 2020, the value of these transactions had increased by 8.5% to reach RM12.3 billion from RM11.4 billion[3]. This demonstrates the willingness of home seekers to invest and purchase properties with greater convenience and accessibility at a premium as the pandemic continues to shift the demands of these home seekers. This is further aided by the various incentives introduced by the Malaysian government, such as removal of Real Property Gains Tax (RPGT) and the Housing Credit Guarantee Scheme, which are expected to further invigorate the Malaysian residential property market. Together with the current low interest-rates for home financing, these factors will help to motivate house buying interests for home seekers in Malaysia.

In tandem with the re-opening of international borders, the Malaysia property market, in particular Johor and Kuala Lumpur, has also demonstrated signs of rebound with Malaysian expats in Singapore and Singaporeans expected to increase their property purchases. The re-opening of borders has helped to ease the accessibility for both countries and this will help to increase the attractiveness of Malaysian properties for Singaporeans. With the reduced housing supply and property prices in Singapore rising by 10.6% in 2021, property buyers in Singapore may seek alternatives in Malaysia as a result of Singapore's high property prices[4].

With the Malaysian government looking to fully transition into the endemic living approach, it has helped to improve the general sentiments of the overall Malaysian economy and the property market. As the Malaysian economy continues to gradually stabilise, the Group has seen a surge in demand and enquiries for its various development projects from both domestic and international home seekers. Moving forward, the Group will continue to build on its strong start in 2022 to seek out further viable and suitable development opportunities to further expand its business and portfolio.

With regards to the operational front, the Group has also continued to build on its ongoing efforts towards the resumption of trading of its shares on SGX in the near future.

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[1] The Straits Times – Over 33,000 people cross Causeway, Second Link since midnight reopening (https://www.straitstimes.com/singapore/transport/over-33000-people-and-counting-cross-causeway-second-link-since-midnight-reopening)

[2] The Malaysian Reserve - Retail, hospitality to benefit from Singapore-Malaysian open border (https://themalaysianreserve.com/2022/04/04/retail-hospitality-to-benefit-from-singapore-malaysian-open-border/)

[3] New Straits Times - Johor – Steady recovery in 2022 (https://www.nst.com.my/property/2022/04/786967/johor-%E2%80%93-steady-recovery-2022)

[4] New Straits Times - Property transactions are expected to increase in Johor and Kuala Lumpur as the Causeway reopens (https://www.nst.com.my/property/2022/04/786159/property-transactions-are-expected-increase-johor-and-kuala-lumpur-causeway)

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 3M2022.

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

Not applicable.

(ii) Previous corresponding period (RM'sen)

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

There was no dividend declared or recommended for the current reporting period as the Group intends to conserve cash as working capital of the Company, repay existing creditors and to fund the project pipelines of the Group.

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	RM811,951[(1)]	Not applicable
DMR Holdings	An associate of Dato' Malek	RM1,276,274[(2)]	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 March 2022.

Save for the above mentioned, there were no interested persons transactions of S$100,000 or more for 3M2022.

19.7 Negative confirmation pursuant to Rule 705(5)

On behalf of the Board, we, the undersigned, hereby confirm to the best of their knowledge that nothing has come to the attention of the Board which may render the unaudited condensed interim financial statements for 3M2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lai Kuan Loong, Victor
Non-Executive Chairman and Independent Director

Khong Chung Lun
Executive Director and Chief Executive Officer

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.

19.9 Changes in the composition of the Group

On 28 January 2022, the Group had through its 99.99% indirectly owned subsidiary, incorporated a wholly owned subsidiary, Astaka Development Sdn. Bhd. ("**ADSB**"). The details of ADSB as follows:

Name of Subsidiary	Initial Issued and Paid-Up Share Capital	Place of Incorporation	Principal Activity
Astaka Development Sdn. Bhd.	500,000 Ordinary Shares of RM1.00 per share	Malaysia	Property Development

The incorporation of ADSB was funded through internal resources of the Group and is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the current financial year.

None of the Directors, controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the incorporation of ADSB, other than through their respective shareholdings in the Company.

By Order of the Board

Khong Chung Lun
Executive Director and Chief Executive Officer

28 April 2022
