ASTAKA HOLDINGS

TRANSITIONING FOR GROWTH

ANNUAL REPORT 2022

CONTENTS

This annual report has been prepared by Astaka Holdings Limited (the "Company" or "Astaka") 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 annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made, or reports contained in this annual report.

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

CORPORATE **PROFILE**

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

Astaka Holdings Limited (the "**Company**" or "**Astaka**", together with its subsidiaries, the "**Group**") was listed on the Singapore Exchange through a reverse takeover of E2-Capital Holdings Limited in November 2015.

Founded in 1993, Astaka is a leading integrated property developer based in the Iskandar region of Johor, Malaysia. Today, the Company remains ever-steadfast in its vision of transforming Johor Bahru into a world-class city. It envisions a capital city of contextualized and bold architecture, featuring development plans that inspire communal interactions, and an urban landscape that promotes environmental sustainability.

Astaka's flagship development, One Bukit Senyum, is built on an 11.85-acre* land in the heart of Johor Bahru City Centre. With a gross development value ("**GDV**") of up to RM5.3 billion*, The Astaka @ One Bukit Senyum is an award-winning development featuring residential towers, a five-star hotel, branded residences, serviced apartments, an entertainment hub, an office tower, as well as the headquarters of Johor Bahru's City Council, Menara MBJB. Regarded as a hallmark of a modern mixed-use development, the project is touted to be Johor Bahru's new central business district upon its final-phase to completion.

The Group's second project, Bukit Pelali @ Pengerang, is a 363-acre township located approximately five kilometres from the Pengerang Integrated Petroleum Complex in the south-east of Johor. With an estimated GDV of up to RM2.3 billion, the strata township encompasses residential units and shop offices, along with amenities such as, among others, a clubhouse, a hotel, and a private hospital.

Astaka is continuously exploring new investment opportunities and potential real estate acquisitions, with a primary focus on high-profile or strategically-located land banks. In line with its vision, the Group aspires to build a portfolio of iconic projects across Johor.

**Inclusive of a freehold land measuring 7.65 acres which was intended for the third and final phase of development at One Bukit Senyum ("Phase 3"). The Company has obtained approval from shareholders of the Company on 12 April 2022 for the disposal of Phase 3 and is now in the midst of exploring the possibility to co-develop Phase 3 of the project, together with Dato' Malek or his associate company.*

ONE BUKIT SENYUM

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

11.85*
ACRES

COMPONENTS:

The Astaka and Menara MBJB

**Inclusive of a freehold land measuring 7.65 acres which was intended for the third and final phase of development at One Bukit Senyum ("Phase 3"). The Company has obtained approval from shareholders of the Company on 12 April 2022 for the disposal of Phase 3 and is now in the midst of exploring the possibility to co-develop Phase 3 of the project, together with Dato' Malek or his associate company.*

THE
ASTAKA
ONE BUKIT SENYUM

SOCIAL DINING

1 KM
TO JOHOR CIQ

LAVISH INFINITY POOL

TOWER A
70
STOREYS

PRIVATE DINING

1,020 FEET
ABOVE SEA LEVEL

RECREATION LOUNGE

CIGAR ROOM

TOWER B
65
STOREYS

363
ACRES

BUKIT PELALI @ PENGERANG

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

4,022
RESIDENTIAL UNITS


ARX @OBS
ARX

MILESTONES

1993

Astaka Padu Sdn Bhd was founded in Johor Bahru, Malaysia, by Dato' Daing A Malek Bin Daing A Rahaman.

2003

Astaka Padu Sdn Bhd made its foray into property development through applications to develop plots of land in Iskandar.

2012

Astaka Padu Sdn Bhd acquired land and commenced implementation plan for One Bukit Senyum, engaging GDP Architects to develop The Astaka @ One Bukit Senyum.

2013

Grand launch and construction of The Astaka @ One Bukit Senyum, named tallest residential twin towers in Southeast Asia.

2014

Astaka Padu Sdn Bhd undertook a restructuring exercise; Astaka Padu Limited became the holding company of Astaka Padu Sdn Bhd.

2015

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

The Astaka @ One Bukit Senyum was awarded:

- Best Condo Development (Malaysia) by South East Asia Property Awards (Malaysia) 2015
- Best Luxury Condo Development (South Malaysia) by South East Asia Property Awards (Malaysia) 2015
- People's Choice Awards for Best Luxury High Rise Development by iProperty

2016

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

3 October 2016 – Entered into a joint venture to develop Bukit Pelali @ Pengerang.

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

2017

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

26 July 2017 – One Bukit Senyum conferred node status.

2018

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

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

2019

8 October 2019 – Phase 1A of Bukit Pelali @ Pengerang received Certificate of Completion and Compliance.

11 December 2019 – Menara MBJB received Certificate of Completion and Compliance.

The Astaka @ One Bukit Senyum was awarded:

- Best Residential High-Rise Development and Most Inspiring New Developer 2019 by Des Prix Infinitus ASEAN Property Awards Malaysia.
- Best Residential High-Rise Development in Malaysia 2019 by ASIA Pacific Property Awards.

2020

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

15 August 2020 – Menara MBJB was awarded Best New Green Institutional Building in Leadership in Sustainability Awards 2020 by Malaysia Green Building Council.

17 November 2020 – Phase 2A & 2B of Bukit Pelali @ Pengerang received Certificate of Completion and Compliance.

10 December 2020 – Phase 1B of Bukit Pelali @ Pengerang received Certificate of Completion and Compliance.

2021

26 November 2021 – Menara MBJB was awarded Green Building Index by Malaysia Green Building Index (GBI) Accreditation Panel.

13 December 2021 – Astaka Holdings Limited to provide Project Marketing Consultancy Services to Active Estates Sdn Bhd.

2022

24 January 2022 – Memorandum of understanding entered into with DMR Holdings Sdn Bhd to jointly develop approximately 42 acres of land in Johor, Malaysia with a total estimated gross development value in the region of RM1 billion.

19 April 2022 – Joint development agreement entered into with Straits Perkasa Services Sdn Bhd to jointly develop a mixed-used commercial development project.

AWARDS

A glorious architectural marvel that soars 1,020 feet above sea level. The Astaka is an iconic award-winning development designed by one of the most highly acclaimed architecture firms. One that is built with uncompromising craftsmanship and impeccable detailing. Characterised by its modern facade that adds a touch of elegance to its entire outlook. Your luxurious lifestyle is at the greatest height, with thoughtful design and bespoke quality testified by internationally-recognised award authorities.

green building index™

GOLD CERTIFIED

BCA
BUILDING AND CONSTRUCTION AUTHORITY SINGAPORE
CONQUAS®
BCA Construction Quality Assessment System

SCORE > 80%

THE MALAYSIA BOOK of RECORDS

Tallest Residential Building

MILESTONES

Most Inspiring New Developer

Best Residential High Rise Development

Best Luxury Condo Development South Malaysia

Best Condo Development (Malaysia)

Best Condo in Malaysia

Best Universal Design Development

Best Luxury Condo / Apartment Development

Residential High Rise Development The Astaka Johor Bahru

Interior Design Private Residence The Astaka Johor Bahru

CHAIRMAN'S **STATEMENT**

Dear Shareholders,

On behalf of the Board of Directors ("**Board**") of Astaka Holdings Limited ("**Astaka**" or the "**Company**", and together with its subsidiaries, the "**Group**"), I am pleased to present you our Annual Report for the 12-months financial year ended 31 December 2022 ("**FY2022**").

2022 OVERVIEW

2022 was another tough year for the global economy as it faced a series of interwoven challenges. Inflation took off in early 2022 and was further exacerbated by the unanticipated war between Russia and Ukraine. This prompted the Federal Reserve ("**FED**") to raise rates for the first time in over three years in March 2022. 6 more rate hikes were announced in 2022 with the FED rate increasing by as much as 425 basis points over the course of the year[1].

Despite the international headwinds, things were better in Malaysia. The country's economy grew by 8.7% in 2022 and the easing of Covid-19 restrictions early in the year had resulted in a rebound in private consumption. Besides that, we also saw strong export growth thanks to rising world's commodity prices and growth in manufacturing demand[2]. Meanwhile, gross development product ("**GDP**") growth reported by the state of Johor, where Astaka's projects are located, was estimated at around 6.5% to 7.1% in 2022. It was one of the highest GDP growth rates recorded among the states in the country[3].

In line with the strong economic environment, the housing market also saw a general resurgence. In Johor, the property sector benefitted from the reopening of borders between Malaysia and Singapore in April 2022. The influx of Singaporean tourists boosted the local economy including sectors like entertainment, hospitality, and restaurants. Based on the published data by the National Property Information Centre ("**NAPIC**"), property transaction volume and the transactional value of residential properties in Johor rose by approximately 31% and 35% respectively on a year-on-year basis in the first nine months of 2022[4].

This was reflected in the Group's improved performance in FY2022 where we recorded revenue of Ringgit Malaysia ("**RM**") 79.7 million. Despite the shorter time frame in FY2022 (12 months in FY2022 vs 18 months in FY2021), Astaka managed a 53.3% growth from RM52.0 million reported in FY2021, primarily driven by the increase in sales of property units of our existing projects, The Astaka and Bukit Pelali, Pengerang ("**BPP**"). In tandem with the top line growth, we registered an after-tax profit of RM6.1 million, compared to an after-tax loss of RM22.8 million in the prior financial period.

2023 OUTLOOK

Economy

On a macro level, we are anticipating another difficult year in 2023. A confluence of factors including inflation, continuously rising interest rates, and ongoing geopolitical tussles, are some of the overarching headwinds. Cracks in the United States ("**US**") banking sectors in March 2023 have been spooking fears of a potential recession citing potential knock-on effects for the economy[5].

Zooming in on Asia, prospects seem to be better as economic headwinds dwindle. The rebound of China's economy is helping to improve prospects across the region, with growth expected to increase from 3.8% in 2022 to 4.7% in 2023[6]. The reopening of the world's

[1] https://www.federalreserve.gov/monetarypolicy/openmarket.htm
[2] https://www.spglobal.com/marketintelligence/en/mi/research-analysis/malaysia-records-buoyant-gdp-growth-in-2022-feb23.html#:~:text=The%20Malaysian%20economy%20showed%20rapid,a%20rebound%20in%20private%20consumption.
[3] https://www.theedgemarkets.com/node/658469
[4] https://napic.jpph.gov.my/portal/web/guest/main-page?p_p_id=ViewStatistics_WAR_ViewStatisticsportlet&p_p_lifecy%20cle=0&p_p_state=normal&p_p_mode=view&p_p_col_id=column-2&p_p_col_count=1&_ViewStatistics_WAR_ViewStatisticsport-let_action=renderAllCategories
[5] https://citywire.com/new-model-adviser/news/svb-collapse-heightens-us-recession-risks/a2411668
[6] https://www.imf.org/en/Blogs/Articles/2023/02/20/asias-easing-economic-headwinds-make-way-for-stronger-recovery

second largest economy will ease pandemic supply chain disruptions and boost service sectors.

While market uncertainties are certainly higher than usual given the interconnectedness of the global economy, Bank Negara Malaysia (the Central Bank of Malaysia) has affirmed that the country is not expected to enter a recession in 2023[7]. Growth, however, is expected to be moderate after coming off from a strong recovery in 2022. Domestic demand will remain a key growth driver given the slowing global demand in 2023. Notwithstanding, a highly challenging and uncertain global environment will pose risks to domestic growth going forward. The Ministry of Finance ("**MoF**") of Malaysia has forecasted the nation's GDP to grow by 4.5% in 2023[8], even as the World Bank warned about the global economy being "perilously close" to falling into recession this year.

Malaysia, particularly its tourism sector, is set to benefit from China's reopening. Prior to Covid-19, Chinese tourists contributed some RM15.3 billion or 17.8% of Malaysia's total tourist receipts in 2019[9]. A vibrant tourism sector will catalyse growth in other supporting sectors like the hotel/restaurant/catering ("**HORECA**") industry. In Johor, international tourist arrivals are expected to hit 8 million in 2023, which was revised upward from its previous target of 5 million[10]. Apart from the return of Chinese tourists, the reopening of the Johor-Singapore causeway in the first half of 2022 will continue to be beneficial to the state's tourism industry in 2023.

Property Sector and Astaka

A booming tourism industry has, more often than not, given rise to higher property values and housing demand. Some of the reasons include a stronger local economy that subsequently leads to higher spending power, improved infrastructure investment by the local governments and private sectors, and higher demand for vacation homes and short-term homestay. Thus, we are expecting the sector recovery momentum to persist in 2023.

Given the positive outlook in Johor, the Group expects property sales in FY2023 to be commendable. Other than enhanced marketing for our existing projects, we are also planning to launch Aliva @ Mount Austin, a new commercial mix-used development in Johor Bahru in the second half of 2023. The project is estimated to have a gross development value ("**GDV**") of RM160.0 million.

Other than that, several Government incentives could potentially stimulate the housing industry. Some of the policies announced under the Budget 2023 include the extension of full stamp duty exemption for houses up to RM500,000 until the end of 2025 and the increase in stamp duty exemption rate to 75% for houses valued up to RM1 million[11].

There remain, however, several opposing factors that could negate these tailwinds. Malaysia's Overnight Policy Rate is, as of March 2023, standing at 2.75%, 100 basis points higher than in March 2022[12]. The rising interest rate environment has resulted in higher leveraging costs, which puts pressure on both the Group's own finance costs and our customers' borrowing costs. Other than that, elevated input costs and the prevailing manpower shortages continue to burden the supply-side operations.

RESUMPTION OF TRADING STATUS

The Group is working hard towards the resumption of our trading status on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). As per our announcement on 23 August 2022, the SGX-ST has no objection to our application of an extension of time of up to 30 September 2023 to submit our updated trading resumption proposal. The Board will continue to provide monthly updates through the SGXNet on the Company's operations and progress in meeting key milestones for submission of the updated trading resumption proposal to the SGX-ST.

[7]https://www.channelnewsasia.com/asia/malaysia-bank-negara-recession-2023-gdp-growth-highest-2000-3269041
[8]https://www.thestar.com.my/business/business-news/2023/02/24/budget-2023-gdp-to-grow-45-in-2023
[9]https://www.thestar.com.my/business/business-news/2023/02/20/boost-from-china-reopening
[10]https://www.thestar.com.my/metro/metro-news/2023/01/31/johor-revises-target-to-eight-million-international-tourists
[11]https://www.bernama.com/en/business/news.php?id=2168889#:~:text=The%20government%20has%20decided%20that,valued%20up%20to%20RM1%20million.
[12]https://www.bnm.gov.my/monetary-stability/opr-decisions

BOARD MEMBERSHIP UPDATE

On 24 March 2023, Mr. Lee Gee Aik has been re-designated from Independent and Non-Executive Director to Non-Independent and Non-Executive Director of the Company. Following his re-designation, he had relinquished his role as chairman of the audit committee and a member of the nominating committee, and remains as a member of the remuneration and audit committees.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank Ms. Daeng Hamizah Binti Abd Aziz ("**Daeng Hamizah**") for her six years of service as the Group's Chief Operating Officer. In October 2022, Ms. Daeng Hamizah has left Astaka in pursuit of other personal interests. We wish her the best in her future endeavours.

I would like to acknowledge the management team of Astaka for their commendable performance in the past year. Your dedication in helping us navigate through a rather challenging business condition was pivotal to our recovery in FY2022.

Last but not least, I want to thank our shareholders for your support over the past years, particularly during the tough times. As we go forward, we want to assure you of our commitment to prioritizing value creation for our shareholders.

Mr. Lai Kuan Loong, Victor
Non-Executive Chairman and Independent Director
10 April 2023

Dear Shareholders,

2022 marked a period of recovery for our country, the state of Johor, and Astaka. While we witnessed global headwinds over the course of the year, Malaysia has largely been sheltered and recorded decent growth. In general, the return to normalcy after the Covid-19 pandemic stirred a broad-based revival in the property market and the Group during the financial year.

PERFORMANCE OVERVIEW

Given that all our projects are located in Johor, Astaka benefitted from the recovery of the state's economy following the reopening of borders between Singapore and Malaysia. FY2022 revenue grew by 53.3% to RM79.7 million on the back of higher property sales in both our existing developments, The Astaka and Bukit Pelali, Pengerang. Accordingly, our bottom line also rebounded from an after-tax net loss of RM22.8 million in FY2021 to an after-tax net profit of RM6.1 million in FY2022.

In line with the revitalised business conditions, we successfully reduced our net cash used in operating activities from RM35.9 million in FY2021 to RM9.4 million in FY2022. Looking at our balance sheet, we managed to pare down our amount due to related parties from RM148.5 million (as of 31 December 2021) to RM113.2 million (as of 31 December 2022). Besides that, we also reduced our trade and other payables by approximately RM40.1 million following the payment made to, and the sale and transfer of contra properties to our contractors. Net asset value per share increased from RM3.85 cents as at 31 December 2021 to RM4.27 cents as at 31 December 2022.

EXISTING DEVELOPMENTS

The Astaka @ One Bukit Senyum

The Astaka @ One Bukit Senyum is our flagship development located in the heart of Johor Bahru City Centre. The award-winning mixed development project is built on an 11.85-acre* land and currently, we have completed Phases 1 and 2 of the project, comprising, Menara MBJB (Johor Bahru Local Council's Tower), an office tower, and an iconic residential tower – the tallest residential building in the Southeast Asia region and the tallest building in Johor Bahru.

Compared to the preceding year, there was an improvement in unit sales in FY2022, due primarily to the reopening of borders and the better state of Malaysia's economy.

Bukit Pelali @ Pengerang

Bukit Pelali @ Pengerang is a 363-acre self-contained strata township located in south-eastern Johor. The project has an estimated GDV of up to RM2.3 billion.

Pengerang is known for its oil and gas hub, the Pengerang Integrated Petroleum Complex ("**PIPC**"). PIPC is seen as a significant economic contributor to the economy of the Pengerang district and Johor in general. In the recent Budget 2023 tabled, the Government has unveiled a plan to improve the highway facilities to Pengerang by constructing an overtaking lane on the Senai Desaru Expressway to alleviate traffic congestion[1]. The eventual enhancement is great news for us as we believe that this will elevate the property value of Bukit Pelali.

IMPROVED CONNECTIVITY IN JOHOR

Looking ahead, we remain optimistic and excited about the developments that are happening in Johor. The ongoing initiatives by the Government to enhance the infrastructure of the state will drive consistent growth in the long term. In particular, an efficient transportation system brings with it many indirect benefits and economic multiplier effects. Ultimately, we believe that the demand for properties in Johor will grow, along with land and property values.

[1] *https://www.theedgemarkets.com/node/656811*

**Inclusive of a freehold land measuring 7.65 acres which was intended for the third and final phase of development at One Bukit Senyum ("Phase 3"). The Company has obtained approval from shareholders of the Company on 12 April 2022 for the disposal of Phase 3 and is now in the midst of exploring the possibility to co-develop Phase 3 of the project, together with Dato' Malek or his associate company.*

After a delay caused by the Covid-19 pandemic, the Gemas-Johor Bahru Electrified Double Tracking project has achieved a progress of 90.6% as at March 2023, and is expected to be completed in April 2026[2]. The upgraded track spans over 192 kilometres ("**km**") and will reduce train travel time between Kuala Lumpur and Johor to just 3.5 hours[3]. The ease of commute is set to stimulate more economic activities in Johor and, in turn, the income level and purchasing power of Johoreans.

Meanwhile, there has also been good progress in the Johor Bahru-Singapore Rapid Transit System ("**RTS**"). According to Johor Menteri Besar Datuk Onn Hafiz Ghazi, the RTS has achieved a progress of 32.78% as at March 2023 and is expected to be completed by end-2026[2]. The RTS line is a 4km long cross-border railway project connecting the terminal in Singapore at Woodlands North station to the Malaysian terminal at Bukit Chagar, Johor Bahru. Prior to Covid-19, the Johor Bahru-Singapore causeway ("**Causeway**") averaged 300,000 commuters per day[4]. Capable of transporting about 10,000 passengers per hour each way, the RTS will help ease congestion at the Causeway[5]. We believe that this will promote greater mobility between the two countries, and spur business activities further in the long run.

Besides that, there are also other smaller infrastructure projects around Johor that will drive business growth. In early 2023, we witnessed the opening of the Sungai Pulai Bridge, a road that links Gelang Patah, Johor Bahru with Tanjung Bin, Pontian. The new 7.5km bridge will shorten travel time between Tanjung Bin and Johor Bahru to just 30 minutes[6], which is mutually advantageous to the tourism sectors of both districts.

PROJECT PIPELINE

Aliva @ Mount Austin

In 2H 2023, the Group expects to launch Aliva @ Mount Austin, a commercial mix-used development. The project will be jointly developed with Straits Perkasa Services Sdn Bhd ("**Straits Perkasa**"), whom we signed a joint development agreement with in April 2022.

With an estimated GDV of approximately RM160.0 million, the project will be built on a freehold land measuring 2 acres and located within the vicinity of Taman Mount Austin, a vibrant township in Johor Bahru.

With our prior experience with mix-used development in Johor Bahru, we are confident in replicating the success we had with our award-winning project, The Astaka. Given the favourable infrastructure developments underway in and around Johor Bahru, we view this as an opportune time to capitalise on and expand our footprint. This project will further solidify our market position as a prominent integrated property developer in Johor.

The Astaka @ One Bukit Senyum – Phase 3

The Group is in the process of disposing the freehold land intended for the third and final phase of development at One Bukit Senyum ("**Phase 3**") to Seaview Holdings Sdn. Bhd., an associate of our controlling shareholder, Dato' Malek. Following that, we are in the midst of exploring the possibility to co-develop Phase 3 of the project, together with Dato' Malek or his associate company.

We will also be conducting further studies and replanning for Phase 3 of The Astaka in 2023.

To recap, the very first phase of the project was launched back in 2013. After almost a decade, we see the need to head back to the drawing board and make sure our offerings are in tune with the market conditions and demographics of today. Adding to that, the third and final phase of the project will be substantially larger as it covers nearly 70% of the total land area of the township. In our preliminary plan, Phase 3 will comprise an entertainment hub, a Grade-A office building, a five-star hotel, branded residences, as well as service apartments.

In view of the prospects for the Johor property market, we are optimistic about the reception to the eventual launch of the Phase 3 development. As mentioned, the state's economic position is poised to improve once all the important infrastructures come into place. As such, the property market in Johor Bahru will continue to be attractive, if not more, for the decades to come.

[2] *https://www.theedgemarkets.com/node/661189*
[3] *https://www.thesundaily.my/local/gemas-jb-double-tracking-project-now-85-complete-wee-KC10212585*
[4] *https://www.businesstimes.com.sg/singapore/economy-policy/economic-and-social-benefits-rts-link-be-significant-says-ong-ye-kung*
[5] *https://www.channelnewsasia.com/asia/jb-singapore-rts-link-project-track-start-operations-end-2026-3209646*
[6] *https://themalaysianreserve.com/2023/01/20/sungai-pulai-bridge-now-open-to-public/*

APPRECIATION

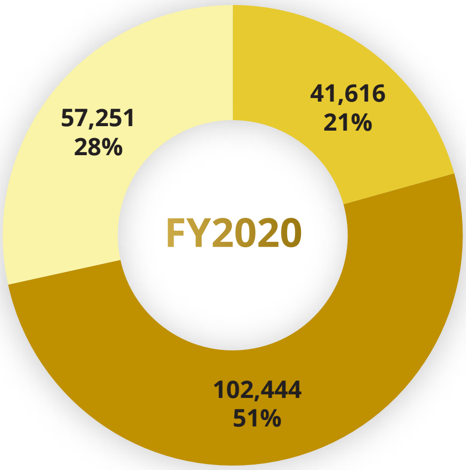
In closing, I would like to commend all our employees at Astaka for their efforts and work done in FY2022. Your dedication and hard work were instrumental to the recovery of the Group. Besides that, I want to also extend my gratitude to all our stakeholders including our business partners and our contractors for your consistent support throughout the years. Last but not least, a big thank you to our valued shareholders for your backing during both good and bad times.

In FY2023, we will continue to be on the lookout for business opportunities that will help broaden our coverage and prominence in Johor. On balance, we are optimistic about the year ahead and look forward to growing side by side with you.

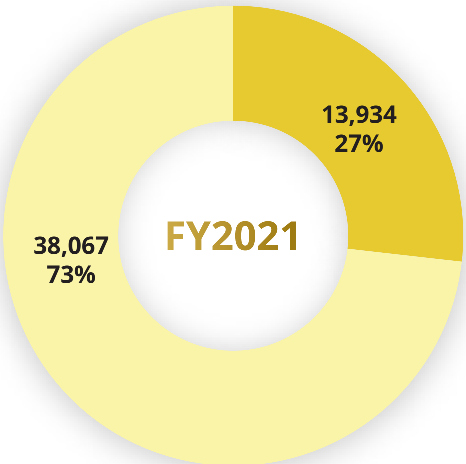
Mr. Khong Chung Lun
Executive Director and Chief Executive Officer
10 April 2023

FINANCIAL **PERFORMANCE**

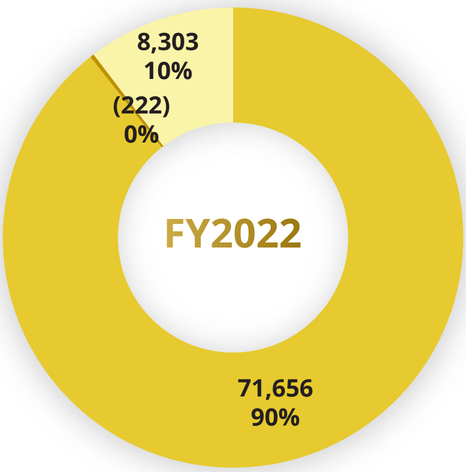
PERFORMANCE BY DEVELOPMENT PROJECTS (RM'000)



Bukit Pelali @ Pengerang

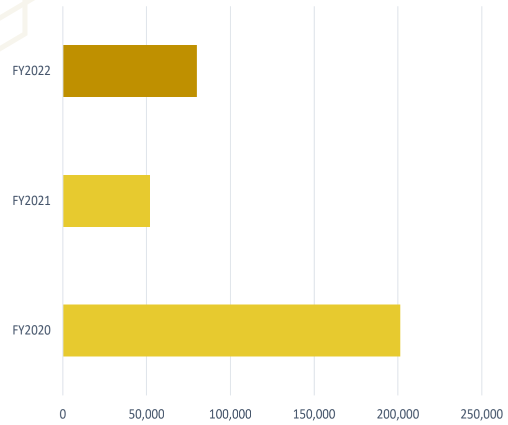


The Astaka @ One Bukit Senyum

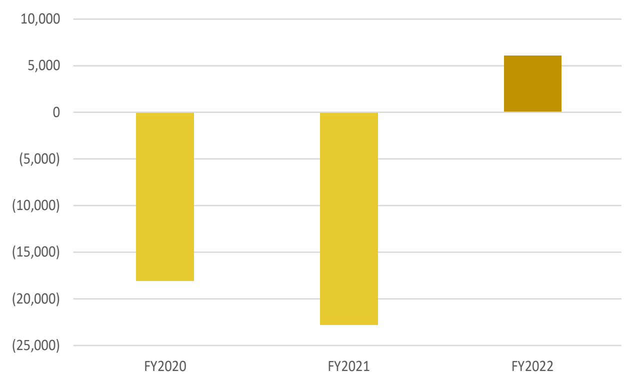


Menara MBJB @ One Bukit Senyum

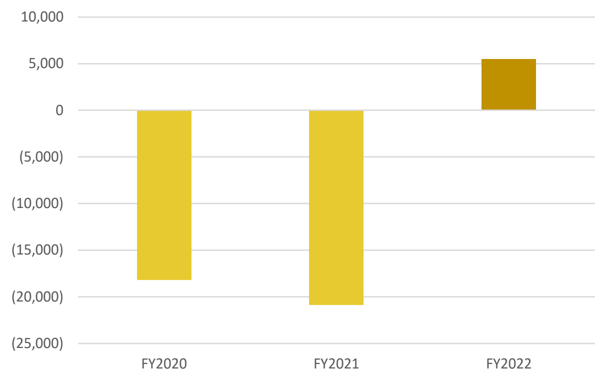
REVENUE
(RM'000)



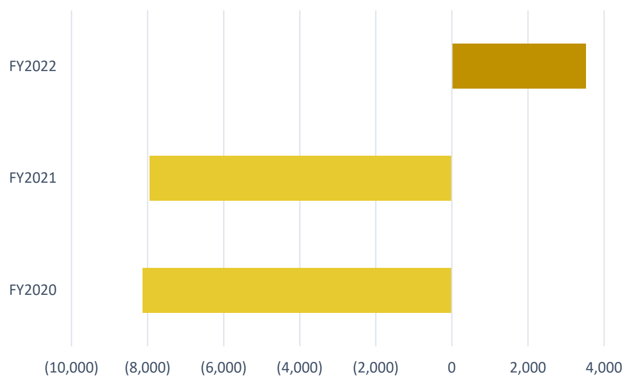
NET PROFIT/(LOSS) AFTER TAX
(RM'000)



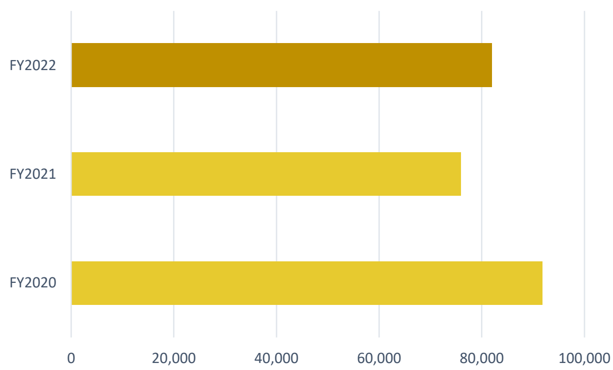
NET PROFIT/(LOSS) BEFORE TAX
(RM'000)



EBITDA[(1)]
(RM'000)



NET ASSETS
(RM'000)



[(1)] *EBITDA = Net profit/(loss) before tax + interest expenses + depreciation of plant & equipment + one-off expenses*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FY2022 and FY2021 Comparison

The figures presented here are not entirely comparable as FY2021 covers an 18-month period from 1 July 2020 to 31 December 2021, whereas, FY2022 covers a 12-month period from 1 January 2022 to 31 December 2022.

Revenue

Astaka recorded revenue of RM79.7 million in FY2022, which was approximately 53.3% higher than the revenue of approximately RM52.0 million attained in FY2021. The increase in our top line was primarily attributed to the reopening of international borders in Malaysia in April 2022 which led to a higher unit sales in our two existing development projects, namely, The Astaka and BPP. In addition to that, we also locked in revenue from a transfer and sale of properties to JBB Builders (M) Sdn. Bhd. and JBB Kimlun Sdn. Bhd.

Cost of Sales and Gross Profit

Consistent with the revenue growth, cost of sales increased by approximately 48.2% from approximately RM35.4 million in FY2021 to approximately RM52.4 million in FY2022. The increase in cost of sales was offset by approximately RM14.4 million in cost savings arising from the adjustment in final project costing.

Gross profit ended approximately 64.2% higher at approximately RM27.3 million in FY2022, compared to approximately RM16.6 million reported a year ago. These figures took into account the reversal of foreseeable loss on development properties, of which the development properties were sold above carrying amount.

Overall, there was an increase in profitability as seen in the improvement in the gross profit margin from approximately 32.0% in FY2021 to approximately 34.3% in FY2022.

Other Income

Other income decreased marginally from approximately RM0.3 million in FY2021 to approximately RM0.2 million in FY2022 primarily due to lesser interest earned on deposits placed with Tenaga Nasional Berhad, no forfeiture of payment from purchasers, and the absence of rental rebate and gain on disposal of property, plant and equipment ("**PPE**") during the financial year.

Expenses

In FY2022, we saw an approximate 40.3% increase in selling and distribution expenses from approximately RM1.2 million to approximately RM1.6 million. With the reopening of Malaysia's international borders, we have stepped up our marketing initiatives during the financial year through events and roadshows held.

Meanwhile, there was a decrease in administrative expenses from approximately RM21.6 million in FY2021 to approximately RM16.9 million in FY2022. The decline in administrative expenses were primarily due to lower manpower costs, maintenance fee and sinking funds.

Other expenses decreased significantly to approximately RM0.6 million in FY2022, compared to approximately RM2.9 million in the prior year, mainly due to the absence of provision of late payment interests on the outstanding amount owing to contractors in FY2022.

The net finance costs decreased by approximately 76.6% from approximately RM12.1 million in FY2021 to approximately RM2.8 million in FY2022 primarily due to a decrease in interest expenses in relation to the loan agreements for FY2022 as compared to FY2021 due to the partial repayment for the loan obtained from our controlling shareholder, Dato' Malek and DMR Holdings Sdn Bhd ("**DMR Holdings**"), and the reversal of overprovision of interest amounting to approximately RM4.2 million on the outstanding amount owing to one of our main contractors.

Profit

The Group reported profit before tax of approximately RM5.5 million in FY2022, which was a turnaround from a loss before tax of approximately RM20.9 million in FY2021. The Group ended the financial year with an after-tax profit of approximately RM6.1 million after accounting for a tax credit of approximately RM0.6 million due to the over provision of income tax in FY2021.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

The book value for PPE decreased from approximately RM0.8 million as of 31 December 2021 to approximately RM0.7 million as of 31 December 2022. The decline was mainly due to the depreciation charged in FY2022, which was partially offset by additions of new PPE and rights-of-use assets.

Development properties decreased by approximately RM59.2 million from approximately RM337.3 million as of 31 December 2021 to approximately RM278.1 million as of 31 December 2022 as a result of the sale of completed properties in relation to The Astaka and BPP.

Contract assets decreased from approximately RM2.8 million as of 31 December 2021 to approximately RM1.1 million as of 31 December 2022 due to the revenue recognition for the BPP development through progress billing.

Trade and other receivables stood at approximately RM10.4 million at the end of 31 December 2022, compared to approximately RM20.5 million as of 31 December 2021. The decrease was mainly attributed to the increase in the collection amount received from purchasers.

Tax recoverable increased from approximately RM0.2 million as of 31 December 2021 to approximately RM0.8 million as of 31 December 2022. The tax recoverable recorded is in relation to the tax instalments made by the Group.

There was an increase in cash and cash equivalent from approximately RM6.5 million as of 31 December 2021 to approximately RM7.2 million as of 31 December 2022 primarily due to the receipt of approximately RM63.8 million from the sale of a parcel of freehold land in Johor Bahru, Johor ("**Land Disposed**") and advances from affiliated corporations. This was partially offset by the payment made to trade and other payables and the partial loan repayment to our controlling shareholder, Dato' Malek and his associate company, DMR Holdings.

Consequently, the Group ended the financial year with total assets of approximately RM413.8 million, comparatively lower than as at 31 December 2021 of approximately RM483.5 million.

Liabilities

As of 31 December 2022, trade and other payables stood at approximately RM206.1 million, declining by approximately RM40.1 million from a year ago. The decrease was mainly due to the payment made to, and the sale and transfer of contra properties to, our contractors to offset the outstanding payment payable to our contractors. The decrease was partially offset by the receipt of approximately RM63.8 million on the Land Disposed.

Amount due to related parties decreased from approximately RM148.5 million as of 31 December 2021 to approximately RM113.2 million as of 31 December 2022, arising from the partial repayment of loans owed to Dato' Malek and DMR Holdings. These loans were used to finance general corporate expenses and working capital needs.

Current and non-current lease liabilities decreased marginally to approximately RM0.6 million as of 31 December 2022 due to the repayment of lease liabilities. The decrease was partially offset by additions of new rights-of-use assets.

As of 31 December 2022, borrowings remained relatively constant at approximately RM11.9 million due to the drawdown of our bank overdraft facility to finance our property development projects and working capital requirements.

Total liabilities decreased from approximately RM407.6 million as of 31 December 2021 to approximately RM331.8 million as of 31 December 2022.

Accordingly, the Group ended FY2022 with a net asset value per share of approximately RM4.27 cents, compared to approximately RM3.85 cents as of 31 December 2021.

CONSOLIDATED STATEMENT OF CASH FLOWS

In FY2022, Astaka recorded net cash used in operating activities of approximately RM9.4 million primarily due to repayments made to trade and other payables during the financial year. This was comparatively lower than approximately RM35.9 million reported in FY2021.

Net cash generated from investing activities increased from approximately RM3.8 million in FY2021 to approximately RM63.9 million in FY2022, mainly attributed to the proceeds from the Land Disposed in FY2022.

Net cash used in financing activities amounted to approximately RM53.7 million in FY2022. In contrast, the Group recorded a net cash generated from financing activities of approximately RM21.2 million in FY2021. Astaka recorded net cash used in financing activities primarily due to the partial repayment of loans to Dato' Malek amounting to approximately RM33.9 million and the partial repayment to affiliated corporation amounting to approximately RM48.9 million in FY2022. The aforesaid is partially offset by the advances from affiliated corporations of approximately RM40.2 million.

Included in the year-to-date ("**YTD**") December 2022 cash and bank balances is an amount of approximately RM0.8 million (YTD December 2021: approximately RM0.8 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 expenditures have been fully settled.

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

Mr. Lai Kuan Loong, Victor was appointed as Independent Director on 13 November 2019 and was last re-elected on 28 April 2022. He was appointed as the Interim Non-Executive Chairman on 5 February 2020 and was formally appointed as the Independent Non-Executive Chairman of the Board with effect from 1 September 2021. Following the changes to the composition of the Board and Board Committees as announced by the Company on 24 March 2023, Mr. Lai was appointed as the Chairman of the Audit Committee and had relinquished his position as the Chairman of the Nominating and Remuneration Committees. Mr. Lai is presently the Chairman of the Audit Committee, and a member of the Nominating and Remuneration Committees.

Mr. Lai is a practising accountant and is currently the Principal Consultant of CitadelCorp Pte Ltd and a Director of Daiho Energy Services Pte. Ltd, Universal Terminals (S) Pte Ltd. and UT Singapore Services Pte. Ltd. He has over 20 years of professional experience in Corporate Advisory matters and has led and advised on Board and Corporate Governance issues, supporting many listed entities and large privately owned businesses with their corporate actions. Mr. Lai is also a member of the Audit Committee of A*STAR Research Entities.

He is the former Regional Managing Director of Boardroom Limited from 2015 to 2019, serving as the Practice Leader of its Share Registry and Corporate Secretarial professional practices in both Singapore and Hong Kong. His direct client engagements include being the named company secretary for numerous SGX-listed issuers, advising on corporate governance, corporate actions, and compliance with SGX Listing Rules as well as the relevant statutory frameworks. He has an extensive experience in AML/CFT regulatory compliance, having served as the Corporate Services Industry Sector representative for Global Regulatory reviews.

Mr. Lai holds a Bachelor of Accountancy (Honours) degree from the Nanyang Technological University, Singapore. He qualified as a Chartered Accountant with the Institute of Singapore Chartered Accountants in 2002 and is presently a Public Accountant registered with the Accounting & Corporate Regulatory Authority.

Khong Chung Lun
Executive Director and Chief Executive Officer

Mr. Khong Chung Lun was appointed to the Board as Executive Director on 13 November 2019 and was last re-elected on 5 February 2020. He succeeded Dato' Zamani Bin Kasim as Chief Executive Officer on 2 March 2020. Following the changes to the composition of the Board and Board Committees as announced by the Company on 24 March 2023, Mr. Khong had relinquished his position as a member of the Nominating Committee. Prior to these appointments, he was a General Manager of the Group from May 2015 where he oversaw the strategic planning, business development and investments of the Group's projects.

Before joining Astaka, Mr. Khong was the Business Development Manager at Country Garden Real Estate Sdn Bhd, Malaysia from 2012 to 2015.

Mr. Khong has an extensive knowledge in mergers and acquisitions, business development, as well as sales and marketing in the property development industry.

He holds an MBA in Industrial Management and a Bachelor of Engineering (Honours) Degree in Automation and Manufacturing Systems Engineering from Sheffield Hallam University, United Kingdom.

BOARD OF **DIRECTORS**

Lee Gee Aik
Non-Executive and Non-Independent Director

Mr. Lee Gee Aik was re-designated from an Executive Vice Chairman of E2-Capital Holdings Limited (presently, Astaka) to a Non-Executive and Independent Director of the Company on 19 November 2015, and was last re-elected on 28 October 2020. Following the changes to the composition of the Board and Board Committees as announced by the Company on 24 March 2023, Mr. Lee was re-designated as a Non-Executive and Non-Independent Director and had relinquished his positions as the Chairman of the Audit Committee and a member of the Nominating Committee. Mr. Lee is presently a member of the Audit and Remuneration Committees. Besides, Mr. Lee is currently the Chief Financial Officer of AlphaRock Family Office Pte. Ltd., a multi-family office with a capital market services licence.

Mr. Lee is an accountant with many years of experience in accounting, audit and taxation having been with KPMG (Singapore and USA) and as a practising public accountant in Singapore. He also has experience in the hospitality industry with his involvement in an international hotel chain.

Mr. Lee qualified as a Chartered Certified Accountant with The Chartered Association of Certified Accountants, United Kingdom. He also has a Master of Business Administration from Henley Management College, United Kingdom. He is currently a Fellow with The Chartered Association of Certified Accountants, United Kingdom and the Institute of Singapore Chartered Accountants. He is presently an independent director of Anchun International Holdings Limited, Uni-Asia Group Limited and SHS Holdings Limited.

Dato' Sri Mohd Mokhtar Bin Mohd Shariff
Non-Executive and Independent Director

Dato' Sri Mohd Mokhtar Bin Mohd Shariff was appointed as Non-Executive and Independent Director on 13 November 2019 and was re-elected on 28 April 2022. Following the changes to the composition of the Board and Board Committees as announced by the Company on 24 March 2023, Dato' Sri Mohd Mokhtar is presently the Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee.

Dato' Sri Mohd Mokhtar has served the Royal Malaysian Police from 1977 to 2018. He held various senior positions including Chief Police Officer of Johor from January 2008 to April 2015, Director of Narcotics and Crime Investigation Department from April 2015 to September 2017 and Director of Special Branch from September 2017 to May 2018.

Dato' Sri Mokhtar holds a Bachelor of Laws (Honours) degree from the University of Wolverhampton, United Kingdom, and has a Certificate of Legal Practice from the Legal Profession Qualifying Board of Malaysia. He was admitted as an advocate and solicitor of the High Court of Malaya in September 2019.

Dato' Sri Mokhtar is presently an Independent Non-Executive Chairman of TMC Life Sciences Bhd, and an Independent Non-Executive Director of South Malaysia Industries Berhad, MY E.G Services Berhad and Pacific & Orient Berhad.

Ir. Hj. Syarul Izam Bin Hj. Sarifudin
Non-Executive and Non-Independent Director

Ir. Hj. Syarul Izam Bin Hj. Sarifudin was appointed as Non-Independent and Non-Executive Director on 1 April 2022 and was re-elected on 28 April 2022. He is presently a member of the Nominating Committee.

Ir. Hj. Syarul Izam, an engineer by training, has over 20 years of relevant working experiences in real estate planning and development, project management and other related engineering services. Presently, he is the Vice Managing Director of Country Garden Pacificview Sdn. Bhd., where he is responsible for managing and overseeing the development of the Forest City as an integrated residential development in Johor, Malaysia. Prior to this, he held the positions of Senior Project Manager, Special Projects of the Iskandar Regional Development Authority ("**IRDA**") from October 2007 to April 2009 and Vice President of IRDA from April 2009 to January 2015. He is presently a Director of SIS Consultancy (M) Sdn. Bhd. and Worldwide Adventure Sdn. Bhd.

Ir. Hj. Syarul Izam holds a Bachelor of Engineering (Honours) in Civil and Structural Engineering from the University of Bradford, England, as well as a Diploma in Civil Engineering from the University of Technology Malaysia, Malaysia.

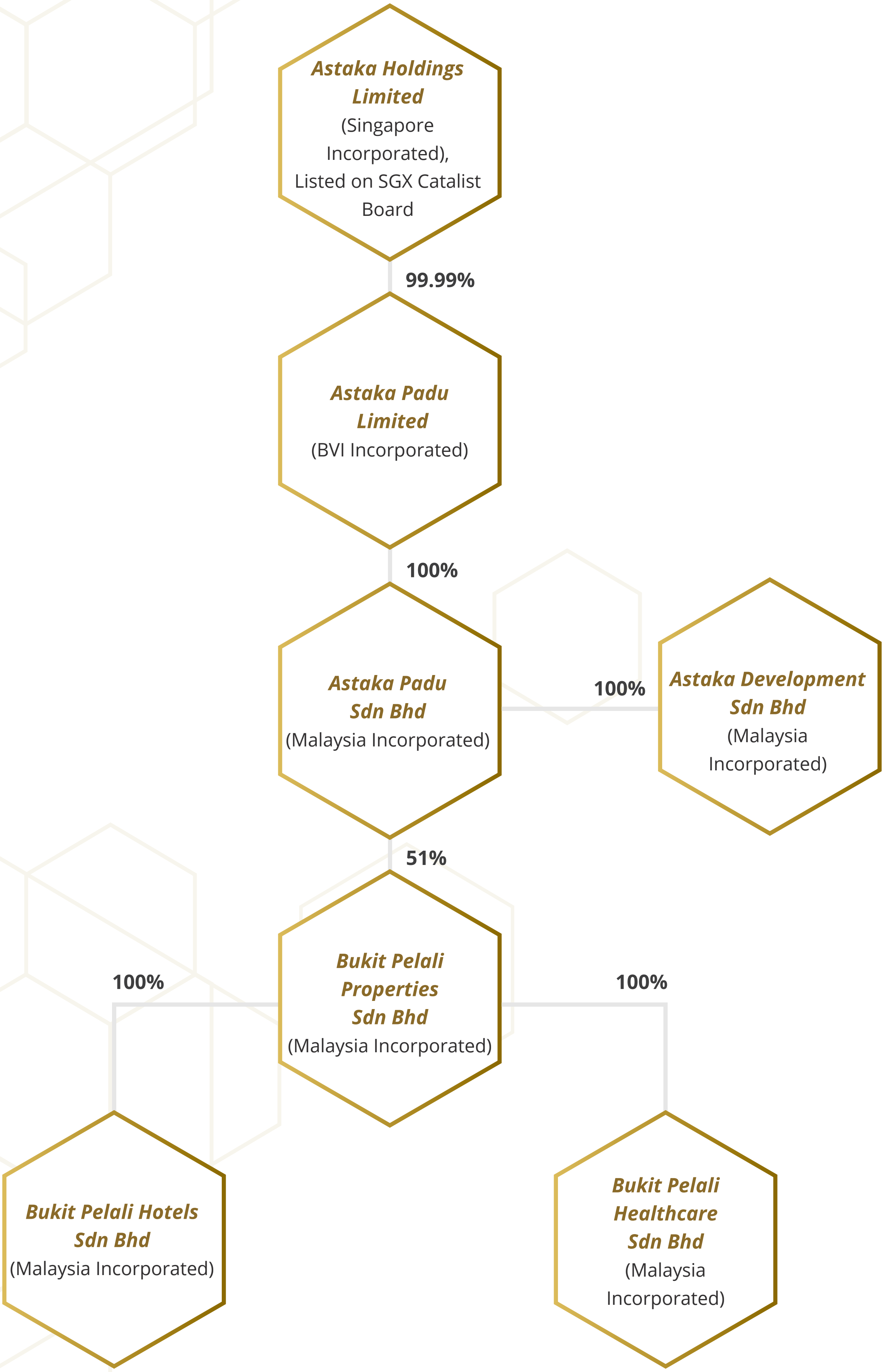
KEY
MANAGEMENT

Ang Siew Peng
Financial Controller

Ms. Ang Siew Peng was appointed as Financial Controller on 18 February 2020. She is responsible for overseeing the overall financial and accounting functions of the Group.

Prior to her appointment, Ms. Ang was the Finance Manager of Country Garden Pacificview Sdn Bhd from 2016 to 2018. Earlier, she joined PSL Holdings Limited as Senior Manager of Corporate Development and Finance from 2012 to 2016, and was responsible for the financial reporting of the group as well as investment opportunities. She was also previously an Audit Assistant Manager of Deloitte & Touche LLP, and the Principal Accountant of National Trades Union Congress (NTUC).

Ms. Ang graduated from the University of Technology, Sydney with a Bachelor of Business degree with a double specialisation in Accounting and Information Technology. She is a Certified Practicing Accountant of CPA Australia.


Astaka Holdings Limited
(Singapore Incorporated), Listed on SGX Catalist Board
99.99%
Astaka Padu Limited
(BVI Incorporated)
100%
Astaka Padu Sdn Bhd
(Malaysia Incorporated)
100%
Astaka Development Sdn Bhd
(Malaysia Incorporated)
51%
Bukit Pelali Properties Sdn Bhd
(Malaysia Incorporated)
100%
Bukit Pelali Hotels Sdn Bhd
(Malaysia Incorporated)
100%
Bukit Pelali Healthcare Sdn Bhd
(Malaysia Incorporated)

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Executive:

- Khong Chung Lun
  (Executive Director and Chief Executive Officer)

Non-Executive:

- Lai Kuan Loong, Victor
  (Non-Executive Chairman and Independent Director)
- Lee Gee Aik
  (Non-Executive and Non-Independent Director)
- Dato' Sri Mohd Mokhtar Bin Mohd Shariff
  (Non-Executive and Independent Director)
- Ir. Hj. Syarul Izam Bin Hj. Sarifudin
  (Non-Executive and Non-Independent Director)

AUDIT COMMITTEE

- Lai Kuan Loong, Victor (Chairman)
- Lee Gee Aik
- Dato' Sri Mohd Mokhtar Bin Mohd Shariff

NOMINATING COMMITTEE

- Dato' Sri Mohd Mokhtar Bin Mohd Shariff (Chairman)
- Lai Kuan Loong, Victor
- Ir. Hj. Syarul Izam Bin Hj. Sarifudin

REMUNERATION COMMITTEE

- Dato' Sri Mohd Mokhtar Bin Mohd Shariff (Chairman)
- Lai Kuan Loong, Victor
- Lee Gee Aik

COMPANY SECRETARY

- Yoo Loo Ping

REGISTERED OFFICE

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Singapore 069535
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81200 Johor Bahru,
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Malaysia
Tel: +607 231 5457
Fax: +607 244 3427

CONTINUING SPONSOR

Novus Corporate Finance Pte. Ltd.
7 Temasek Boulevard,
#18-03B Suntec Tower 1,
Singapore 038987

SHARE REGISTRAR

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

AUDITORS

Mazars LLP
135 Cecil Street,
#10-01 MYP Plaza,
Singapore 069536
Audit Partner-in-charge: Chan Hock Leong, Rick
since financial year ended 30 June 2020

CONTENTS

ASTAKA HOLDINGS

SUSTAINABILITY REPORT
2022

BOARD **STATEMENT**

The board of directors (the “**Board**”) is pleased to present our fifth Sustainability Report for Astaka Holdings Limited (the “**Company**” or “**Astaka**”, and together with its subsidiaries, the “**Group**”). As the Board of the Company, we recognise that we have a responsibility to ensure that Astaka is viable as a business in the long-term, and that the collective wellbeing of our stakeholders and the communities in the markets we operate in is preserved. In order to ensure this, we pay close attention to our economic, environmental, social, and governance (“**ESG**”) impacts. The Board continues to maintain overall responsibility for Astaka’s sustainability strategy and efforts, which includes integrating sustainability issues into our business and strategy, determining the material ESG factors, and overseeing the management and monitoring of those material ESG factors.[1]

As we move into an endemic state of the COVID-19 pandemic, Astaka remains steadfast in its commitment to long-term sustainable value by managing ESG impacts on our business, employees, contracted partners, workers and customers. We do this by considering and incorporating ESG matters in addition to financial matters as part of our strategy formulation and decision-making processes. Testament to our commitment to sustainable growth, we have embarked on our journey to adopt the recommendations of the Task Force on Climate-related Financial Disclosures, which will strengthen our resilience to climate risks.

As Astaka progresses in its sustainability journey, the Board would like to thank all stakeholders for their contributions and ongoing support. This report details our ESG and sustainability efforts for the financial year beginning 1 January 2022 to 31 December 2022. The Board will continue to oversee the management and monitor the material ESG factors identified by the Board, and we look forward to sharing our progress with you in the years to come.

ABOUT **THE REPORT**

REPORTING SCOPE AND BOUNDARY

Astaka’s Sustainability Report (“**SR**”) covers our sustainability performance data and progress for the year beginning 1 January 2022 to 31 December ("**FY**”) 2022. Astaka publishes a SR annually, and the previous year data is included for comparison where relevant. Our previous report for FY2021 covered an 18-month reporting period due to the change in Astaka’s financial year end from 30 June to 31 December. To better facilitate performance comparison, the data included for FY2021 in this SR has been pro-rated for a 12-month period from January 2021 to December 2021 where possible.

This report covers all entities and properties listed in Figure 1, unless otherwise specified. In preparing its SR, Astaka has considered sector-specific sustainability trends, incorporated key stakeholder’s feedback, and taken note of the regulatory landscape and requirements. Please refer to the Sustainability Approach section for further information.

[1]For further information on the responsibilities of the Board and the management in governance of sustainability-related issues, please see the ‘Sustainability Governance’ section.

ABOUT THE REPORT

Figure 1: Reporting scope for FY2022

Entities	Principal activities	Properties developed / under development
Astaka Holdings Limited	Investment holding	N.A.
Astaka Padu Sdn Bhd ("Astaka Padu")	Property development	• The Astaka @ One Bukit Senyum • Menara MBJB
Bukit Pelali Properties Sdn Bhd ("Bukit Pelali")	Property development	• Bukit Pelali @ Pengerang (ongoing development)

REPORTING STANDARDS

This report has been prepared in accordance with the 2021 Global Reporting Initiative ("**GRI**") Sustainability Reporting Standards ("**GRI Standards**"). Where relevant for our identified material matters, we have further drawn on topic-specific standards within the GRI Standards. Where relevant, the Company has also based our disclosures on additional topic-specific recommendations from other sources, such as the Task Force on Climate-related Financial Disclosures ("**TCFD**"). The TCFD sets out recommendations to help organisations to disclose climate-related financial information that would be useful to the stakeholders.

Astaka has selected the GRI Standards as the reporting framework for its systemic and comprehensive sustainability reporting approach. Astaka observed that the GRI Standards are commonly adopted among sustainability leaders across different industries, including property development. By using identical reporting standards with its peers, Astaka can benchmark its sustainability performance, learn from best practices and implement sustainability initiatives more efficiently. For FY2022, Astaka has reported against the required GRI 1 Foundation, GRI 2 General Disclosures, and GRI 3 Material Topic standards. We have also reported against selected topic-specific standards as relevant for our material topics.

In addition, this report complies with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), in particular, the Sustainability Reporting Guide in Practice Note 7F of the Catalist Rules.

REPORTING QUALITY

While we have not sought external assurance, the sustainability reporting process of Astaka has been subjected to an internal review pursuant to Catalist Rule 711B(3). This will allow us to bridge any potential reporting gaps identified and improve the quality of our SR.

Astaka welcomes any feedback and comments as we continuously strive to improve our sustainability performance and disclosures. Any feedback or comments can be directed to Mr Hon Yao Chuan, Deputy Director of Corporate Planning & Communications, at hon.yc@astaka.com.my.

OUR VISION AND CORE VALUES

Figure 1: Reporting scope for FY2022

Vision

To always be the premier real estate company in the country

Core Values

- **Result-Oriented**
- **Pioneer**
  (Dare to transform & be different)
- **Innovative**
  (Mindset, Teams, Iconic Design & Construction Methods)
- **Excellence**
  (Branding, Design, Quality & Customer Relationship)
- **Integrity**

Figure 3: Application of Astaka's core values to stakeholders

ASTAKA'S SUSTAINABILITY GOVERNANCE

Effective governance is crucial to achieve our sustainability targets and ensuring long-term value for our shareholders and stakeholders. To promote transparency, accountability, and effectiveness, Astaka has developed a whole-of-organisation approach and actively involves internal stakeholders in its sustainability agenda.

We remain committed to ensuring that leadership is equipped with the relevant sustainability knowledge to deliver long-term value to stakeholders. In line with this, the Board of Astaka has undergone sustainability training in FY2022, as required by the SGX-ST. Additionally, we believe in the value of including diverse perspectives in the workplace. The Nominating Committee ("**NC**") is responsible for reviewing and monitoring the Board Diversity Policy, including the setting of targets, plans, and timelines and shall report to the Board on such progresses. Under our Board Diversity Policy, the NC and the Board regularly review the size and composition of the Board, as well as succession planning and gender diversity and refreshment of the Board.

Figure 4: Astaka's sustainability governance structure

- Sets the overall sustainability direction and provides guidance to the SSC
- Determines and validates material ESG matters
- Oversees the management of sustainability performance and progress

*CFO or equivalent

SSC is led by the CEO, and:

- Reviews sustainability-related processes and policies
- Assesses and manages sustainability performance and progress
- Reviews sustainability initiatives and practices
- Reports material sustainability developments and progress to the Board of Directors yearly

- Develops and implements sustainability initiatives and projects
- Designs sustainability-related processes and policies
- Monitors and maintains records of sustainability-related data
- Prepares annual SR and reports sustainability progress to the SSC yearly

SUPPLY CHAIN MANAGEMENT

As a socially and environmentally responsible property developer, Astaka aims to engage local contractors and suppliers that have a sound track record of compliance with local legislations and regulations.

To incorporate best practices into our supply chain management, we encourage our building contractors to conform to internal quality, health and safety, and environmental management systems' standards such as ISO9001, OHSAS 18001 and ISO4001 respectively. Should any breaches with local regulations be identified, the project team will engage with contractors to promptly resolve matters with the relevant parties. The Group also encourages contractors to exercise precautionary measures to anticipate, avoid and mitigate environmental pollution and social disruption to the local communities.

Figure 5: Astaka's environmental and social requirement for contractors

Environmental

Contractors shall take adequate precautions to avoid:

- Noise pollution
- Soil pollution
- Water pollution
- Air pollution

Contractors shall implement necessary measures for:

- Waste management
- Tree protection
- Mosquito prevention
- Pest control and prevention
- Silt trap protection
- Flood prevention

The Contractor shall conduct Environmental Impact Assessments whenever required.

Social

Contractors shall take adequate precautions to avoid:

- Injuries
- Property damage
- Open burning
- Theft

Contractors shall implement necessary measures for:

- Site safety and occupational health
- Prevention against COVID-19
- Public security
- Traffic control
- Maintenance of public and private road and footpaths
- Site fire prevention

STAKEHOLDER ENGAGEMENT

Astaka's stakeholders are those who are affected by, or can affect Astaka's business operations, ESG performance and long-term business plans. Astaka strongly believes that engaging our key stakeholder groups and addressing their needs is critical to sustaining the Company's long-term success.

We base the frequency of engagement with our stakeholder groups on two timeframes – immediate or occasional, depending on the nature and urgency of their needs and concerns. Stakeholder inputs have also been considered in the development of our sustainability strategy, policies and initiatives.

The table below summarises our approach to stakeholder engagement.

Figure 6: Key stakeholder groups and engagement

Stakeholder Group	Key Concerns	Engagement Frequency	Engagement Means	Our Responses
Investors Investors are key capital contributors to Astaka. All investors have the right to share feedback and receive timely updates.	• Business operations and performance • Business strategy and outlook	Occasional	• Release of ESG results, announcements, press releases and other relevant disclosures through SGXNet and Astaka's website • General Meetings	The Group keeps investors informed on significant developments regarding the business activities. The Group also invites substantial and relevant questions from shareholders, to be addressed by the Directors and Management, before the General Meetings.
Suppliers Astaka's ESG commitments and contractual obligations can only be fulfilled with the support of our suppliers.	• Health and safety • Business performance	Occasional	• Regular meeting with suppliers (e.g., contractors and consultants)	The Group integrates our environmental, social and governance aspects in our terms of contract which suppliers are required to comply with. Please refer to the Supply Chain Management section on pg. 34 for further information.
Employees As Astaka's main success engine, employees deserve absolute respect and occupational care.	• Fair remuneration and opportunities • Career development • Employee good health and wellbeing • Competency and technical training	Immediate	• Training programmes • Induction for new employees • Team building and staff activities • Half-yearly performance appraisals	The Group stands firm against any form of discrimination in our organisation. Our Human Resource ("**HR**") team develops a yearly training calendar to address targeted needs of our employees. Please refer to the Talent Management and Development section on pg. 44 for further information.

Stakeholder Group	Key Concerns	Engagement Frequency	Engagement Means	Our Responses
Local Communities Astaka strives to create long-term value and minimise negative impacts on the local communities in the areas where we operate.	• Community Investments	Immediate	• Contributions to support various philanthropic, community and charitable causes	The Group actively strives to give back to the local community. In FY2022, the Group carried out 2 Corporate Social Responsibility ("**CSR**") events and provided RM0.49 million in donations and sponsorships. Please refer to the Local Communities section on pg. 45 for further information.
Regulators Astaka is committed to regulatory compliance, in order to maintain a fair and just business operating system.	• Compliance with mandatory reporting requirements	Occasional	• Ongoing communication and consultation • Training and updates of the latest changes in laws, regulations and accounting reporting standards, including but not limited to the ESG training attended by the directors of Astaka, as required under the Catalist Rules	Astaka strives to be in compliance with all applicable laws and regulations in its operations. There were no cases of significant incidences of non-compliance in FY2022. Please refer to the Compliance section on pg. 51 for further information.

MATERIALITY ASSESSMENT

In FY2020, we appointed an external consultant to facilitate a materiality reassessment, which reviewed our existing material ESG matters for the period of FY2020 to FY2022[1]. This was done through a focus group workshop with the senior management and various head of department to take into consideration the views of both internal and external stakeholders. The identified material ESG matters were then validated by the Board.

We will continue to review our material topics annually to ensure relevance to our business, operating landscape, and the relevant sustainability trends.

Figure 7: Material matters for reporting

Astaka ESG matters

Material ESG matters	**Key stakeholders impacted**
Economic Performance	All Key Stakeholders
Talent Management and Development	Employees
Local Communities	Local communities where we operate
Energy Management	Investors, regulators and tenants
Compliance	Investors, regulators
Occupational Health and Safety	Employees, customers, suppliers and contracted workers
Water Management	Investors, regulator and tenants

**Refer to figure 6 for the full list of our key stakeholders*

[1]For further details on the materiality assessment process (including process of identification, prioritisation, validation and review), please refer to page 33 of Sustainability Report 2020, available at https://astaka.com.my/wp-content/uploads/2020/10/AHL-Sustainability-Report-2020.pdf

MOVING TO A COVID-19 ENDEMIC STATE

As the world emerges from the global pandemic, restrictions in Malaysia were gradually lifted in April 2022. While FY2022 has seen a resumption of many normal activities, Astaka has updated and implemented our Business Continuity Plan. To ensure that the health and safety of our employees and workers are maintained, we have implemented certain preventive measures that are in line with government regulations, such as providing surgical masks and hand sanitizer to all employees.

OUR SUSTAINABILITY POLICY

The Group aspires towards building sustainable developments and ensuring long term value for our stakeholders. We have dedicated resources focused on making this aspiration a reality and we intend to continue to do the following:

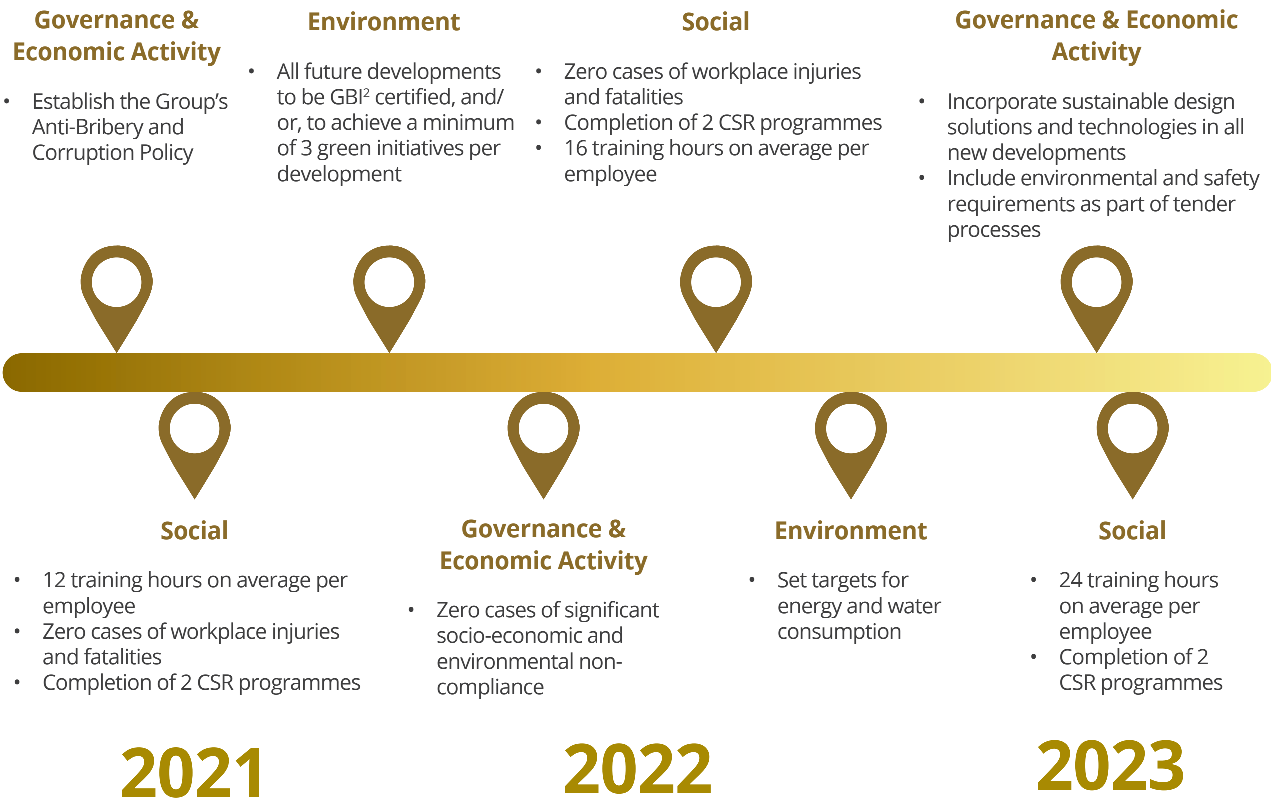
<u>Sustainable performance and operations</u>
- To explore opportunities to implement design and technological solutions that are beneficial to the environment and communities while allowing us to deliver enhanced performance
- To cultivate a sustainability-centric culture within Astaka by spreading awareness and educating our employees through various communication channels
- To comply with all applicable environmental and socio-economic regulations applicable to the Group

<u>Strong relationships with our key stakeholders</u>
- To continuously engage and protect the wellbeing of our employees and our workers, including the provision of relevant trainings, benefits, as well as through the enforcement of key health and safety measures
- To continuously engage our shareholders through annual general meetings and extraordinary general meetings (as and when required), and to maintain open channels of communication for shareholders via contact details available on our corporate website at https://astaka.com.my/contact/
- To build strong relationships and understand the concerns of the local communities in the areas we operate, in order to contribute where possible
- To maintain positive relationships with regulators by complying with all relevant laws and regulations in its operations
- To work with suppliers (e.g. contractors and consultants) through regular meetings in order to ensure their adherence with the contractual obligations laid out in our terms of contract

ASTAKA'S SUSTAINABILITY ROADMAP: THREE YEARS AHEAD

As part of ongoing efforts to enhance our sustainability reporting disclosures, we continue to make progress on our three-year sustainability roadmap. We have grouped our sustainability roadmap into three core pillars, namely (1) Social, (2) Environment and (3) Governance & Economic Activity, so as to ensure a holistic development as we move ahead in our sustainability journey. In line with the new SGX-ST requirements, we have also embarked on a journey to adopt the recommendations of the TCFD. Our FY2022 climate-related disclosures can be found in the 'Environment' section of this SR.

Figure 8: Astaka's three-year sustainability roadmap



The table below summarises our progress against key commitments and targets set for this reporting period. For annual targets that do not have a perpetual deadline, this table also lists targets for the forthcoming year:

Key Milestones to achieve in FY2022	Relevance to Material Topics	Deadline	Progress	Measures Taken and Action Plan
Governance and Economic Activity				
Zero confirmed cases of significant socio-economic and environmental non-compliance	Compliance	Perpetual	Achieved	Maintained in 2022. Managed with a 4-dimensional risk management approach with the key principles of awareness, adherence, integration, and verification. More details on page 51.
To maintain zero confirmed cases of fraud or corruption	Compliance	Perpetual	Achieved	Maintained in 2022. Astaka strives to ensure that this result is maintained in future years. More details on page 51.
Incorporate sustainable design solutions and technologies in all new developments	Economic Activity, Environment	Perpetual	In Progress	Astaka acknowledges the importance of incorporating sustainability into new developments starting from the tender process. This target remains in progress and will be applied as relevant when there are new property development projects. There were no new developments in FY2022.
Include environmental and safety requirements as part of tender processes	Environment, Compliance			

[2]The Green Building Index ("GBI") is Malaysia's industry-recognised and profession-driven green rating tool for buildings. It is designed for tropical climates and Malaysia's current social, infrastructure and economic development.

Key Milestones to achieve in FY2022	Relevance to Material Topics	Deadline	Progress	Measures Taken and Action Plan
Environment				
All future developments to be GBI certified, and/or, to achieve a minimum of 3 green initiatives per development	Energy Management	Perpetual	In Progress	As of 31 December 2022, Astaka has no future developments currently planned. In 2021, Menara MBJB was rated GBI certified, and The Astaka is on track to becoming GBI Certified in early 2023.
Set targets for energy and water consumption.	Energy and Water Management	31 December 2023	In Progress	Astaka is still in the process of setting targets for energy and water consumption.
Social				
16 training hours on average per employee	Talent Management and Development	31 December 2022	Achieved	In FY2022, we achieved an average of 23.7 training hours per employee.
24 training hours on average per employee	Talent Management and Development	31 December 2023	In Progress	As of February 2023, we are on track for each employee to achieve an average of 24 training hours per employee.
Zero cases of workplace injuries and fatalities	Occupational Health and Safety	Perpetual	Achieved	In FY2022, Astaka engaged in remedial works and erosion and sediment control plans ("**ESCP**") maintenance works. There were no cases of workplace injuries and fatalities.
Completion of 2 CSR programmes per year	Local Communities	Perpetual	Achieved	In FY2022, we carried out two CSR programmes focused on food distribution.

ALIGNMENT WITH SDGS

In 2015, all United Nations Member States ("**UN Members**") adopted the 2030 Agenda for Sustainable Development. The agenda set forth by the UN Members is to address global economic, environmental, social and governance challenges and achieve the 17 Sustainable Development Goals ("**SDGs**") by 2030. As a responsible property developer in the business sector, Astaka has a long-term sustainability vision.

We support the SDGs and as summarised below, these are some of our sustainability initiatives that contribute to the 6 SDGs that we have identified as the most relevant to our business.

SDG3: Good Health and Well-being
As a firm believer in human rights, Astaka has a strong culture of ensuring the good health and wellbeing of our employees and contracted workers. We also consider the health and wellbeing of the local communities where we operate.

Highlights:
- Weekly online Quran-reading and badminton sessions to encourage employee bonding and wellness
- Other ad hoc events to mark holidays and encourage employee team bonding, such as Iftar Ramadan at Forest City Golf

SDG5: Gender Equality
Astaka actively promotes gender equality and diversity in the workplace. We believe that maintaining a gender-equal environment both improves the productivity of our employees while also signalling an attractive work environment for retaining and attracting talent.

For Board composition, Astaka recognises gender as an important aspect of diversity and will ensure that female candidate(s) are included for consideration when identifying suitable candidates for the Board renewal process, and the female representation on the Board be continually improved over time based on the objectives of the Board.

Highlights:
- Astaka's workforce consists of 43% women on average, across all employment levels
- Staff are provided with equal training opportunities.

SDG8: Decent Work and Economic Growth
Since Astaka's inception, we have provided competitive and merit-based employment opportunities to our talent and we continuously aim to promote sustained economic growth in our operating regions.

Highlights:
- All employees receive a bi-annual performance review in June and December taking into account quantitative and qualitative key performance indicators in the areas of contribution to the Group's growth, individual performance, key qualities developed and adopted by the Group in FY2022.
- In FY2022, we continued carrying out our employee training programmes, working towards ambitious targets for employee training that exceed previous targets.

SDG9: Industry, Innovation, and Infrastructure
Astaka promotes and strives to develop high quality, sustainable and resilient residential, commercial and office buildings.

Highlights:
- In 2021, the Menara MBJB was GBI Certified. The Astaka is also on track to becoming GBI Certified in early 2023. Astaka plans to work towards achieving GBI certification for any new developments.
- In FY2022, Astaka embarked on a journey to identify climate-related risks and opportunities for its business and developments. We will continue working towards refining our TCFD disclosures.

SDG 11: Sustainable Cities and Communities
With a vision to transform Johor Bahru, Astaka's projects provide smart and integrated urban solutions, bringing functions such as hotels, residences, apartments, shopping malls, private hospitals and schools all within a single district.

Highlights:
- One Bukit Senyum will host a five-star hotel, branded residences, serviced apartments, a shopping mall, an office tower, and the headquarters of Johor Bahru's City Council upon completion.
- The Bukit Pelali @ Pengerang is a 363-acre township development programme which will include the construction of residences, a hospital, a primary school, commercial buildings, and recreation lakes.

SDG 12: Responsible Consumption and Production
Throughout its value chain, Astaka ensures responsible consumption and production by only engaging contractors who meet our socio-environmental criteria and minimise negative socio-environmental impacts.

Highlights:

- Examples of sustainable features that we have incorporated in our past projects include water-efficient fittings, use of recycled building materials and pneumatic waste collection system which refers to an automated, enclosed system that conveys waste by air suction from individual buildings through an underground pipe network to a central location for pick-up, thereby improving manpower efficiency, as well as reducing odor and pest problems.
- Astaka had no new developments or ongoing projects in FY2022, but we will continue aiming for responsible construction practices for any upcoming developments.

ECONOMIC PERFORMANCE

Maintaining positive economic performance is important to Astaka. We work closely with our consultants to research and invest in design solutions and technologies that are effective in driving key performance indicator improvements, all while striving to achieve positive environmental impacts through more sustainability-centric developments and operations.

As a responsible company, Astaka recognises that the way we operate our business has both direct and indirect impacts on various stakeholders. For example, we empower livelihoods through employment, provide opportunities for suppliers and contribute to the communities where we operate. Ensuring strong economic performance for Astaka therefore also provides value for the stakeholders we work with.

Figure 9: Overview of economic creation and distribution in alignment with GRI

Economic value generated in FY2022	Economic value distributed to others in FY2022
RM80 million This includes revenue from sale of development properties, incorporating finance and other income(s).	Operating Costs → RM65 million This includes construction cost, purchases from suppliers in relation to the marketing and advertisement of properties, as well as, administrative and other operating expenses.
	Employee Wages and Benefits → RM6 million This includes salaries and benefits to employees. Payments to Capital Providers → RM3 million This includes interests paid to providers of loan and capital.
	Tax Refund from Government (net of income tax paid) → RM0.6 million This includes income tax paid.
	Community Investments → RM0.5 million This includes philanthropic donations and sponsorships.

Following the reopening of international borders on 1 April 2022 and the move to an endemic stage of COVID-19, Astaka has seen improved economic prospects in FY2022. Indicatively, our economic value generated has seen a substantial improvement of 53% from FY2021. This was largely driven by an increase in sales of property units for existing developments at The Astaka and Bukit Pelali. Additionally, the transfer and sale of properties to JBB Builders (M) Sdn. Bhd. and JBB Kimlun Sdn. Bhd. have also contributed to our overall revenue.

As a responsible company committed to generating long term value for all our stakeholders, Astaka continues to closely track the market and identify projects with the potential to help build our reputation as strong integrated property developer. In January 2022, we signed a memorandum of understanding ("**MOU**") with DMR Holdings Sdn. Bhd. to jointly develop 42 acres of land in Johor with an estimated gross development ("**GDV**") of RM1 billion. We also signed a joint development agreement with Straits Perkasa Services Sdn. Bhd. to jointly develop a mixed commercial development project in Johor with an estimated GDV of RM160 million. We are progressing on this project, with the opening of the sales gallery and the soft launch of the project is targeted for the second half of 2023. In FY2022, we also strengthened our revenue stream by securing a contract from Active Estates Sdn. Bhd. ("**Active Group**") to provide project marketing consultancy services to Active Group's commercial development project. In FY2023, this consultancy service is ongoing.

For more details on our Group's business review, historical and current financial performance, please refer to the Annual Report, pages 18 to 22.

SOCIAL

Our People

Astaka's greatest asset is our people. Our workforce as of 31 December 2022 comprised a total of 63 employees in Singapore and Malaysia, all of which are full-time employees. At Astaka, we are committed to upholding fair employment practices and creating a nurturing and safe working environment. We acknowledge that diversity across a range of profiles enables innovation and strengthens performance of Astaka as a company. Indicatively, we have a board diversity policy in place to promote diversity at the Board level.

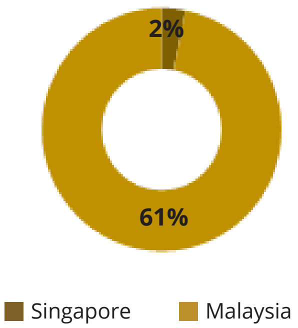
To maintain a formal channel for feedback from and for our employees, we also have in place a bi-annual appraisal exercise in June and December every year. Additionally, we have implemented department performance reviews with a 360-degree feedback from 2021, and we continued to practice this in FY2022. Each employee's individual performance is evaluated based on 5 key factors: company performance, department performance, personal-based key performance indicators (KPIs), demonstration of the Group's values, and feedback from co-workers.

Astaka recognises the importance of receiving feedback from employees in order to ensure that their personal views are heard. In FY2022, we conducted an Employee Opinion Survey with the goal of providing our workforce with a space to share their thoughts on issues important to them. Based on our employees' feedback about the effectiveness of our training programmes, Astaka created a 'Training Need Assessment' ("**TNA**") to determine the employees' training needs based on their job scope and requirements. Employee feedback within the TNA will help to improve the individual departments' training and skillsets.

We believe in fostering an enjoyable working environment in order to promote productivity and talent retainment as well as occupational health. As such, we have organised several workplace bonding activities in FY2022 including weekly Quran readings and badminton sessions. Astaka also hosted six (6) ad hoc activities for employees during the reporting period, such as Iftar Ramadan at Forest City Golf and a Luncheon Merdeka Gathering.

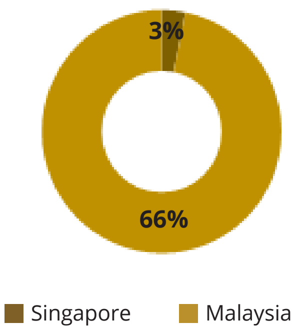
Figure 10: Astaka's workforce profiles

As at end Dec 2022: 63 Employee



	Malaysia		Singapore	
Gender	Permanent Employees	Temporary Employees	Permanent Employees	Temporary Employees
Male	31 (60%)	4 (44%)	1 (50%)	0
Female	21 (40%)	5 (55%)	1 (50%)	0

As at end Dec 2021: 69 Employee



	Malaysia		Singapore	
Gender	Permanent Employees	Temporary Employees	Permanent Employees	Temporary Employees
Male	29 (55%)	8 (62%)	1 (33%)	0
Female	24 (45%)	5 (38%)	2 (66%)	0

In FY2022, Astaka expanded its coverage of employees to also cover workers who are not employees, aligning with the updated requirements of the GRI 2021. Throughout the reporting period, Astaka engaged a total of 61 contractors to perform work at The Astaka and Bukit Pelali developments. Workers from these contractors were engaged to provide security, cleaning, landscape, and other maintenance services. The majority of workers from these contractors[3] performed specialized building services including rectification works to timber floorings, repair and/or maintenance of air-conditioning systems, and maintenance of plumbing systems, to name a few.

TALENT MANAGEMENT AND DEVELOPMENT

Acknowledging that Astaka's employees are key drivers of our continued growth and success, their competencies and professional development are important to the Group. As such, we have worked towards inculcating a growth mindset in employees and encouraging them to develop their existing abilities. Our efforts will help ensure that our employees' skills do not become obsolete in the ever-changing business landscape.

In FY2020, we established a training programme comprising a 3-tiered approach designed to cater to all employee levels in the Group. Our goal was to create a yearly training calendar with a minimum of 12 hours of training programmes or workshops organised annually and distributed between departments, inter-department and group-wide training segments.

[3]Contractors engaged at The Astaka worked as needed, and were not permanently based at the development.

With this initiative, the Group aims to address both specialised as well as general knowledge and skillsets relevant to each department and those required for harmonious inter-departmental collaboration. We aim to build a strong foundation for future programmes with our inaugural rollout of our training programme that began in FY2021. We have further enhanced our training programmes in FY2022.

Over the past year, we were able to provide 5 group-wide and 40 external training segments. Our training programmes covered a range of departments: CEO Office, Corporate Planning & Communications, Finance, Project, Human Resource & Admin, and Sales & Marketing. Our trainings focus on assisting employees in acquiring new skills or improving existing knowledge/skills related to their current roles. The trainings were conducted by trainers from external agencies, external training providers, agents, vendors, and experts from professional industries. We achieved a grand total of 1,495 training hours for our employees at the end of 2022.

Figure 11: Breakdown of average training hours[4] in FY2022 by gender and by employment category

	Average number of Training Hours Per Individual	
Gender	**FY2021**	**FY2022**
Male	16.3	23.6
Female	24.3	23.9

	Average Number of Training Hours Per Individual	
Employee Category	**FY2021**	**FY2022**
Top Management	9.6	28.2
Management	18.4	26.8
Executives	22.4	25.6
Non-Executives	5.3	16.5

LOCAL COMMUNITIES

Astaka is committed to supporting and empowering the local communities in our operating regions. We maintain an open communication channel with our customers and the local communities through our property management team, which has an email address and a hotline available on our website for stakeholders to contact when needed.

Additionally, we also support local communities by addressing their specific needs and participating in local charity programmes. Our donations and sponsorships largely focus on education and the wellbeing of the underprivileged. In FY2022, we provided RM0.49 million in donations and sponsorships. In addition to this, we carried out 2 CSR programmes focused on food distribution during the Ramadan period in April 2022. In FY2023, we will continue to diversify our CSR activities in order to better meet the needs of the local communities in which we operate in.

CSR Bubur Lambuk at Pengerang
In April 2022, Astaka led an event to prepare and distribute 600 packs of Bubur Lambuk and Kurma. The prepared foods were distributed to the communities of Pengerang, namely Kampung Bukit Raja Darat, Kampung Bukit Pelali, Gunung Pulai Presint, Gunung Panti Presint, Bukit Gelugor, Al-Jaharah Sungai Rengit, Masjid Bukit Raja Laut, and other nearby areas.

[4]Training hours data includes staff who have resigned.

CSR Bubur Lambuk at Astaka HQ Office
In April 2022, Astaka employees prepared 500 packs of Bubur Lambuk and Kurma for distribution to communities near the Astaka HQ Office and surrounding areas in Johor Bahru, including Masjid Bandar Baru Uda, Masjid Tunku Laksamana Abdul Jalil, Rumah Berkat and other areas nearby.

OCCUPATIONAL HEALTH AND SAFETY

Astaka prioritises the health and safety of our employees and other workers at our sites. We are fully aware of the hazards of the jobsite in our sector, and we recognise that workplace health and safety is not to be taken for granted. Testament to this, the Group has introduced multi-layered measures to protect the wellbeing of our people.

Firstly, we work towards establishing a safe working environment culture by learning from best practices in existing national and international Occupational Health and Safety ("**OHS**") management systems.

Secondly, we require all of our contractors to follow the guidelines from the Department of Occupational Safety & Health and comply with the requirements listed in OHS management systems such as OHSAS 18001. During the construction phase, Astaka's contractors need to publish monthly safety and health reports which cover diverse health and safety aspects such as policies, performance, compliance and training. Astaka and its consultants frequently review these reports to ensure that the contractors duly inspect the workplace health and safety weekly, take corrective actions against non-compliance immediately and prepare the workers physically and mentally for work.

Although no major construction activities took place in FY2022, there were some slope remediation and maintenance works. To ensure the safety of the workers, safety meetings were conducted on a fortnightly basis, and minutes of safety meetings were incorporated into the monthly project reports. Additionally, scaffolding was inspected by an accredited inspector and certified fit for use, while daily tool box meetings placed an emphasis on occupational safety. In FY2022, there were no occupational accident cases reported at the construction sites or in the workplace.

Finally, all of Astaka's employees are covered by a group medical and health insurance plan that provides coverage for hospitalisation and surgical treatment[5] with 24-hours and worldwide access. Cashless access is also available for panel hospitals. Contractor personnel are also covered by health benefits under their own organisations, and contractors are required to purchase all risk and workmen compensation insurance policy.

ENVIRONMENT

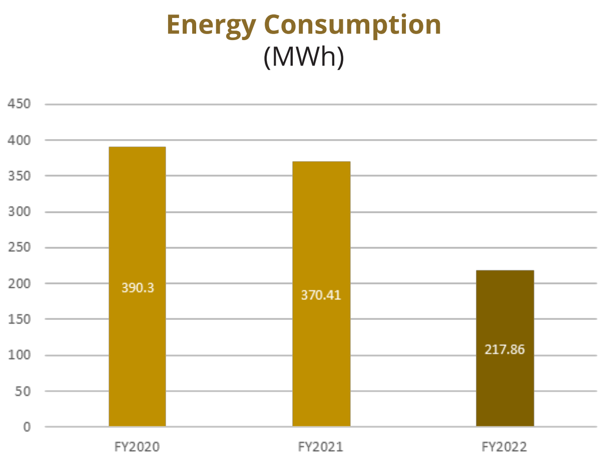
Energy Management

Astaka firmly believes that climate change is an urgent global challenge and we seek to do our part by investing in effective energy conservation initiatives and technologies. For example, use energy-saving LED lighting in our corporate offices and sales galleries. Our developments are also managed with the target of ensuring energy efficiency where possible, with the full support of our property managers in practicing energy conservation measures. In recognition of our energy conservation initiatives, among others, the Menara MBJB is GBI Certified, and The Astaka is on track to becoming GBI certified in early 2023. Astaka also acknowledges the importance of fostering a workplace culture that values resources. As such, we encourage all employees to practice energy and water saving where possible.

Example of energy saving reminder at Astaka HQ.

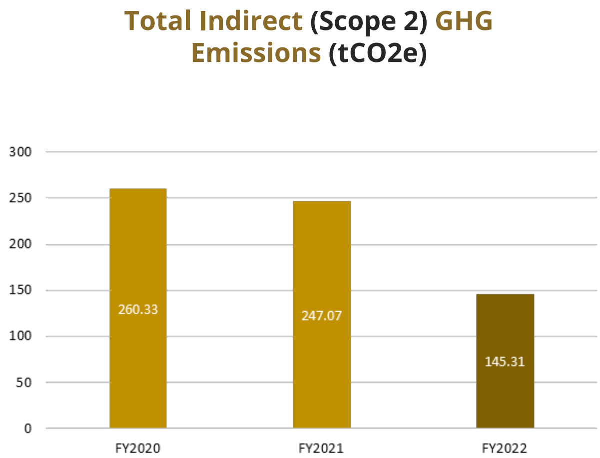
To ensure that our buildings are designed to use energy efficiently, we continuously measure and monitor our energy consumption for our corporate office, sales galleries at The Astaka, and the common areas of Bukit Pelali. As Bukit Pelali is a joint venture between Saling Syabas Sdn Bhd ("**Saling Syabas**") and Astaka Padu with shareholding interests of 49% and 51% respectively, we have accounted for 51% of the emissions. Currently, we derive 100% of our energy from electricity purchased from the national grid. Indicative of the success of our ongoing efforts to reduce our energy consumption and associated emissions, going forward, we strive to incorporate more sustainable design and technologies in our future developments to reduce our carbon footprint.

Figure 12: Total energy consumption (MWh)[6]



[5] Subject to terms of the group insurance policy.
[6] Note that FY2021 data for energy consumption covers the 18-month period from July 2020 to December 2021.

Figure 13: Total Scope 2 emissions (tCO2)[7]

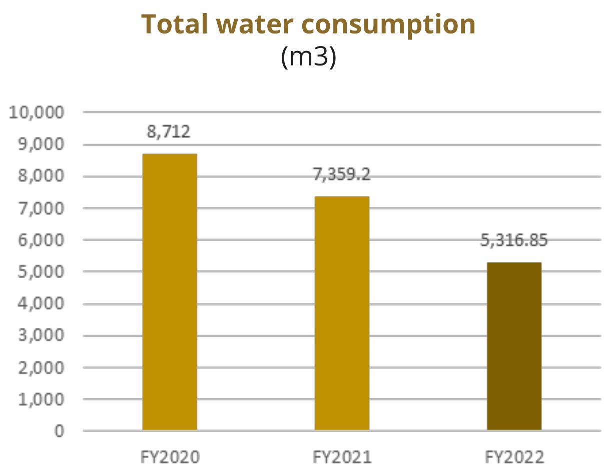


WATER MANAGEMENT

With climate change resulting in irregular weather events such as prolonged dry spells or floods, Astaka understands the importance of playing our part by reducing water consumption, starting with initiatives such as rainwater harvesting at Menara MBJB and The Astaka. We have begun tracking our water consumption with the goal of setting realistic targets by 2023. Additionally, we have continued to build a culture that values water conservation, such as with signages to remind our employees of good water saving habits.

Our water consumption at Astaka Padu HQ Office, Astaka Sales Gallery at One Bukit Senyum, and Bukit Pelali @ Pengerang consists of freshwater from the Johor Bahru municipal water supply. In line with our efforts, our water consumption has steadily decreased since FY2020. Going forward, our aim will be to continue to monitor and reduce our water consumption, with the purpose of setting targets for water consumption in FY2023.

Figure 14: Total water consumption (m3) at Astaka[8]



[7]Note that FY2021 data for GHG emissions covers the 18-month period from July 2020 to December 2021.
[8]Note that FY2021 data for water consumption covers the 18-month period from July 2020 to December 2021

TCFD-ALIGNED DISCLOSURES

Climate change poses a significant risk to the built environment, and Astaka recognises the importance of responding to and mitigating against these risks. In FY2022, we have started to embark on our climate-related disclosures journey, starting with identifying key climate-related risks and opportunities for our business and have incorporated certain progressive targets for reaching maturity of reporting. As we mature in our risk management and reporting processes in the future, we aim to explore climate scenario analysis as well.

Key component of TCFD Recommendations	Astaka's Progress	Additional Comments
Governance Disclose the organisation's governance around climate-related risks and opportunities.	Ongoing	• Astaka has a sustainability governance process in place to oversee and manage the organisation's sustainability performance and progress. For further information, see pg. 33. • Pursuant to the enhanced ESG disclosure requirements of the SGX-ST, the Board has capitalised on the opportunity to identify a preliminary list of climate-related risks and opportunities in relation to Astaka's business and strategy, of which the Management is responsible for monitoring and managing.
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning, where such information is material.	Ongoing	• In FY2022, Astaka has identified a preliminary list of climate-related risks and opportunities that may act as barriers or enablers to achieving business goals in the short, medium, and long term. • Astaka has also identified ongoing and potential mitigation actions to reduce the impact of these risks on our business. • See table below for further information on our risks and opportunities identified, and the reasons for the selection. • Astaka will be looking to assess and monitor residual risks, with the aim to strengthen organisational resilience in the management of climate risks.
Risk Management Disclose the processes used by the organization to identify, assess, and manage climate-related risks.	Ongoing	• The identification of climate-related risks and opportunities was based on, among others, research conducted on the geographic location of Astaka's operations and assets, as well as ongoing sector-specific and region-specific sustainability trends. • We are in the midst of including climate-related risks within our Enterprise Risk Register, in order to align them with overall risk management processes. • For further information on Astaka's general risk management approach, see pg. 72 of our Annual Report.

Key component of TCFD Recommendations	Astaka's Progress	Additional Comments
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Ongoing	• Astaka has been continuously measuring and monitoring key metrics such as energy use, water consumption, and Scope 2 GHG emissions in line with its strategy and risk management process. • Moving forward, we plan to introduce additional metrics and relevant climate-related targets.

Ongoing Process   Fully Aligned with TCFD Recommendations

Astaka's identified climate-related risks and opportunities

Risk or Opportunity TCFD Category	Risk or Opportunity Identified	Mitigation Actions
Acute Physical Risk	Increase in water costs due to scarcity caused by droughts.	Astaka has processes in place to promote our properties' resilience to weather events: • All developments are subject to relevant local authorities' requirements, which outline stringent rules for the development (e.g., on minimum storage of consumable water, minimum size of drainage system). • Buildings are subject to local authorities' approvals and are governed by industry rules on best practice standards.
	Increase wind speed could result in more extreme wind-driven rain events, which may result in the following consequences: • Higher insurance premiums for buildings • Increased costs for repairing damages	
	Heavy and frequent precipitation, or even extreme weather events, may lead to flooding, which may result in the following consequences: • Higher insurance premiums for buildings • Increased costs for repairing damages	
Chronic Physical Risk	Increase in global temperatures due to global warming may cause: • Energy consumption to increase • Costs from retrofitting existing properties to withstand more extreme temperatures	Astaka takes this into account by: • Working to incorporate natural resource use into all development designs (e.g., using natural ventilation). • Utilising suitable building materials.
Transition Risk / Opportunity (Market)	Increased demand for green buildings could represent both a risk and an opportunity. Although there is potential for Astaka to explore a growing market of green developments, these developments would be associated with additional costs.	In 2021, Menara MBJB was rated GBI certified, and The Astaka is on track to becoming GBI Certified by early 2023.
Transition Risk (Policy and Legal, Reputational)	As the regulatory landscape on environment-related issues evolves and gets more stringent, there may be reputational impacts associated with not aligning to green government mandates.	In line with the growing demand for green buildings, Astaka plans to achieve GBI Certification for all its properties. We will also continue engaging with stakeholders on climate-related issues.

GOVERNANCE

Compliance

Astaka firmly believes that compliance with laws and regulations related to its operations is the foundation of the Company's long-term success. By adhering to socio-economic and environmental laws and regulations, we also ensure that our business contributes to Malaysia's goal of building a clean and prosperous society.

Astaka's identified climate-related risks and opportunities

Major Laws and Regulations	Compliance Objectives
Housing Development (Control and Licensing) Act 1996	To ensure Astaka has the license to operate in Malaysia for housing development projects
Environmental Quality Act 1974	To minimise the environmental impacts from our projects
Local Government Act 1976	To comply with local regulations
Fire Services Act 1988	To manage fire risks and hazards effectively
Solid Waste and Public Cleansing Management Act 2007	To maintain proper sanitation and public cleansing
Strata Titles Act 1985	To be eligible to sell our stratified properties to interested parties
Town Planning Act 172	To comply with masterplan guidelines and regulations
Strata Management Act 2013	To manage the property before handling over to Joint Management Bodies/ Management Committees
Uniform Building By-Laws (UBBL)	To comply with building design guidelines and regulations
Catalist Rules	To comply with the Catalist Rules and safeguard the shareholders' interests

To effectively fulfil our legal responsibilities, Astaka introduces and adopts a four-dimensional management approach:

Awareness	HR and finance departments are trained, and employees are frequently updated regarding Astaka's legal responsibilities.
Adherence	Risk management and compliance department ensures that Astaka is compliant with all relevant laws and regulations from different government bodies.
Integration	Astaka's employees need to abide by internal regulations including the Board Charter, the Code of Governance 2018, and Whistle Blowing Policy which integrates the expectations from the company's regulators.
Verification	An independent audit firm verifies Astaka's internal corporate governance system yearly and makes improvement recommendations and plans.

Astaka also has zero tolerance towards corruption, fraud and any unethical conduct. The Group has a Group-wide Anti-Bribery & Corruption policy to ensure the highest ethical standards and integrity of our employees by providing information and guidance on employee conduct and internal procedures. The Anti-Bribery & Corruption policy is administrated by the Risk Management & Compliance Department, which also monitors the use and effectiveness of the policy and deals with any questions on interpretation of the policy.

In FY2022, Astaka recorded zero confirmed cases of fraud, corruption, significant socio-economic and/or environmental non-compliance. Astaka was penalised for non-fulfilment of certain terms and conditions of the sale and purchase agreement entered into with its purchaser, and a sum of not exceeding

RM25,000 was paid to the purchaser as compensation. To ensure that we comply with regulations in the future, we will continue to review our process for setting and reviewing timelines and Astaka strives to have zero cases of fraud, corruption, significant socio-economic and/or environmental non-compliance in FY2023. Additionally, Astaka received the National Property Information Centre ("**NAPIC**") award in 2022 for submitting information on property sales on time to NAPIC.

APPENDIX A: METHODOLOGY

This section details definitions, methodologies and data boundaries otherwise not already specified, applied to the sustainability performance data disclosed in our SR. They are made with reference to GRI Standards 2021, internationally recognised standards and the reporting guidance set out in the respective GRI topic-specific disclosures. The GRI topic-specific disclosures covered are listed out in Appendix B: GRI Content Index of this report.

GENERAL

Employee
Employee is defined as an individual who is in an employment relationship with the Group, according to its national law.

Worker
Worker refers to an individual contracted by the Group to perform work at premises owned by, or controlled by, the Group.

TALENT MANAGEMENT AND DEVELOPMENT

Training hours
Average training hours per employee = Total training hours for the financial year / the total number of employees recorded as at end of the reporting period.

OCCUPATIONAL HEALTH AND SAFETY

Occupational accident
According to the International Labour Organization, an occupational accident is an unexpected and unplanned occurrence, including acts of violence, arising out of or in connection with work which results in one or more workers incurring a personal injury, disease or death.

The coverage for occupational accident cases include employees and workers at our corporate offices, sale galleries and development projects.

ENERGY MANAGEMENT

Energy consumption and Indirect Scope 2 GHG emissions
Energy consumption and GHG emissions data at Bukit Pelali covers common areas owned by the Group and exclude data from tenants for the financial year. Noting that Bukit Pelali is a joint-venture development with Saling Syabas, the Group has applied the financial control approach, which is aligned with Greenhouse Gas Protocol's guidance, in determining the amount of energy consumed by Astaka. We currently own 51% of Bukit Pelali. The same approach is applied for the calculation of GHG emissions. The electricity Grid Emission Factor ("**GEF**") used has been sourced from 2017 CDM Electricity Baseline for Malaysia, prepared by Malaysian Green Technology Corporation. The last available GEF was from 2017.

COMPLIANCE

Non-compliance incidents
Such incidents refer to non-compliance with social, economic and environmental laws and/or regulations applicable to the Group, brought through dispute resolution mechanisms and/or resulting in:
- Significant fines
- Non-monetary sanctions

APPENDIX B: GRI CONTENT INDEX

'**AR**' refers to Astaka's Annual Report 2022, which is available on our website at https://astaka.com.my/investor-relations/#annualreport

GRI Standards Disclosures		Reference and/or Reason for Omission	Page Reference
Organisation and its reporting process			
2-1	Organisational details	Board Statement; Group Structure (AR)	31 27
2-2	Entities included in the organisation's sustainability reporting	About the Report	31
2-3	Reporting period, frequency and contact point	About the Report	31
2-4	Restatements of information	N.A.	N.A.
2-5	External assurance	This Sustainability Report has not been externally assured. Astaka will consider engaging an independent third-party assurer as we mature in our reporting.	N.A.
Activities and Workers			
2-6	Activities, value chain and other business relationships	Corporate Profile (AR); Our People; Supply Chain Management; Chairman's and CEO's Statement (AR)	1 43 34 12-17
2-7	Employees	Our People	43-44
2-8	Workers who are not employees	Our People	N.A.
Governance			
2-9	Governance structure and composition	Astaka's Sustainability Governance	33
2-10	Nomination and selection of the highest governance body	Corporate Governance Report (AR)	64-66

GRI Standards Disclosures		Reference and/or Reason for Omission	Page Reference
2-11	Chair of the highest governance body	Corporate Governance Report (AR)	60-63
2-12	Role of the highest governance body in overseeing the management of impacts	Board Statement Astaka's Sustainability Governance	31 33-34
2-13	Delegation of responsibility for managing impacts	Board Statement Astaka's Sustainability Governance	31 33-34
2-14	Role of the highest governance body in sustainability reporting	Board Statement Astaka's Sustainability Governance	31 33-34
2-15	Conflicts of interest	Corporate Governance Report (AR)	57-85
2-16	Communication of critical concerns	Corporate Governance (AR)	57-85
2-17	Collective knowledge of the highest governance body	Corporate Governance Report (AR)	60-63
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report (AR)	66-67
2-19	Remuneration policies	Corporate Governance Report (AR)	68-72
2-20	Process to determine remuneration	Corporate Governance Report (AR)	68-72
2-21	Annual total compensation ratio	a. The ratio is 7:1 b. Nil – there was no increase in compensation c. Information was retrieved from the Payroll Monthly Report. Astaka's disclosure on this indicator covers both permanent and temporary employees. Types of compensation included salary and bonus. The title of the highest paid individual is "Chief Executive Officer".	N.A.
Strategy, Policy and Practices			
2-22	Statement on sustainable development strategy	Board Statement	31
2-23	Policy commitments	Sustainability Approach; Supply Chain Management	34 34
2-24	Embedding policy commitment	Our Sustainability Policy See individual material topics	38
2-25	Processes to remediate negative impacts	Corporate Governance Report (AR)	57-85

GRI Standards Disclosures		Reference and/or Reason for Omission	Page Reference
2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance Report (AR)	77
2-27	Compliance with laws and regulations	Compliance	51-52
2-28	Membership associations	The Group is a member of Real Estate Developers' Association of Singapore (REDAS)	N.A.
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	Stakeholder Engagement	35-37
2-30	Collective bargaining agreements	The Group has not entered into any collective bargaining agreements as at end of FY2022	N.A.
Disclosure of Material Topics			
3-1	Process to determine material topics	Materiality Assessment	37
3-2	List of material topics	Materiality Assessment	37
Material Topic: Economic Performance			
Management Approach			
3-3	Evaluation of the management approach	Economic Performance	42-43
Economic Performance 2016			
201-1	Direct economic value generated and distributed	Economic Performance	42-43
Material Topic: Talent Management and Development			
Management Approach			
3-3	Evaluation of the management approach	Training and Education	44-45
Training and Education 2016			
404-1	Average hours of training per year per employee	Training and Education	44-45
Material Topic: Local Communities			
Management Approach			
3-3	Evaluation of the management approach	Local Communities	45-46

GRI Standards Disclosures		Reference and/or Reason for Omission	Page Reference
Training and Education 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Local Communities	45-46
Additional Topic: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Occupational Health and Safety	46-47
403-6	Promotion of worker health	Occupational Health and Safety	46-47
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	46-47
Material Topic: Energy Management			
Management Approach			
3-3	Evaluation of the management approach	Energy Management	47-48
Energy 2016			
302-1	Energy consumption within the organisation	Energy Management	47-48
Emissions 2016			
305-2	Energy indirect (Scope 2) GHG emissions	Energy Management	47-48
Material Topic: Regulatory Compliance			
Management Approach			
3-3	Evaluation of the management approach	Compliance	51-52
Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Compliance	51-52
Socio-economic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	Compliance	51-52
Environmental Compliance 2016			
307-1	Non-compliance with laws and regulations environmental laws and regulations	Compliance	51-52

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

The Company has adopted corporate governance practices and guidelines with references to the Code of Corporate Governance 2018 (the "**Code**") for the financial year ended 31 December 2022 ("**FY2022**").

Pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist issued by the SGX-ST (the "**Catalist Rules**"), this corporate governance report (the "**Report**") describes the Company's corporate governance practices, processes and activities for FY2022. Where applicable, explanations have been given where there is/are deviation(s) from the provisions of the Code and how the Group's practices are consistent with the intent of the relevant principles.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

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

The Board's principal functions include, but is not limited to, providing entrepreneurial leadership and approving strategic business plans, annual budget plan, major acquisition and disposal of assets and businesses, and financial results of the Group. The Board also establishes a framework of sound, prudent and effective controls appropriate to the nature and size of the Group's operations which enable risks to be assessed and managed, and ensures proper accountability within the Group, including the safeguarding of shareholders' interests and the Company's assets. The Board also sets corporate values, standards (including ethical standards), policies and practices and ensure consistency with the Group's culture for the Company to ensure that the obligation to shareholders and other stakeholders are met. In addition, the Board reviews the Company's corporate policies, financial performance as well as the performance of the management of the Company ("**Management**"). In addition, the Board constructively challenge the Management and reviews its performance.

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

The Directors have the fiduciary duty to act objectively in the best interests of the Company and hold Management accountable for performance. Where the Director faces a conflict or potential conflict of interest in relation to any matter, he will immediately declare his interest at the meeting of the Directors or send a written notice to the Company, setting out the details of his interest and the conflict, and recuse himself from any discussions on the matter and abstain from participating in any Board decision.

The Company has put in place a Board Charter setting forth matters reserved for Board's decision and clearly communicates this to Management in writing. Amongst these reserved matters are the approval limits for operating and capital expenditure, procurement of goods and services as well as operational and financial authorisation on daily and ad-hoc operation decision-making. In addition to matters that specifically require the Board's approval such as the review and approval of periodic and full-year financial results announcements and annual audited financial statements, major acquisitions and realisations, issue of shares, interested person transactions, appointment of new directors, dividend distributions and other returns to shareholders, the Board also approves transactions exceeding certain designated threshold limits, while delegating authority for transactions below those limits to the Board Committees and Management so as to optimise operational efficiency.

The Board has established a number of committees to assist the Board in discharging its responsibilities efficiently and effectively. These committees include the Audit Committee ("**AC**"), the Remuneration Committee ("**RC**") and the Nominating Committee ("**NC**") (collectively the "**Board Committees**"). Each of the Board Committee's functions, roles and authorities are clearly set out in their respective terms of reference. The terms of reference of the respective Board Committees, as well as the other relevant information on the Board Committees can be found in the subsequent sections of this Report.

The Board conducts regularly scheduled meetings on a quarterly basis to coincide with the announcement of the Group's quarterly and full-year financial results and to keep the Board updated on business activities and the overall business environment in which the Group operates. Additional meetings are convened as and when circumstances dictate. The Company's Constitution allows for meetings to be conducted by way of telephone conferencing or any other electronic means of communication. The number of Board and Board Committee meetings held in FY2022 and the attendance of each Director are set out as follows:

		Board	AC	RC	NC
No. of meetings held in FY2022		4	4	1	1
Name of Director	**Designation**	**No. of Meetings attended in FY2022**			
Mr Lai Kuan Loong, Victor	Non-Executive Chairman and Independent Director	4	4	1	1
Mr Khong Chung Lun	Executive Director and Chief Executive Officer ("**CEO**")	4	Not Applicable	Not Applicable	1
Mr Lee Gee Aik(1)	Non-Executive and Independent Director	4	4	1	1
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Non-Executive and Independent Director	4	4	1	1
Ir. Hj. Syarul Izam Bin Hj. Sarifudin(2)	Non-Executive and Non-Independent Director	3	Not Applicable	Not Applicable	–

Notes:

(1) Mr Lee Gee Aik was re-designated from an Independent and Non-Executive Director to a Non-Independent and Non-Executive Director with effect from 24 March 2023. Following his re-designation, Mr Lee Gee Aik has relinquished his appointment as the Chairman of the Audit Committee and a member of the Nominating Committee, and is presently a member of the Audit Committee and Remuneration Committee.

(2) Ir. Hj. Syarul Izam Bin Hj. Sarifudin was appointed as a Non-Executive and Non-Independent Director of the Company and a member of the NC on 1 April 2022.

Orientations would be organised for new director(s), when appointed, that includes briefing by Management on the Group's structure, business strategies, operations, and Company's policies. The new and existing directors were briefed and updated by Management with regards to the Company's operating sites on a regular basis. Management had organised a tour of the Company's operating sites and/or upcoming projects for all Directors in April 2022. The Company will provide newly appointed director(s) with a formal letter setting out their duties and obligations. First-time director of a listed company ("**First-Time Director**") will receive relevant training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST to meet the Mandatory Training requirements under Rule 406(3)(a) and Practice Note 4D of the Catalist Rules.

Ir. Hj. Syarul Izam Bin Hj. Sarifudin ("**Ir. Hj. Syarul Izam**"), who was appointed as the Non-Executive and Non-Independent Director of the Company on 1 April 2022, was given the letter of appointment, setting out his duties, obligations and the terms of appointment, and was briefed on the Group's structure, business, operations and policies as well as given a tour of the Company's operating sites. He had completed training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST to meet the Mandatory Training requirements under Rule 406(3)(a) and Practice Note 4D of the Catalist Rules, during FY2022.

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

Some key briefings, updates and/or trainings attended by the Directors collectively for FY2022 include the following:

- the Company's external auditors updated the AC members on developments and/or changes on the accounting standards;
- the Directors are updated on the business activities and strategic directions of the Group;
- the Directors are updated on changes to the listing rules, corporate governance and other regulatory requirements, on a regular basis;
- the Directors have attended the "Environmental, Social and Governance Essentials" training as required under Rule 720(6) of the Catalist Rules; and
- relevant training courses organised by the institutes and/ or group associations of specific interests, such as The Institute of Singapore Chartered Accountants ("**ISCA**").

Access to Information

Prior to each Board meeting and when the need arises, the Board is provided with complete and adequate information in a timely manner, thus allowing them to deliberate on issues which require consideration. Management would also provide the explanatory documents on matters to be discussed before the Board and its Committees' meetings. Copies of disclosure documents, budgets, forecasts, unaudited financial statements together with explanations for any significant or material variance between the budget and actual results are tabled by Management for review and discussion during the meetings. Directors are entitled to request from Management and be provided with additional information as and when they are needed, to make informed decisions and discharge their duties and responsibilities.

The Directors have separate and independent access to Management, the Company Secretary and the external auditors at all times. Where the Directors either individually or as a group, in the furtherance of their duties, require independent professional advice, such service will be available at the Company's expense. The Directors may, on a case-to-case basis, propose to the Board for such independent and professional advice to be sought, the cost of which will be borne by the Company.

The Directors also have unrestricted access to the Company's records and information. The Company Secretary advises the Board on corporate and administrative matters which includes, administering, attending and preparation of minutes of all Board and Board Committees meetings for circulation and approval. The appointment and the removal of the Company Secretary rests with the Board as a whole.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

As at the end of FY2022, the Board comprised one (1) Executive Director, three (3) Non-Executive and Independent Directors (including the Board Chairman), and one (1) Non-Executive and Non-Independent Director.

Following the changes to the composition of the Board and Board Committees as announced by the Company on 24 March 2023, the Board currently comprises one (1) Executive Director, two (2) Non-Executive and Independent Directors (including the Board Chairman), and two (2) Non-Executive and Non-Independent Directors. As at the date of this Report, the composition of the Board is summarised in the table below:

Name of Director	Designation	Date of Appointment	Last Date of Re-election
Mr Lai Kuan Loong, Victor	Non-Executive Chairman and Independent Director	13 November 2019	28 April 2022
Mr Khong Chung Lun	Executive Director and CEO	13 November 2019	5 February 2020
Mr Lee Gee Aik	Non-Executive and Non-Independent Director	23 December 2008	28 October 2020
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Non-Executive and Independent Director	13 November 2019	28 April 2022
Ir. Hj. Syarul Izam Bin Hj. Sarifudin	Non-Executive and Non-Independent Director	1 April 2022	28 April 2022

Following the completion of the reverse take-over exercise ("**RTO**") of E2-Capital Holdings Limited ("**E2**") by Astaka Padu Limited in November 2015, Mr Lee Gee Aik was re-designated as the Independent and Non-Executive Director of the Company. Prior to the RTO, Mr Lee was the Independent and Non-Executive Director of E2 since December 2008 and was subsequently re-designated as Executive Vice Chairman in January 2014. The Board and the Nominating Committee had considered Mr Lee as independent in FY2022 as Mr Lee was taken to have joined the Company's board of directors at the point of completion of the RTO since the RTO was akin to a new listing of the Company, arising from the change in the board of directors, management, and business of the Company. Mr Lee was determined by the Board and the Nominating Committee to be independent after taking into consideration, among others, the Code's definition of an "independent director". Subsequent to FY2022, the Company noted the SGX-ST's responses to the consultation paper on the board renewal and remuneration disclosures issued on 11 January 2023, and in particular, that the SGX-ST clarified that a director's tenure served on the issuer's board prior to the RTO must also be considered. In view thereof, Mr Lee was re-designated from an Independent and Non-Executive Director to a Non-Independent and Non-Executive Director with effect from 24 March 2023.

As at the end of FY2022, the Non-Executive Independent Directors (including the Board Chairman) had made up a majority of the Board.

As at the date of this Report, two out of the five directors are Non-Executive Independent Directors (including the Chairman of the Board), and there are a total of four Non-Executive Directors making up a majority of the Board.

The Board considers an Independent Director as one who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment of the Company's affairs with a view to the best interests of the Company. The Independent Directors have confirmed that they do not have any relationship with the Company, its related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interest of the Company.

The Board has taken into account the assessment of the NC on whether a Director is independent in character and judgment and whether there are relationships or circumstances which are likely to affect or could appear to affect the Director's judgment. In assessing the independence of each Director annually, the NC had examined different relationships identified by the Code, Practice Guidance to the Code and Rule 406(3)(d) of the Catalist Rules that may impair the Directors' independence and objectivity. The NC had reviewed and determined that Dato' Sri Mohd Mokhtar Bin Mohd Shariff and Mr Lai Kuan Loong, Victor are both considered independent as at the date of this Report. Mr Lee Gee Aik has been re-designated from a Non-Executive and Independent Director of the Company to a Non-Executive and Non-Independent Director of the Company with effect from 24 March 2023. Save as disclosed, there are no other Independent Directors who have served beyond nine (9) years since the date of their appointments as a Director of the Company.

The Non-Executive Directors, led by the Non-Executive and Independent Chairman, meets without the presence of Management as and when necessary, and provide feedback to the Board as appropriate. The Non-Executive Directors have met once in the absence of Management in FY2022. The Company also benefits from Management's ready access to its Directors for guidance and exchange of views at the Board and Board Committee meetings or informal meetings.

The Company has adopted a board diversity policy in the financial year ended 30 June 2020 ("**FY2020**"). The primary objective of the existing Board diversity policy (the "**Board Diversity Policy**") is to ensure that the Board comprises a balanced composition of skills, experience, knowledge and gender diversity at the Board level in order to provide a range of perspectives, insights and challenge that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core businesses and strategy of the Group, as well as support succession planning and development of the Board. It enhances decision-making capability and gives diversified views to enhance Board discussions and ensuring that the decisions made by the Board have been considered from all points of view.

The NC is responsible for reviewing and monitoring the Board Diversity Policy, including the targets, plans and timelines and shall report to the Board on such progresses. The NC and the Board regularly review the size and composition of the Board, as well as succession planning, gender diversity and refreshment of the Board.

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

Core Competencies	Number of Directors	Proportion of Board
Accounting or Finance	2	40%
Business Management	4	80%
Legal or Corporate Governance	2	40%
Relevant industry knowledge experience	2	40%
Strategic Planning experience	5	100%

The Board collectively has professional expertise in accounting and finance, business management, legal, corporate governance, real estate development and strategic planning experience. Accordingly, the NC has reviewed the Board composition and is of the view that the current Board size and composition with diverse skills and experiences is appropriate, having taken into consideration the scope and nature of the operations of the Group and the Board's contribution to the Group.

In accordance with the objective of the Board Diversity Policy, the NC targets to periodically review and consider the size and composition of the Board (including the gender diversity on the Board) for its Board renewal process to ensure that the Board has the appropriate mix of core skills, knowledge, experience and gender diversity, which commensurate with the nature, size and complexity of the Group's business, its operating environment and its current and future targets and focus.

Although the Board currently has no female director, the Board and the NC recognise gender as one of the important aspects of diversity and will ensure that female candidate(s) are included for consideration when identifying suitable candidates for the Board renewal process. The Company currently does not have a timeline as to the appointment of a female director, and such an appointment will be dependent on when a vacancy arises and also the needs and the relevant expertise required by the Company. Nonetheless, the Board and the NC believe that the current Board with the diversity of skills, experience, knowledge and nationalities which provided the Group, amongst others, a range of perspectives and insights as well as good decision making, is appropriate, in considering the current scope and nature of the operations of the Group. Accordingly, the Board and the NC believe that it has met its objective and target of board diversity in view that the current Board serves the needs and plans of the Company.

To meet the dynamic challenges in the industry which the Group operates in, the NC will periodically review the Board Diversity Policy, and will recommend revision to the Board Diversity Policy (where appropriate), to ensure its effectiveness, which include considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies to ensure that the Board dynamics remain optimal.

Independent and/or Non-Executive Directors constructively challenge and help develop proposals on strategy and review the performance of Management in meeting the goals and objectives, monitor the reporting of the Company's performance, and meet privately without the presence of the Executive Director and Management as and when necessary. Key information of the Directors is set out on pages 23 to 25 of this Annual Report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Mr Lai Kuan Loong, Victor is the Non-Executive Chairman and Independent Director of the Company, and Mr Khong Chung Lun is the Executive Director and Chief Executive Officer ("**CEO**") of the Company. Mr Lai and Mr Khong are not related to each other. The Board has established and set out in writing the division the roles and responsibilities between the Non-Executive and Independent Chairman and the CEO to ensure an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision making, thus no individual represents a considerable concentration of power.

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

In addition, the Non-Executive and Independent Chairman ensures that Board meetings are held as and when necessary, sets the meeting agenda and ensures that adequate time is available for discussion of all agenda items, in particular, strategic issues. He also ensures that any information and materials to be discussed at Board meetings are circulated on a timely basis to Directors so as to enable them to be updated and prepared, thereby enhancing the effectiveness of the Non-Executive Directors and the Board as a whole. He engages and promotes constructive engagement and open interaction as well as effective contribution among the Directors and engages with Management regularly. The Non-Executive and Independent Chairman assumes the lead role in promoting high standards of corporate governance and ensures the effective communication with shareholders. He is available to shareholders where they have concerns, and for which contact through the normal channels of communication with the Management are inappropriate or inadequate. Shareholders may reach out to the Non-Executive and Independent Chairman via mail to the Company's registered office address at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535, and addressing the mail to the Non-Executive and Independent Chairman.

As the Non-Executive and Independent Chairman is not part of the management and is independent, no lead independent director has been appointed.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

Nominating Committee

As at the end of FY2022, the NC of the Company comprises five (5) directors, the majority of whom, including the NC Chairman, are Independent Directors. The members of the NC are:

- Mr Lai Kuan Loong, Victor, Non-Executive Chairman and Independent Director (Chairman)
- Mr Lee Gee Aik, Non-Executive and Independent Director
- Dato' Sri Mohd Mokhtar Bin Mohd Shariff, Non-Executive and Independent Director
- Mr Khong Chung Lun, Executive Director and Chief Executive Officer
- Ir. Hj. Syarul Izam Bin Hj. Sarifudin, Non-Executive and Non-Independent Director

As at the date of this Report, the NC of the Company comprises three (3) directors, the majority of whom, including the NC Chairman, are Non-Executive and Independent Directors. The members of the NC are:

- Dato' Sri Mohd Mokhtar Bin Mohd Shariff, Non-Executive and Independent Director (Chairman)
- Mr Lai Kuan Loong, Victor, Non-Executive Chairman and Independent Director
- Ir. Hj. Syarul Izam Bin Hj. Sarifudin, Non-Executive and Non-Independent Director

The NC is guided by its terms of reference, including but not limited to the key responsibilities as follows:

(i) to review the appointment and re-appointment of Directors (including alternate directors, if any);

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

(iii) to review the succession plans for Directors, in particular, the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(iv) to review the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;

(v) to review the training and professional development programs for the Board and its Directors and ensures that all new members of the Board undergo an appropriate orientation programme;

(vi) to determine, on an annual basis, and as and when circumstances require, if a Director is independent;

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

(viii) to ensure that new directors are aware of their duties and obligations;

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

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

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

The Company does not have any alternate Directors. Alternate Directors may be appointed in exceptional circumstances.

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

The NC has adopted internal guidelines to address competing time commitments of Directors who serve on multiple boards by setting a maximum number of listed company board representations of not more than six (6). Please refer to pages 23 to 25 of this Annual Report for the listed company directorships and other principal commitments of the Directors. Having assessed the capacity of the Directors based on factors such as the expected and/or competing time commitments of Directors, the size and composition of the Board and the nature and scope of the Group's operations and size, the Board is of the view that this number would allow Directors to have increased exposure to different Boards and broaden their experience and knowledge in relation to Board matters, hence ultimately benefitting the Company.

The NC will review whether a Director is able to and has adequately carried out his duties as a director of the Company from time to time, in particular, where a Director has multiple board representations and/or other principal commitments. Although some of the Board members have multiple board representations and hold other principal commitments, the NC, having reviewed each Director's other listed company directorships and/or principal commitments, where applicable, as well as each Director's attendance and contributions to the Board, is satisfied that sufficient time and attention was given by the Directors to the Company to discharge their responsibilities for the financial period in review. Holistically, the contributions by the Directors during the meetings and attendance at such meetings should also be taken into consideration. The Board further notes that none of the Directors hold six (6) or more listed company directorships.

All Directors are subjected to the Regulation in the Constitution whereby one-third of the Directors are required to retire by rotation and be nominated for re-election by the shareholders at the annual general meeting (the "**AGM**"). Pursuant to Rule 720(4) of the Catalist Rules, the Directors are to submit themselves for re-nomination and re-election at least once every three (3) years. In addition, any Director appointed during the year, shall hold office until the next AGM.

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

As disclosed under Principle 2, none of the Independent Directors has any relationship with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence to the Board.

The NC had recommended to the Board that Mr Khong Chung Lun and Mr Lee Gee Aik be nominated for re-election at the forthcoming AGM. Both of them have given their consent to continue in office. Mr Khong Chung Lun will, upon re-election as a Director of the Company, remain as an Executive Director and CEO of the Company. Following Mr Lee Gee Aik's re-designation as a Non-Executive and Independent Director to a Non-Executive and Non-Independent Director of the Company on 24 March 2023, Mr Lee Gee Aik will, upon re-election as a Director of the Company, remain as a Non-Executive and Non-Independent Director of the Company and a member of the AC and RC. The Board considers Mr Lee Gee Aik to be non-independent for the purpose of Rule 704(7) of the Catalist Rules.

In making the above recommendations, the NC had considered the Directors' overall contribution performance, and competencies. The respective Director has abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of their re-election as a Director.

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Directors seeking re-appointment (as set out in Appendix 7F to the Catalist Rules) can be found on pages 86 to 93 of this Annual Report.

A record of the NC members' attendance at the NC meetings during FY2022 is set out on page 58 of this Annual Report. Key information of the Directors is set out on pages 23 to 25 of this Annual Report.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

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

The performance evaluation was conducted for the Board as a whole and each of the Board Committees (namely the AC, NC and RC) in FY2022 for assessing the contribution by the Chairman and each of the Board Committees' members to the effectiveness of the Board. This evaluation exercise reviews the effectiveness of the Board as a whole and of its Board Committees and provides an opportunity to obtain constructive feedback from each Director and Board Committee member on whether procedures and processes had allowed him to discharge his duties effectively. They were also encouraged to propose changes which may be made to enhance the effectiveness of the Board and Board Committees.

In evaluating the Board's and its Board Committees' performance, the NC considers a set of quantitative and qualitative performance criteria that has been approved by the Board. The performance criteria, which shall not be changed from year to year without justification for the Board's evaluation, includes:

(i) Board size and composition (balance of skills, experience, independence and knowledge of the Company);

(ii) Board information;

(iii) Board process and accountability;

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

(v) Standards of conduct.

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

The following Director's performance criterions were considered by the NC during the annual Board performance evaluation:

(i) interactive skills;

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

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

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

The performance evaluation for FY2022 was conducted by having all Directors complete a questionnaire, which included questions on the Board and Board Committees' composition and effectiveness as well as process and contribution, timeliness of Board information and accountability. The Company Secretary collated and submitted the questionnaire results to the NC Chairman. The NC discussed the results of the performance evaluation and tabled the appropriate improvements to be taken up with the Chairman of the Board and of each Board Committee. No external facilitator had been engaged by the Board for this purpose. There has been no change in assessment criteria in FY2022 as the current criteria was considered adequate for the aforementioned measures.

The NC is of the view that the performance of the Board as a whole and the Board Committees were satisfactory and had met the respective performance objectives as set out for FY2022. Given the current size of the Board, the NC is of the view that the performance evaluation of the Board and Board Committees as a whole would suffice to evaluate the effectiveness of the Board, the Board Committees as well as the contribution by the respective Directors and individual performance evaluation of each Director is not necessary at this juncture. The NC would consider carrying out the aforesaid performance evaluation in the future, should the need arise. Notwithstanding that the individual performance evaluation of each Director is not conducted, the NC has reviewed from time-to-time the commitments and efforts contributed by each of the Directors to the affairs of the Company through their participation and contributions at Board and Board Committees meetings.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Remuneration Committee

As at the end of FY2022, the RC of the Company comprises three (3) members, all of whom, including the RC Chairman, are Non-Executive and Independent Directors:

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

- Mr Lee Gee Aik, Non-Executive and Independent Director

- Dato' Sri Mohd Mokhtar Bin Mohd Shariff, Non-Executive and Independent Director

As at the date of this report, the RC of the Company comprises three (3) members who are all Non-Executive Directors, and the majority of whom, including the RC Chairman, are Independent Directors:

- Dato' Sri Mohd Mokhtar Bin Mohd Shariff, Non-Executive and Independent Director (Chairman)

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

- Mr Lee Gee Aik, Non-Executive and Non-Independent Director

The RC is guided by its terms of reference, including but not limited to the key responsibilities as follows:

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

(ii) review and recommend the specific remuneration package and terms of employment for each Director as well as key management personnel of the Group;

(iii) recommend to the Board, the executives' and employees' share option schemes or any long-term incentive schemes which may be set up from time to time and does all acts necessary in connection therewith;

(iv) review the level of remuneration that is appropriate to attract, retain and motivate the Directors and key management personnel; and

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

The RC is tasked to provide a formal, transparent and objective procedure for developing and fixing the remuneration policies and packages, and the RC considers all aspects of remuneration (including Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination payments) in the review of remuneration packages for the Directors and key management personnel with an aim to be fair and to avoid rewarding unsatisfactory performance, before making any recommendation to the Board. The Board is ultimately accountable for all remuneration decisions.

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

The RC has access to professional advice regarding compensation matters, if required. No remuneration experts was appointed to advise on remuneration matters for FY2022.

Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his remuneration package or that of employees related to him. No Director is involved in deciding his own remuneration.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the Company.

The RC makes recommendations on an appropriate framework of remuneration, taking into account employment conditions within the industry and the Company's performance to ensure that the package is competitive and sufficient to attract, retain and motivate the Executive Directors and key management personnel, if any, so as to align their interests with those of shareholders and promote long-term success of the Company. The remuneration of Executive Directors and key management personnel are in accordance with the service agreements which comprise a basic salary component and a variable component (which is the annual bonus).

In addition, the Company has in place performance-related remuneration review system in respect of the Executive Director(s) and key management personnel which are determined based on the performance of the ongoing operations and corporate actions of the Company and/or the Group and individual performance. Individual performance will be reviewed based on three (3) broad dimensions, including the performance-based indicator (capabilities and performances of the individual), quality-based indicator (superior's comment) and 360-degree assessment (reviews from other colleagues).

The RC has reviewed and is satisfied that for FY2022, the remuneration received by the Executive Director and CEO, and key management personnel commensurate their contribution, efforts, responsibilities and achievements. The RC has also reviewed and is satisfied that the overall performance conditions were met for FY2022.

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

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

DISCLOSURE ON REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

(A) Remuneration of Directors

A breakdown showing the level and mix of each Director's remuneration for FY2022 is as follows:

Name of Director	Base/Fixed Salary %	Directors' fee %	Variable or Performance Related Income/ Bonus %	Benefits in Kind %	Total %
S$250,000 and below					
Mr Lai Kuan Loong, Victor	–	100	–	–	100
Mr Khong Chung Lun	99.5	–	0.5	–	100
Mr Lee Gee Aik	–	100	–	–	100
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	–	100	–	–	100
Ir. Hj. Syarul Izam Bin Hj. Sarifudin[1]	–	100	–	–	100

Note:

(1) Ir. Hj. Syarul Izam Bin Hj. Sarifudin was appointed as the Non-Executive and Non-Independent Director on 1 April 2022.

The Group links its remuneration policy to the achievement of key performance indicators. Key performance indicators of the Group are aimed towards financial performance and individual performance; these include project management capabilities and profitability of various projects across the Group's business. The remuneration of Executive Directors and key management personnel are also in accordance with their service agreements, and increment and performance bonus are proposed based on the Group's performance review system and individual performance. Independent Directors and/or Non-Executive Directors are paid only directors' fee, subject to the approval of Shareholders at the AGM. The directors' fees paid to each Independent Directors and/or Non-Executive Directors comprise a basic fee with additional fees for serving on the respective Board Committees.

(B) Remuneration of Key Management Personnel

A breakdown showing the level and mix of each key management personnel's remuneration for FY2022 is as follows:

Name of key management personnel[1]	Designation	Base/Fixed Salary %	Variable or Performance Related Income/Bonus %	Total %
Below S$250,000				
Ms Daeng Hamizah Binti Abd Aziz[2]	Chief Operating Officer	99.5	0.5	100
Ms Ang Siew Peng	Financial Controller	99.4	0.6	100

Notes:

(1) As at the date of this Report, the Company has only one (1) key management personnel who is not a director or the CEO of the Company.

(2) Ms Daeng Hamizah Binti Abd Aziz, who is the niece of the controlling shareholder of the Company, Dato' Daing A Malek Bin Daing A Rahaman, had resigned with effect from 31 October 2022.

During FY2022, save as disclosed above, the Company had two (2) key management personnel in the Group. The total aggregate remuneration paid to the two (2) key management personnel (who are not Directors or the CEO of the Company) was approximately S$250,000 for FY2022.

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

For FY2022, there was no employee who is a substantial shareholder of the Company or is an immediate family member of the Directors, the CEO or substantial shareholder of the Company and whose remuneration exceeded S$100,000.

There is no termination, retirement and post-employment benefits that may be granted to the Directors, CEO or the key management personnel.

The Company does not have any long-term incentive scheme or share option scheme in place, and the RC and the Board would consider incentive schemes for the Group in the near future.

The Board, taking into consideration the current competitive business environment including the keen competition for skilled personnel particularly managers post Covid-19 pandemic, has decided not to disclose the exact details of the remuneration of each individual Director and key management personnel to maintain team morale and stability as the Company works towards resumption of trading on SGX-ST. The Company is currently of the view that providing full details of the remuneration of each individual Director and key management personnel is not of the best interests of the Company and may adversely affect talent attraction and retention. The Company has, however disclosed the remuneration of the Directors in bands of S$250,000.

Despite its deviation from Provision 8.1 of the Code, the Board is of the view that the Company has provided a high level of transparency on remuneration matters, as information on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation had been disclosed in detail in the preceding paragraphs. Accordingly, the Board is of the view that the non-disclosure of the exact quantum of the remuneration of each Director and key management personnel will not be prejudicial to the interest of shareholders and is in line with the intent of Principle 8 of the Code. Notwithstanding, the Company is cognizant of the requirements to disclose, *inter alia*, the names, amounts and breakdown of remuneration paid by the Group to each individual Director and the CEO of the Company in the annual reports for the financial years ending on or after 31 December 2024 in accordance with Rule 1204(10D) of the Catalist Rules. The Company will be making the necessary disclosures in its annual report for the financial year ending 31 December 2024.

ACCOUNTABILITY AND AUDIT

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Risk Management and Internal Controls

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

The Board acknowledges that no cost effective risk management and internal control system will preclude all errors and irregularities. Any system of internal controls is designed to mitigate rather than eliminate risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss, occurrence of errors, poor judgement in decision making, fraud or other irregularities. The Board reviews all significant control policies and procedures and highlights all significant matters to Management, and ensures that the Management maintains a sound system of risk management and internal controls. If appropriate, the Board will consider setting up a board risk committee to address the aforementioned.

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

For FY2022, the Board had received written assurances from:

(i) the CEO and Financial Controller that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(ii) the CEO and relevant key management personnel that the Company's risk management and internal control systems were adequate and effective. The Financial Controller is the key management personnel of the Company.

Based on the internal controls framework established, reviews carried out by Management and the AC, work performed by the internal auditors and external auditors, and the assurance from Management, the Board opines, with the concurrence of the AC, that the Company's internal controls (including financial, operational, compliance, information technology) and risk management systems were adequate and effective for FY2022.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

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

As at the end of FY2022, the AC of the Company comprises three (3) members, all of whom, including the AC Chairman, are Non-Executive and Independent Directors:

- Mr Lee Gee Aik, Non-Executive and Independent Director (Chairman)
- Mr Lai Kuan Loong, Victor, Non-Executive Chairman and Independent Director
- Dato' Sri Mohd Mokhtar Bin Mohd Shariff, Non-Executive and Independent Director

As at the date of this Report, the AC of the Company comprises three (3) members who are all Non-Executive Directors, and the majority of whom, including the AC Chairman, are Independent Directors:

- Mr Lai Kuan Loong, Victor, Non-Executive Chairman and Independent Director (Chairman)
- Mr Lee Gee Aik, Non-Executive and Non-Independent Director
- Dato' Sri Mohd Mokhtar Bin Mohd Shariff, Non-Executive and Independent Director

None of the AC members were former partners or directors of the Company's external auditing firm or auditing corporation: (a) within a period of two (2) years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The Board is of the view that the AC members are appropriately qualified to discharge their responsibilities, taking into consideration that at least two (2) of the AC members, including the AC Chairman, have many years of experience in accounting and relevant financial management expertise and experience.

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

The AC carries out its duties in accordance with the written terms of reference of the AC, which includes but not limited to the key responsibilities as follows:

(i) review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

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

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

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

(v) review the Company's policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated, and appropriately followed up on, and ensure that the Company publicly discloses, and clearly communicates to employees, the existence of a whistleblowing policy and procedures for raising such concerns;

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

(vii) review the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;

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

(ix) receive and review the assurance from the CEO and Financial Controller on the financial records and financial statements;

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

(ix) review the quarterly and full year financial statements of the Company and the Group prior to submission to the Board for approval and the dissemination of the results announcements to shareholders and SGX-ST, including advising the Board if changes are needed to improve the quality of future interim financial statements or financial updates.

The AC met with the internal auditors and external auditors without the presence of Management in respect of FY2022 audit to review matters that might be raised privately and also review the independence of the external auditor annually. The AC has also reviewed the assistance given by the Management to the external and internal auditors.

In the review of the financial statements for FY2022, the AC had discussed with Management and the external auditors on the accounting principles that were applied and its judgement of items that might affect the integrity of the financial statements, and had deliberated the key audit matters ("**KAMs**") presented by the external auditors, including (i) valuation of development properties, (ii) assessment of impairment of investment in subsidiaries, and (iii) going concern assessment. The AC had reviewed the KAMs and concurred with the external auditors and Management on their assessment, judgements and estimates on the significant matters reported by the external auditors as set out under the Independent Auditor's Report on pages 98 to 101 of this Annual Report.

During FY2022, the AC reviewed the quarterly and full-year financial statements prior to submission to the Board for approval; the annual audit plan of the external auditor and the internal auditors and the results of the audit performed by them; interested person transactions; effectiveness and adequacy of the Company's risk management and internal controls systems; audit and non-audit services rendered by the external auditors and the re-appointment of external auditors and their remuneration.

The AC members had been briefed by the external auditors, Mazars LLP, on any changes to accounting standards and issues which have a direct impact on financial statements as part of their audit. A record of the AC members' attendance at the AC meetings during FY2022 is set out on page 58 of this Annual Report.

External Audit

The Company had engaged Mazars LLP, an audit firm registered with the Accounting and Corporate Regulatory Authority ("**ACRA**"), as the external auditors of the Company and Mazars PLT Malaysia was appointed as the auditor of the Company's subsidiaries based in Malaysia. The Company is in compliance with Rules 712 and 715 of the Catalist Rules.

The aggregate amount of fees paid by the Company to the external auditors, Mazars LLP amounted to S$104,000 for audit services. There were no non-audit services provided by Mazars LLP in FY2022.

The AC has reviewed the independence and objectivity of Mazars LLP in FY2022 and is satisfied that Mazars LLP has demonstrated appropriate qualifications and expertise and is also independent of the Company.

The AC is also satisfied with the adequacy of the scope and quality of the external audits being conducted by Mazars LLP. The AC recommended the re-appointment of Mazars LLP as the external auditors for the ensuing financial year, taking into consideration the Audit Quality Indicators Disclosure Framework published by the ACRA. The Board accepted this recommendation and has proposed a resolution to shareholders for the re-appointment of Mazars LLP of the Company at the forthcoming AGM.

Internal Audit

The AC is responsible for the appointment, removal, evaluation and compensation of the accounting or auditing firm or corporation that the internal audit function of the Company is outsourced to. The AC is also responsible to review and monitor the internal audit function/external service providers engaged to ensure timely completion of the internal audit plan, and implementation and effectiveness of any corrective action plans proposed by the internal audit function/external service providers.

The Group's internal audit function for FY2022 was outsourced to Deloitte Business Advisory Sdn Bhd (the "**Internal Auditor**"), an independent internal audit service provider who reports directly to the AC on audit matters. The Internal Auditor has a staff strength from diverse backgrounds and qualifications. The internal audit team is headed by its executive director who has vast experience in the areas of financial and operational audits, to provide independent assurance and consulting activities, which serve to assist the Company in achieving its objectives. The services are performed in accordance with the Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors (the "**IIA Standards**").

The engagement with the Internal Auditor is free from any relationship or conflict of interest, which could potentially impair the objectivity and independence. The areas reviewed by the Internal Auditor during FY2022 are as follows:

1. Bank and Cash Management

2. Construction and Development

3. IT Controls and Cybersecurity

4. Procurement, Payables and Payments

5. Revenue, Receivables and Collections

The AC reviews and approves the annual internal audit plans and resources to ensure that the internal auditor has adequate resources to perform its function. The AC approves the hiring, removal and evaluation of the internal auditors. Internal audit reports are also given to the external auditors to ensure efficient use of resources and to avoid duplication of efforts.

The Internal Auditor has unfettered access to all the Group's documents, records, properties and personnel, including access to AC, and has appropriate standing within the Company, to effectively discharge its responsibilities.

The Internal Auditor had, during the course of their audit, performed tests over the operating effectiveness of certain controls and made some observations on internal controls and had proposed recommendations to assist Management in enhancing existing controls, reducing risks and improving operational efficiency and effectiveness in the areas reviewed. Action plans to address these observations and findings have also been put in place. Follow-up audits were performed by the Internal Auditor to ensure that the Management action plans recommended by the Internal Auditor for any audit observations are rectified in a timely manner. The Management will work with the Internal Auditor to ensure that the proposed recommendations for FY2022 are completed to further enhance the Company's existing controls.

The AC also meets to review, discuss and direct actions on matters pertaining to the internal audit report. The outcomes are then forwarded to the operational management for attention and necessary actions. The AC has reviewed the scope and findings of the internal audit performed by the internal auditors during FY2022 and the Management's responses thereto, and noted that there were no material internal control weaknesses identified by the internal auditors in their course of audit for FY2022.

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

Pursuant to Rule 711B(3) of the Catalist Rules, the Company's sustainability reporting process has been subjected to internal review.

Whistle-Blowing Policy

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

(i) by email to *whistleblowing@astaka.com.my*; and

(ii) by surface mail for the attention of the Chairman of AC or the Company Secretary at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535.

The Whistle-Blowing Policy aims to encourage the reporting of such matters in good faith. The person who has reported a suspicion of fraudulent activities or malpractices in good faith (the "**Whistle-Blower**") and in compliance with the provisions of the Whistle-Blowing Policy shall not be prejudiced in his position in any way as a result of such reporting, and the identity of the Whistle-Blower will be kept confidential. The Whistle-Blower who has, not himself or herself, engaged in serious misconduct or illegal conduct shall be protected from any forms of harassment, retaliation, and in the case of an employee of the Group, any adverse employment or career advancement consequence or discrimination, including but not limited to demotion, dismissal or reduction of compensation or privileges of employment.

The AC is in charge of overseeing and monitoring the whistle-blowing function and handling of matters being reported through the whistle-blowing system, including ensuring that any investigation and follow-up procedures are taken, if any. The AC reports to the Board on such matters at the Board meetings, or as and when necessary. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETING

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company recognises the importance of treating all shareholders fairly and equitably, as well as the responsibility to facilitate the exercise of shareholders' rights, and have the opportunity to communicate their views on matters affecting the Company. All registered shareholders are given the opportunity to participate effectively in and vote at general meetings. Shareholders are informed of shareholders' meetings through notices published via SGXNet and the Company's corporate website prior to the meetings with the details of the agenda of the general meetings.

The Company adopts an open and non-discriminatory communication program to promote regular, effective and fair communication with shareholders, for the shareholders to stay informed of the Group's performance, position and prospects. Shareholders are encouraged to attend and participate at the general meetings to ensure a greater level of shareholders' participation. Shareholders are informed of the rules, including voting procedures that govern the general meetings to enable them to participate effectively in and vote at the general meetings. As authentication of shareholder identity information and other related security issues remain a concern, the Company, for the time being, has not amended its Constitution to allow absentia voting at general meetings and such absentia votings will only be possible following careful study to ensure that the integrity of the information and authentication of the identity of shareholders through the web is not compromised. Notwithstanding the deviation from Provision 11.4 of the Code, the Company is of the view that shareholders are treated fairly and equitably and have the opportunity to communicate their views on matters affecting the Company. For instance, shareholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings if they are unable to attend.

The Company's forthcoming AGM will be held on 27 April 2023 via electronic means with real-time electronic voting and real-time electronic communication pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and shareholders will not be able to attend the AGM in person. The notice of AGM is set out on pages 168 to 173 of this Annual Report. Arrangements relating to the mode of publication of notice of AGM, Annual Report and proxy form, attendance at the AGM via electronic means, submission of questions in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting at the AGM or by proxy, will be put in place for the forthcoming AGM.

All Directors and the key management personnel shall attend the general meetings, unless in cases of exigencies, and shareholders are given opportunities to ask the Board and Management questions regarding the operations of the Group and in relation to the meeting agenda prior to the respective meetings, and the Company is to answer any relevant questions prior to or during the general meetings. All Directors attending the general meetings are to answer any questions relating to the work of their respective Committees. The external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. All directors, key management personnel and external auditors attended the last AGM of the Company held for FY2021.

At the AGM or other general meetings, separate resolutions will be set out as distinct issues for approval by shareholders. All resolutions tabled at general meetings are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meetings. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting.

The Company prepares minutes of general meetings which includes key comments and queries from shareholders relating to the agenda of the general meetings, and responses from the Board and Management. The Company's minutes of general meeting(s) will be published on the SGXNet and Company's corporate website within one (1) month of the general meeting.

Dividend Policy

The Company does not have a fixed dividend policy. The Board will consider various factors, such as the Company's and/or the Group's earnings, general financial position, capital expenditure requirements, cash flow, general business environment, development plans and other factors that may be deemed appropriate, to determine whether dividends would be paid for the financial year. The Board has not declared or recommended any dividend for FY2022, as the Group intends to conserve cash as working capital for the Company, to repay existing creditors and to fund the project pipelines of the Group.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

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

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

The Company's corporate website is the key resource of information for shareholders. It contains a wealth of investor related information of the Company, which include, amongst others, profiles of the Board and key management personnel of the Company, list of announcements made via SGXNet, annual reports and important Group policies such as the whistleblowing and personal data protection policies.

General meetings have been and are still the principal forum for dialogue with shareholders. General meetings offer opportunities for the Board to interact with shareholders, understand their views, gather feedback as well as address concerns. As the Company's forthcoming AGM will be held via electronic means, shareholders are invited to submit their questions "live" during the AGM or ahead of the AGM. The arrangements in relation to, among others, the registration of the AGM, and submission of questions can be found in the notice of AGM.

While the Company does not have a formal written investor relations policy, all shareholders are encouraged to contact the Company with any queries or concerns. The contact details of the Company and its investor relation contact can be found on the corporate website to facilitate dialogue and queries from shareholders. Accordingly, this allows the Company for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

As disclosed in the Company's Sustainability Report for FY2022, the Company identifies stakeholders as those who are affected by, or can affect the Company's business operations, ESG performance and long-term business plans. The Company strongly believes that engaging our key stakeholder groups and addressing their needs is critical to sustaining the Company's long-term success.

The Company's engagement with the key stakeholders, including engagement methods, strategy and key areas of focus in relation to the management of stakeholder relationships will be disclosed in the Company's Sustainability Report for FY2022 on pages 30 to 56 of this Annual Report.

Further details on the Group's business, performance and governance practices can be found via the Company's corporate website (https://astaka.com.my) and stakeholders may reach out to the Company through the contact details set out on the corporate website.

OTHER CORPORATE GOVERNANCE MATTERS

INTERESTED PERSON TRANSACTIONS ("IPTs")

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

The following table sets out the interested person transactions for FY2022:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Bukit Pelali Properties Sdn Bhd ("**BPP**")	An associate of Dato' Malek	RM107,412,283[(1)]	Not applicable
Dato' Daing A Malek Bin Daing A Rahaman ("**Dato' Malek**")	Controlling Shareholder	RM2,209,665[(2)]	Not applicable
Dato' Malek	Controlling Shareholder	RM325,464[(3)]	Not applicable
Seaview Holdings Sdn. Bhd. ("**Seaview Holdings**")	An associate of Dato' Malek	RM116,000,000[(4)]	Not applicable
DMR Holdings Sdn Bhd ("**DMR Holdings**")	An associate of Dato' Malek	RM4,217,401[(5)]	Not applicable
Saling Syabas Sdn Bhd ("**SSSB**")	An associate of Dato' Malek	RM1,285,883[(6)]	Not applicable
Sukma Consortium Sdn Bhd	An associate of Dato' Malek	RM738,000[(7)]	Not applicable

Notes:

(1) The subsidiary of the Company, Astaka Padu Sdn Bhd ("**APSB**") had certain IPTs with BPP, comprising the following:

(i) APSB had paid for certain office expenses on behalf of BPP from time to time, and APSB had seconded its employees to BPP to meet BPP's operational requirements;

(ii) APSB and BPP had entered into agreements on 16 March 2020, 1 September 2020 and 1 September 2021 (collectively, the "**BPP Loans**") which amounted to an aggregate of approximately RM26.5 million at the interest rate of 8% per annum payable on any principal amount outstanding. The BPP Loans are unsecured, and the BPP Loans and the interest are repayable on demand by APSB;

(iii) On 20 June 2022, APSB and SSSB had entered into an agreement to extend an unsecured and interest-free loan to BPP which amounted to an aggregate sum of RM80.0 million (the "**BPP Shareholders' Loan**"). In accordance to the agreement in relation to the BPP Shareholders' Loan and based on the respective shareholding proportions in BPP, the amount of BPP Shareholders' Loan from APSB and SSSB to BPP would amount to RM40.8 million and RM39.2 million respectively.

The BPP Shareholders' Loan shall be repaid by BPP to APSB and SSSB in cash and/or in kind as may be mutually agreed between BPP with APSB and SSSB respectively within one year from the drawing date (the "**Repayment Term of BPP Shareholders' Loan**"), with an automatic extension of additional one year period upon the expiry of the Repayment Term of BPP Shareholders' Loan, and on each successive anniversary date thereafter and the maturity date for the repayment of the BPP Shareholders' Loan shall be construed as the last day of each relevant extension. Pursuant to Rule 916(3) of the Catalist Rules, shareholders' approval is not required for the provision of a loan to a joint venture with an interested person if the loan is extended by all joint venture partners in proportion to their equity and on the same terms;

(iv) On 22 June 2022, BPP had entered into a conditional master supplemental agreement (the "**Master Supplemental Agreement**") with JBB Builders Sdn Bhd ("**JBB Builders**") and APSB to vary, amend and revise the payment term and structure of the outstanding contract sum of approximately RM59.0 million payable by BPP to JBB Builders for performing construction and infrastructure works for the Bukit Pelali project. Pursuant to the Master Supplemental Agreement, (a) a sum of approximately RM41.6 million shall be paid via the transfer of 20 Astaka units to JBB Builders or its nominees (the "**Contra Properties**"), (b) a sum of RM17.4 million shall be payable by BPP to JBB Builders via monthly instalments, and (c) the original issue documents of strata/individual titles and other transfer documents pertaining to nine (9) Astaka units of a total net price of RM20.6 million shall be held in escrow by JBB Builders as security (the "**Escrow Properties**") for compliance by BPP of its payment obligations in respect of the cash instalment payable by BPP to JBB Builders (the "**Proposed Settlement**"). The Company had obtained the shareholders' approval on 5 October 2022 for the Proposed Settlement as an interested person transaction and a major transaction. Please refer to the Company's circular dated 20 September 2022 for further details on the Proposed Settlement.

In connection with the Proposed Settlement, APSB, SSSB and BPP had entered into a financial support agreement on 20 September 2022 (the "**Financial Support Agreement"**) pursuant to which (a) the provision and transfer to JBB Builders or its nominees of (i) the Contra Properties shall be deemed as an advance for an aggregate sum of RM41.6 million (the "**Immediate Astaka Advances**"), and (ii) the Escrow Properties shall be deemed as an advance for an aggregate sum of up to RM20.6 million (the "**Contingent Astaka Advances**"), and (b) APSB and SSSB had provided a shareholders' loan to BPP of up to an aggregate of approximately RM62.2 million, being the aggregate of the Immediate Astaka Advances and the Contingent Astaka Advances (the "**Shareholders' Loan**"). In accordance with the respective shareholding proportions in BPP, APSB will contribute up to RM31.7 million to BPP for its portion of the Shareholders' Loan and such amount shall be offset from the Immediate Astaka Advances and the Contingent Astaka Advances.

There shall be no interest charged on the Shareholders' Loan and it shall be repaid by BPP to APSB and SSSB in cash and/or in kind as may be mutually agreed between BPP with APSB and SSSB respectively within one (1) year from the drawing date (the "**Repayment Term on the Shareholders' Loan**"), with an automatic extension of additional one year period upon the expiry of the Repayment Term on the Shareholders' Loan, and on each successive anniversary date thereafter, and the maturity date for the repayment of the Shareholders' Loan shall be construed as the last day of each relevant extension. Pursuant to Rule 916(3) of the Catalist Rules, the Shareholders' Loan is exempted from the requirement of seeking the approval from the Shareholders.

Within or on the date falling three months from the unconditional date (the "**Immediate Astaka Advances Payment Date**"), BPP shall pay to APSB in cash the Immediate Astaka Advances, failing which BPP shall pay to APSB interest at the rate of 10% per annum on the Immediate Astaka Advances or any part thereof remaining unpaid, calculated on a daily basis, from the day next following the Immediate Astaka Advances Payment Date until the date of actual payment of the full amount of the Immediate Astaka Advances.

In the event that JBB Builders calls upon the Escrow Properties, the Contingent Astaka Advances or such part thereof shall immediately become payable by BPP to APSB in cash within or on the date falling 3 months from the respective date of the sale and purchase agreement(s) executed between APSB and JBB Builders or its nominee(s) ("**Contingent Astaka Advances Payment Date**")**,** failing which BPP shall pay to APSB an interest rate of 10% per annum on the Contingent Astaka Advances or any part thereof remaining unpaid, calculated on a daily basis, from the day next following the Contingent Astaka Advances Payment Date until the date of actual payment of the full amount of the Contingent Astaka Advances. Pending the repayment and settlement of the Immediate Astaka Advances and/or the Contingent Astaka Advances by BPP to APSB, BPP and SSSB agree that BPP shall, in pursuance to the authority conferred on it by the power of attorney granted by SSSB to BPP, furnish certain Bukit Pelali properties to APSB or its nominee(s) as a continuing security. Please refer to the Company's circular to its shareholders dated 20 September 2022 for further details on the Shareholders' Loan; and

(v) On 30 December 2021, APSB and BPP had entered into an agreement, pursuant to which, BPP had obtained management services from APSB which includes the provision by APSB of administrative, finance, project, human resources and support services to BPP.

(2) Dato' Malek, the controlling shareholder of the Company, had extended unsecured loans in aggregate principal outstanding amount of RM52,322,839 to 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.

In respect of the DM Loan Agreement, the loan and interest are repayable within one year from the date of the first drawing date or on demand, and no interest shall be charged on any accrued interest. The tenure of the loan shall be extended automatically by each subsequent one year period unless APSB receives a termination notice from Dato' Malek not less than 30 days prior to the repayment date, and provided that no event of default has occurred. The Company had obtained the approval from its shareholders on 28 October 2020 for the entry by APSB into the DM Loan Agreement as an interested person transaction under Chapter 9 of the Catalist Rules. Please refer to the Company's circular to its shareholders dated 9 October 2020 for further details on the DM Loan Agreement. Further to the financial support letter which was extended by Dato' Malek previously to not demand repayment of the amount owing by the Company to Dato' Malek until the Group's resources permit, Dato' Malek and APSB had subsequently on 29 March 2023 entered into a supplementary agreement wherein Dato' Malek has, *inter alia,* agreed to not demand repayment for the amount owing to him until the Group and the Company have the available resources to repay such amount.

(3) This comprises the rental payable by BPP to Dato' Malek, for the rental of lands by BPP from 1 April 2022 to 31 March 2024.

(4) On 14 January 2022, APSB had entered into a conditional sale and purchase agreement with Seaview Holdings Sdn. Bhd. for the proposed sale of APSB's property known as One Bukit Senyum, a parcel of freehold land held under H.S.(D) 571006, PTD 233330, Mukim of Plentong, District of Johor Bahru, State of Johor, Malaysia (the "**Proposed Disposal**"). The sale consideration for the Proposed Disposal is RM116.0 million. The Company had obtained the approval from its shareholders on 12 April 2022. Please refer to the Company's circular to its shareholders dated 18 March 2022. As at 31 December 2022, the Proposed Disposal has not been completed.

(5) 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) (the "**DMR Loan Agreement**") at a fixed interest rate of 8% per annum, repayable within one year (unless automatically extended) or on demand.

APSB shall repay the DMR Loan and interest thereon within one year from the date of the first drawing date ("**Repayment Period on DMR Loan**"), and no interest shall be charged on any accrued interest. Notwithstanding the Repayment Period on DMR Loan above, the tenure of the DMR Loan shall be extended automatically by each subsequent one year period unless APSB receives a notice of termination from DMR Holdings not less than 30 days from the last date of the Repayment Period on DMR Loan, and provided that no event of default has occurred. The Company had obtained the approval from its shareholders on 28 October 2020 for the entry by APSB into the DMR Loan Agreement as an interested person transaction under Chapter 9 of the Catalist Rules. Please refer to the Company's circular to its shareholders dated 9 October 2020 for further details on the DMR Loan Agreement.

In addition, APSB has on 8 December 2021 obtained an additional unsecured loan facility from DMR Holdings (the "**Additional Loan Facility**") of up to RM8,000,000 at a fixed interest rate of 8% per annum, repayable within one year (unless automatically extended) or on demand for general corporate and working capital purposes. APSB shall repay the Additional Loan Facility and interest thereon within one year from the date of the first drawing date ("**Repayment Period on Additional Loan Facility**"), and no interest shall be charged on any accrued interest. Notwithstanding the Repayment Period on Additional Loan Facility above, the tenure of the Additional Loan Facility shall be extended automatically by each subsequent one year period unless APSB receives a notice of termination from DMR Holdings not less than 30 days from the last date of the Repayment Period on Additional Loan Facility, and provided that no event of default has occurred.

Further to the financial support letter provided by DMR Holdings previously to not demand repayment of the amount owing by the Company to DMR Holdings until the Group's resources permit, DMR Holdings and APSB had subsequently on 29 March 2023 entered into a supplementary agreement wherein DMR Holdings has, *inter alia*, agreed to not demand repayment for the amount owing to DMR Holdings until the Group and the Company have available resources to repay such amount.

(6) This comprises the amount payable by BPP to SSSB as at 31 December 2022 for the sole and exclusive right to develop the Bukit Pelali land, which was approved by the Company's shareholders at the extraordinary general meeting on 16 December 2016. Please refer to the Company's circular to its shareholders dated 29 November 2016 for further details.

(7) This comprises the rental payable by APSB, to Sukma Consortium Sdn Bhd, an associate of Dato' Malek, for the rental of office premises by APSB from 1 September 2021 to 31 August 2024.

The Company is evaluating and seeking legal advice on Chapter 9 of the Catalist Rules in relation to certain IPTs which include certain of the aforementioned IPTs. The Company will make further announcement(s) to update shareholders when there are material updates in relation to this matter.

Save for the above mentioned, there were no IPTs of S$100,000 or more for FY2022.

For FY2022, the Group does not have a general mandate from its shareholders for recurring IPTs.

DEALING IN THE COMPANY'S SECURITIES

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

MATERIAL CONTRACTS

Pursuant to Rule 1204(8) of the Catalist Rules, save as disclosed below, in the section entitled "Interested Person Transactions" above and elsewhere in the consolidated financial statements of the Group, there were no material contracts entered into by the Company or its subsidiaries that involved the interests of the Directors, CEO or controlling shareholders which are still subsisting as at the end of FY2022, or if not then subsisting, entered into since the end of the previous financial period.

<u>Land parcels owned by SSSB was used as security under the loan agreement with China State Construction Engineering (M) Sdn Bhd ("**CSCE**")</u>

Pursuant to a letter of award dated 18 December 2014 and a construction agreement dated 2 August 2015 (collectively, the "**Contract**") between APSB and CSCE, APSB had engaged CSCE as the main contractor to carry out construction works for the development of service apartments in Malaysia. As of 28 February 2017, a sum of RM46,532,461 remained due and owing by APSB to CSCE under the Contract.

On 12 April 2017, APSB entered into a loan agreement ("**Loan Agreement**") with CSCE to convert the outstanding trade payables of RM46,532,461 due to CSCE under the Contract into a loan ("**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. In addition, the Loan was secured against certain land parcels located in Bukit Pelali that are owned by SSSB (the "**Land Parcels**") and over which the Group holds development rights. SSSB is owned by Dato' Malek. No agreement was entered into between the Group, SSSB and Dato' Malek for the provision of such security and no payment has been made by the Group to SSSB and Dato' Malek for the provision of such security.

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**"). In accordance to the terms of the 2021 Settlement Agreement, 4 Land Parcels remain secured to CSCE. Please refer to the Company's announcement dated 30 November 2021 for further details on the 2021 Settlement Agreement.

Overdraft facility with Affin Bank Berhad ("**Affin Bank**")

On 7 October 2015, APSB entered into an overdraft facility of RM10,000,000 (the "**Overdraft Facility**") and has on 9 December 2020 obtained an additional Overdraft Facility of RM2,000,000 with Affin Bank, which is repayable on demand. The nominal interest rate of the Overdraft Facility of 6.56% is calculated based on Affin Bank's base lending rate plus 0.25%. The Overdraft Facility is secured against the controlling shareholder of the Company, Dato' Malek's fixed deposit of RM12,000,000. No agreement was entered into between the Group and Dato' Malek for the provision of such security, and no payment has been made by the Group to Dato' Malek for the provision of such security.

As at 31 December 2022, RM11,929,101 of the Overdraft Facility has been utilised by APSB. For more details, please refer to Note 24 of the consolidated financial statements of the Group.

Unsecured interest-free loan from Dato' Malek

On 21 February 2022, APSB entered into a loan agreement (the "**Additional DM Loan**") with Dato' Malek for an unsecured, interest-free loan in the principal amount not exceeding RM60.0 million, repayable within one year (unless automatically extended) or on demand, for the purposes of general corporate and working capital purposes, and shall only be drawn when required.

APSB shall repay the Additional DM Loan within one year from the date of the first drawing date or on demand by Dato' Malek ("**Repayment Period on Additional DM Loan**"). Notwithstanding the Repayment Period on Additional DM Loan above, the tenure of the Additional DM Loan shall be extended automatically by each subsequent one year period unless APSB receives a notice of termination from Dato' Malek not less than 30 days from the last date of the Repayment Period on Additional DM Loan, and provided that no event of default has occurred.

As at 31 December 2022, the unsecured interest-free loan has not been drawn down.

Supplemental Agreement between APSB with JBB Kimlun Sdn. Bhd. ("**JBB Kimlun**")

APSB had on 8 May 2017 appointed JBB Kimlun as the main contractor (the "**Contract JBB Kimlun**") to carry out construction works of a 15-storey Grade A office tower, as the headquarters of the Johor Bahru City Council (the "**MBJB Project**").

APSB had on 17 March 2022 entered into a supplemental agreement to the Contract JBB Kimlun with JBB Kimlun for the full and final settlement of the outstanding amount of RM24,761,348.35 (the "**Outstanding Contract Sum**") payable from APSB to JBB Kimlun in respect of work done for the MBJB Project (the "**Supplemental Agreement**"), pursuant to which and subject to the terms of the Supplemental Agreement, that, *inter alia*, (a) APSB and JBB Kimlun shall enter into a contra agreement with BPP and SSSB, being the associate of Dato' Malek, for the transfer of eleven (11) properties (comprising seven (7) properties in the Bukit Pelali project and four (4) properties in the Astaka project) (the "**Contra Properties**") to JBB Kimlun's nominee(s), namely Kimlun Sdn. Bhd. ("**Kimlun**"), being a related company of JBB Kimlun, or other third parties as identified by Kimlun at a total net price of RM12,867,695; and (b) APSB shall grant JBB Kimlun (whether through Kimlun and/or its nominated third party) with the option to acquire six (6) separate options to acquire the unsold units in the Astaka project at a total net price of up to RM12,659,122 by way of contra and set off against the Outstanding Contract Sum at any time prior to 31 August 2024 or such other date to be mutually agreed upon between the Parties ("**Option Period**"). As at 31 December 2022, the transfer of the Contra Properties was completed. Bukit Pelali project was developed by BPP, which is 51% held by APSB and 49% held by SSSB, an associate of Dato' Malek.

Supplemental Agreement between APSB, BPP, CSPM (South) Sdn. Bhd. ("**CSPM**") and SSSB

Pursuant to a letter of award dated 1 April 2015 and 5 December 2016 (the "**CSPM Contract**") between APSB and CSPM, APSB had engaged CSPM as the sub-contractor for air conditioning and mechanical ventilation system, fire-fighting system, swimming pool and water feature equipment for The Astaka Project.

APSB had on 1 December 2021 entered into a supplemental agreement with CSPM to the CSPM Contract for the outstanding amount of RM1,242,090 (the "**Outstanding Contract Sum of CSPM**") payable from APSB to CSPM in respect of work done for The Astaka Project (the "**CSPM Supplemental Agreement**"), pursuant to which, APSB and CSPM shall enter into a contra agreement with BPP and SSSB to transfer one property in the Bukit Pelali project to CSPM or its nominee to set off against the Outstanding Contract Sum of CSPM. The transfer of the said property by BPP to CSPM was completed in FY2022. Bukit Pelali project was developed by BPP, which is 51% held by APSB and 49% held by SSSB, an associate of Dato' Malek.

Supplemental Agreement between APSB, BPP, SMA Bersekutu Sdn Bhd. ("**SMA**") and SSSB

Pursuant to a letter of awards dated 12 July 2012 and 13 January 2015 (the "**SMA Contract**") between APSB and SMA, APSB had appointed SMA as the consultant for civil and structural engineers for (i) mixed development on Lot PTD 22906 Mukim Plentong, Johor Bahru ("**Mixed Development**") and (ii) The Astaka Project.

APSB had on 20 December 2022 entered into a supplemental agreement to the SMA Contract for the full and final settlement of the outstanding amount of RM549,480 (the "**Outstanding Contract Sum of SMA**") payable from APSB to SMA in respect of work done for the Mixed Development and The Astaka Project (the "**SMA Supplemental Agreement**"), pursuant to which, APSB and SMA shall enter into a contra agreement with BPP and SSSB to transfer one property in the Bukit Pelali Project to SMA or its nominee to set off against the Outstanding Contract Sum of SMA. The transfer of the said property by BPP to SMA was completed as at 31 December 2022. Bukit Pelali project was developed by BPP, which is 51% held by APSB and 49% held by SSSB, an associate of Dato' Malek.

NON-SPONSOR FEES

In FY2022, the Company paid to its sponsor, Novus Corporate Finance Pte. Ltd., non-sponsor fees of S$20,000 (excluding GST).

SUSTAINABILITY REPORTING

Pursuant to Rules 711A and 711B of the Catalist Rules, the Company's sustainability report is set out from pages 30 to 56 of this Annual Report.

INFORMATION ON DIRECTORS
SEEKING RE-ELECTION

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

Name of Person	**Khong Chung Lun**	**Lee Gee Aik**
Date of Appointment	13 November 2019	23 December 2008
Date of last re-appointment (if applicable)	5 February 2020	28 October 2020
Age	35	64
Country of principal residence	Malaysia	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	The Board, having considered, among others, the recommendation of the NC and reviewed and assessed the qualifications, work experiences and suitability of Mr Khong Chung Lun, is of the view that he has the requisite experiences and capabilities to assume the duties and responsibilities as the Executive Director and Chief Executive Officer of the Company.	The Board, having considered, among others, the recommendation of the NC and reviewed and assessed the qualifications, work experiences and suitability of Mr Lee Gee Aik, is of the view that he has the requisite experiences and capabilities to assume the duties and responsibilities as the Non-Executive and Non-Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive, Chief Executive Officer The CEO is responsible for charting and reviewing corporate directions and strategies, which cover areas of marketing, strategic alliances as well as the day-to-day operations, and providing the Company and/or the Group with strong leadership and vision.	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Executive Officer	Non-Executive and Non-Independent Director, Member of the Audit Committee, and Member of Remuneration Committee

Name of Person	Khong Chung Lun	Lee Gee Aik
Professional qualifications	1. Master of Business Administration in Industrial Management, Sheffield Hallam University 2. Bachelor of Engineering (Honours) in Automation and Manufacturing Systems Engineering, Sheffield Hallam University 3. Graduate Diploma in Engineering, The City and Guilds of London Institute 4. Advance Diploma in Technology (Mechanical & Manufacturing Engineering), Tunku Abdul Rahman College 5. Diploma in Mechanical & Manufacturing Engineering, Tunku Abdul Rahman College	1. ACCA, The Chartered Association of Certified Accountants, United Kingdom 2. Master of Business Administration, Henley Management College, United Kingdom
Working experience and occupation(s) during the past 10 years	1. November 2019 to present, Executive Director and Chief Executive Officer, Astaka Holdings Limited 2. May 2015 to November 2019, General Manager, Astaka Padu Sdn Bhd, Malaysia 3. June 2012 to May 2015, Business Development Manager, Country Garden Real Estate Sdn Bhd, Malaysia 4. January 2011 to May 2012, Concept Specialist & Mechanical Engineer, Primepoint Oil & Gas Pte Ltd	1. 2022 to Present, Chief Financial Officer, AlphaRock Family Office Pte. Ltd. 2. 2015 to 2017, Director, Fuller & Ernst Pte. Ltd. 3. 2010 to 2016, Director, Max Management Pte. Ltd. 4. 2008 to 2016, Director, R Chan & Associates PAC 5. 1997 to 2016 Audit Assurance Partner, G A Lee & Associates
Shareholding interest in the listed issuer and its subsidiaries	47,900	Nil

Name of Person	Khong Chung Lun	Lee Gee Aik
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)		
Past (for the last 5 years)	Damansara Realty (Pahang) Sdn Bhd	Nil
Present	Principal Commitment and Directorship Astaka Holdings Limited Directorships MoleQ Asset Management Sdn Bhd HHM Development Sdn Bhd Grand Pacific Seafood Sdn Bhd	Principal Commitment AlphaRock Family Office Pte. Ltd. Directorships Astaka Holdings Limited Anchun International Holdings Limited SHS Holdings Limited Uni-Asia Group Limited
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

Name of Person	Khong Chung Lun	Lee Gee Aik
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

Name of Person	Khong Chung Lun	Lee Gee Aik
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

Name of Person	**Khong Chung Lun**	**Lee Gee Aik**
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Reference is made to the independent fact-finding report dated 3 April 2020 (“**Fact-Finding Report**”) issued by Ernst & Young Advisory Pte Ltd, as the independent reviewer to undertake a review of the matters set out in the Fact-finding Report, and released by the Company on SGXNet on 3 April 2020. The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) had in 2020 issued a show cause letter to the directors of the Company to make representations for potential breaches of SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). The Company and the relevant persons were previously engaged in correspondences with the SGX-ST in relation to the same. Subsequently, the SGX Listings Disciplinary Committee had on 17 August 2021 issued its written grounds of decision to the Company in relation to the aforesaid matter which includes the public reprimand issued to the Company, the former Executive Director and former Chief Financial Officer for breaching the Catalist Rules (the “**Public Reprimand**”). For the avoidance of doubt, Mr Khong was not named in the Public Reprimand and has not been implicated in any breach of the Catalist Rules. Please refer to the Company’s announcement dated 20 August 2021 for more details. There has not been any further development from the SGX-ST since then.	Reference is made to the independent fact-finding report dated 3 April 2020 (“**Fact-Finding Report**”) issued by Ernst & Young Advisory Pte Ltd, as the independent reviewer to undertake a review of the matters set out in the Fact-finding Report, and released by the Company on SGXNet on 3 April 2020. The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) had in 2020 issued a show cause letter to the directors of the Company to make representations for potential breaches of SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). The Company and the relevant persons were previously engaged in correspondences with the SGX-ST in relation to the same. Subsequently, the SGX Listings Disciplinary Committee had on 17 August 2021 issued its written grounds of decision to the Company in relation to the aforesaid matter which includes the public reprimand issued to the Company, the former Executive Director and former Chief Financial Officer for breaching the Catalist Rules (the “**Public Reprimand**”). For the avoidance of doubt, Mr Lee was not named in the Public Reprimand and has not been implicated in any breach of the Catalist Rules. Please refer to the Company’s announcement dated 20 August 2021 for more details. There has not been any further development from the SGX-ST since then.

Name of Person	Khong Chung Lun	Lee Gee Aik
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Please refer to (j)(i) above.	Please refer to (j)(i) above.
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of an issuer listed on the Exchange?	N.A. This relates to re-appointment of Director.	N.A. This relates to re-appointment of Director.
If yes, please provide details of prior experience.	N.A.	N.A.

Name of Person	Khong Chung Lun	Lee Gee Aik
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	N.A.	N.A.

The directors present their statement to the members together with the audited financial statements of Astaka Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2022 and the statement of financial position of the Company as at 31 December 2022.

1. Opinion of the directors

In the opinion of the directors,

(a) the financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year ended 31 December 2022 in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

Mr. Lai Kuan Loong, Victor
Mr. Khong Chung Lun
Mr. Lee Gee Aik
Dato' Sri Mohd Mokhtar Bin Mohd Shariff
Ir. Hj. Syarul Izam Bin Hj. Sarifudin (appointed on 1 April 2022)

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of whose objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interest in the share capital and debentures of the Company and related corporations, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as disclosed below:

Name of directors and respective company in which interest are held	Direct interests		Deemed interests	
	1 January 2022	31 December 2022	1 January 2022	31 December 2022
Astaka Holdings Limited				
No. of ordinary shares				
Mr. Khong Chung Lun	47,900	47,900	–	–

4. Directors’ interests in shares or debentures (Continued)

There were no changes in any of the directors’ interests in the Company between the end of the financial year and 21 January 2023.

During the financial year, the Company has in the normal course of business entered into transactions with the directors and/or their affiliated companies, being related parties and parties in which some of the directors are deemed to have an interest, with the directors having disclosed their interests in such transactions pursuant to Section 156 of the Act. Such transactions disclosed in Note 28 to the financial statements were carried out on normal commercial terms and in the normal course of business of the Company.

5. Share options

During the financial year, there were:

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

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

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

6. Audit Committee

The members of the Audit Committee during the financial year are:

Mr. Lee Gee Aik (Chairman)
Mr. Lai Kuan Loong, Victor
Dato’ Sri Mohd Mokhtar Bin Mohd Shariff

All members including the Audit Committee Chairman, are non-executive and independent directors of the Company.

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

Mr. Lai Kuan Loong, Victor (Chairman)
Mr. Lee Gee Aik
Dato’ Sri Mohd Mokhtar Bin Mohd Shariff

All members of the Audit Committee are non-executive directors, and the majority members including the Audit Committee Chairman are independent directors of the Company.

The Audit Committee performs the functions specified in Section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance 2018.

The Audit Committee met four times during the financial year ended 31 December 2022. In performing its function, the Audit Committee met with the Company’s external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Group’s systems of internal controls.

6. Audit Committee (Continued)

The Audit Committee also reviewed the following:

- quarterly and full year financial statements;
- audit plans and reports of the external and internal auditors;
- reviewed, at least annually, the adequacy and effectiveness of the Group's internal controls and risk management systems;
- the assistance given by management to the external and internal auditors; and
- received and reviewed the assurance from the Chief Executive Officer and the Financial Controller of the Group on the financial records and financial statements.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended the nomination of Mazars LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

7. Auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Mr. Lai Kuan Loong, Victor
Director

Mr. Khong Chung Lun
Director

Singapore
29 March 2023

Report on the Audit of Financial Statements

Opinion

We have audited the consolidated financial statements of Astaka Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 December 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies from pages 104 to 165.

In our opinion, the accompanying consolidated financial statements of the Group, and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Basis for Opinion

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

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Report on the Audit of Financial Statements (Continued)

Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

Scope of Audit

For the audit of the current financial year's financial statements, we identified 2 significant components which required a full scope audit of their financial information, either because of their size or/and their risk characteristics.

These significant components were audited by Mazars PLT as component auditors under our instructions. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

Area of Focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatements, including areas which involve significant accounting estimates and critical judgements to be made by directors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters include the salient areas of focus in our audit and do not represent all the risks identified by our audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report on the Audit of Financial Statements (Continued)

Key Audit Matters (Continued)

Matter	Audit response
Valuation of development properties (refer to Note 13 to the financial statements)	
As at 31 December 2022, the Group's development properties were RM278.09 million (2021: RM337.28 million) which represents a significant balance in the consolidated statement of financial position. The Group has residential and commercial development properties held for sale in its core market, Malaysia. Development properties are stated at the lower of their costs and net realisable values. Net realisable value represents the estimated future selling price, less estimated costs of completion and selling expenses. The estimated future selling price is dependent on the Group's expectation of the market development in Malaysia. There is therefore a risk that the estimated net realisable value exceeds the future actual selling prices, resulting in losses when these properties are sold. The Group assesses the net realisable value of development properties, based on the estimated selling prices, future costs to complete the projects and development plans of the Group, taking into consideration available industry data, status of construction progress, deviation in design plans, cost overruns and current market factors. For developed but unsold units in The Astaka, the Group has assessed the net realisable value based on latest valuation obtained from an independent external valuer less estimated cost to sales. Significant judgement and estimates are involved in determining the appropriate valuation methods and assumptions applied in the valuation. The determination of allowance for foreseeable losses involves a high level of judgement, which may have significant impact on the financial statements. We hence consider the management's assessment of net realisable value of development properties as a key audit matter.	Our audit procedures included, and were not limited to, the following: ● Assessed the reasonableness of the Group's estimated selling prices by comparing them with recent transacted selling prices of the development properties; and ● Evaluated the independence, objectivity and competency of the independent external valuer for valuation on the unsold unit of The Astaka. Considered the valuation methodologies used and assessed the reasonableness of the key assumptions used by the independent external valuer, which included a comparison of the discount rates, and price per square feet, against historical rates and available market data, taking into consideration comparable and market factors in consultation with internal valuation expert.

Report on the Audit of Financial Statements (Continued)

Key Audit Matters (Continued)

Matter	Audit response
Impairment of investment in subsidiaries (refer to Note 12 to the financial statements)	
As at 31 December 2022, the Company's investments in subsidiaries were RM100 million (2021: RM200 million), which represents 99% of the Company's total assets. Management assessed the recoverable amount of the investment in subsidiaries based on the estimated cash flows generated from the sale of development properties and proposed development projects to be undertaken by the subsidiaries. The Company has assessed the estimated selling prices, future costs to complete the projects and development plans of the respective subsidiaries, taking into consideration available industry data, status of construction progress, deviation in design plans, cost overruns and current market factors to estimate the cash flows generated from the sale of development properties and future phases to be developed. The determination of impairment of investment in subsidiaries involves a high level of judgement, which may have significant impact on the financial statements. We hence consider this as a key audit matter.	Our audit procedures included, and were not limited to, the following: ● Evaluated the reasonableness of the cash flow estimate from sale of development properties and future phases to be developed by comparing the estimated selling prices against the recent transacted prices of the development properties; ● Discussed with management on their planned strategies, revenue growth strategies and cost initiatives; ● Evaluated the independence, objectivity and competency of the independent external valuer for valuation on the unsold unit of The Astaka. Considered the valuation methodologies used and assessed the reasonableness of the key assumptions used by the independent external valuer, in consultation with internal valuation expert; and ● Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the cash-generating units subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.

Report on the Audit of Financial Statements (Continued)

Key Audit Matters (Continued)

Matter	Audit response
Going concern (refer to Note 2.1 to the financial statements)	
The Group recorded a net profit of RM6.09 million and a net operating cash outflow of RM9.40 million for the financial year ended 31 December 2022 and, as of that date, the Group reported net current assets of RM81.47 million, for which current assets include development properties amounting to RM278.09 million, representing the completed properties held for sale and properties in the course of development. The controlling shareholder, Dato' Daing A Malek Bin Daing A Rahaman ("Dato' Malek") has agreed not to demand repayment for the amounts owing to him and his related companies until the Group and the Company have the available resources to repay such amounts and to continue to provide financial support to the Group and the Company to enable it to meet its financial obligations for next 18 months so that the Group and the Company will continue as a going concern in the foreseeable future. This is a key audit matter because of the significant judgements and estimates made by management in coming up with the cash flow projections, which include their assessment of the economy outlook and their ability to secure continued financial support.	Our audit procedures focused on evaluating the significant judgements and estimates used by management and Board of Directors in their going concern assessment. In particular, we performed the following: ● Reviewed and challenged the appropriateness and reasonableness of the key inputs and assumptions used by management in the preparation of cash flow forecast of the Group and the Company to support its going concern assumption, including performing sensitivity analysis on certain key assumptions applied in the cash flow forecast; ● Reviewed the relevant agreements and letters which were used by management in supporting their judgements and estimates; and ● Evaluated the adequacy and appropriateness of the related disclosures made in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on the Audit of Financial Statements (Continued)

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

Report on the Audit of Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Chan Hock Leong, Rick.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
29 March 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

	Note	1 January 2022 to 31 December 2022 RM	1 July 2020 to 31 December 2021 RM
Revenue	4	79,736,731	52,000,923
Cost of sales	5	(52,420,086)	(35,365,623)
Gross profit		27,316,645	16,635,300
Other income	6	235,699	267,970
Selling and distribution expenses		(1,644,453)	(1,172,178)
Administrative expenses		(16,921,930)	(21,581,344)
Other expenses		(640,232)	(2,934,100)
Results from operating activities		8,345,729	(8,784,352)
Finance income	7	174,261	313,957
Finance costs	7	(2,998,821)	(12,387,132)
Net finance costs		(2,824,560)	(12,073,175)
Profit/(Loss) before income tax	8	5,521,169	(20,857,527)
Tax credit/(expense)	9	564,116	(1,930,330)
Profit/(Loss) for the year/period, representing total comprehensive income/(loss) for the year/period		6,085,285	(22,787,857)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		7,911,622	(22,875,022)
Non-controlling interests		(1,826,337)	87,165
Total comprehensive income/(loss) for the year/period		6,085,285	(22,787,857)
Earning/(Loss) per share			
Basic and diluted earning/(loss) per share (cents per share)	10	0.42	(1.22)

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Assets					
Property, plant and equipment	11	747,927	810,105	–	–
Investment in subsidiaries	12	–	–	100,000,000	200,000,000
Non-current assets		747,927	810,105	100,000,000	200,000,000
Development properties	13	278,088,330	337,281,464	–	–
Asset held for sales	14	115,401,687	115,401,687	–	–
Contract costs	15	–	–	–	–
Contract assets	16	1,146,361	2,814,580	–	–
Trade and other receivables	17	10,440,821	20,498,568	30,451	81,670
Tax recoverable		799,489	206,737	–	–
Cash and cash equivalents	18	7,204,500	6,464,616	473,882	520,437
Current assets		413,081,188	482,667,652	504,333	602,107
Total assets		413,829,115	483,477,757	100,504,333	200,602,107
Equity					
Share capital	19	259,383,777	259,383,777	1,455,078,944	1,455,078,944
Merger reserve	20	(10,769,090)	(10,769,090)	–	–
Capital reserve	21	–	–	1,419,389	1,419,389
Accumulated losses		(168,766,354)	(176,677,976)	(1,359,525,393)	(1,259,678,312)
Equity attributable to owners of the Company		79,848,333	71,936,711	96,972,940	196,820,021
Non-controlling interests	22	2,140,019	3,966,356	–	–
Total equity		81,988,352	75,903,067	96,972,940	196,820,021
Liabilities					
Lease liabilities	23	233,573	408,223	–	–
Non-current liabilities		233,573	408,223	–	–
Trade and other payables	25	206,072,985	246,180,147	308,898	731,801
Amounts due to related parties	26	113,240,423	148,463,067	3,222,495	3,050,285
Lease liabilities	23	364,681	308,715	–	–
Borrowings	24	11,929,101	11,898,680	–	–
Income tax payable		–	315,858	–	–
Current liabilities		331,607,190	407,166,467	3,531,393	3,782,086
Total liabilities		331,840,763	407,574,690	3,531,393	3,782,086
Total equity and liabilities		413,829,115	483,477,757	100,504,333	200,602,107

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 31 December 2022

	Attributable to owners of the Company					
	Share capital	Merger reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM
At 1 July 2020	259,383,777	(10,769,090)	(153,802,954)	94,811,733	(2,980,809)	91,830,924
Total comprehensive loss for the period	–	–	(22,875,022)	(22,875,022)	87,165	(22,787,857)
Capital injection in a subsidiary by non-controlling interests	–	–	–	–	6,860,000	6,860,000
At 31 December 2021	259,383,777	(10,769,090)	(176,677,976)	71,936,711	3,966,356	75,903,067
Total comprehensive income for the year	–	–	7,911,622	7,911,622	(1,826,337)	6,085,285
At 31 December 2022	259,383,777	(10,769,090)	(168,766,354)	79,848,333	2,140,019	81,988,352

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

	Note	1 January 2022 to 31 December 2022 RM	1 July 2020 to 31 December 2021 RM
Cash flows from operating activities			
Profit/(Loss) before income tax		5,521,169	(20,857,527)
Adjustments for:			
Accruals for late payment interests	8	–	1,853,245
Bad debts written off	8	37,756	–
Depreciation of property, plant and equipment	8,11	396,538	752,945
Gain on disposal of property, plant and equipment, net	6,8	–	(6,833)
Interest expense	7	2,998,821	12,387,132
Interest income	7	(90,834)	(313,957)
Reversal of foreseeable loss on development properties	5	(5,394,706)	(2,085,293)
Reversal of liquidated ascertained damages	8	–	(651,653)
Unrealised (gain)/loss on foreign exchange		(20,520)	45,749
Total operating cash flows before movements in working capital		3,448,224	(8,876,192)
Changes in working capital:			
- Development properties		17,982,328	119,709,910
- Asset held for sales		–	(115,401,687)
- Contract costs		–	1,228,570
- Contract assets		1,668,219	7,130,724
- Trade and other receivables		10,019,992	(22,634)
- Trade and other payables		(42,166,541)	(39,719,810)
Cash used in operations		(9,047,778)	(35,951,119)
Tax refund		–	1,415,360
Tax paid		(344,494)	(1,390,187)
Net cash used in operating activities		(9,392,272)	(35,925,946)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(97,506)	(101,796)
Decrease in fixed deposits pledged		58,100	3,571,665
Interest received		90,834	313,957
Proceeds from disposal of property, plant and equipment		–	57,000
Proceeds from the asset held for sales		63,800,000	–
Net cash generated from investing activities		63,851,428	3,840,826
Cash flows from financing activities			
Advances from affiliated corporations		40,173,675	61,388,119
Advances from a controlling shareholder		1,000,000	–
Interest paid		(713,996)	(6,031,894)
Repayment to affiliated corporations		(48,903,000)	(2,940,000)
Repayment to a controlling shareholder		(33,900,000)	–
Repayment to trade and other payables		(10,974,893)	(29,500,000)
Repayment to term loan		–	(1,138,692)
Repayment to lease liabilities		(393,533)	(586,837)
Net cash (used in)/generated from financing activities		(53,711,747)	21,190,696
Net increase/(decrease) in cash and cash equivalents		747,409	(10,894,424)
Cash and cash equivalents at the beginning of year/period		(6,863,884)	4,082,551
Effect of exchange rate fluctuation on cash held		20,154	(52,011)
Cash and cash equivalents at the end of year/period	18	(6,096,321)	(6,863,884)

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Reconciliation of liabilities arising from financing activities

	Liabilities						
	Amount due to affiliated corporations RM	**Amount due to a controlling shareholder** RM	**Trade and other payables** [(1)] RM	**Term loan** RM	**Bank overdrafts** RM	**Lease liabilities** RM	**Total** RM
At 1 January 2022	90,850,607	57,612,460	10,974,893	–	11,898,680	716,938	172,053,578
Changes from financing cash flows:							
- Advances from affiliated corporations	40,173,675	–	–	–	–	–	40,173,675
- Advances from a controlling shareholder		1,000,000	–	–	–	–	1,000,000
- Interest paid	–	(20,385)	–	9,694	(703,305)	–	(713,996)
- Repayment to affiliated corporations	(48,903,000)	–	–	–	–	–	(48,903,000)
- Repayment to a controlling shareholder		(33,900,000)	–	–	–	–	(33,900,000)
- Repayment to trade and other payables	–	–	(10,974,893)	–	–	–	(10,974,893)
- Repayment to lease liabilities	–	–	–	–	–	(393,533)	(393,533)
Total changes from financing cash flows	(8,729,325)	(32,920,385)	(10,974,893)	9,694	(703,305)	(393,533)	(53,711,747)
Other changes:							
Liability-related							
- Changes in bank overdrafts	–	–	–	–	30,420	–	30,420
- Additional right-of-use asset	–	–	–	–	–	236,854	236,854
- Interest expense	4,217,401	2,209,665	–	(9,694)	703,306	37,995	7,158,673
Total liability-related other changes	4,217,401	2,209,665	–	(9,694)	733,726	274,849	7,425,947
At 31 December 2022	86,338,683	26,901,740	–	–	11,929,101	598,254	125,767,778

(1) There was a loan agreement with a main contractor for outstanding amount payable to them which is included in trade and other payables (Note 25).

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Reconciliation of liabilities arising from financing activities (Continued)

	Liabilities						
	Amount due to affiliated corporations RM	**Amount due to a controlling shareholder RM**	**Trade and other payables (1) RM**	**Term loan RM**	**Bank overdrafts RM**	**Lease liabilities RM**	**Total RM**
At 1 July 2020	38,119,220	56,077,326	36,904,491	1,138,692	9,926,529	639,446	142,805,704
Changes from financing cash flows:							
- Advances from affiliated corporations	61,388,119	–	–	–	–	–	61,388,119
- Interest paid	(1,730,965)	(3,345,430)	–	(101,420)	(854,079)	–	(6,031,894)
- Repayment to affiliated corporations	(2,940,000)	–	–	–	–	–	(2,940,000)
- Repayment to trade and other payables	–	–	(29,500,000)	–	–	–	(29,500,000)
- Repayment to term loan	–	–	–	(1,138,692)	–	–	(1,138,692)
- Repayment to lease liabilities	–	–	–	–	–	(586,837)	(586,837)
Total changes from financing cash flows	56,717,154	(3,345,430)	(29,500,000)	(1,240,112)	(854,079)	(586,837)	21,190,696
Other changes:							
Liability-related							
- Changes in bank overdrafts	–	–	–	–	1,972,151	–	1,972,151
- Capital injection in a subsidiary by non-controlling interests	(6,860,000)	–	–	–	–	–	(6,860,000)
- Accrued expense	–	(67,803)	–	–	–	(30,748)	(98,551)
- Additional right-of-use asset	–	–	–	–	–	656,446	656,446
- Interest expense	2,874,233	4,948,367	3,570,402	101,420	854,079	38,631	12,387,132
Total liability-related other changes	(3,985,767)	4,880,564	3,570,402	101,420	2,826,230	664,329	8,057,178
At 31 December 2021	90,850,607	57,612,460	10,974,893	–	11,898,680	716,938	172,053,578

(1) There was a loan agreement with a main contractor for outstanding amount payable to them which is included in trade and other payables (Note 25).

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Astaka Holdings Limited (the "Company") is incorporated in Singapore and listed on the SGX Catalist. The address of the Company's registered office is 133 Cecil Street #14-01, Keck Seng Tower, Singapore 069535.

The financial statements of the Group as at and for the financial year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are disclosed in Note 12 to the financial statements.

During the last financial period, the Company changed its financial year end from 30 June to 31 December. Accordingly, these financial statements cover a period of 12 months from 1 January 2022 to 31 December 2022. The comparative period covers a period of 18 months from 1 July 2020 to 31 December 2021.

The financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2022 were authorised for issue by the directors on 29 March 2023.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and the statement of financial position of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of SFRS(I)s ("SFRS(I) INTs") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statements of financial position of the Company are presented in Malaysia Ringgit ("RM") which is also the functional currency of the Company.

<u>Going concern</u>

The Group recorded a net profit of RM6.09 million (2021: net loss of RM22.79 million) and a net operating cash outflow of RM9.4 million (2021: RM35.9 million) for the financial year ended 31 December 2022 and, as of that date, the Group reported net current assets of RM81.47 million (2021: RM75.50 million), for which current assets include development properties amounting to RM278.09 million (2021: RM337.28 million), representing the completed properties held for sale and properties in the course of development. The Group's businesses are on the road to recovery from the business challenges arising from the COVID-19 pandemic and receive positive effects on the Group's active sale campaigns during the current financial year.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

Going concern (Continued)

The management has drawn up the Group's cash flow forecast, taking into consideration:

a) the proceeds received from the 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 (Note 14); and

b) continued support from stakeholders and the controlling shareholder of the Company, Dato' Malek who has agreed not to demand repayment for the amounts owing to him and his related companies until the Group and the Company have the available resources to repay such amounts and to continue to provide financial support to the Group and the Company to enable it to meet its financial obligations for next 18 months so that the Group and the Company will continue as a going concern in the foreseeable future.

Therefore, the Board believes that the Group and the Company will be able to continue operations in the foreseeable future and there is no material uncertainty on the ability of the Group and the Company to continue as a going concern.

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2022. With the exception of the amendments made to SFRS(I) 1-37 *Onerous Contracts – Cost of Fulfilling a Contract*, the adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current year or prior period's financial statement and is not expected to have a material effect on future periods.

The adoption of SFRS(I) 1-37 from 1 January 2022 resulted in a change in accounting policy in the assessment of onerous contracts. Before the amendment, the Group only included incremental costs to fulfil a contract when determining whether a contract is onerous. With the amendment, the Group includes both the incremental costs and an allocation of other costs that relate directly to fulfilling contracts when determining whether a contract is onerous. The amendments are applied on a retrospective basis on contracts for which the Group has not yet fulfilled all its obligations on 1 January 2022. Based on the Group's assessment, there is no onerous contract identified with the revision of the accounting policy.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

SFRS(I)s and SFRS(I) INTs issued but not yet effective

At the date of authorisation of these financial statements, the following SFRS(I)s and SFRS(I) INTs were issued but not yet effective:

SFRS (I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2024
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28 : *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
SFRS(I) 1-8	Amendments to SFRS(I) 1-8*: Definition of Accounting Estimates*	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
SFRS(I) 16	Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*	1 January 2024
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Various	Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned new/revised standards will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) over which the Group has power and the Group is able to use such power to affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup assets and liabilities, equity, income, expenses and cash flows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) *9 Financial Instruments* ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

The Group has the option to apply a "concentration test" as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* ("SFRS(I) 3") are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* ("SFRS(I) 5"), which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group’s interest in the net fair value of the acquiree’s identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer’s previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group’s cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

2.4 Revenue recognition

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

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

2. Summary of significant accounting policies (Continued)

2.4 Revenue recognition (Continued)

Sale of development properties

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

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

For the completed development properties whereby the Group recognises sales at a point in time, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

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

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Employee benefits

(i) Defined contribution plans

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

2. Summary of significant accounting policies (Continued)

2.6 Employee benefits (Continued)

(ii) Short-term employee benefits

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

2.7 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale.

2. Summary of significant accounting policies (Continued)

2.7 Income tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2.8 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity through other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Malaysia Ringgit using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

2.9 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

2. Summary of significant accounting policies (Continued)

2.9 Property, plant and equipment (Continued)

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

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

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

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

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

Renovations	–	2 years or shorter of lease period
Computers	–	2.5 years
Equipment and fittings	–	2 to 10 years
Motor vehicles	–	5 years
Office buildings	–	2 years

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 23.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

2. Summary of significant accounting policies (Continued)

2.10 Impairment of non-financial assets

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.11 Assets held for sale

Assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable with the asset being available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to be completed within one year from the date of classification.

They are measured at the lower of the carrying amount and fair value less costs to sell. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

Depreciation and amortisation for an asset cease once it is classified as held for sale or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale shall continue to be recognised.

2. Summary of significant accounting policies (Continued)

2.12 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15") in Note 2.4.

The classification of the financial assets at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL") depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

2. Summary of significant accounting policies (Continued)

2.12 Financial instruments (Continued)

Financial assets (Continued)

Effective interest method (Continued)

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on financial assets has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group applies the simplified approach to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

While they are not financial assets, contract assets arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 29.

2. Summary of significant accounting policies (Continued)

2.12 Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Group commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

2. Summary of significant accounting policies (Continued)

2.12 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Loans and borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs in Note 2.5. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity:

(a) Currently has a legally enforceable right to set off the recognised amounts; and

(b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

2.13 Development properties

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

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The write-downs to net realisable value are presented as allowance for foreseeable losses. An impairment loss is reversed if the conditions for write-downs to net realisable value no longer exist or have improved.

2. Summary of significant accounting policies (Continued)

2.14 Contract costs

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

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

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

Contract liabilities primarily relate to:

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

2.15 Cash and cash equivalents

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

2.16 Leases

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

2. Summary of significant accounting policies (Continued)

2.16 Leases (Continued)

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented within “property, plant and equipment”.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee’s incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable under a residual value guarantee;

- the exercise price under a purchase option that the Group is reasonably certain to exercise; and

- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

2. Summary of significant accounting policies (Continued)

2.16 Leases (Continued)

The Group as a lessor

Where a contract contains more than one lease and/or non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component.

At the lease commencement date, the Group assess and classify each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

2.18 Contingencies

A contingent liability is:

(i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

2. Summary of significant accounting policies (Continued)

2.18 Contingencies (Continued)

(ii) a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2.19 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions. Refer to Note 27.

3. Significant accounting estimates and judgements

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Group's accounting policies

Management is of the opinion that there is no critical judgement that has a significant effect on the amounts recognised in the financial statements.

3. Significant accounting estimates and judgements (Continued)

3.2 Key sources of estimation uncertainty

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment 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 property, plant and equipment 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 December 2022 were RM747,927 (2021: RM810,105).

Estimation of allowance for foreseeable losses for development properties

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

Based on the assessment, no additional allowance for foreseeable losses on development properties was recognised by the Group as at 31 December 2022 and 2021.

Measurement of 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 2022 was RM Nil (2021: RM Nil).

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 2022 was tax recoverable of RM799,489 (2021: net tax liabilities of RM109,121).

3. Significant accounting estimates and judgements (Continued)

3.2 Key sources of estimation uncertainty (Continued)

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 December 2022 was RM100,000,000 (2021: RM200,000,000).

4. Revenue

	Group	
	1 January 2022 to 31 December 2022	1 July 2020 to 31 December 2021
	RM	RM
Revenue from sale of development properties		
- transferred at a point in time	79,736,731	21,649,359
- transferred over time	–	30,351,564
	79,736,731	52,000,923

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

5. Cost of sales

	Group	
	1 January 2022 to 31 December 2022	1 July 2020 to 31 December 2021
	RM	RM
Cost for sale of development properties, including fulfilment cost	57,814,792	37,020,233
Amortisation of capitalised commission	–	430,683
Reversal of foreseeable loss on development properties (refer to accounting policy in Note 2.13)	(5,394,706)	(2,085,293)
	52,420,086	35,365,623

6. Other income

	Group	
	1 January 2022 to 31 December 2022 RM	1 July 2020 to 31 December 2021 RM
Rental income	107,950	107,100
Rental rebate	–	30,748
Interest income	8,514	43,884
Forfeiture payment from purchasers of development properties	–	24,582
Gain on disposal of property, plant and equipment	–	12,000
Government grant	72,677	10,598
Others	46,558	39,058
	235,699	267,970

7. Net finance costs

	Group	
	1 January 2022 to 31 December 2022 RM	1 July 2020 to 31 December 2021 RM
Finance income		
Foreign exchange gain	11,059	–
Interest income	90,834	313,957
Late payment interest charged to customers	72,368	–
	174,261	313,957
Finance costs		
Interest expense on:		
- term loan*	9,694	(101,420)
- bank overdrafts	(703,306)	(854,079)
- advances from a controlling shareholder	(2,209,665)	(4,948,367)
- advances from affiliated corporations	(4,217,401)	(2,874,233)
- amount due to a trade payable* (Note 25)	4,159,852	(3,570,402)
- lease liabilities	(37,995)	(38,631)
	(2,998,821)	(12,387,132)
Net finance costs	(2,824,560)	(12,073,175)

* *Inclusive of interest overcharged and reversal of overprovision of interest.*

8. Profit/(Loss) before income tax

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

	Group	
	1 January 2022 to 31 December 2022	1 July 2020 to 31 December 2021
	RM	RM
Accruals for late payment interests	–	1,853,245
Audit fees paid to:		
- auditors of the Company	332,885	307,296
- auditors of other components	100,000	140,000
Bad debts written off	37,756	–
Non audit fees paid to auditors of the Company	–	55,535
Depreciation of property, plant and equipment	396,538	752,945
Directors' fee	556,214	715,089
Directors' remuneration of the Company:		
- Short-term benefits	382,153	866,034
- Employers' contribution to defined contribution plans	46,919	74,172
Employee benefits expenses (see below)	5,734,537	7,491,022
Loss on disposal of property, plant and equipment	–	5,167
Short term lease expense	482,568	680,604
Reversal of liquidated ascertained damages	–	(651,653)
Employee benefits expense:		
Wages and salaries	4,975,709	6,594,929
Employer's contribution to defined contribution plans including Central Provident Fund	574,335	693,860
Other benefits	184,493	202,233
	5,734,537	7,491,022

9. Tax credit/(expense)

	Group	
	1 January 2022 to 31 December 2022	**1 July 2020 to 31 December 2021**
	RM	**RM**
Current tax (credit)/expense		
Current year/period	–	1,500,000
(Over)/Under provision in prior years	(564,116)	430,330
Tax (credit)/expense	(564,116)	1,930,330

	Group	
	1 January 2022 to 31 December 2022	**1 July 2020 to 31 December 2021**
	RM	**RM**
Reconciliation of effective tax rate		
Profit/(Loss) before income tax	5,521,169	(20,857,527)
Tax using the Malaysia tax rate of 24% (2021: 24%)	1,325,081	(5,005,806)
Effect of different tax rates in foreign jurisdiction	209,610	246,331
Non-deductible expenses	768,754	5,379,873
Non-taxable income	(40,957)	(1,561)
Deferred tax assets not recognised	535,673	881,163
Utilisation of previously unrecognised deferred tax	(2,798,161)	–
(Over)/Under provision in prior years	(564,116)	430,330
	(564,116)	1,930,330

9. Tax credit/(expense) (Continued)

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

	Group	
	1 January 2022 to 31 December 2022	1 July 2020 to 31 December 2021
	RM	RM
Plant and equipment	97,725	251,903
Unutilised tax losses	82,400,842	91,215,538
Unutilised capital allowances	–	466,984
Others	14,520	5,698
	82,513,087	91,940,123

The unutilised tax losses will expire in the 10th year anniversary under the current tax legislation in Malaysia while the unutilised capital allowances and other deductible temporary differences do not expire under current tax legislation in Malaysia. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

10. Earning/(Loss) per share

(a) Basic earning/(loss) per share

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

	Group	
	1 January 2022 to 31 December 2022	1 July 2020 to 31 December 2021
	RM	RM
Profit/(Loss) attributable to owners of the Company	7,911,622	(22,875,022)
Weighted average number of ordinary shares outstanding for basic earning/(loss) per share (in units)	1,869,434,303	1,869,434,303
Basic earning/(loss) per share (RM cents per share)	0.42	(1.22)

(b) Diluted earning/(loss) per share

The basic earning/(loss) per share for the year/period ended 31 December 2022 and 31 December 2021 is the same as the respective diluted earning/(loss) per share, as there were no potential dilutive ordinary shares in existence during the year/period ended 31 December 2022 and 31 December 2021.

11. Property, plant and equipment

	Renovations	Computers	Equipment and fittings	Motor vehicles	Office buildings	Total
	RM	RM	RM	RM	RM	RM
Group						
Cost						
At 1 July 2020	2,845,721	380,506	477,520	2,302,498	589,990	6,596,235
Additions	–	73,974	27,822	–	656,446	758,242
Disposal	–	–	(19,000)	(86,000)	–	(105,000)
At 31 December 2021	2,845,721	454,480	486,342	2,216,498	1,246,436	7,249,477
Additions	–	50,375	47,131	–	236,854	334,360
At 31 December 2022	2,845,721	504,855	533,473	2,216,498	1,483,290	7,583,837
Accumulated depreciation						
At 1 July 2020	2,845,721	324,676	372,172	1,951,214	247,477	5,741,260
Depreciation charge	–	69,761	35,554	252,260	395,370	752,945
Disposal	–	–	(19,000)	(35,833)	–	(54,833)
At 31 December 2021	2,845,721	394,437	388,726	2,167,641	642,847	6,439,372
Depreciation charge	–	52,038	23,806	45,003	275,691	396,538
At 31 December 2022	2,845,721	446,475	412,532	2,212,644	918,538	6,835,910
Carrying amount						
At 31 December 2022	–	58,380	120,941	3,854	564,752	747,927
At 31 December 2021	–	60,043	97,616	48,857	603,589	810,105

Property, plant and equipment includes right-of-use assets with carrying amount of RM568,606 (2021: RM647,850). Details of right-of-use assets are disclosed in Note 23(a).

During the financial year, the Group acquired property, plant and equipment for an aggregate of approximately RM334,360 (2021: RM758,242) of which RM236,854 (2021: RM656,446) was acquired by means of a lease.

12. Investment in subsidiaries

	Company	
	2022	2021
	RM	RM
Unquoted equity shares, at cost	1,229,000,000	1,229,000,000
Less: Impairment loss	(1,129,000,000)	(1,029,000,000)
Carrying amount	100,000,000	200,000,000

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

	Company	
	2022	2021
	RM	RM
At beginning of the year/period	1,029,000,000	417,168,262
Addition	100,000,000	611,831,738
At end of the year/period	1,129,000,000	1,029,000,000

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 Astaka Padu Sdn Bhd, Astaka Development Sdn Bhd and Bukit Pelali Properties Sdn Bhd.

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 RM100,000,000 (2021: RM200,000,000) and recognised an impairment loss of RM100,000,000 (2021: RM611,831,738) during the financial year ended 31 December 2022 as a result of no formal joint development agreement was signed between the subsidiary, Astaka Padu Sdn Bhd and Seaview Holdings Sdn Bhd on the land to be developed (OBS phase 3) which was excluded from the computation of recoverable amount as of reporting date. In previous financial period, the impairment loss was recognised as a result of the slowdown in the property market in Malaysia.

12. Investment in subsidiaries (Continued)

Key assumptions used in the estimated cash flows

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

Development properties	**Key assumptions**
Completed projects	■ Estimated selling price of RM280 to RM930 (2021: RM280 to RM740) per square feet. ■ Construction costs of RM180 to RM730 (2021: RM180 to RM730) per square feet.
Land to be developed	■ Estimated selling price of RM Nil (2021: RM700 to RM1,700) per square feet for apartments, offices and retail mall. ■ Estimated construction costs of RM Nil (2021: RM2,700 to RM6,000) per square metre for apartments, offices, retail mall and hotel. ■ Pre-tax discount rate of Nil (2021: 11.18%).
Future phases to be developed	■ Estimated selling price of RM240 to RM650 (2021: RM240 to RM650) per square feet for apartments, offices, houses, hotel and club house. ■ Estimated selling price of RM50 to RM170 (2021: RM50 to RM170) for low-cost houses and shops. ■ Estimated construction costs of RM230 to RM570 (2021: RM230 to RM570) per square feet for apartments, offices, houses, hotel and club house. ■ Estimated construction costs of RM120 to RM180 (2021: RM120 to RM180) per square feet for low-cost houses and shops. ■ Pre-tax discount rate of 11.18% (2021: 11.18%).

12. Investment in subsidiaries (Continued)

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
Held by the Company				
Astaka Padu Limited [1]	Investment holding	British Virgin Islands	99.99	99.99
Held by Astaka Padu Limited				
Astaka Padu Sdn Bhd [2]	Property development	Malaysia	100	100
Held by Astaka Padu Sdn Bhd				
Astaka Development Sdn Bhd [2]	Property development	Malaysia	100	–
Bukit Pelali Properties Sdn Bhd [2]	Property development	Malaysia	51	51
Held by Bukit Pelali Properties Sdn Bhd				
Bukit Pelali Healthcare Sdn Bhd [2]	Dormant	Malaysia	100	100
Bukit Pelali Hotels Sdn Bhd [2]	Dormant	Malaysia	100	100

1 Not required to be audited by law in the country of incorporation.

2 Audited by Mazars PLT

Incorporation of a subsidiary

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.

13. Development properties

	Group 2022 RM	Group 2021 RM
Completed properties held for sale:		
- completed properties	148,287,601	217,128,814
Properties for development representing mainly development costs, at cost	129,800,729	120,152,650
Total	278,088,330	337,281,464

13. Development properties (Continued)

Securities

On 12 April 2017, a subsidiary of the Company, Astaka Padu Sdn Bhd ("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"), non-controlling shareholder of Bukit Pelali Properties Sdn Bhd ("BPP"). SSSB is owned by the controlling shareholder of the Company, Dato' Malek. The said lands are located in Bukit Pelali, Pengerang, Johor, Malaysia, 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 2021 Settlement Agreement and 4 land parcels remain secure to CSCE. As at 31 December 2022, the Group had incurred and recorded RM38,382,272 (2021: RM40,264,433) in development properties for the share of master infrastructure costs on the said lands.

For more details, please refer to Note 25 of the consolidated financial statements of the Group.

Completed properties held for sale

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

	Group	
	2022	2021
	RM	RM
Completed properties held for sale		
- aggregate costs incurred	160,508,481	234,744,400
- allowance for foreseeable losses	(12,220,880)	(17,615,586)
	148,287,601	217,128,814

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

	Group	
	2022	2021
	RM	RM
At beginning of the year/period	17,615,586	19,700,879
Reversal of foreseeable loss on development properties sold at above carrying amount (Note 5)	(5,394,706)	(2,085,293)
At end of the year/period	12,220,880	17,615,586

13. Development properties (Continued)

The major development properties are as follows:

Project name/ location	Description	Tenure	Site area (acre)	Gross floor area (square feet)	Stage of completion	Expected completion (Financial year)	Group's interest in properties
The Astaka @ One Bukit Senyum/ Johor Bahru, Malaysia	Luxury condominium	Freehold	2.42	1,434,900	100%	Completed	99.99%
Majlis Bandaraya Johor Bahru/ Johor Bahru, Malaysia	15-storey commercial office tower	Freehold	1.37	442,810	100%	Completed	99.99%
Bukit Pelali Phase 1A/ Pengerang, Malaysia	Commercial shop office development	99 years leasehold	0.87	75,715	100%	Completed	50.99%
Bukit Pelali Phase 1A/ Pengerang, Malaysia	Residential development	99 years leasehold	15.93	370,575	100%	Completed	50.99%
Bukit Pelali Phase 1B/ Pengerang, Malaysia	Residential development	99 years leasehold	25.46	512,055	100%	Completed	50.99%
Bukit Pelali Phase 2A & 2B/ Pengerang, Malaysia	Commercial shop office development	99 years leasehold	3.48	379,465	100%	Completed	50.99%
Future phases in Bukit Pelali/ Pengerang, Malaysia	Mixed township development comprising of residential, shop offices, private mart and hospital	99 years leasehold	166.05	9,654,029	–	–	50.99%

14. Asset held for sales

As of 31 December 2021, the Group's management planned to sell 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"), previously classified as development properties. Management is of the view that the freehold land expected to be sold within the next twelve months.

On 14 January 2022, APSB entered into a sale and purchase agreement (the "SPA") with Seaview Holdings Sdn Bhd ("SHSB") for the proposed sale of the Land, amounting to RM116,000,000 (the "Proposed Disposal"). Asset held for sales stated at the lower of carrying amount and fair value less costs to sell. As of 31 December 2022, the carrying amount of the asset held for sale was RM115,401,687 (2021: RM115,401,687).

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 which is envisaged to be on or about July 2023.

15. Contract costs

		Group	
		2022	2021
		RM	RM
Capitalised commission	(i)	–	–
Fulfilment costs	(ii)	–	–
		–	–

(i) Capitalised commission

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

	Group	
	2022	2021
	RM	RM
Capitalised commission		
At beginning of the year/period	–	398,155
Additions	–	32,528
Amortised to profit or loss	–	(430,683)
At end of the year/period	–	–

(ii) Fulfilment costs

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

	Group	
	2022	2021
	RM	RM
Fulfilment costs		
At beginning of the year/period	–	830,415
Additions	–	5,694,035
Amortised to profit or loss	–	(6,524,450)
At end of the year/period	–	–

16. Contract assets

	Group	
	2022	2021
	RM	RM
Contract assets	1,146,361	2,814,580

The contract asset relates to the revenue recognised to date but has not been invoiced to the customer as at the financial year end and is transferred to trade receivables at the point when it is invoiced to the customers. The significant changes in the contract assets during the year/period are as follows:

	Group	
	2022	2021
	RM	RM
At beginning of the year/period	2,814,580	13,350,949
Contract assets reclassified to trade receivables that was included in the contract asset balance at the beginning of the year/period	(2,814,580)	(13,350,949)
Revenue recognised but not billed, excluding amounts reclassified to trade receivables during the year/period	1,146,361	2,814,580
At end of the year/period	1,146,361	2,814,580

The exposure to credit risk and impairment losses related to contract assets is disclosed in Note 29.

17. Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Trade receivables from:				
- third parties	3,839,903	6,940,511	–	–
	3,839,903	6,940,511	–	–
Amounts due from subsidiaries	–	–	101,066,896	104,214,250
Stakeholding money receivables	2,091,924	2,064,216	–	–
Retention sums receivables	–	8,238,631	–	–
Other receivables	1,024,324	783,759	–	–
Refundable deposits	3,152,064	2,184,940	–	–
Less: Impairment loss allowance amounts due from subsidiaries	–	–	(101,066,896)	(104,214,250)
	10,108,215	20,212,057	–	–
Advance payments	210,778	120,778	–	–
Prepayments	121,828	165,733	30,451	81,670
	10,440,821	20,498,568	30,451	81,670

Trade receivables are generally on 21 days (2021: 21 days) credit terms and an interest rate of 10% (2021: 10%) per annum for late payment.

The Group's stakeholding money receivables represent the payments received from the purchasers of Phase 1B of Bukit Pelali, which were held by the solicitors of the Group at the reporting date. Such monies will be released to the Group upon the expiry of the defects liability period of the development properties.

Deposits consist of refundable deposits paid to office rental, office utilities, local authority for construction, banker guarantee which are held in trust by a former director of the Company in FY2021 and deposit paid to Straits Perkasa Services Sdn Bhd in relation to the joint development agreement which is disclosed in Note 32.

The exposure to credit risk and impairment losses related to trade and other receivables is disclosed in Note 29.

18. Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash and bank balances	5,832,780	5,034,796	473,882	520,437
Fixed deposits pledged	1,371,720	1,429,820	–	–
	7,204,500	6,464,616	473,882	520,437

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

	Group	
	2022	2021
	RM	RM
Cash and bank balances per consolidated statement of financial position	7,204,500	6,464,616
Less: Fixed deposits pledged	(1,371,720)	(1,429,820)
Less: Bank overdrafts (Note 24)	(11,929,101)	(11,898,680)
Cash and cash equivalents per consolidated statement of cash flows	(6,096,321)	(6,863,884)

The Group's fixed deposits are pledged as security for bank guarantees granted to the Group. The effective interest rate on fixed deposits of the Group is 2.10% (2021: 1.85%) per annum.

Included in cash and bank balances is an amount of RM815,969 (2021: RM818,416) of which the bank accounts are maintained in accordance with Housing Development (Housing Development Account) Regulation 1991 in Malaysia. These accounts, which consist of monies received from purchasers, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the respective subsidiaries upon the completion of the property development projects and after all property development expenditure have been fully settled.

19. Share capital

	No. of ordinary shares issued	Amount of share capital	
	Company	Group	Company
		RM	RM
31 December 2022			
At beginning and end of the year	1,869,434,303	259,383,777	1,455,078,944
31 December 2021			
At beginning and end of the period	1,869,434,303	259,383,777	1,455,078,944

19. Share capital (Continued)

Ordinary shares

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

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

20. Merger reserve

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

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

21. Capital reserve

	Company	
	2022	**2021**
	RM	**RM**
At beginning and end of the year/period	1,419,389	1,419,389

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

22. Non-controlling interests

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

Name of subsidiary	Country of incorporation	Ownership interests held by NCI	
		2022	**2021**
		%	**%**
Bukit Pelali Properties Sdn Bhd ("BPP")	Malaysia	49.01	49.01

22. Non-controlling interests (Continued)

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

	BPP RM	Other immaterial NCI RM	Total RM
31 December 2022			
Revenue	8,302,738		
Profit for the year, representing total comprehensive income for the year	(3,718,750)		
Attributable to NCI:			
Profit for the year, representing total comprehensive income for the year	(1,822,377)	(3,960)	(1,826,337)
Non-current assets	36,644		
Current assets	174,498,123		
Current liabilities	(170,093,167)		
Net liabilities	4,441,600		
Net liabilities attributable to NCI	2,176,611	(36,592)	2,140,019
31 December 2021			
Revenue	38,067,166		
Profit for the period, representing total comprehensive income for the period	196,567		
Attributable to NCI:			
Profit for the year, representing total comprehensive income for the period	96,328	(9,163)	87,165
Non-current assets	44,946		
Current assets	177,652,865		
Non-current liabilities	(16,458)		
Current liabilities	(169,521,004)		
Net liabilities	8,160,349		
Net liabilities attributable to NCI	3,998,987	(32,631)	3,966,356

23. The Group as a lessee

The Group leases office buildings and motor vehicles for 2 to 5 years.

Extension options

The Group has several lease contracts with extension options exercisable by the Group up to 180 days before the end of the non-cancellable contract period. These extension options are exercisable by the Group and not by the lessors. The extension options are used by the Group to provide operation flexibility in terms of managing the assets used in the Group's operation. As at 31 December 2022, the Group is not reasonably certain that they will exercise these extension options.

Recognition exemptions

The Group has certain lease of office buildings with lease terms of 12 months or less. For such leases, the Group has elected not to recognise right-of-use assets and lease liabilities.

(a) *Right-of-use assets*

The carrying amount of right-of-use assets by class of underlying asset classified within property, plant and equipment are as follows:

	Office buildings RM	Motor vehicles RM	Total RM
Group			
At 1 July 2020	342,513	268,602	611,115
Addition	656,446	–	656,446
Depreciation	(395,370)	(224,341)	(619,711)
At 31 December 2021	603,589	44,261	647,850
Addition	236,854	–	236,854
Depreciation	(275,691)	(40,407)	(316,098)
At 31 December 2022	564,752	3,854	568,606

The total cash outflows for leases during the financial year ended 31 December 2022 was RM393,533 (2021: RM586,837).

b) *Lease liabilities*

	Group 2022 RM	Group 2021 RM
Lease liabilities – non-current	233,573	408,223
Lease liabilities – current	364,681	308,715
	598,254	716,938

The maturity analysis of lease liabilities is disclosed in Note 29. Lease liabilities are denominated in Malaysia Ringgit.

23. The Group as a lessee (Continued)

Recognition exemptions (Continued)

c) *Amounts recognised in profit or loss*

	Group	
	1 January 2022 to 31 December 2022	1 July 2020 to 31 December 2021
	RM	RM
Interest expenses on lease liabilities	37,995	38,631
Expense relating to short-term leases	482,568	680,604

24. Borrowings

	Group	
	2022	2021
	RM	RM
Current liabilities		
Secured		
Bank overdrafts	11,929,101	11,898,680

Terms and debt repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Carrying amount
		%		RM
Group				
31 December 2022				
Secured				
Bank overdrafts	RM	6.81%	2023	11,929,101
31 December 2021				
Secured				
Bank overdrafts	RM	5.81%	2022	11,898,680

24. Borrowings (Continued)

Security

Included in the bank overdrafts is Affin Bank Berhad overdraft facility of RM12,000,000 (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 (2021: RM12,000,000).

25. Trade and other payables

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Trade payables	93,228,246	207,083,905	–	–
Other payables	78,709,785	7,044,716	308,898	731,801
Accrued land costs	2,104,910	3,390,792	–	–
Accrued transaction costs	10,637,716	10,956,819	–	–
Accrued expenses	21,392,328	17,703,915	–	–
	206,072,985	246,180,147	308,898	731,801

The normal trade credit terms granted to the Group range from 14 days to 30 days (2021: 14 days to 30 days).

Included in the Group's trade payables is an amount of RM34,652,800 (2021: RM34,652,800) owing to the Johor State Government for acquisition of development land.

Included in the Group's other payables is a receipt from Seaview Holdings Sdn Bhd for proposed disposal of land totalling RM63,800,000 (2021: RM Nil).

Included in the Group's accrued expenses are:

(a) accrued interest expense of RM8,630,358 (2021: RM12,790,210) arising from its trade payable amounts owing to a main contractor pertaining to settlement agreement The reversal of RM4,159,852 (2021: RM Nil) was made for the over provision of interest during the year and recognised in the finance cost (Note 7).

(b) accrued liquidated damages amounting to RM896,946 (2021: RM918,846), representing late payment charges for late delivery of the property development to purchasers.

(c) accrued authority fee required for foreign purchasers of RM5,334,856 (2021: RM Nil).

(d) accrued quit rent for BPP undeveloped phases of RM2,169,438 (2021: RM Nil).

25. Trade and other payables (Continued)

2022 Supplemental Agreement with JBB Kimlun Sdn. Bhd. ("JBB Kimlun") and JBB Builders (M) Sdn. Bhd. ("JBB Builders")

On 17 March 2022, APSB entered into a supplemental agreement with JBB Kimlun (the "Supplemental Agreement 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 an office tower Menara MBJB, the headquarters of the Johor Bahru City Council ("MBJB Project"). 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 eleven (11) properties held for sale by the Group to JBB Kimlun's nominee(s), namely Kimlun Sdn. Bhd. ("Kimlun"), being a related company of JBB Kimlun, or other third parties as identified by Kimlun, in accordance with the terms of the contra agreement to be entered into pursuant to the Supplemental Agreement with JBB Kimlun; (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.

On 22 June 2022, BPP entered into a conditional master supplemental agreement (the "Master Supplemented Agreement") with JBB Builders and APSB, to vary, amend and revise the payment term and payment structure of the outstanding contract sum of RM58,982,983.26, fully and finally, payable by BPP to JBB Builders for performing construction and infrastructure works pursuant to various letters of award, documents and contracts issued or signed by the BPP and JBB, in connection with the Bukit Pelali Project, pursuant to which, amongst others: (i) a sum of RM41,619,840.00, to be paid via transfer of twenty (20) properties which are legally and beneficially owned by APSB and situated at the residential development known as 'The Astaka @ One Bukit Senyum' ("The Astaka") to JBB Builders or its nominee(s) and (ii) a sum of RM17,363,143.26 to be paid by BPP to JBB Builders via 22 monthly instalments.

2021 Settlement Agreement with CSCE

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 a settlement sum of RM44,073,120.00 as the full and final settlement sum of the Dispute, which includes the potential transfer of up to five (5) properties within the development, The Astaka from APSB to CSCE or nominees of CSCE, at the discretion of APSB. To date, the five (5) properties have yet to be transferred from APSB to CSCE or nominees of CSCE.

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 have since withdrawn 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 Kuala Lumpur High Court.

As at 31 December 2022, APSB has fulfilled its repayment milestones to CSCE in accordance with the 2021 Settlement Agreement and an amount of RM20,692,461 remains outstanding under the 2021 Settlement Agreement.

26. Amounts due to related parties

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Amounts due to:				
- affiliated corporations	86,338,683	90,850,607	–	–
- a controlling shareholder	26,901,740	57,612,460	–	–
- a subsidiary	–	–	3,222,495	3,050,285
	113,240,423	148,463,067	3,222,495	3,050,285

Amount due to a subsidiary is non-trade, unsecured, interest-free and are repayable on demand.

Amounts due to affiliated corporations and a controlling shareholder are non-trade, unsecured, interest-free and are repayable on demand except for amounts of RM86,122,839 (2021: RM117,022,839), which bear interest ranged from 4.0% to 8.0% (2021: 4.0% to 8.0%) per annum.

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

27. Segment information

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

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

28. Significant related party transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

28. Significant related party transactions (Continued)

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The effect of the Group's and Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

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

	Group	
	1 January 2022 to 31 December 2022	1 July 2020 to 31 December 2021
	RM	RM
Affiliated corporations		
Advances from	61,593,722	59,700,000
Rental expenses	246,000	338,250
Interest expenses	4,217,401	2,874,233
Land costs paid/payable	1,285,883	3,904,991
A controlling shareholder of the Company		
Advances from	1,000,000	–
Interest expenses	2,209,665	4,948,367
Rental expenses	162,732	244,098

28. Significant related party transactions (Continued)

The controlling shareholder of the Company is Dato' Malek.

Key management personnel remuneration

	Group	
	1 January 2022 to 31 December 2022	1 July 2020 to 31 December 2021
	RM	RM
Short-term employee benefits	1,584,075	2,441,832
Post-employment benefits (Employer's contribution to defined contribution plans)	133,260	183,553
	1,717,335	2,625,385

29. Financial instruments

Financial risk management

Overview

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

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

29. Financial instruments (Continued)

Credit risk

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

The Group's credit risks arise mainly from cash and cash equivalents, trade and other receivables and contract assets. Cash and cash equivalents are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risk, the Group categorises the aforementioned financial assets and contract assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, and/or where contractual payments are 90 days past due as per SFRS(I) 9's presumption.

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

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

As of reporting date, the Group has no significant concentration of credit risk as a result of the Group's large number of customers (2021: one customer amounting to RM10,881,061), which are widely distributed and covers a broad range of end markets.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risk [Note 1]	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition [Note 2] or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired [Note 3]	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount [Note 4]	Written off

29. Financial instruments (Continued)

Credit risk (Continued)

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc.) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are > 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

29. Financial instruments (Continued)

Credit risk (Continued)

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cash flows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

Contract assets (Note 16), trade receivables and retention sum receivables (Note 17)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for these contract assets and receivables, where the loss allowance is equal to lifetime ECL.

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

Stakeholding money receivables, other receivables and refundable deposits (Note 17)

As of 31 December 2022, the Group recorded stakeholding money receivables, other receivables and refundable deposits amount of RM2,091,924 and RM4,176,388, respectively (2021: RM2,064,216 and RM2,968,699, respectively). The Group assessed the credit exposure of these receivables is insignificant based on the historical default rates, the Group's view of current and future conditions corresponding with the default rates pertaining to group of customers. The Group considers that the credit risk of these counter parties has not increased. The amount of the allowance on other receivables and deposits was insignificant.

Amounts due from subsidiaries (Note 17)

As at 31 December 2022, the Company measured the impairment losses of amounts due from subsidiaries of RM101,066,896 (2021: RM104,214,250) at an amount equal to lifetime ECLs because the said receivables are assessed to be credit-impaired due to the significant financial difficulty encountered by its subsidiaries.

29. Financial instruments (Continued)

Credit risk (Continued)

Exposure to credit risk

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

		Group		Company	
	Category	2022	2021	2022	2021
		RM	RM	RM	RM
Contract assets	Note (i)	1,146,361	2,814,580	–	–
Trade receivables	Note (i)	3,839,903	6,940,511	–	–
Retention sum receivables	Note (i)	–	8,238,631	–	–
Stakeholding money receivables	1	2,091,924	2,064,216	–	–
Other receivables and refundable deposits	1	4,176,388	2,968,699	–	–
Amount due from subsidiaries	4	–	–	101,066,896	104,214,250
		11,254,576	23,026,637	101,066,896	104,214,250
Impairment loss allowance		–	–	(101,066,896)	(104,214,250)
		11,254,576	23,026,637	–	–

Note (i): For trade receivables, retention sum receivables and contract assets, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL.

29. Financial instruments (Continued)

Credit risk (Continued)

Exposure to credit risk (Continued)

The following table provides information about the exposure to credit risk and ECL for contract assets and trade and other receivables as at 31 December 2022.

		2022		2021	
Group	**Weighted average loss rate**	**Gross carrying amount**	**Loss allowance**	**Gross carrying amount**	**Loss allowance**
		RM	**RM**	**RM**	**RM**
Contract assets	0%	1,146,361	–	2,814,580	–
Trade receivables					
Not past due	0%	–	–	–	–
Past due 1 to 30 days	0%	–	–	–	–
Past due 31 to 60 days	0%	1,000,000	–	2,378,085	–
Past due 61 to 90 days	0%	–	–	622,500	–
Past due more than 91 days	0%	2,839,903	–	3,939,926	–
		3,839,903	–	6,940,511	–
Stakeholding money receivables					
Not past due	0%	2,091,924	–	2,064,216	–
Retention sum receivables					
Not past due	0%	–	–	8,238,631	–
Other receivables and refundable deposits					
Not past due	0%	4,176,388	–	2,968,699	–
		11,254,576	–	23,026,637	–
Company					
Amounts due from subsidiaries					
Not past due	100%	101,066,896	(101,066,896)	104,214,250	(104,214,250)

29. Financial instruments (Continued)

Credit risk (Continued)

Exposure to credit risk (Continued)

The movement in the loss allowance during the financial year and the Company's exposure to credit risk in respect of amount due from subsidiaries are as follows:

Company	**Amount due from subsidiaries**	
Internal credit risk grading	**Category 1**	**Total**
	RM	**RM**
Loss allowance		
Balance at 1 July 2020	107,597,153	107,597,153
Reversal of loss allowance	(3,382,903)	(3,382,903)
Balance at 31 December 2021	104,214,250	104,214,250
Reversal of loss allowance	(3,147,354)	(3,147,354)
Balance at 31 December 2022	101,066,896	101,066,896
Gross Carrying amount		
At 31 December 2021	104,214,250	104,214,250
At 31 December 2022	101,066,896	101,066,896
Net carrying amount		
At 31 December 2021	–	–
At 31 December 2022	–	–

Cash and cash equivalents

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

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

Liquidity risk

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

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

29. Financial instruments (Continued)

Liquidity risk (Continued)

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

		Cash flows		
	Carrying amounts	Contractual cash flows	Within 1 year	After 1 year but within 5 years
	RM	RM	RM	RM
Group				
31 December 2022				
Trade and other payables	206,072,985	(206,072,985)	(206,072,985)	–
Amounts due to related parties	113,240,423	(113,240,423)	(113,240,423)	–
Borrowings	11,929,101	(11,929,101)	(11,929,101)	–
Lease liabilities	598,254	(627,954)	(390,454)	(237,500)
	331,840,763	(331,870,463)	(331,632,963)	(237,500)
31 December 2021				
Trade and other payables	246,180,147	(246,180,147)	(246,180,147)	–
Amounts due to related parties	148,463,067	(148,463,067)	(148,463,067)	–
Borrowings	11,898,680	(11,898,680)	(11,898,680)	–
Lease liabilities	716,938	(769,488)	(277,862)	(491,626)
	407,258,832	(407,311,382)	(406,819,756)	(491,626)
Company				
31 December 2022				
Trade and other payables	308,898	(308,898)	(308,898)	–
Amounts due to related parties	3,222,495	(3,222,495)	(3,222,495)	–
	3,531,393	(3,531,393)	(3,531,393)	–
31 December 2021				
Trade and other payables	731,801	(731,801)	(731,801)	–
Amounts due to related parties	3,050,285	(3,050,285)	(3,050,285)	–
	3,782,086	(3,782,086)	(3,782,086)	–

29. Financial instruments (Continued)

Liquidity risk (Continued)

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	Note	Group 2022 RM	Group 2021 RM
Financial assets at amortised cost			
Trade and other receivables	17	10,108,215	20,212,057
Cash and cash equivalents	18	7,204,500	6,464,616
		17,312,715	26,676,673
Financial liabilities at amortised cost			
Trade and other payables	25	(206,072,985)	(246,180,147)
Amounts due to related parties	26	(113,240,423)	(148,463,067)
Borrowings	24	(11,929,101)	(11,898,680)
Lease liabilities	23	(598,254)	(716,938)
		(331,840,763)	(407,258,832)

	Note	Company 2022 RM	Company 2021 RM
Financial assets at amortised cost			
Cash and cash equivalents	18	473,882	520,437
Financial liabilities at amortised cost			
Trade and other payables	25	(308,898)	(731,801)
Amounts due to related parties	26	(3,222,495)	(3,050,285)
		(3,531,393)	(3,782,086)

Market risk

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

29. Financial instruments (Continued)

Market risk (Continued)

Interest rate risk

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

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

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

Interest rate profile

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

	Group	
	2022	2021
	RM	RM
Fixed rate instruments		
Trade and other payables	–	4,614,831
Amounts due to related parties	86,122,839	117,022,839
Lease liabilities	598,254	716,938
	86,721,093	122,354,608
Variable rate instrument		
Bank overdrafts	11,929,101	11,898,680

Cash flow sensitivity analysis for variable instruments

A change of 100 basis points (bps) in interest rates at the reporting date would have increased/(decreased) development properties by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group	
	2022	2021
	RM	RM
Variable rate instruments		
100 bp increase	119,291	118,987
100 bp decrease	(119,291)	(118,987)

29. Financial instruments (Continued)

Market risk (Continued)

Interest rate risk (Continued)

Foreign currency risk

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

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

	SGD RM	HKD RM	Total RM
Group			
31 December 2022			
Cash and cash equivalents	2,117,589	33,245	2,150,834
31 December 2021			
Cash and cash equivalents	523,746	31,544	555,290

Sensitivity analysis

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

	Group Profit/(Loss) before income tax	
	2022 RM	2021 RM
SGD	105,879	26,187
HKD	1,662	1,577
	107,541	27,764

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

30. Fair values of financial assets and financial liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values due to the relative short-term maturity of these financial instruments.

The Group does not hold financial assets nor derivative asset or liability carried at fair value or at valuation. Accordingly, the disclosure requirement of the fair value hierarchy (levels 1, 2 and 3) under SFRS(I) 7 *Financial Instruments: Disclosures* does not apply. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The carrying amount of non-current lease liabilities approximates fair value as their fixed contractual rates approximate year end prevailing market interest rates.

31. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital and to maintain the future development and growth of the business. The Group's overall strategy remains unchanged from 2021.

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

The gearing ratio is as follows at the reporting date:

	2022 RM	2021 RM
Trade and other payables	–	4,614,831
Borrowings	11,929,101	11,898,680
Lease liabilities	598,254	716,938
Less: cash and cash equivalents	(7,204,500)	(6,464,616)
Net debts	5,322,855	10,765,833
Total equity	81,988,352	75,903,067
Total capital	87,311,207	86,668,900
Net debt ratio	0.06	0.12

The Company is not subjected to externally imposed capital requirements for the financial year/ period ended 31 December 2022 and 2021.

32. Subsequent events

On 19 April 2022, the Company's 99.99%-owned indirect subsidiary, Astaka Development Sdn. Bhd. ("ADSB") and Straits Perkasa Services Sdn. Bhd. (the "Landowner") had entered into a joint development agreement (the "JD Agreement") in relation to the development of a mixed commercial development project consisting of serviced apartments on a parcel of land at Mukim Tebrau, Tempat Taman Setia Indah, Daerah Johor Bahru, Negeri Johor. Subsequently, ADSB had, on 12 January 2023, entered into a supplemental joint development agreement with the Landowner (the "Supplemental Agreement") to vary certain terms in the JD Agreement in the manner as set out in the Supplemental Agreement which include, *inter alia*, an interim payment by ADSB via the sale of The Astaka units as payment in kind for a portion of the Landowner's consideration and instalment payments during the option period.

On 18 January 2023, ADSB and the Landowner have mutually agreed in writing to extend the period for the fulfilment of the conditions precedent of the JD Agreement to 18 April 2023, subject to any further extension as may be mutually agreed upon by the parties in writing.

SHAREHOLDING **STATISTICS**

As at 21 March 2023

Class of Shares	:	Ordinary Shares of equal voting rights
Issued and fully Paid-up Capital	:	S$477,554,589.08
Number of Ordinary Shares in Issue (excluding treasury shares)	:	1,869,434,303
Number of Treasury Shares held	:	Nil
Number of Subsidiary Holdings held	:	Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	96	43.83	3,184	0.00
100 – 1,000	21	9.59	8,928	0.00
1,001 – 10,000	41	18.72	188,485	0.01
10,001 – 1,000,000	48	21.92	5,718,965	0.31
1,000,001 and above	13	5.94	1,863,514,741	99.68
TOTAL	**219**	**100.00**	**1,869,434,303**	**100.00**

SUBSTANTIAL SHAREHOLDERS
(As recorded in the Register of Substantial Shareholders as at 21 March 2023)

	DIRECT INTEREST		DEEMED INTEREST	
NAME OF SUBSTANTIAL SHAREHOLDER	NO. OF SHARES	%	NO. OF SHARES	%
HORIZON SEA LIMITED	1,244,062,150	66.55	–	–
DATO' DAING A MALEK BIN DAING A RAHMAN(1)	3,665,000(2)	0.20	1,244,062,150	66.55

Notes:

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

(2) Held through Phillip Securities Pte Ltd.

TWENTY LARGEST SHAREHOLDERS AS AT 21 MARCH 2023

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	HORIZON SEA LIMITED	1,244,062,150	66.55
2	PHILLIP SECURITIES PTE LTD	277,001,618	14.82
3	ACE POINT HOLDINGS LIMITED	93,281,075	4.99
4	GLORYBASE HOLDINGS LIMITED	93,281,075	4.99
5	LUXUS HOLDINGS LIMITED	55,968,645	2.99
6	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	48,800,331	2.61
7	HSBC (SINGAPORE) NOMINEES PTE LTD	23,906,966	1.28
8	CLASSIC LINK INVESTMENTS LIMITED	18,656,215	1.00
9	NG SAY PIYU	3,783,666	0.20
10	HANIFAH BINTE MOHAMED HOSNAN	1,235,000	0.07
11	RYAISHA FILDA BINTE ROSLAN	1,235,000	0.07
12	ZHAO JING	1,212,000	0.06
13	MA ZHEN	1,091,000	0.06
14	CITIBANK NOMINEES SINGAPORE PTE LTD	958,933	0.05
15	RAFFLES NOMINEES (PTE) LIMITED	842,797	0.05
16	TAN SIEW BOOY	564,000	0.03
17	DBS NOMINEES PTE LTD	455,099	0.02
18	UOB KAY HIAN PTE LTD	413,900	0.02
19	YU KAM YUEN LINCOLN	226,666	0.01
20	HUM TEE SUNG	206,000	0.01
	TOTAL	**1,867,182,136**	**99.88**

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 21 March 2023, approximately 23.27% of the issued ordinary shares of the Company were held by the public.

Accordingly, the Company has complied with Rule 723 of the Catalist Rules.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting ("**AGM**") of Astaka Holdings Limited (the "**Company**") will be convened and held by way of electronic means on Thursday, 27 April 2023 at 11.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Independent Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to Regulation 89 of the Company's Constitution:

   Mr Khong Chung Lun (retiring pursuant to Regulation 89) **(Resolution 2)**

   Mr Lee Gee Aik (retiring pursuant to Regulation 89) **(Resolution 3)**

   [*See Explanatory Note 1*]

3. To approve the payment of Directors' fees of S$180,000 for the financial year ending 31 December 2023, to be paid quarterly in arrears. (FY2022: S$204,000) **(Resolution 4)**

4. To re-appoint Mazars LLP as the Company's auditors and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

5. To transact any other ordinary business which may properly be transacted at the Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

6. **Authority to allot and issue shares**

   That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and subject to Rule 806 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), authority be given to the Directors of the Company to allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise, and/or make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be allotted and issued, including but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and (notwithstanding the authority conferred by this Resolution may have ceased to be in force at the time of such issuance of Shares) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force, provided that:

(a) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to all shareholders of the Company ("**Shareholders**") shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

  (i) new Shares arising from the conversion or exercise of convertible securities;

  (ii) new Shares arising from the exercising of share options or vesting of share awards, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

  (iii) any subsequent bonus issue, consolidation or subdivision of Shares.

  Adjustments in accordance with the above sub-paragraphs 6(b)(i) and 6(b)(ii) are only to be made in respect of new Shares arising from convertible securities, share options or share awards which are issued and outstanding or subsisting at the time of the passing of this Resolution;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Companies Act and the Constitution for the time being of the Company; and

(d) (unless revoked or varied by the Company in general meeting), such authority continues in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.
[*See Explanatory Note 2*] **(Resolution 6)**

By Order of the Board

Yoo Loo Ping
Company Secretary

Singapore
10 April 2023

Explanatory Note on Resolutions to be passed:

1. Mr. Khong Chung Lun, if re-elected, will remain as the Executive Director and Chief Executive Officer of the Company.

   Mr. Lee Gee Aik, if re-elected, will remain as Non-Executive and Non-Independent Director of the Company, a member of the Audit Committee ("**AC**") and a member of the Remuneration Committee ("**RC**") of the Company. He is considered non-independent for the purposes of Rule 704(7) of Catalist Rules.

   The key information of Mr. Khong Chung Lun and Mr. Lee Gee Aik can be found on pages 86 to 93 of the Annual Report.

2. The Resolution 6 proposed in item 6 above, if passed, will empower the Directors with effect from the date of the AGM until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, without seeking any further approval from shareholders in a general meeting but within the limitation imposed by this Resolution, for such purposes as they may consider would be in the interests of the Company, up to a number not exceeding, in aggregate, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of passing of this Resolution, of which up to 50% of the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company may be issued other than on a *pro-rata* basis to shareholders.

   For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are issued and outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

IMPORTANT NOTICE FOR SHAREHOLDERS:

The Company's AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and Shareholders will not be able to attend the AGM in person.

Printed copies of this Notice of AGM, the Proxy Form and the FY2022 Annual Report will NOT be despatched to Shareholders. Instead, copies of the documents and information relating to the AGM (including the Annual Report FY2022, Notice of AGM and Proxy Form) have been made available on the SGXNet and the Company's corporate website and may be accessed at the following URLs:

(a) https://www2.sgx.com/securities/company-announcements; or

(b) http://astaka.com.my/investor-relations/.

Shareholders should take note of the following arrangements for the AGM:

(a) Participation in the virtual AGM

The AGM will be conducted only by way of electronic means, and shareholders will **not** be able to attend the AGM in person. The Company will arrange for (i) a "live" audio-visual webcast of the AGM ("**Live Webcast**"); and (ii) a "live" audio-only feed (via telephone), which allows Shareholders to participate at the AGM ("**Audio Feed**"). The Company will utilise both (i) real-time electronic voting and (ii) real-time electronic communication at the AGM.

Details of the steps for pre-registration, pre-submission of questions and voting at the AGM are set out in items (b) to (e) below.

(b) Pre-registration for Live Webcast AGM

Shareholders, including investors who hold Shares through the Central Provident Fund ("**CPF**") and/or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS Investors**"), and their appointed proxy(ies) who wish to attend the AGM by way of Live Webcast or Audio-Feed must pre-register online at https://globalmeeting.bigbangdesign.co/astaka2023/, no later than **25 April 2023, 11.00 a.m.** ("**Pre-Registration Deadline**") for verification purposes. Following successful verification, an email containing the instructions on how to have access to the AGM will be sent to the registered Shareholders by **26 April 2023, 11.00 a.m.**.

Shareholders must not forward their unique link, webinar ID or password to other persons. Recording of the Live Webcast or live Audio Feed in whatever form is also strictly prohibited.

Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act ("**Investors**") (other than CPF/SRS Investors)) will not be able to pre-register for the AGM. An Investor who wishes to participate in the AGM should approach his/her relevant intermediary as soon as possible in order to make the necessary arrangements. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/passport number), via email to the Company at ir@astaka.com.my not later than **25 April 2023, 11.00 a.m**.

Shareholders including Investors, or where applicable, their appointed proxy(ies), who have registered by the Pre-Registration Deadline but did not receive the aforementioned email by **26 April 2023, 11.00 a.m.** should contact the Company by email to ir@astaka.com.my.

(c) Submission of Questions

Shareholders including Investors may submit substantial and relevant textual questions related to the resolutions to be tabled for approval at the AGM in advance of, or "live" at, the AGM.

Submission of Questions in advance of the AGM

Shareholders and Investors who have questions in relation to any agenda item in this Notice of AGM may submit their questions to the Company in advance, by **11.00 a.m. on 18 April 2023**, through any of the following means:

(i) via the pre-registration website at the URL https://globalmeeting.bigbangdesign.co/astaka2023/;

(ii) by email to ir@astaka.com.my; or

(iii) by post, to be deposited at the Company's registered office at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535.

Shareholders including Investors must identify themselves when posting questions through email, mail or the pre-registration website by providing the following details:

(i) full name;

(ii) contact telephone number;

(iii) email address; and

(iv) the manner in which you hold Shares (if you hold Shares directly, please provide your CDP account number; otherwise, please state if you hold the Shares through CPF or SRS, or are a relevant intermediary Shareholder).

Shareholders including Investors are strongly encouraged to submit their questions via the pre-registration website or by email. The Company will address and provide its responses to all substantial and relevant questions received on or before **11.00 a.m. on 18 April 2023**, relating to the ordinary resolutions to be tabled for approval at the AGM via an announcement on SGXNet and the Company's corporate website latest by **11.00 a.m. on 23 April 2023**.

Investors who wish to submit questions in advance of the AGM, should contact the relevant intermediary through which they hold such Shares as soon as possible in order to make the necessary arrangements.

Substantial and relevant questions which are submitted after **11.00 a.m. of 18 April 2023** will be consolidated and addressed either before the AGM via an announcement on SGXNet and the Company's corporate website or at the AGM.

Submission of Questions "live" at the AGM

Shareholders including Investors may submit textual questions "live" at the AGM in the following manner:

(a) Shareholders including Investors or where applicable, their appointed proxy(ies) who have pre-registered and are verified to attend the AGM can ask questions relating to the ordinary resolutions tabled for approval at the AGM "live" at the AGM, by typing in and submitting their questions through the "live" ask question function via the audio-visual webcast platform during the AGM within a certain prescribed time limit.

(b) Shareholders including Investors who wish to appoint a proxy(ies) (other than the Chairman of the AGM) to ask questions "live" at the AGM on their behalf must, in addition to the completion and submission of an instrument appointing a proxy(ies), ensure that their proxy(ies) pre-register separately online at https://globalmeeting.bigbangdesign.co/astaka2023/ before the Pre-Registration Deadline.

(c) Shareholders (including the Investors) or, where applicable, their appointed proxy(ies) must access the AGM proceedings via the "live" audio-visual webcast in order to ask questions "live" at the AGM by submitting text-based questions, and will not be able to do so via the audio-only stream of the AGM proceedings.

(d) The Company will, during the AGM itself, address as many substantial and relevant questions (which are related to the ordinary resolutions to be tabled for approval at the AGM) which have not already been addressed prior to the AGM, as well as those received "live" at the AGM itself, as reasonably practicable. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.

The Company will publish the minutes of the AGM, which will include responses from the Board and the management of the Company on the substantial and relevant questions received from Shareholders via an announcement on SGXNet and the Company's corporate website within one (1) month after the conclusion of the AGM.

(d) Live voting or voting by appointing proxy(ies)

For Investors who hold Shares through relevant intermediaries, please refer to item (e) for the procedures to vote at the AGM.

Shareholders will be able to vote online at the AGM via the live voting feature. Alternatively, a Shareholder (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM may submit a Proxy Form to appoint the Chairman of the AGM or such other person(s) as his/her/its proxy(ies) to vote on his/her/its behalf at the AGM. A proxy need not be a Shareholder of the Company.

Duly completed Proxy Forms (together with the letter or power of attorney under which it is signed or a certified copy thereof) must be submitted through any of the following means not later than **25 April 2023, 11.00 a.m.** (being no later than 48 hours before the time appointed for holding the AGM), if not the Proxy Form shall, by default, not be treated as valid:

(i) by email, a copy to ir@astaka.com.my; or

(ii) by post, be deposited at the Company's registered office at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535.

Shareholders are strongly encouraged to submit completed proxy forms electronically via email.

The Proxy Form has been made available on SGXNet and the Company's corporate website and may be accessed at the URLs https://www2.sgx.com/securities/company-announcements and http://astaka.com.my/investor-relations/.

In appointing the Chairman of the AGM as proxy, the Shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

In appointing such other person(s) as proxy(ies), if no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain at his/her discretion.

Please refer to the detailed instruction set out in the Proxy Form.

(e) Voting at the AGM by the Investors (including the CPF/SRS Investors)

The Investors (including CPF/SRS Investors) who wish to appoint Chairman of the AGM or such other person(s) as their proxy(ies) to vote at the AGM should approach their respective relevant intermediaries (including their respective CPF agent banks and/or SRS agent banks) as soon as possible to specify their voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF agent banks or SRS approved banks or depository agents to submit their votes by **11.00 a.m. on 17 April 2023,** being at least seven (7) working days before the AGM.

The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In the case of a Shareholder whose Shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form appointing the Chairman of the AGM or such other person(s) as proxy(ies) lodged if such Shareholder, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding this AGM as maintained by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By (a) submitting a proxy form appointing the Chairman of the AGM or such other person(s) as proxy(ies) to attend, speak and vote at the AGM and/or any adjournment thereof, (b) completing the pre-registration in accordance with this Notice of AGM, or (c) submitting any question prior to the AGM in accordance with this Notice of AGM, a Shareholder consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing, administration and analysis by the Company (or its agents or service providers) of the proxy form(s) appointing the Chairman of the AGM or such other person(s) as proxy(ies) for the AGM (including any adjournment thereof);

(ii) processing of the pre-registration for purposes of granting access to Shareholders to the Live Webcast or Audio Feed of the AGM proceedings and providing Shareholders with any technical assistance where necessary;

(iii) addressing substantial and relevant questions from Shareholders received before the AGM and if necessary, following up with the relevant Shareholders in relation to such questions;

(iv) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

In addition, the personal data of a Shareholder (such as name, presence at the AGM and any questions raised or motions proposed/seconded) may be recorded by the Company during audio and/or video recordings of the AGM which may be made by the Company for record keeping and to ensure the accuracy of the minutes of the AGM, and a Shareholder of the Company consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for such purpose.

ASTAKA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200814792H)

ANNUAL GENERAL MEETING
PROXY FORM

IMPORTANT:

1. The Annual General Meeting ("**AGM**") is being convened, and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy(ies) at the AGM are set out in the Notice of AGM dated 10 April 2023 which has been uploaded on SGXNet at https://www2.sgx.com/securities/company-announcements and the Company's corporate website at http://astaka.com.my/investor-relations on the same day.
2. A shareholder of the Company ("**Shareholder**") WILL NOT be able to attend the AGM in person. If a Shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it may either cast his/her/its votes live at the AGM via the live voting feature, or appoint the Chairman of the AGM or such other person(s) as his/her/its proxy(ies) to vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a Shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid. In appointing such other person(s) as proxy(ies), if no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her discretion.
3. For investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("**Investors**") including the Central Provident Fund ("**CPF**") and/or Supplementary Retirement Scheme ("**SRS**") and who wish to appoint the Chairman of the AGM or such other person(s) as their proxy(ies), they should approach their relevant intermediaries (including their respective CPF agent banks and/or SRS agent banks) to submit their votes at least seven (7) working days before the AGM (i.e. by **11.00 a.m. on 17 April 2023**). This Proxy Form is not valid for use by Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. By submitting an instrument appointing the Chairman of the AGM or such other person(s) as proxy(ies), the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 April 2023.

Please read the notes overleaf which contain instructions on, among others, the appointment of the Chairman of the AGM as a Shareholder's proxy to vote on his/her/ its behalf at the AGM.

*I/We, ______________________________ (Name)

______________________________ (NRIC/Passport/Company Registration Number*)

of ______________________________ (Address)
being a Shareholder/Shareholders of Astaka Holdings Limited (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport Number	Email Address**	Proportion of Shareholdings (%)	
				No. of Shares	%

and/or

Name	Address	NRIC/Passport Number	Email Address**	Proportion of Shareholdings (%)	
				No. of Shares	%

as my/our proxy/proxies* to vote for me/us on my/our behalf at the AGM of the Company to be convened and held by way of electronic means on **27 April 2023 at 11.00 a.m**. and any adjournment thereof. *I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated hereunder.

#(Voting will be conducted by poll. Please indicate with an "X" within the relevant box to vote for or against, or abstain from voting, in respect of the resolutions to be proposed at the AGM as indicated hereunder. Alternatively, please indicate the number of shares that your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid. In appointing such other person(s) as proxy(ies), if no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.)*

No.	Ordinary Resolutions relating to	FOR#	AGAINST#	ABSTAIN#
1.	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022 together with the Independent Auditor's Report.			
2.	Re-election of Mr Khong Chung Lun as a Director.			
3.	Re-election of Mr Lee Gee Aik as a Director.			
4.	Approval of Directors' fees for the financial year ending 31 December 2023 amounting to S$180,000, payable quarterly in arrears.			
5.	Re-appointment of Mazars LLP as auditors of the Company.			
6.	Authority to allot and issue Shares.			

** Delete where inapplicable.*

*** Compulsory for registration purposes. Shareholders and proxy(ies) who wish to participate in the AGM by observing and/or listening to the proceedings of the AGM through a live audio-visual webcast and live audio-only feed (**"AGM Proceedings"**), must pre-register via the URL https://globalmeeting.bigbangdesign.co/astaka2023/ (**"Registration Website"**) before the AGM pre-registration deadline which is **25 April 2023, 11.00 a.m.**. Authenticated Shareholders and proxy(ies) will receive an email containing the instructions to assess the AGM proceedings, no later than **26 April 2023, 11.00 a.m.** (**"AGM Confirmation Email"**). Shareholders (including Investors) and proxy(ies) who have pre-registered by the AGM pre-registration deadline but did not receive the AGM Confirmation Email by **26 April 2023, 11.00 a.m.** should contact the Company via email at ir@astaka.com.my.*

Dated this ________ day of ________________ 2023

Total Number of Shares in:	Number of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

IMPORTANT: Please read the notes overleaf before completing this proxy form.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this Proxy Form shall be deemed to relate to all the shares held by you.

2. Shareholders will not be allowed to attend the AGM in person. Shareholders will be able to vote online on the resolutions to be tabled for approval at the AGM via the live voting feature. Alternatively, a Shareholder (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM, may appoint the Chairman of the AGM or such other person(s) as his/her/its proxy(ies) to vote on his/her/its behalf at the AGM. The proxy(ies) need not be a Shareholder. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid. In appointing such other person(s) as proxy(ies), if no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her discretion.

3. This Proxy Form appointing the Chairman of the AGM or such other person(s) as proxy(ies) (together with the letter or power of attorney under which it is signed or a certified copy thereof) must be submitted to the Company in the following manner:

   (a) if submitted by email, be received by the Company at ir@astaka.com.my; or

   (b) by post, be deposited at the registered office of the Company at 133 Cecil Street, #14-01, Keck Seng Tower, Singapore 069535.

   in either case, by no later than **11.00 a.m. on 25 April 2023**, being 48 hours before the time appointed for holding the AGM (the "**Proxy Deadline**"), and in default the proxy form shall not be treated as valid.

   Shareholders are strongly encouraged to submit completed proxy forms electronically via email.

4. This Proxy Form must be signed by the Shareholder or his/her/its attorney duly authorised in writing. In the case of joint holders, all joint holders must sign this Proxy Form. If the Shareholder is a corporation, this Proxy Form must be executed either under seal or under the hand of an officer or attorney duly authorised in writing. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with this Proxy Form, failing which the Proxy Form may be treated as invalid.

5. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In the case of a Shareholder whose Shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form appointing the Chairman of the AGM or such other person(s) as proxy(ies) lodged if such Shareholder, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding this AGM as maintained by The Central Depository (Pte) Limited to the Company.

   Completion and return of the Proxy Form shall not preclude a Shareholder from participating at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder attends the live AGM, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the live AGM.

Personal Data Privacy

6. By submitting this Proxy Form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 April 2023.

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