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

Unaudited Condensed Interim Consolidated Financial Statements and Dividend Announcement for the period ended 30 June 2023

The board of directors (the "**Board**" or "**Directors**") of Astaka Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce the unaudited condensed interim consolidated financial statements of the Group for the six months ended 30 June 2023 ("**1H2023**"). Such half yearly reporting announcement is mandatory, made pursuant to the Singapore Exchange Securities Trading Limited's (the "**SGX-ST**") requirements, as required under Rule 705(3)(b)(ii) of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").

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

		Group		
		6 months ended		
	Note	30/06/2023 (Unaudited) RM'000	30/06/2022 (Unaudited) RM'000	Change %
Revenue	4	32,256	24,562	31.3
Cost of sales		(24,699)	(1,320)	1,771.1
Gross profit		**7,557**	**23,242**	**(67.5)**
Other income	6	2,256	76	2,868.4
Selling and distribution expenses		(1,349)	(818)	64.9
Administrative expenses		(7,520)	(7,909)	(4.9)
Other expenses		(367)	(1)	36,600.0
Results from operating activities		**577**	**14,590**	**(96.0)**
Finance income	6	136	17	700.0
Finance costs	6	(334)	(4,375)	(92.4)
Net finance cost		**(198)**	**(4,358)**	**(95.5)**
Profit before income tax	6	**379**	**10,232**	**(96.3)**
Tax expense		-	-	-
Profit for the period, representing total comprehensive income for the period		**379**	**10,232**	**(96.3)**
Total comprehensive income attributable to:				
Owners of the Company		586	10,065	(94.2)
Non-controlling interests		(207)	167	n.m.
Total comprehensive income for the period		**379**	**10,232**	**(96.3)**
Earnings per share				
Basic and diluted earnings per share (cents per share)		**0.03**	**0.54**	**(94.4)**

n.m. – not meaningful

The basic and fully diluted earnings per share (calculated based on the weighted average number of ordinary shares in issue) were the same as there were no potentially dilutive ordinary shares in issue as at 30 June 2023 and 30 June 2022.

B. Condensed statement of financial position

		Group		Company	
	Note	30/06/2023 (Unaudited) RM'000	31/12/2022 (Audited) Note A RM'000	30/06/2023 (Unaudited) RM'000	31/12/2022 (Audited) RM'000
Assets					
Property, plant and equipment	8	602	748	-	-
Investment in subsidiaries	9	-	-	100,000	100,000
Non-current assets		602	748	100,000	100,000
Development properties	10	254,905	278,088	-	-
Asset held for sales	11	-	115,402	-	-
Contract assets		-	1,146	-	-
Trade and other receivables		21,333	10,441	36	30
Tax recoverable		869	799	-	-
Cash and cash equivalents		13,977	7,205	985	474
Current assets		291,084	413,081	1,021	504
Total assets		**291,686**	**413,829**	**101,021**	**100,504**
Equity					
Share capital	12	259,384	259,384	1,455,079	1,455,079
Merger reserve		(10,769)	(10,769)	-	-
Capital reserve		-	-	1,419	1,419
Accumulated losses		(168,180)	(168,766)	(1,359,670)	(1,359,525)
Equity attributable to owners of the Company		80,435	79,849	96,828	96,973
Non-controlling interests		1,933	2,140	-	-
Total equity		**82,368**	**81,989**	**96,828**	**96,973**
Liabilities					
Lease liabilities	13	72	234	-	-
Non-current liabilities		72	234	-	-
Trade and other payables	14	129,685	206,073	818	309
Amount due to related parties		67,251	113,240	3,375	3,222
Lease liabilities	13	344	364	-	-
Borrowings	15	11,966	11,929	-	-
Current liabilities		209,246	331,606	4,193	3,531
Total liabilities		**209,318**	**331,840**	**4,193**	**3,531**
Total equity and liabilities		**291,686**	**413,829**	**101,021**	**100,504**

Note A:

Differences between the figures set out herein and the figures set out in the Company's annual report for the financial year ended 31 December 2022 are due to rounding.

C. Condensed statement of changes in equity

Group (Unaudited)

	Share capital RM'000	Merger reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2023	259,384	(10,769)	(168,766)	79,849	2,140	81,989
Profit/(Loss) and total comprehensive income/ (loss) for the period	-	-	586	586	(207)	379
Balance as at 30 June 2023	**259,384**	**(10,769)**	**(168,180)**	**80,435**	**1,933**	**82,368**

Group (Unaudited)

	Share capital RM'000	Merger reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2022	259,384	(10,769)	(176,678)	71,937	3,966	75,903
Profit and total comprehensive income for the period	-	-	10,065	10,065	167	10,232
Balance as at 30 June 2022	**259,384**	**(10,769)**	**(166,613)**	**82,002**	**4,133**	**86,135**

Company (Unaudited)

	Share capital RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Balance as at 1 January 2023	1,455,079	1,419	(1,359,525)	96,973
Loss and total comprehensive loss for the period	-	-	(145)	(145)
Balance as at 30 June 2023	**1,455,079**	**1,419**	**(1,359,670)**	**96,828**

Company (Unaudited)

	Share capital RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Balance as at 1 January 2022	1,455,079	1,419	(1,259,678)	196,820
Loss and total comprehensive loss for the period	-	-	(705)	(705)
Balance as at 30 June 2022	**1,455,079**	**1,419**	**(1,260,383)**	**196,115**

D. Condensed consolidated statement of cash flows

	Note	Group 6 months ended 30/06/2023 (Unaudited) RM'000	Group 6 months ended 30/06/2022 (Unaudited) RM'000
Cash flows from operating activities			
Profit before income tax		379	10,232
Adjustments for:			
Depreciation of property, plant and equipment	6.1	218	183
Gain on disposal of asset held for sales	6.1	(598)	-
Interest expense	6.1	334	4,375
Interest income	6.1	(136)	(17)
Reversal of foreseeable loss on development properties	6.1	(2,910)	(1,523)
Reversal of liquidated ascertained damages	6.1	(357)	-
Unrealised gain on foreign exchange		(9)	(4)
Total operating cash flows before movements in working capital		(3,079)	13,246
Changes in working capital:			
Development properties		26,093	14,742
Contract assets and liabilities		1,146	1,585
Trade and other receivables		(10,892)	(9,224)
Trade and other payables		(12,142)	1,132
Cash generated from operations		1,126	21,481
Tax paid		(70)	(344)
Net cash generated from operating activities		**1,056**	**21,137**
Cash flows from investing activities			
Acquisition of property, plant and equipment	8	(72)	(64)
Decrease in fixed deposit pledged		940	56
Interest received		136	17
Proceeds from the asset held for sale		52,200	-
Net cash generated from investing activities		**53,204**	**9**
Cash flows from financing activities			
Advances from affiliated corporations		158	18,672
Advances from a controlling shareholder		1,000	-
Interest paid		(7,666)	(337)
Repayment to affiliated corporations		(19,580)	(753)
Repayment to a controlling shareholder		(20,423)	(33,900)
Repayment to trade and other payables		-	(5,400)
Repayment to lease liabilities		(75)	(66)
Net cash used in financing activities		**(46,586)**	**(21,784)**
Net increase/(decrease) in cash and cash equivalents		**7,674**	**(638)**
Cash and cash equivalents at the beginning of period		(6,096)	(6,864)
Effect of exchange rate fluctuation on cash held		1	11
Cash and cash equivalents at the end of period		**1,579**	**(7,491)**

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

	Group	
	30/06/2023 (Unaudited) RM'000	30/06/2022 (Unaudited) RM'000
Cash and cash equivalents	13,977	5,421
(-) Bank overdrafts	(11,966)	(11,540)
(-) Fixed deposit pledged	(432)	(1,372)
Cash and cash equivalents per consolidated statement of cash flows	**1,579**	**(7,491)**

E. Notes to the condensed interim consolidation financial statements

1. Corporate information

Astaka Holdings Limited is incorporated in Singapore and listed on the Catalist Board of the SGX-ST. These condensed interim consolidated financial statements as at and for the six-month period ended 30 June 2023 comprise the Company and its subsidiaries. The principal activity of the Company is that of investment holding and the principal activity of the Group is property development.

2. Basis of preparation

The condensed consolidated financial statements for the six-month period ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies and methods of computation adopted are consistent with those of the most recently audited annual financial statements for the financial year ended 31 December 2022, which were prepared in accordance with the SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1 below.

The condensed interim consolidated financial statements are presented in Malaysian Ringgit ("**RM**") which is the functional currency of the Company.

2.1 New and amended standards adopted by the Group

The Group has adopted the applicable revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") including related Interpretations of SFRS(I) ("**SFRS(I) INT**") that are mandatory for the accounting periods beginning on or after 1 January 2023.

In the current period, the Group has adopted all the new and revised SFRS(I) and SFRS(I) INT that are relevant to its operations and effective for annual periods beginning on or after 1 January 2023 The adoption of these new or revised SFRS(I) and SFRS(I) INT did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior period's financial statement and is not expected to have a material effect on future periods.

2.2. Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

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

2.2.1 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.

2.2.2 Key sources of estimation uncertainty

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment ("**PPE**") over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Management estimates the useful lives of these PPE to be within 2 to 10 years. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Group's property, plant and equipment as at 30 June 2023 was RM602,000 (31 December 2022: RM748,000).

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 30 June 2023 and 31 December 2022.

Measurement of Expected Credit Losses ("ECL") of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the country (i.e. Malaysia). The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 30 June 2023 was RMNil (31 December 2022: RMNil).

Provision for income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of 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 30 June 2023 was tax recoverable of RM869,000 (31 December 2022: tax recoverable of RM799,000).

Impairment of investment in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investment in subsidiaries are impaired or that an impairment loss recognised in prior periods may no longer exist or may have decreased. Where applicable, the Company's and Group's determination of the recoverable value is based on the estimation of the value-in-use of the applicable assets as defined in SFRS(I) 1-36 Impairment of Assets by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amounts of investment in subsidiaries as at 30 June 2023 was RM100,000,000 (31 December 2022: RM100,000,000).

3. Seasonal operations

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

4. Segment and revenue information

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

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.

4.1 Revenue

	Group	
	6 months ended	
	30/06/2023 (Unaudited) RM'000	**30/06/2022 (Unaudited) RM'000**
Revenue from sale of development properties		
- transferred at a point in time	32,256	24,562

4.2 A breakdown of sales and operating profit are as follows:

	Group		
	30/06/2023 RM'000	**30/06/2022 RM'000**	**% increase/ (decrease)**
Sales reported for the first half year	32,256	24,562	31.3
Operating profit after tax and before deducting minority interests reported for the first half year	586	10,065	(94.2)

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 June 2023 and 31 December 2022.

	Note	Group		Company	
		30/06/2023 (Unaudited) RM'000	31/12/2022 (Audited) RM'000	30/06/2023 (Unaudited) RM'000	31/12/2022 (Audited) RM'000
Financial Assets not measured at fair value					
Trade and other receivables		20,745	10,108	-	-
Cash and cash equivalents		13,977	7,205	985	474
		34,722	17,313	985	474

	Note	Group		Company	
		30/06/2023 (Unaudited) RM'000	31/12/2022 (Audited) RM'000	30/06/2023 (Unaudited) RM'000	31/12/2022 (Audited) RM'000
Financial liabilities not measured at fair value					
Trade and other payables	14	(129,685)	(206,073)	(818)	(309)
Amount due to related parties		(67,251)	(113,240)	(3,375)	(3,222)
Borrowings	15	(11,966)	(11,929)	-	-
Lease liabilities	13	(416)	(598)	-	-
		(209,318)	(331,840)	(4,193)	(3,531)

6 Profit before income tax

6.1 Significant items

	Group 6 months ended	
	30/06/2023 (Unaudited) RM'000	30/06/2022 (Unaudited) RM'000
Other Income		
Gain on disposal of asset held for sales	598	-
Project marketing consultancy service fee	743	-
Rental income	26	47
Reversal of provision for Social Projects Fund Contribution (the "**SPF Contribution**")	800	-
Finance Income		
Interest income	136	17
Finance costs		
Interest expense	972	4,375
Reversal of overprovision of interest	(638)	-
Expenses		
Adjustment in final project costing	(2,464)	(11,676)
Cost recovery from the relevant government authority	-	(7,961)
Depreciation of property, plant and equipment	218	183
Loss/(Gain) on foreign exchange	5	(8)
Manpower cost, including director remuneration	3,345	2,894
Operating lease expense	239	226

	Group	
	6 months ended	
	30/06/2023 (Unaudited) RM'000	30/06/2022 (Unaudited) RM'000
Reversal of foreseeable loss on development properties sold at above carrying amount	(2,910)	(1,523)
Reversal of liquidated ascertained damages	(357)	-
Waiver of forfeiture of payment to purchaser	169	-
Waiver of late payment interest charged to customers	153	-

6.2 Significant related party transactions

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

	Group	
	6 months ended	
	30/06/2023 (Unaudited) RM'000	30/06/2022 (Unaudited) RM'000
Affiliated corporations		
Advances from	-	18,500
Rental expenses	113	124
Interest expenses	71	2,568
Land costs paid/payable	158	575
A controlling shareholder of the Company		
Advances from	1,000	-
Rental expenses	82	82
Interest expenses	495	1,458

7 Net asset value

	Group		Company	
	30/06/2023 (Unaudited) RM'000	31/12/2022 (Audited) RM'000	30/06/2023 (Unaudited) RM'000	31/12/2022 (Audited) RM'000
Net Asset Value[1] ("**NAV**") (RM'000)	80,435	79,849	96,828	96,973
Number of ordinary shares in issue	1,869,434,303	1,869,434,303	1,869,434,303	1,869,434,303
NAV per ordinary share (RM'sen)	4.30	4.27	5.18	5.19

Note:

(1) NAV attributable to owners of the Company.

8 Property, plant and equipment

During the financial period ended 30 June 2023, the Group acquired assets amounting to RM72,000 (31 December 2022: RM98,000).

9 Investment in subsidiaries

	Company	
	30 June 2023 (Unaudited) RM'000	31 December 2022 (Audited) RM'000
Unquoted equity shares, at cost	1,229,000	1,229,000
Less: Impairment loss	(1,129,000)	(1,129,000)
Carrying amount	100,000	100,000

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

	Company	
	30 June 2023 (Unaudited) RM'000	31 December 2022 (Audited) RM'000
At beginning of the period/year	1,129,000	1,029,000
Addition	-	100,000
At end of the period/year	1,129,000	1,129,000

10 Development properties

	Group	
	30 June 2023 (Unaudited) RM'000	31 December 2022 (Audited) RM'000
Completed properties held for sale:		
- completed properties	121,955	148,288
Properties for development representing mainly development costs, at cost	132,950	129,800
	254,905	278,088

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 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 had entered into a settlement agreement in 2021 and 4 land parcels remain secure to CSCE as at the date of this announcement. As at 30 June 2023, the Group had incurred and recorded RM38,302,347 (31 December 2022: RM38,382,272) in development properties for the share of master infrastructure costs on the said lands.

Completed properties held for sale

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

	Group	
	30 June 2023 (Unaudited) RM'000	**31 December 2022 (Audited) RM'000**
Completed properties held for sale:		
- aggregate costs incurred	131,266	160,509
- allowance for foreseeable losses	(9,311)	(12,221)
	121,955	148,288

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

	Group	
	30 June 2023 (Unaudited) RM'000	**31 December 2022 (Audited) RM'000**
At beginning of the period/year	12,221	17,616
Reversal of foreseeable loss on development properties sold at above carrying amount	(2,910)	(5,395)
At end of the period/year	9,311	12,221

11 Asset held for sales

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 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**"), amounting to RM116.00 million (the "**Proposed Disposal**"). The Proposed Disposal has been completed as at 27 June 2023 following the receipt of the full payment of the consideration of the Land from SHSB to APSB.

As of 30 June 2023, the carrying amount of asset held for sale was RMNil (31 December 2022: RM115.40 million).

12 Share capital

	30 June 2023			31 December 2022		
		Amount			Amount	
	Number of shares	**Group RM'000**	**Company RM'000**	**Number of shares**	**Group RM'000**	**Company RM'000**
Issued and fully paid ordinary shares	1,869,434,303	259,384	1,455,079	1,869,434,303	259,384	1,455,079

There were no changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on, being 31 December 2022.

The Company does not hold any treasury shares as at 30 June 2023 and 30 June 2022.

There were no outstanding convertibles as at 30 June 2023 and 30 June 2022.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2023, 31 December 2022 and 30 June 2022.

There was no sale, transfer, cancellation and/or use of treasury shares or subsidiary holdings during, and as at the end of, the six-month period ended 30 June 2023.

13 Lease liabilities

	Group	
	30 June 2023 (Unaudited) RM'000	**31 December 2022 (Audited) RM'000**
Amount repayable within one year or on demand:		
- Secured	5	16
- Unsecured	339	348
Amount repayable after one year:		
- Unsecured	72	234
	416	598

The Group's hire purchase financing facilities of RM110,000 (31 December 2022: RM110,000) are secured by its underlying assets.

14 Trade and other payables

	Group		Company	
	30/06/2023 (Unaudited) RM'000	**31/12/2022 (Audited) RM'000**	**30/06/2023 (Unaudited) RM'000**	**31/12/2022 (Audited) RM'000**
Trade payables	82,541	93,228	-	-
Other payables	16,488	78,710	818	309
Accrued land costs	1,947	2,105	-	-
Accrued transaction costs	10,299	10,638	-	-
Accrued expenses	18,410	21,392	-	-
	129,685	206,073	818	309

Included in the Group's other payables is a receipt from SHSB for proposed disposal of land totalling RMNil (31 December 2022: RM63,800,000).

15 Borrowings

	Group	
	30 June 2023 (Unaudited) RM'000	**31 December 2022 (Audited) RM'000**
Amount repayable within one year or on demand:		
Secured		
Bank overdrafts	11,966	11,929

Included in the bank overdrafts is Affin Bank Berhad overdraft facility of RM12,000,000 (31 December 2022: RM12,000,000) for the working capital requirements of the Group, which is secured against a controlling shareholder's fixed deposit of RM12,000,000 (31 December 2022: RM12,000,000).

16 Changes in the composition of the Group

On 31 May 2023, the Group had through its 99.99% indirectly owned subsidiary, APSB, entered into a joint venture with SHSB in relation to a proposed property and real estate development business in Malaysia. APSB incorporated a 51% owned subsidiary, Astaka Capital Sdn. Bhd ("**ACSB**"). The details of ACSB as follows:

Name of Subsidiary	Initial Issued and Paid-Up Share Capital	Place of Incorporation	Principal Activity
Astaka Capital Sdn. Bhd.	100,000 ordinary shares of RM1.00 per share	Malaysia	Property development

The incorporation of ACSB was funded through internal resources of the Group and is not expected to have any material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the current financial year ending 31 December 2023.

None of the Directors, controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the incorporation of ACSB, other than through their respective shareholdings in the Company. Please refer to the Company's announcement dated 31 May 2023 for further details on the incorporation of ACSB.

17 Other information

17.1 Review

The condensed interim consolidated statement of financial position of the Group as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

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

(a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.
This is not required for any audit issue that is a material uncertainty relating to going concern.

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

17.3 Review of performance of the Group

Consolidated statement of profit or loss and other comprehensive income

Revenue

The increase in revenue for the six months ended 30 June 2023 ("**1H2023**") as compared to the six months ended 30 June 2022 ("**1H2022**") was mainly contributed by sale of The Astaka property units since Malaysia has launched the Johor Bahru-Singapore Rapid Transit System (RTS) which will enhance the connectivity between the regions, attract locals and foreigners to invest in Johor Bahru. The launch has served as a catalyst to boost the property market in the surrounding areas. The RTS enhances the connectivity between the regions and typically indicates a commitment to the property development which has thus attracted more purchasers to consider The Astaka.

Cost of Sales and Gross Profit

The increase in cost of sales in 1H2023 as compared to 1H2022 was in line with the increase in revenue, after the respective adjustment of the final project costing, cost recovery and the reversal of foreseeable losses in 1H2022 and 1H2023.

In addition, the reversal of the foreseeable losses on development properties in 1H2023 and 1H2022 were in view of the higher selling prices obtained for the development properties sold. Excluding the reversal of foreseeable losses on development properties, the abovementioned adjustment to the final project costing and cost recovery, gross profit in 1H2023 would have been approximately RM2.18 million as compared to gross profit of RM2.08 million in 1H2022.

Other Income

The increase in other income in 1H2023 as compared to 1H2022 was mainly due to gain on disposal of asset held for sales, project marketing consultancy service fee, rental income received and reversal of provision for the SPF Contribution as the Company had sold the asset held for sale and no longer entitled to future tax benefits attributable from the contribution to the SPF Contribution.

Finance Income

The increase in finance income in 1H2023 as compared to 1H2022 was mainly due to interest income received.

Expenses

The increase in selling and distribution expenses in 1H2023 as compared to 1H2022 was in line with the increase in revenue and other income relating to the project marketing and consultancy services provided to third party, mainly due to higher sales commission recorded.

The decrease in administrative expenses in 1H2023 as compared to 1H2022 was mainly due to the following:

i. quit rent and assessment of RM1.74 million (1H2022: RM2.33 million);
ii. over provision of liquidated ascertained damages ("**LAD**") of RM0.36 million as the time frame which purchasers could claim the LAD had lapsed (1H2022: RMNil); and
iii. office expenses of RM0.31 million (1H2022: RM0.47 million)

The decrease in administrative expenses in 1H2023 was partially offset by an increase in:

i. depreciation of PPE of RM0.22 million (1H2022: RM0.18 million);
ii. landscape maintenance of RM0.22 million (1H2022: RM0.07 million);
iii. maintenance fee and sinking fund of RM0.49 million (1H2022: RM0.45 million);
iv. manpower cost of RM3.35 million (1H2022: RM2.89 million); and
v. professional and legal fee of RM1.02 million (1H2022: RM0.94 million)

Other expenses increased in 1H2023 as compared to 1H2022 mainly due to the waiver of forfeiture of payment to purchaser.

In 1H2023, the Group's finance costs relate mainly to (i) bank overdraft interest which amounted to approximately RM0.39 million, (ii) interest expenses in relation to the loan agreements entered into by APSB, a subsidiary of the Company, with Dato' Malek and its associated company, DMR Holdings which in aggregate, amounted to approximately RM0.57 million, and (iii) hire purchase interest and lease interest which amounted to approximately RM0.01 million, which were offset by the reversal of over-provision of interest which amounted to approximately RM0.64 million as payment was made to the nominated sub-contractors.

The decrease in finance costs for 1H2023 as compared to 1H2022 was mainly due to the partial repayment of the loan obtained from Dato' Malek and DMR Holdings.

Despite recognising a net profit in 1H2023, no income tax expense was recorded due to unutilised tax losses carried forward from prior years.

As a result of the abovementioned, the Group recognised a net profit after tax of RM0.38 million in 1H2023 as compared to a net profit after tax of RM10.23 million in 1H2022.

Consolidated statement of financial position

PPE decreased by approximately RM0.15 million from RM0.75 million as at 31 December 2022 to RM0.60 million as at 30 June 2023, which was mainly due to the depreciation charged during the financial period, and was partially offset by additions of new PPE.

Development properties decreased by approximately RM23.18 million from RM278.09 million as at 31 December 2022 to RM254.91 million as at 30 June 2023, due to the sale of completed properties for The Astaka and BPP.

Decrease in contract assets as at 30 June 2023 was due to progress billing issued for BPP projects.

Trade and other receivables increased by approximately RM10.89 million from RM10.44 million as at 31 December 2022 to RM21.33 million as at 30 June 2023 which was mainly due to the collection amount yet to be received from the purchasers.

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

Cash and cash equivalents increased by approximately RM6.77 million from RM7.21 million as at 31 December 2022 to RM13.98 million as at 30 June 2023 which was mainly due to the receipt of approximately RM52.20 million from the sale of the Land in relation to the Proposed Disposal which was partially offset by the payment made to trade and other payables and repayment of loans owed to Dato' Malek and DMR Holdings during the financial period.

Trade and other payables decreased by approximately RM76.39 million from RM206.07 million as at 31 December 2022 to RM129.69 million as at 30 June 2023, which was mainly due to the payment made to the contractors and consultants that have settlement agreements with the Group and the proposed payment plans with the Group during the financial period, as well as due to the completion of the Proposed Disposal of which the Company will no longer recognised SHSB as other payable in connection to the completion of the Proposed Disposal.

Amount due to related parties decreased by approximately RM45.99 million from RM113.24 million as at 31 December 2022 to RM67.25 million as at 30 June 2023, which was mainly due to partial repayment of loans owed to DMR Holdings and Dato' Malek. The decrease was partially offset by the interest charged on the loan facilities provided by Dato' Malek and DMR Holdings.

The current and non-current lease liabilities decreased by approximately RM0.18 million from RM0.60 million as at 31 December 2022 to RM0.42 million as at 30 June 2023. This was mainly due to the right-of-use assets leased by the Group. The lease liabilities are payable on a monthly basis according to the lease payment terms.

The borrowings as at 30 June 2023 remain relatively the same as at 31 December 2022 which was in relation to the drawdown of bank overdraft to finance the Group's property development projects and working capital.

The Group recorded an increase of net current assets from RM81.48 million as at 31 December 2022 to RM81.84 million at 30 June 2023.

Consolidated statement of cash flows

The Group recorded a net cash flow generated from operating activities of approximately RM1.06 million in 1H2023, primarily due to the decrease in development properties arising from sales of the property units in relation to the Group's existing property development project, namely, The Astaka and BPP. However, this was partially offset by the repayments made to trade and other payables and the monies not yet received from the Group's purchasers pertaining to respective sales and purchase agreement during the financial period.

Net cash flow generated from investing activities of approximately RM53.20 million in 1H2023 was mainly due to the receipt of approximately RM52.20 million from the sale of the Land in relation to the Proposed Disposal, withdrawal of fixed deposit pledged of approximately RM0.94 million and interest received from the fixed deposit placements with the financial institution of approximately RM0.14 million. The aforesaid was partially offset by the acquisition of PPE.

Net cash flow used in financing activities of approximately RM46.59 million in 1H2023 was mainly due to the repayment made to a controlling shareholder of approximately RM20.42 million, repayment made to affiliated corporations of approximately RM19.58 million, interest expense of approximately RM7.67 million and the repayment of lease liabilities of approximately RM0.08 million.

Included in the year-to-date ("**YTD**") June 2023 cash and bank balances is an amount of approximately RM822,000 (YTD June 2022: RM808,000) of which the bank accounts are maintained in accordance with Housing Development (Housing Development Account) Regulation 1991 in Malaysia. These accounts, which consist of monies received from purchasers, are for the payments of property development expenditure incurred. The surplus monies, if any, will be released to the respective subsidiaries upon the completion of the property development properties and after all property development expenditure have been fully settled.

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

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

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

The reopening of the Johor-Singapore Causeway in early 2022 has resulted in the buoyant Johor property market, which appear to have moderated in the first 6 months of year 2023.

The Singapore government had announced changes in additional stamp duty for residential buyers in May 2023[1]. Moving forward, it is envisaged that the higher stamp duty will incentivise the expatriates working in Singapore to purchase properties in Malaysia, with Johor potentially becoming the main beneficiary. In view of the foregoing and the weakening of Ringgit Malaysia against Singapore Dollars, this may further encourage the trend for the buyers to purchase properties in Malaysia. The improvement of Johor Bahru's infrastructure such as the upcoming Johor Bahru-Singapore Rapid Transit System (RTS)[2] will enhance the connectivity between the regions, and thus serves as a catalyst for further growth of the property market in Johor Bahru.

Moving forward, the Group will continue to closely monitor the volatile macroeconomic headwinds and adapt accordingly. The transition towards Covid-endemic enables the Group to continue its marketing and sales efforts. Opportunities to expand the Group's landbank and undertake potential property development projects will be explored to ensure sustainable income in the future.

The Group will explore the development of Phase 3 of the One Bukit Senyum township and is currently actively working towards the launch of a mixed commercial development project consisting of serviced

[1] **Inland Revenue Authority of Singapore (IRAS)** - https://www.iras.gov.sg/taxes/stamp-duty/for-property/buying-or-acquiring-property/additional-buyer's-stamp-duty-(absd)
[2] **MRT Corp -** https://www.mymrt.com.my/projects/rts-link/

apartments on a parcel of land on Mukim Tebrau, Tempat Taman Setia Indah, Daerah Johor Bahru, Negeri Johor, which is the joint venture development with Straits Perkasa Services Sdn. Bhd.

17.6 Dividend information

If a decision regarding dividend has been made: -

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

No dividend has been declared or recommended for 1H2023.

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

Not applicable.

(ii) Previous corresponding period (RM'sen)

Not applicable. No dividend has been declared or recommended for the previous corresponding period.

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

Not applicable.

(d) The date the dividend is payable

Not applicable.

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

Not applicable.

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

There is no dividend declared or recommended for the current reporting period 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.

17.7 Interested person transactions

The Group does not have a general mandate from its shareholders for recurring interested person transactions. The Company will be obtaining a general mandate from shareholders at the extraordinary general meeting to be held on 25 August 2023. Further details of the proposed general mandate has been set out in the circular dated 10 August 2023.

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

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

17.9 Negative confirmation pursuant to Catalist Rule 705(5)

On behalf of the board of directors (the "**Board**"), we, the undersigned, hereby confirm that, to the best of our knowledge that nothing has come to the attention of the Board which may render the unaudited condensed interim financial statements for the six months period ended 30 June 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lai Kuan Loong, Victor **Non-Executive Chairman and Independent Director**	**Khong Chung Lun** **Executive Director and Chief Executive Officer**

By Order of the Board

Khong Chung Lun
Executive Director and Chief Executive Officer

10 August 2023

This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.

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

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