

Unaudited Third Quarter Financial Statements and Dividend Announcement for the period ended 31 March 2020

The board of directors (the “**Board**”) of Astaka Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited consolidated results of the Group for the third quarter ended 31 March 2020. Such quarterly reporting announcement is mandatory, made pursuant to the Singapore Exchange Securities Trading Limited’s (“**SGX-ST**”) requirements, as required under Rule 705(2C) of the SGX-ST Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”).

PART I Information Required for Quarterly (Q1, Q2 & Q3), Half- Year and Full Year Announcements

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	3 months ended		Change %	9 months ended		Change %
	31/03/2020	31/03/2019		31/03/2020	31/03/2019	
	(Unaudited)	(Restated)		(Unaudited)	(Restated)	
	RM'000	RM'000		RM'000	RM'000	
Revenue	30,473	77,459	(60.7)	171,745	187,979	(8.6)
Cost of sales	(27,990)	(101,463)	(72.4)	(158,805)	(200,906)	(21.0)
Gross profit/(loss)	2,483	(24,004)	(110.3)	12,940	(12,927)	(200.1)
Other income	5	42	(88.1)	38	3,408	(98.9)
Selling and distribution expenses	(554)	(5,658)	(90.2)	(1,992)	(6,693)	(70.2)
Administrative expenses	(8,951)	(5,821)	53.8	(18,592)	(13,184)	41.0
Other expenses	(2,799)	(2,130)	31.4	(3,094)	(2,459)	25.8
Results from operating activities	(9,816)	(37,571)	(73.9)	(10,700)	(31,855)	(66.4)
Finance income	183	359	(49.0)	181	919	(80.3)
Finance costs	(1,171)	(1,389)	(15.7)	(5,154)	(6,041)	(14.7)
Net finance costs	(988)	(1,030)	(4.1)	(4,973)	(5,122)	(2.9)
Loss before tax	(10,804)	(38,601)	(72.0)	(15,673)	(36,977)	(57.6)
Tax (expense)/credit	(16)	2,650	(100.6)	108	(753)	(114.3)
Loss for the period, representing total comprehensive income for the period	(10,820)	(35,951)	(69.9)	(15,565)	(37,730)	(58.7)
Total comprehensive income attributable to:						
Owners of the Company	(12,833)	(37,645)	(65.9)	(16,555)	(39,087)	(57.6)
Non-controlling interests	2,013	1,694	18.8	990	1,357	(27.0)
Total comprehensive income for the period	(10,820)	(35,951)	(69.9)	(15,565)	(37,730)	(58.7)

Note: The figures of 3QFY2019 have been restated to (i) expense borrowings costs on development properties when incurred instead of capitalising, and (ii) include interest expenses for the loan agreement dated 12 April 2017 entered into between China State Construction Engineering (M) Sdn Bhd and Astaka Padu Sdn Bhd (“**APSB**”), a subsidiary of the Company (“**Loan Agreement**”).

- 1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year: -

Loss for the financial period is stated after charging/(crediting) the following:

	Group		Group	
	3 months ended		9 months ended	
	31/03/2020 (Unaudited) RM'000	31/03/2019 (Restated) RM'000	31/03/2020 (Unaudited) RM'000	31/03/2019 (Restated) RM'000
Interest expense	1,171	1,389	5,154	6,041
Provision for late payment interests	1,139	-	1,139	-
Repair and maintenance	128	1,140	865	1,196
Depreciation of property, plant and equipment	77	146	218	596
Landscape maintenance	34	36	584	251
Unrealised gain on foreign exchange	(43)	(69)	(42)	(75)
Forfeiture income	-	(41)	-	(3,407)
Late payment interest for purchaser	(37)	(92)	9	(207)
Liquidated ascertained damages	346	-	346	(523)
Interest income	(119)	(333)	(185)	(701)
Reversal of impairment losses on inventories	(678)	-	(678)	-
(Reversal of)/Allowance for foreseeable losses on development properties	(420)	(795)	-	432

Note: The figures of 3QFY2019 have been restated to (i) expense borrowings costs on development properties when incurred instead of capitalising, and (ii) include interest expenses for the Loan Agreement.

- 1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31/03/2020 (Unaudited) RM'000	30/6/2019 (Audited) RM'000	31/03/2020 (Unaudited) RM'000	30/06/2019 (Audited) RM'000
Assets				
Plant and equipment	577	664	-	-
Investment in subsidiaries	-	-	937,832	937,832
Non-current assets	577	664	937,832	937,832
Development properties	465,739	467,128	-	-
Contract costs	4,465	11,379	-	-
Contract assets	2,168	24,836	-	-
Trade and other receivables	48,607	109,293	72	38
Tax recoverable	2,749	-	-	-
Cash and cash equivalents	8,129	10,284	757	3,614
Current assets	531,857	622,920	829	3,652
Total assets	532,434	623,584	938,661	941,484
Equity				
Share capital	259,384	259,384	1,455,079	1,455,079
Merger reserve	(10,769)	(10,769)	-	-
Capital reserve	-	-	1,419	1,419
Accumulated losses	(149,604)	(133,049)	(521,326)	(518,712)
Equity attributable to owners of the Company	99,011	115,566	935,172	937,786
Non-controlling interests	(4,661)	(5,651)	-	-
Total equity	94,350	109,915	935,172	937,786
Liabilities				
Loans and borrowings	144	252	-	-
Non-current liabilities	144	252	-	-

	Group		Company	
	31/03/2020 (Unaudited) RM'000	30/6/2019 (Audited) RM'000	31/03/2020 (Unaudited) RM'000	30/06/2019 (Audited) RM'000
Contract liabilities	4,906	32,499	-	-
Trade and other payables	334,176	393,890	490	656
Amount due to related parties	75,949	58,074	2,999	3,042
Loans and borrowings	22,909	25,712	-	-
Current tax liabilities	-	3,242	-	-
Current liabilities	437,940	513,417	3,489	3,698
Total liabilities	438,084	513,669	3,489	3,698
Total equity and liabilities	532,434	623,584	938,661	941,484

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year: -

(a) the amount repayable in one year or less, or on demand;

As at 31/03/2020		As at 30/06/2019	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
22,909	-	25,712	-

(b) the amount repayable after one year;

As at 31/03/2020		As at 30/06/2019	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
144	-	252	-

(c) whether the amounts are secured or unsecured; and

The Group did not have any unsecured loan as at 31 March 2020 and 30 June 2019.

(d) details of any collaterals

As at 31 March 2020, the Group's financing facilities of RM28,500,000 (30 June 2019: RM27,000,000) were secured against a controlling shareholder's fixed deposits and the stakeholding money receivables of the Group, and severally guaranteed by a director of the Company and the directors of APSB. The Group's hire purchase financing facilities of RM692,000 (30 June 2019: RM882,000) were secured by its underlying assets.

As at 31 March 2020, amounts owing to a main contractor of approximately RM34,115,000 (30 June 2019: RM46,532,000) were secured against certain land parcels located in Bukit Pelali, Pengerang, Malaysia, which Bukit Pelali Properties Sdn Bhd ("**BPPSB**"), a joint venture of APSB, has the sole and exclusive development rights to. The land parcels are owned by Saling Syabas Sdn Bhd ("**SSSB**"), an associate of our controlling shareholder, Dato Daing A Malek Bin Daing A Rahaman ("**Dato Malek**").

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	3 months ended 31/03/2020 (Unaudited) RM'000	31/03/2019 (Restated) RM'000	9 months ended 31/03/2020 (Unaudited) RM'000	31/03/2019 (Restated) RM'000
Cash flow from operating activities				
Loss after income tax	(10,820)	(35,951)	(15,565)	(37,730)
Adjustments for:				
Tax credit/(expense)	16	(2,650)	(108)	753
Depreciation of property, plant and equipment	77	146	218	596
Interest expense	1,171	1,389	5,154	6,041
Interest income	(119)	(333)	(185)	(701)
(Reversal of)/Allowance for foreseeable losses on development properties	(420)	(795)	-	432
Reversal of impairment losses on inventories	(678)	-	(678)	-
Provision for late payment interests	1,139	-	1,139	-
Unrealised gain on foreign exchange	(43)	(69)	(42)	(75)
	(9,677)	(38,263)	(10,067)	(30,684)
Changes in:				
Development properties	(8,059)	42,802	2,067	(1,149)
Contract costs	6,632	2,541	6,914	289
Contract liabilities	(36,420)	(30,138)	(4,926)	(47,501)
Trade and other receivables	14,301	18,764	60,686	193,457
Trade and other payables	25,921	8,318	(54,929)	(35,170)
Cash (used in)/generated from operations	(7,302)	4,024	(255)	79,242
Tax paid	(310)	337	(5,883)	(5,513)
Net cash (used in)/from operating activities	(7,612)	4,361	(6,138)	73,729
Cash flow from investing activities				
Acquisition of property, plant and equipment	(112)	(7)	(131)	(110)
Interest received	119	333	185	701
Net cash from investing activities	7	326	54	591
Cash flows from financing activities				
Advances from affiliated corporations	543	2,596	2,964	9,393
Advances from a controlling shareholder	14,000	220	14,000	670
Proceeds from drawdown of term loans	-	-	1,139	-
Repayment of term loan	-	(3,974)	-	(75,846)
Repayment of finance lease liabilities	(26)	(49)	(95)	(149)
Interest paid	(506)	(544)	(10,124)	(2,769)
Net cash from/(used in) financing activities	14,011	(1,751)	7,884	(68,701)
Net increase in cash and cash equivalents	6,406	2,936	1,800	5,619
Cash and cash equivalents at beginning of financial period	(23,908)	6,143	(19,302)	3,460
End of financial period	(17,502)	9,079	(17,502)	9,079

Note: The figures of 3QFY2019 have been restated to (i) expense borrowings costs on development properties when incurred instead of capitalising, and (ii) include interest expenses for the Loan Agreement.

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

	31/03/2020 (Unaudited) RM'000	31/03/2019 (Restated) RM'000
Cash and bank balances	8,129	19,013
(-) Bank overdrafts	(21,627)	(9,934)
(-) Fixed deposit pledged	(4,004)	-
Cash and cash equivalents per consolidated statement of cash flows	(17,502)	9,079

Note: The figures of 3QFY2019 have been restated to (i) expense borrowings costs on development properties when incurred instead of capitalising, and (ii) include interest expenses for the Loan Agreement.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Group
(Unaudited)**

	Share capital RM'000	Merger reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total Equity RM'000
Balance as at 1 July 2019	259,384	(10,769)	(133,049)	115,566	(5,651)	109,915
Loss and total comprehensive income for the period	-	-	(3,722)	(3,722)	(1,023)	(4,745)
Balance as at 31 December 2019	259,384	(10,769)	(136,771)	111,844	(6,674)	105,170
Loss and total comprehensive income for the period	-	-	(12,833)	(12,833)	2,013	(10,820)
Balance as at 31 March 2020	259,384	(10,769)	(149,604)	99,011	(4,661)	94,350

**Group
(Restated)**

	Share capital RM'000	Merger reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
Balance as at 1 July 2018	259,384	(10,769)	(27,615)	221,000	2,641	223,641
Loss and total comprehensive loss for the period	-	-	(1,442)	(1,442)	(337)	(1,779)
Balance as at 31 December 2018	259,384	(10,769)	(29,057)	219,558	2,304	221,862
(Loss)/Profit and total comprehensive (loss)/income for the period			(37,645)	(37,645)	1,694	(35,951)
Balance as at 31 March 2019	259,384	(10,769)	(66,702)	181,913	3,998	185,911

**Company
(Unaudited)**

	Share capital RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Balance as at 1 July 2019	1,455,079	1,419	(518,712)	937,786
Loss and total comprehensive loss for the period	-	-	(2,331)	(2,331)
Balance as at 31 December 2019	1,455,079	1,419	(521,043)	935,455
Loss and total comprehensive loss for the period	-	-	(283)	(283)
Balance as at 31 March 2020	1,455,079	1,419	(521,326)	935,172

**Company
(Unaudited)**

	Share capital RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Balance as at 1 July 2018	1,455,079	1,419	(114,865)	1,341,633
Loss and total comprehensive loss for the period	-	-	(1,950)	(1,950)
Balance as at 31 December 2018	1,455,079	1,419	(116,815)	1,339,683
Loss and total comprehensive loss for the period	-	-	(1,341)	(1,341)
Balance as at 31 March 2019	1,455,079	1,419	(118,156)	1,338,342

Note: The figures of 3QFY2019 have been restated to (i) expense borrowings costs on development properties when incurred instead of capitalising, and (ii) include interest expenses for the Loan Agreement.

1(d)(ii) Details of any 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. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of issued shares	Issued and paid-up share capital (RM'000)
Balance as at 31 December 2019	1,869,434,303	1,455,079
Balance as at 31 March 2020	1,869,434,303	1,455,079

The Company did not have any outstanding options, convertibles, treasury shares or subsidiary holdings as at 31 March 2020 and 31 March 2019.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31/03/2020	As at 30/06/2019
Total number of issued shares	1,869,434,303	1,869,434,303

There were no treasury shares as at 31 March 2020 and 30 June 2019.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard and practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditor's report (including any modifications or emphasis of a matter).

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

3A. 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 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5, the accounting policies and methods of computations adopted in the financial statements for the current financial period reported on are consistent with those applied in the preparation of the most recent audited consolidated financial statements of the Group for the financial year ended 30 June 2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

On 1 July 2019, the Group adopted new or amended Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Interpretations of SFRS(I) ("**INT SFRS(I)**") that are mandatory for application for the financial year, including SFRS(I) 16 - Leases. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I). Based on its assessments, the management does not expect any significant impact on the Group's financial statements for the current financial period reported on.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: -

	3 months ended		9 months ended	
	31/03/2020 (Unaudited)	31/03/2019 (Unaudited)	31/03/2020 (Unaudited)	31/03/2019 (Unaudited)
Loss attributable to equity holders of the Company (RM'000)	(12,833)	(37,645)	(16,555)	(39,087)
Weighted average number of ordinary shares in issue	1,869,434,303	1,869,434,303	1,869,434,303	1,869,434,303
Loss per share ("LPS") (RM'sen)	(0.69)	(2.01)	(0.89)	(2.09)
Fully diluted LPS (RM'sen)	(0.69)	(2.01)	(0.89)	(2.09)

The basic and fully diluted LPS were the same as there were no potentially dilutive ordinary shares in issue as at 31 March 2020 and 31 March 2019.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -
(a) Current financial period reported on; and
(b) Immediately preceding financial year

	Group		Company	
	31/03/2020 (Unaudited)	30/06/2019 (Audited)	31/03/2020 (Unaudited)	30/06/2019 (Audited)
Net Asset Value (RM'000)	99,011	115,566	935,172	937,786
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)	5.30	6.18	50.02	50.16

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Consolidated statement of comprehensive income

Revenue

The decrease in revenue for the third quarter ended 31 March 2020 ("**3QFY2020**") was mainly due to the decrease in demand for the Group's properties in light of the weak sentiment surrounding the Malaysian residential property sector and the disruption caused by the COVID-19 pandemic, including the Movement Control Order ("**MCO**") imposed by the Malaysian Federal Government since 18 March 2020 and partially lifted on 4 May 2020, as well as the completion of the Menara Majlis Bandaraya Johor Bahru ("**MBJB**") project during the financial period.

Cost of Sales and Gross Profit

Decrease in cost of sales was in line with the decrease in sales. In addition, additional development costs were incurred in FY2019 for the Astaka @ One Bukit Senyum project ("**The Astaka**"), amounting to RM26.6 million. These additional development costs were mainly incurred for touch-up works to The Astaka. The Group proceeded to make these touch-up works after the completion of the project in June 2018 to enhance the marketability of the balance unsold units of The Astaka.

The decrease in cost of sales was attributable to the reversal of the impairment losses on inventories and the reversal of the allowance for foreseeable losses on development properties in view of the higher selling price on those inventories sold and as a result, the impairment losses on inventories which was previously provided was no longer applicable to those sold units. In addition, the revision was done for both the gross development value and the budgeted cost on the remaining phases for which higher profit is expected to be recorded and thus, the allowance for foreseeable losses on development properties was no longer required.

Excluding reversals of the impairment losses on inventories and allowance for foreseeable losses on development properties, gross profit in 3QFY2020 would have been RM1.38 million as compared to RM2.60 million (before RM26.6 million development costs incurred for The Astaka) in 3QFY2019. The decrease was mainly due to lower revenue contributions from Menara MBJB.

Other Income

The decrease in other income was mainly due to the absence of forfeiture payment from purchasers of development properties in 3QFY2020.

Finance Income

The decrease in finance income is attributable to the decrease in late payment interest for purchaser in 3QFY2020, where the majority of purchasers made prompt payments within the time frame granted, and lower interest income generated from fixed deposits placements.

Expenses

Decrease in selling and distribution expenses in 3QFY2020 as compared to the third quarter ended 31 March 2019 ("**3QFY2019**") was mainly due to lesser marketing expenses incurred for organising of events and roadshows.

Administrative expenses increased in 3QFY2020 mainly due to quit rent and assessment on the undeveloped land and unsold units of the Group.

The increase in administrative expenses was partially offset by a decrease in repair and maintenance expenses due to lesser works being carried out for the period, and a decrease in depreciation of property, plant and equipment for 3QFY2020 mainly due to two motor vehicles having fully depreciated in FY2019.

Liquidated ascertained damages were provided in 3QFY2020 in view of the expected delay in completing phase 1B of BPP project arising from delays in construction and the temporarily closure of our construction sites due to the MCO.

The increase in other expenses in 3QFY2020 was mainly due to the provision of late payment interests on outstanding amount owing to contractors during the financial period.

The decrease in finance cost was due to repayment made during the financial period.

Income tax credit recorded in FY2019 was due to overprovision of income tax in prior years.

Consolidated statement of financial position

Property, plant and equipment ("**PPE**") decreased by approximately RM87,000 from RM664,000 as at 30 June 2019 to RM577,000 as at 31 March 2020, which was mainly due to the depreciation charged during the financial period. This is partially offset by additions of new PPE during the financial period.

Development properties decreased by approximately RM1.4 million from RM467.1 million as at 30 June 2019 to RM465.7 million as at 31 March 2020. This was mainly due to the completion of phase 1A of BPP during the financial period. The decrease was compensated by the additional billings by sub-contractors, professionals and consultants for the development of BPP for other phases. This was in line with the progress of the current on-going construction of the Group's property development projects.

Contract cost decreased in 3QFY2020 due to the completion for MBBJ and BPP projects of Phase 1A.

The decrease in contract assets was mainly due to progress billings not yet billed to MBBJ. The decrease in contract liabilities was mainly due to higher progress billings issued to the purchasers of BPP.

Trade and other receivables decreased by approximately RM60.7 million from RM109.3 million as at 30 June 2019 to RM48.6 million as at 31 March 2020, mainly attributed to the collection received from the MBBJ project.

Tax recoverable recorded were mainly due to 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 a year of assessment, to which the Group had over-estimated the tax payable during the financial period.

Trade and other payables decreased by approximately RM59.7 million from RM393.9 million as at 30 June 2019 to RM334.2 million as at 31 March 2020, mainly due to payments made during the financial period.

Amount due to related parties increased by RM17.9 million as at 31 March 2020, which was mainly contributed by the BPP land consideration payable to the joint venture partner, SSSB. Based on the terms of the development agreement entered into between BPPSB and SSSB, BPPSB shall pay SSSB 12.0% of the cash proceeds to be received from the individual purchasers of the properties in the BPP project, such amount to be capped at and shall not exceed the sum of RM165.0 million. In addition, the Group obtained an unsecured loan, amounting to RM14.0 million from its controlling shareholder at the interest rate of 8% per annum, with no fixed term of repayment to finance the Group's property development projects and working capital needs.

The decrease in loans and borrowings was due to repayment made during the financial period.

As the Group reported a loss for this financial period, no current tax liabilities were provided.

Consolidated statement of cash flow

The Group recorded net cash used in operating activities of RM7.6 million for 3QFY2020. This was mainly due to the net loss recorded and the decrease in contract liabilities as a result of completion of BPP phase 1A.

Net cash inflow from investing activities of RM7,000 was mainly due to interest received from financial institutions and was used to offset against the acquisition of property, plant and equipment during the financial period.

Net cash inflow from financing activities of RM14.0 million in 3QFY2020 was mainly due to additional loan drawdown from its controlling shareholder amounting to RM14.0 million in this quarter. However, the aforesaid was offset by the repayment of finance lease liabilities and bank borrowings.

Included in the Year to Date ("**YTD**") March 2020 cash and bank balances is an amount of RM2.4 million (YTD March 2019: RM1.2 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 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 properties and after all property development expenditure have been fully settled.

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

No variance as the Group's financial results for 3QFY2020 and the nine months ended 31 March 2020 were in line with the profit guidance released on 6 May 2020.

10. 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 COVID-19 pandemic has significantly impacted sentiment globally and in Malaysia. The sharp decline in crude oil prices coupled with the disruptions to travel, business and supply chain due to the tightening measures by various governments have caused a supply and demand shock and altered the Group's operating environment altogether. It is expected that the sale of our new units in the Group's project will continue to be impacted until there is clarity of the COVID-19 situation. Given uncertainties over the length of COVID-19 outbreak, the Group will continue to monitor the impact of the COVID-19 pandemic on the Group and will make appropriate announcement(s) to keep shareholders apprised on any material developments.

To prevent infection among staff, the Group has implemented several social distancing and work-from-home measures in compliance with the nationwide MCO. The MCO was partially lifted on 4 May 2020 after several weeks of lockdown which had restricted almost all commercial activities including business meetings and marketing of the Group's properties.

With the partial lifting of the MCO, the Group will continue to grow the business and explore strategic alliances to develop Phase 3 of One Bukit Senyum in Johor Bahru which spans approximately 7.65 acres.

In addition, the Group will continue to work towards the lifting of the Company's share trading suspension on the SGX-ST and will provide updates as and when they arise.

11. 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 3QFY2020.

(b)

(i) Amount per share (RM'sen)

Not applicable.

(ii) Previous corresponding period (RM'sen)

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

(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.

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

No dividend has been declared or recommended as the Group was loss-making in 3QFY2020.

13. If the Group has obtained a general mandate from shareholders for interested person transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Dato Malek and his associates	RM7,374,700 ⁽¹⁾	Not applicable.

Note:

(1) Comprises:

- (i) interest payable to Dato Malek and his associates amounting RM910,735 for an extension of unsecured loans to the Company of RM27,299,867 at 4% per annum and RM14,000,000 at 8% per annum, with no fixed term of repayment;
- (ii) rental payable by APSB to Sukma Consortium Sdn Bhd, an associate of Dato Malek, for the rental of office premises by APSB from 1 July 2019 to 31 March 2020 of RM184,500; and
- (iii) amount payable by BPPSB to SSSB, an associate of Dato Malek, for the sole and exclusive right to develop the Bukit Pelali land of RM6,279,465 (please refer to the Circular issued by the Company on 29 November 2016 for more details).

Save for the above mentioned, there were no interested persons transactions of S\$100,000 or more for 3QFY2020.

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

14. **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 hereby confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Catalist Rule 720(1).

15. **Negative confirmation pursuant to Rule 705(5).**

The Board hereby confirms that, to the best of their knowledge, nothing has come to their attention that may render the unaudited financial results for 3QFY2020 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Khong Chung Lun
Executive Director and Chief Executive Officer
14 May 2020

This announcement has been prepared by the Company and reviewed by the 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 Pong Chen Yih, Chief Operating Officer, 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.