ASTAKA HOLDINGS

ASTAKA HOLDINGS LIMITED
(Incorporated in the Republic of Singapore with limited liability)
(Company Registration Number: 200814792H)

Unaudited Third Quarter Financial Statements and Dividend Announcement for the period ended 31 March 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

The announcement has not been examined or approved by SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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Background

Astaka Holdings Limited (the **"Company"** and together with its subsidiaries, the **"Group"**), formerly known as E2-Capital Holdings Limited, was formed through a reverse takeover (**"RTO"**) of 99.99% equity interest in Astaka Padu Limited (the **"Astaka"** and together with its subsidiaries, the **"Astaka Group"**). The RTO was completed on 19 November 2015 and the Company changed its name to Astaka Holdings Limited. Please refer to the Company's Circular dated 18 September 2015 for further details of the RTO.

The Astaka Group is Malaysian-based and is principally engaged in the business of property development in the Iskandar region of Johor, Malaysia.

Following the completion of the RTO, the Company changed the functional currency and presentation currency for its financial statements from Hong Kong Dollars (**"HKD"**) to Malaysia Ringgit (**"RM"**). The exchange rate of HKD1.00 to MYR0.5092 as at 19 November 2015 was used for the translation.

Group Level

Following the completion of the RTO, the legal subsidiary, Astaka, is regarded as the accounting acquirer and the Company as the accounting acquiree, for accounting purpose. As such, the consolidated financial statements have been prepared and presented as a continuation of the Astaka Group.

Accordingly, the consolidated financial statements comprising the profit and loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows for the third quarter period ended 31 March 2016 have been presented as a continuation of the Astaka Group's financial results and operations, in accordance with the following:

1) the assets and liabilities of the accounting acquirer, Astaka Group, are recognised and measured in the consolidated statement financial position at their pre-acquisition carrying amount;
2) the assets and liabilities of the accounting acquiree, the Company, are recognised and measured in the consolidated balance sheet at their acquisition-date fair values;
3) the retained earnings and other equity balances recognised in the consolidated financial statements of the Group are the retained earnings and other equity balances of the Astaka Group immediately before the RTO;
4) the amount recognised as issued equity interest in the consolidated financial statements of the Group is computed by adding to the issued equity of the Astaka Group immediately before the RTO. However, the equity structure presented in the consolidated financial statements of the Group (i.e. the number and type of equity instruments issued) shall reflect the equity structure of the Company, including the equity instruments issued by the Company to effect the combination;

5) the comparative figures presented in these consolidated financial statements of the Group are those of consolidated financial statements of the Astaka Group; and
6) the consolidated statement of comprehensive income reflects the full year results of the Astaka Group together with the post acquisition results of the Company.

Following the completion of the RTO, the principal business of the Group are those of Astaka Group. The consolidated financial statements of the Group have been prepared using the reverse acquisition accounting as set out in FRS 103, but it does not result in the recognition of goodwill, as the Company was deemed a cash company under the Rule 1017 of the Catalist Rules on 19 November 2015 and did not meet the definition of a business combination as set out in FRS 103. Instead, such transaction will fall within the scope of FRS 102 "Share-based payments", which requires the shares issued by the legal subsidiary (the consideration for the acquisition of the Company) to be recognised at fair value. Any difference between the shares issued by the legal subsidiary and the fair value of the Company's identifiable net assets represents a service received by the legal subsidiary, Astaka Group, which is recognised as an expense in the profit and loss statement.

Company Level

Reverse acquisition accounting applies only to the consolidated financial statements at the Group level. As such, the investment in Astaka Group recorded in the Company's financial statements is accounted for at cost less accumulated impairment losses, if any.

Notes:

i) The Group's consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the nine months ended 31 March 2016 refer to the enlarged group which included the results of Astaka Group from 1 July 2015 to 31 March 2016 and the results of the E2-Capital Holdings Limited from 20 November 2015 to 31 March 2016.

ii) The Group's consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the nine months ended 31 March 2015 refer to the results of Astaka Group from 1 July 2014 to 31 March 2015.

iii) The Group's consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the third quarter ended 31 March 2016 refer to the enlarged group which included the results of Astaka Group from 1 January 2016 to 31 March 2016 and the results of the E2-Capital Holdings Limited from 1 January 2016 to 31 March 2016.

iv) The Group's consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the third quarter ended 31 March 2015 refer to the results of Astaka Group from 1 January 2015 to 31 March 2015.

v) The Group's consolidated statement of financial position as at 31 March 2016 refers to the consolidated statement of financial position of the Astaka Group and E2-Capital Holdings Limited as at 31 March 2016.

vi) The Group's consolidated statement of financial position as at 30 June 2015 refers to the consolidated statement of financial position of the Astaka Group.

vii) The Company's statement of financial position as at 31 March 2016 and 30 June 2015 refer to that of the Company.

viii) The Company's statement of changes in equity for the nine months ended 31 March 2016 and 31 March 2015 refer to that of the Company.

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			9 months ended		
	31/03/2016 (Unaudited) RM'000	31/03/2015 (Unaudited) RM'000	Change %	31/03/2016 (Unaudited) RM'000	31/03/2015 (Unaudited) RM'000	Change %
Revenue	-	-	-	-	208	n.m.
Cost of sales	-	-	-	-	(3)	n.m.
Gross profit	-	-	-	-	205	n.m.
Other operating income	76	189	(59.8)	330	294	12.2
Selling and distribution expenses	(223)	(243)	(8.2)	(833)	(544)	53.1
Administrative expenses	(4,441)	(2,628)	69.0	(8,744)	(8,904)	(1.8)
Other operating expenses	(299)	(19)	n.m.	(503)	(388)	29.6
Finance costs	(2)	(2)	0.0	(6)	(5)	20.0
Loss from operation	(4,889)	(2,703)	80.9	(9,756)	(9,342)	4.4
Non-operating expenses	310	(3,693)	(108.4)	(95,673)	(3,693)	n.m.
Loss before income tax	(4,579)	(6,396)	(28.4)	(105,429)	(13,035)	708.8
Income tax credit/(expenses)	(29)	(79)	(63.3)	388	993	(60.9)
Net loss and total comprehensive loss for the financial period	**(4,608)**	**(6,475)**	**(28.8)**	**(105,041)**	**(12,042)**	**772.3**
Total comprehensive loss attributable to owners of the parent	**(4,608)**	**(6,475)**	**(28.8)**	**(105,040)**	**(12,042)**	**772.3**
Total comprehensive loss attributable to non-controlling interests	**-**[(1)]	**-**	**n.m.**	**(1)**	**-**	**n.m.**
Total comprehensive loss	**(4,608)**	**(6,475)**	**(28.8)**	**(105,041)**	**(12,042)**	**772.3**

n.m. – not meaningful

Notes:
(1) Less than RM500

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	
	31/03/2016 (Unaudited) RM'000	31/03/2015 (Unaudited) RM'000	31/03/2016 (Unaudited) RM'000	31/03/2015 (Unaudited) RM'000
Depreciation of property, plant and equipment	87	1,249	256	3,760
Interest expenses	2	2	6	5
Interest income	(65)	(102)	(287)	(207)
Foreign exchange loss	2,451	92	3,413	164
Loss on reverse acquisition	-	-	63,625	-
RTO professional fees	(310)	-	7,654	-
RTO arranger fees	-	-	24,394	-

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	
	31/03/2016 (Unaudited) RM'000	**30/6/2015 (Unaudited) RM'000**	**31/03/2016 (Unaudited) RM'000**	**30/6/2015 (Unaudited) RM'000**
ASSETS				
Non-current assets				
Property, plant and equipment	1,210	1,324	-	-
Investment in subsidiaries	-		1,308,107	-
	1,210	1,324	1,308,107	-
Current assets				
Trade and other receivables	65,315	71,377	92,854	6,538
Development properties	440,704	300,183	-	-
Cash and cash equivalents	37,083	3,158	32,504	12,718
	543,102	374,718	125,358	19,256
Total assets	**544,312**	**376,042**	**1,433,465**	**19,256**
LIABILITIES				
Current liabilities				
Trade and other payables	274,936	231,864	2,898	3,619
Current tax liabilities	1	22	-	-
Bank overdraft	15,957	11,368	-	-
Borrowings	37,333	51,896	-	-
Hire purchase liabilities	15	60	-	-
	328,242	295,210	2,898	3,619
Non-current liabilities				
Borrowings	67,773	52,656	-	-
Hire purchase liabilities	179	179	-	-
Deferred tax liabilities	7,409	7,897	-	-
	75,361	60,732	-	-
Total liabilities	**403,603**	**355,942**	**2,898**	**3,619**
NET ASSETS	**140,709**	**20,100**	**1,430,567**	**15,637**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	256,417	30,769	1,452,111	21,510
Capital reserve	-	-	1,419	1,237
Merger reserve	(10,769)	(10,769)	-	-
Foreign currency reserve	-	-	-	420
Retained earnings	(104,942)	100	(22,963)	(7,530)
	140,706	20,100	1,430,567	15,637
Non-controlling interest	3	-	-	-
Total equity	**140,709**	**20,100**	**1,430,567**	**15,637**

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 31/03/2016		As at 30/06/2015	
Secured RM'000	**Unsecured RM'000**	**Secured RM'000**	**Unsecured RM'000**
53,305	-	63,324	-

(b) the amount repayable after one year;

As at 31/03/2016		As at 30/06/2015	
Secured RM'000	**Unsecured RM'000**	**Secured RM'000**	**Unsecured RM'000**
67,952	-	52,835	-

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

The Company did not have any unsecured loan as at 31 March 2016 and 30 June 2015.

(d) details of any collaterals

The term loan relates to AL Murabahah credit facility of RM270,000,000 (30 June 2015: RM270,000,000 for the purpose of the construction of the Group's development properties. It is secured by a first party legal charge over 2.43 acres of land and building to be erected on the land in Bukit Senyum under PTD 216346 and fixed deposits from a controlling shareholder of the Company of RM30,000,000 (30 June 2015: RM90,000,000). Directors of Astaka Padu Sdn Bhd, a subsidiary of the Company, and a controlling shareholder of the Company jointly and severally guarantee the loan and there was a lien holder's caveat and charge-in-escrow over the remaining 6.22 acres of land in Bukit Senyum under PTD 216345 in favour of the bank.

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		9 months ended	
	31/03/2016 (Unaudited) RM'000	31/03/2015 (Unaudited) RM'000	31/03/2016 (Unaudited) RM'000	31/03/2015 (Unaudited) RM'000
Cash flow from operating activities				
Loss after income tax	(4,608)	(6,475)	(105,041)	(12,042)
Adjustment for:				
- Income tax (credit)/expenses	29	79	(388)	(993)
- Depreciation of property, plant and equipment	87	1,249	256	3,760
- Depreciation of investment property	-	-	-	3
- Interest expense	2	2	6	5
- Interest income	(65)	(102)	(287)	(207)
- Arranger fees paid in shares	-	-	24,394	-
- Gain on disposal of investment property	-	(87)	-	(87)
- Loss on reverse acquisition	-	-	63,625	-
	(4,555)	(5,334)	(17,435)	(9,561)
Change in working capital:				
Development properties	(47,591)	14,248	(134,058)	(38,727)
Trade and other receivables	(9,314)	(34,966)	13,854	(44,742)
Trade and other payables	42,684	26,443	36,052	71,197
Cash (used in)/generated from operations	(18,776)	391	(101,587)	(21,833)
Income tax paid	(120)	-	(122)	(3)
Net cash flow (used in)/generated from operating activities	**(18,896)**	**391**	**(101,709)**	**(21,836)**
Cash flow from investing activities				
Additions to property, plant and equipment	(87)	(86)	(142)	(1,003)
Proceeds from disposal of investment property	-	590	-	590
Interest received	65	102	287	207
Net cash flow (used in)/generated from investing activities	**(22)**	**606**	**145**	**(206)**
Cash flows from financing activities				
Proceeds from issuance of shares	-	-	130,620	-
Share issue expenses	-	-	(2,788)	-
Net cash received from reverse acquisition	-	-	9,027	-
Interest payment	(2,454)	(963)	(6,470)	(2,956)
(Repayment)/Proceeds from term loan	(11,960)	(7,239)	554	28,021
Repayment of hire purchase liabilities	(15)	(15)	(45)	(46)
Net cash flow (used in)/generated from financing activities	**(14,429)**	**(8,217)**	**130,898**	**25,019**
Net (decrease)/increase in cash and cash equivalents	**(33,347)**	**(7,220)**	**29,334**	**2,977**
Cash and cash equivalents				
Beginning of financial period	54,473	13,630	(8,208)	3,433
End of financial period	**21,126**	**6,410**	**21,126**	**6,410**

1(d)(i) **A statement (for the issuer and group) showing either (1) 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	Retained earnings RM'000	Attributable to parent RM'000	Non-controlling interest RM'000	Total equity RM'000
Balance as at 1 July 2015	30,769	(10,769)	100	20,100	-	20,100
Total comprehensive income	-	-	(100,434)	(100,434)	-(1)	(100,434)
Issuance of consideration shares	73,422	-	-	73,422	3	73,425
Issuance of arranger shares	24,394	-	-	24,394	-	24,394
Issuance of compliance shares	130,620	-	-	130,620	-	130,620
Share issue expenses	(2,788)	-	-	(2,788)	-	(2,788)
Balance as at 31 December 2015	256,417	(10,769)	(100,334)	145,314	3	145,317
Total comprehensive income	-	-	(4,608)	(4,608)	-(1)	(4,608)
Balance as at 31 March 2016	**256,417**	**(10,769)**	**(104,942)**	**140,706**	**3**	**140,709**

	Share capital RM'000	Merger reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2014	20,000	-	14,664	34,664
Issuance of new shares	-(1)	-	-	-
Share swap pursuant to the capital reorganisation	(20,000)	-	-	(20,000)
Issuance of shares pursuant to the capital reorganisation	30,769	(10,769)	-	20,000
Total comprehensive income	-	-	(5,567)	(5,567)
Balance as at 31 December 2014	30,769	(10,769)	9,097	29,097
Total comprehensive income	-	-	(6,475)	(6,475)
Balance as at 31 March 2015	**30,769**	**(10,769)**	**2,622**	**22,622**

Company
(Unaudited)

	Share capital RM'000	Capital reserve RM'000	Foreign currency reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2015	21,510	1,237	420	(7,530)	15,637
Effect of change in functional currency	3,174	182	(420)	(629)	2,307
Total comprehensive income	-	-	-	(11,095)	(11,095)
Capital reduction	(5,462)	-	-	-	(5,462)
Issuance of consideration shares	1,280,664	-	-	-	1,280,664
Issuance of arranger shares	24,393	-	-	-	24,393
Issuance of compliance shares	130,620	-	-	-	130,620
Share issue expenses	(2,788)	-	-	-	(2,788)
Balance as at 31 December 2015	1,452,111	1,419	-	(19,254)	1,434,276
Total comprehensive income	-	-	-	(3,709)	(3,709)
Balance as at 31 March 2016	**1,452,111**	**1,419**	**-**	**(22,963)**	**1,430,567**

	Share capital RM'000	Capital reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2014	129,250	1,419	(6,443)	124,226
Capital reduction	(104,566)	-	-	(104,566)
Total comprehensive income	-	-	(2,194)	(2,194)
Balance as at 31 December 2014	24,684	1,419	(8,637)	17,466
Total comprehensive income	-	-	(1,156)	(1,156)
Balance as at 31 March 2015	**24,684**	**1,419**	**(9,793)**	**16,310**

Notes:
(1) Less than RM500

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

	Number of issued shares	Issued and paid-up share capital (RM'000)
Balance as at 1 January 2016	1,869,434,303	1,452,111
Balance as at 31 March 2016	**1,869,434,303**	**1,452,111**

The Company did not have any outstanding options, convertibles or treasury shares as at 31 March 2016 and 31 March 2015.

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 31/03/2016	As at 30/06/2015
Total number of issued shares	1,869,434,303	93,333,255

The number of issued shares as at 30 June 2015 shown above has been adjusted for the effect of the share consolidation that was completed on 18 November 2015. The number of issued shares as at 30 June 2015, on an unadjusted basis, was 280,000,000.

The Company did not have any treasury shares as at 31 March 2016 and 30 June 2015.

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

Not applicable, as the Company did not have any treasury shares 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 qualifications or emphasis of a matter).

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

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

Save as disclosed in paragraph 5 below, the accounting policies and methods of computations adopted in the financial statements for the current financial period reported on are consistent with those disclosed in the most recently audited combined financial statements of the Astaka Group for the financial year ended 30 June 2014 and the audited consolidated interim financial statements for the nine months period ended 31 March 2015 as set out in the Company's Circular dated 18 September 2015.

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.**

The Group has adopted all the applicable new and revised Financial Reporting Standards (**"FRS"**) and Interpretation of FRS (**"IFRS"**) that are relevant to its operation and effective for the accounting periods beginning on or after 1 April 2015. The adoption of these new and revised FRS did not result in any substantial change to the Group's and Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

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: -**

	Group			
	3 months ended		**9 months ended**	
	31/03/2016 (Unaudited)	**31/03/2015 (Unaudited)**	**31/03/2016 (Unaudited)**	**31/03/2015 (Unaudited)**
Total comprehensive loss attributable to owners of the parent (RM'000)	(4,608)	(6,475)	(105,040)	(12,042)
Weighted average number of ordinary shares in issued	1,869,434,303	93,333,255	958,778,857	93,333,255
Basic loss per share ("LPS") (RM'sen)	(0.25)	(6.94)	(10.96)	(12.90)
Fully diluted LPS (RM'sen)	(0.25)	(6.94)	(10.96)	(12.90)

For comparison, the LPS for the corresponding period of the immediately preceding financial year was recomputed based on the weighted average number of issued shares adjusted for the share consolidation which was completed on 18 November 2015.

Excluding the non-recurring items pertaining to the RTO, the effects of the LPS are as follows:

	Group	
	3 months ended 31/03/2016 (Unaudited)	**9 months ended 31/03/2016 (Unaudited)**
Total comprehensive loss attributable to owners of the parent (RM'000)	(4,608)	(105,040)
Adjusting for non-recurring items: -		
1) RTO professional fees	(310)	7,654
2) RTO arranger fees	-	24,394
3) Loss on reverse acquisition	-	63,625
Adjusted total comprehensive loss attributable to owners of the parent (RM'000)	(4,918)	(9,367)
Basic LPS (RM'sen)	(0.26)	(0.98)
Fully diluted LPS (RM'sen)	(0.26)	(0.98)

The basic and fully diluted LPS were the same as there were no potentially dilutive ordinary shares in issue as at 31 March 2016 and 31 March 2015.

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**	
	31/03/2016 (Unaudited)	**30/06/2015 (Unaudited)**	**31/03/2016 (Unaudited)**	**30/06/2015 (Unaudited)**
Net Assets Value (RM'000)	140,709	20,100	1,430,567	15,637
Number of ordinary shares in issue	1,869,434,303	93,333,255	1,869,434,303	93,333,255
NAV per ordinary share (RM'sen)	7.53	21.54	76.52	16.75

The net asset value per share as at 31 March 2016 was computed based on 1,869,434,303 issued shares (excluding treasury shares) subsequent to the completion of the share consolidation. The number of issued shares used for the calculation of those for the comparatives has been adjusted for the effect of the share consolidation that was completed on 18 November 2015.

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

The review for the performance of the Group for the 3 months ended 31 March 2016 ("3QFY2016") as compared to the 3 months ended 31 March 2015 ("3QFY2015").

Revenue from the development properties that have been sold is recognised when the construction of the development properties is completed and the risks and rewards of ownership have been transferred to the buyer through either the transfer of legal title or equitable interest in a property. The development of the phase 1 of the The Astaka @ 1 Bukit Senyum is expected to be completed in March 2018, and as such there were no revenues and cost of sales reported in 3QFY2016. The Company had sold 310 units as at 31 March 2016.

Other operating income decreased by RM113,000 to RM76,000 in 3QFY2016 from RM189,000 in 3QFY2015. The decrease was mainly due to a one-off gain on disposal of investment property of RM87,000 which was recognised in 3QFY2015 and decrease in interest income of RM37,000 in 3QFY2016.

Selling and distribution expenses decreased by RM20,000 to RM223,000 in 3QFY2016 from RM243,000 in 3QFY2015. The decrease was due to re-strategised marketing concepts for the phase 1 of The Astaka @ 1 Bukit Senyum, which entailed more targeted marketing activities organised in 3QFY2016.

Administrative expenses increased by RM1.8 million to RM4.4 million in 3QFY2016 from RM2.6 million in 3QFY2015. The increase was mainly due to (i) higher unrealised foreign exchange loss of RM2.4 million as a result of the strengthening of Malaysia ringgit against Singapore dollar; and (ii) increase in salaries and related expense of RM0.7 million following the completion of the RTO exercise. The aforesaid increase in expenses was offset by lower depreciation charges on property, plant and equipment of RM1.2 million as the sales gallery and show units for phase 1 of The Astaka @ 1 Bukit Senyum were fully depreciated in July 2015.

Other operating expenses increased by RM280,000 to RM299,000 in 3QFY2016 from RM19,000 in 3QFY2015 due to increase in expenditure on corporate social responsibility activities of RM196,000 and other miscellaneous expenses of RM84,000.

Finance costs remained constant for 3QFY2016 and 3QFY2015.

The non-operating expenses refer to the professional fees incurred for the RTO transaction, which was completed on 19 November 2015. The amount of RM310,000 written back in 3QFY2016 was due to the reversal of over provision of professional fees in 2QFY2016.

Consolidated statement of financial position

The review for the financial position of the Group is based on the Group's financial position as at 31 March 2016 and 30 June 2015.

Property, plant and equipment decreased to RM1.2 million as at 31 March 2016 from RM1.3 million as at 30 June 2015, mainly due to depreciation charged on property, plant and equipment offset by purchase of office equipment, furniture and fitting.

Development properties increased to RM440.7 million as at 31 March 2016 from RM300.2 million as at 30 June 2015 due to additional payments to sub-contractors, professionals and consultants for the development of phase 1 for The Astaka @ 1 Bukit Senyum, which is reflective of the current on-going construction of the development.

Trade and other receivables decreased to RM65.3 million as at 31 March 2016 from RM71.4 million as at 30 June 2015, mainly due to the decrease in advance payment to contractors of RM20.7 million which was utilised as part of the payment to the progress claim from contractors and value added tax of RM1.5 million. The aforesaid decrease was offset by increase in trade receivables of RM14.7 million from 3rd progress billing for phase 1 of The Astaka @ 1 Bukit Senyum and increase in deposits and prepayment of RM1.5 million.

Trade and other payables increased to RM274.9 million as at 31 March 2016 from RM231.9 million as at 30 June 2015, mainly due to the increase in progress billing to purchasers of RM37.1 million and loans from related parties of RM6.8 million, offset by decrease in accrual and other payables of RM0.9 million.

Bank overdraft increased to RM16.0 million as at 31 March 2016 from RM11.4 million as at 30 June 2015, mainly due to increase in payments to sub contractors, professionals and consultants for the development of phase 1 for The Astaka @ 1 Bukit Senyum.

Current borrowings decreased to RM37.3 million as at 31 March 2016 from RM51.9 million as at 30 June 2015, mainly due to the repayment of bank facilities.

Long term borrowings increased to RM67.8 million as at 31 March 2016 from RM52.7 million as at 30 June 2015, mainly due to further drawdown of bank facilities for payments to the main contractor of phase 1 for The Astaka @ 1 Bukit Senyum.

Share capital increased to RM256.4 million as at 31 March 2016 from RM30.8 million as at 30 June 2015, following a compliance share placement exercise and issuance of consideration shares pursuant to the acquisition.

Consolidated statement of cash flow

The Group reported a net cash outflow of RM18.9 million in 3QFY2016 from its operating activities, after accounting for movements in working capital, as compared to net cash inflow of RM0.4 million in 3QFY2015. This was primarily due to the Group's losses incurred in 3QFY2016 and an increase in development properties and trade and other receivables, which were partially offset by an increase in trade and other payables.

Net cash used in investing activities of RM22,000 in 3QFY2016 was due to the purchase of plant and equipment of RM87,000, offset by interest income of RM65,000 from bank deposits.

Net cash used in financing activities of RM14.4 million in 3QFY2016 was largely due to repayment of bank loans of RM12.0 million and interest payments of RM2.5 million.

As such, the Group recorded an overall net decrease in cash and cash equivalents of RM33.3 million in 3QFY2016 as compared to RM7.2 million in 3QFY2015.

9. 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.

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 general property market in Malaysia continues to remain challenging in 3QFY2016. However, with the expanded marketing networks, the Group has improved the sales for the phase 1 of The Astaka @ 1 Bukit Senyum in 3QFY2016.

More international marketing activities such as roadshows, private events and advertising campaigns have been planned and are being implemented progressively to foster the awareness and interest of prospect buyers in selected countries, such as Singapore, Brunei, Taiwan, China and Indonesia to target sustainable new sales to be achieved throughout the year.

Separately, the conceptual master plan for phase 2 of The Astaka @ 1 Bukit Senyum is being finalized. The Group will announce the new conceptual master plan with the implementation plan scheduled in the second half of 2016.

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 the current financial period reported on.

(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 receive by the Company (up to 5.00p.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.

No dividend has been declared (recommended) for the current financial period reported on.

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

There were no interested persons transactions of S$100,000 or more for the nine months ended 31 March 2016.

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

14. Update on the use of compliance placement proceeds

	Revised Amount Allocated S$'000	Amount Utilised S$'000	Balance S$'000
Repayment of amounts due to interested persons	9,070	-	9,070
Repayment of bank facilities	1,653	1,653	-
Repayment of amount due to Malpakat	6,088	6,088	-
General working capital of the Group	19,849	19,849(1)	-
Total	**36,660**	**27,590**	**9,070**

Notes –

(1) Amounts utilised for general working capital consists of payments to contractors, consultants and professionals of S$12.91 million in respect of the development of phase 1 of the two plots of land located in the Iskandar region of Johor, Malaysia, operating costs of S$0.44 million, staff salaries and related expenses of S$0.42 million as well as repayment of bridging loan of S$6.08 million used for payment to main contractors for progressive works carried out for phase 1 of The Astaka @ 1 Bukit Senyum.

The Company will make periodic announcements as and when the proceeds from the compliance placement are materially disbursed and provide a status report on such use in its annual report and its interim and full-year financial statements. Pending the deployment of the proceeds as aforesaid, the funds will be placed in short-term deposits with financial institutions and/or used to invest in short-term money market instruments.

15. 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 Rule 720(1).

16. 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 the three months and nine months period ended 31 March 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Dato Zamani Bin Kasim
Executive Director and Chief Executive Officer
12 May 2016