ASTAKA HOLDINGS

THRIVING STRONGER

ANNUAL REPORT 2021

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

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

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

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CORPORATE PROFILE

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

Recognising the potential of Johor Bahru, Astaka was founded with the vision of being involved in the transformation of the city. Leveraging on the management's strong track record and decades of experience, Astaka managed to secure a prime land in the heart of the city, now home to Group's flagship development, One Bukit Senyum.

The iconic One Bukit Senyum has been transforming the skyline of Johor Bahru with its elegance and modernity, paving the path for future developments in the region. Spanning a total gross floor area of 6.3 million square feet and a gross development value ("GDV") of up to RM5.3 billion, it will serve as Johor Bahru's new central business district when completed.

The award-winning development includes The Astaka @ One Bukit Senyum residential towers, a five-star hotel, branded residences, serviced apartments, an entertainment hub, an office tower, and the headquarters of Johor Bahru's City Council, Menara MBJB. The development will serve as an embodiment of high-quality and luxurious living space.

Astaka's second project is Bukit Pelali @ Pengerang, a 363-acre strata township comprising residential units, shop offices, a clubhouse, hotel, private hospital, mart, school, mosque, food and beverage hub and petrol station. With an estimated GDV of RM2.3 billion, the project is located approximately five kilometres from the Pengerang Integrated Petroleum Complex in south-eastern Johor.

Astaka will continue to explore investment and real estate acquisition opportunities, particularly development opportunities that are better aligned to emerging market trends, to expand its portfolio of iconic projects across the region and further establish its position as a leading integrated property developer in the region.


ARX
ARX

ONE BUKIT SENYUM

ONE BUKIT SENYUM

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

11.85
ACRES

Gross Development Value
RM 5.3 BILLION

COMPONENTS:
The Astaka, Menara MBJB, a five-star hotel, branded residences, service apartments, an entertainment hub, and a Grade-A office building

THE

ASTAKA

ONE BUKIT SENYUM

1 KM
TO JOHOR CIQ

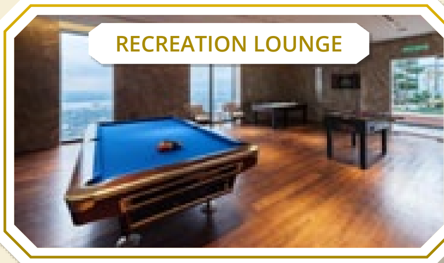
TOWER A
70
STOREYS


CIGAR ROOM

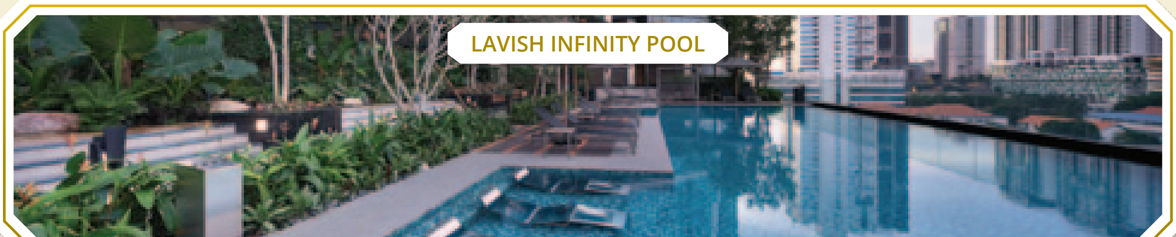
1,020 FEET
ABOVE SEA LEVEL

TOWER B
65
STOREYS


PRIVATE DINING


RECREATION LOUNGE


SOCIAL DINING


LAVISH INFINITY POOL

BUKIT PELALI @ PENGERANG

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

363
ACRES

GROSS DEVELOPMENT VALUE
RM **2.3** BILLION

4,022
RESIDENTIAL UNITS

An integrated urban lifestyle development which encompasses all aspects of modern day living within lush greenery and picturesque settings.

1993

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

2003

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

2012

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

2013

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

2014

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

2015

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

The Astaka @ One Bukit Senyum was awarded:

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

2016

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

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

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

2017

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

26 July 2017 – One Bukit Senyum conferred node status

2018

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

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

2019

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

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

The Astaka @ One Bukit Senyum was awarded:

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

2020

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

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

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

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

2021

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

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

Astaka Holdings Limited was awarded:

- Most Innovative Developer 2019/2020 by Des Prix Infinitus ASEAN Property Awards Malaysia

AWARDS:

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

green building index™

GOLD CERTIFIED

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

SCORE > 80%

THE MALAYSIA BOOK of RECORDS

Tallest Residential Building

Best Residential High Rise Development

Most Inspiring New Developer

Best Luxury Condo Development South Malaysia

Best Condo Development (Malaysia)

Best Universal Design Development

Best Luxury Condo / Apartment - The Astaka Johor Bahru

Best Condo in Malaysia - The Bahara Johor Bahru

Residential High Rise Development - The Astaka Johor Bahru

Interior Design Private Residence - The Astaka Johor Bahru

Dear Shareholders,

The year 2021 has been a year of challenges as we entered the second year of the pandemic. Since the onset of the pandemic, we witnessed the global economy coming to a standstill as we faced various obstacles in the forms of rising raw material prices and manpower disruptions among many others. This was further worsened by the emergence of new variants resulting in extension of lockdown measures and disrupting the recovery of the global economy. While this has undoubtedly had an adverse impact on our business, there are signs that the worst may be over soon as we continue to make encouraging progress on the business front.

On behalf of the Board of Directors (the "Board") of Astaka Holdings Limited ("the "Company", and together with its subsidiaries, the "Group"), it is my pleasure to share with you our financial performance for the 18-month period ended 31 December 2021 ("FY2021") with comparison to the 12-month period ended 30 June 2020 ("FY2020"). This is in tandem with the change in the Group's financial year end from 30 June to 31 December.

The last 18 months for us were eventful as we resolved overhanging issues and progressed well and expanded our business by capitalising on markets opening up and with potential opportunities. A significant portion of FY2021 was adversely impacted due to pandemic-induced Movement Control Order ("MCO") in Malaysia. The MCO, along with the closure of international borders and the pandemic related disruptions, had caused weak sentiments in the Malaysian residential property sector. We were also not spared from such challenging situations as the Group's operations were forced to a complete halt and only resumed in October 2021, resulting in our financial performance being impacted with a decline in revenue in FY2021. However, we took the opportunity to work on settling our legal cases and also to gradually keep a lookout for feasible expansion opportunities as and when the timing is appropriate.

I am therefore delighted to update our shareholders that the Group has reached settlement agreements for the Group's legal cases with China State Construction Engineering (M) Sdn Bhd and Aliran Asia Sdn Bhd, which will allow the Group to focus and channel its resources on its recovery and expansion plans. Moreover, there was full reopening of all economic sectors in Malaysia since October 2021 and then some easing of border restrictions soon after. We analysed the situation carefully and with improving sentiments in the Johor property market, and took the opportunity to aggressively market our flagship residential project, The Astaka @ One Bukit Senyum ("The Astaka") as well as expand our operations into newer segments of properties. While embarking on this expansion path, the Group continues to have committed financial support from our controlling shareholder. We are privileged to update that the controlling shareholder has further undertaken to provide the necessary financial support to the Group to ensure we are able to operate near our full capacity and assist us in fulfilling any future financial obligations.

DEVELOPMENT PROJECTS

While the Group was largely affected by economic downturn, we were still able to remain active in the market and further establish ourselves as a leading integrated property developer in Johor and Malaysia. As the business conditions continue to evolve rapidly, the Group was able to remain agile and adapt to these new obstacles, executing our expansion plans in tandem with the recovering economic situation.

We are proud to announce that we have unveiled our new and highest show units of our flagship residential project, The Astaka, in December 2021. With improvement in property market sentiments in Johor in the second half of 2021, the Group also embarked on aggressive marketing campaigns through various sales packages and promotions, including special rebates and discount. This development has been instrumental in propelling the Group's brand to greater heights and prominence in Malaysian property market, particularly in the aspect of a luxury residential developer. Our award-winning development is a hallmark of the Group's capabilities in developing high quality and luxurious developments, and we will continue to build on this success.

For our Bukit Pelali @ Pengerang project, the Group aims to launch new commercial development projects namely Phase 3A, 3B and 3C located in Bukit Pelali, Pengerang ("BPP"), which spans approximately 20.49 acres, in the second quarter of 2022. The 363-acre, self-contained strata township at Pengerang has an estimated gross development value (GDV) of RM2.3 billion. The project benefits from its proximity to the Pengerang Integrated Petroleum Complex in south-eastern Johor, which will help to drive up demand for residential units and commercial outlets.

As we enter into the new year, we are also proud to announce the signing of two different non-binding memorandum of understanding ("MOU") in January 2022 for different land development projects.

[1] *The Edge Markets - Cover Story: Bargains and opportunities for investors and homebuyers (https://www.theedgemarkets.com/article/cover-story-bargains-and-opportunities-investors-and-homebuyers)*

Our first MOU involves the potential joint development of 42 acres of land across various key cities in Johor with the mixed development projects having an estimated GDV of RM1 billion. It would also mark the Group's first venture into a light industrial park development. Having already built our reputation in residential and commercial developments, this MOU not only helps us in expanding into a new property segment, but also positions us as an integrated property developer in Johor.

Building on the expansion momentum, we soon cemented another MOU. Our second MOU is for the potential joint development of a commercial mix-used project in the popular township area of Taman Setia Indah, with an estimated GDV of RM160 million. We will leverage on our capabilities and expertise in developing high quality and luxurious properties to bring about greater success for both the projects.

These potential projects also highlight the Group getting back on our feet and look towards growth as the economic situation continues to gradually stabilise and recover.

RESUMPTION OF TRADING STATUS

The Group continues to work hard towards the resumption of our trading status on the Singapore Exchange ("SGX"). We have managed to address and engage the relevant parties in discussions regarding the legal issues, and we have fully resolved these legal cases and reach a settlement for both cases. We have also put in place the relevant frameworks and policies within the Group while continuing to receive additional financial support from the Group's controlling shareholder to further strengthen and safeguard the interests and performance of the Group.

UPDATES TO BOARD MEMBERSHIP

While the Board had undergone significant structural changes over the past few years, we have stabilised our Board composition and do not expect any more major changes. On behalf of the Board, I would like to welcome on board Ir. Hj. Syarul Izam Bin Hj. Sarifudin, who has over 20 years of experience in the industry and will undoubtedly significantly contribute to the Group's expansion. At the same time, I would like to extend my deepest gratitude to the Group's former Executive Director, Dato' Zamani Bin Kassim, who has stepped down since 31 August 2021. His invaluable support has been integral in the Group's journey since his appointment in 2012 and we wish him the very best in his future endeavours. We would also like to thank all our former board members for their guidance and support during the transition period, which has allowed the Group's operations to continue unhindered. I have full confidence in our rejuvenated team to build on the successes of our former Board members and to bring the Group to greater heights.

BUSINESS OUTLOOK

While the pandemic has largely disrupted our operations and growth plans, the increase in vaccination rates and transition towards an endemic living approach has allowed the situation to stabilise and provides us hope with a sooner return to normalcy.

As hybrid working arrangements continue to be the norm even as we transition fully into endemic living, it has shifted the mindset and demands of consumers regarding their residential spaces. The MCO has resulted in homeowners demanding for projects with greater connectivity and facilities, as well as functionality to accommodate for these new work-from-home arrangements[1]. The Group will continue to leverage on our strong expertise to innovate and design our developments to cater to these shifting consumer demands. Along with the recent government initiatives such as the elimination of the Real Property Gain Tax for property disposals, it is expected to help rejuvenate the Malaysian property market and improve consumer interests.

The MCO had put a wedge in the Group's development and growth plans, particularly with the closing of international borders. In tandem with the recovering economic climate, the Malaysian authorities have opened its international borders[2] on 1 April 2022. This is expected to bode well for the Group as we can expect to regain a flow of foreign home seekers, in particular Singaporeans, who continuously look to Johor for property investments. This has also paved the way for greater foreign investments, with the Malaysian government looking to create a more conducive business environment through upgrading of infrastructures[3], which is expected to bode well for the Malaysian property market.

Moving forward, the Group will continue to closely monitor the market to identify opportunities with strong synergistic energy to capitalise on greater economies of scale and further expand our business. While the pandemic has resulted in an economic slowdown, we have continued to work tirelessly to prepare for an endemic living and a new normal economy and execute our growth plans gradually. In addition, we will continue to adapt our business models to the operating environments to ensure the longevity of our business and propel the Group to greater heights.

APPRECIATION

On behalf of the Board, I would like to express my heartfelt gratitude and appreciation to our customers and business partners for their enduring support during this difficult period. I would also like to extend my appreciation to our management team and staff for their dedication and resilience in helping to steer the company through the challenging business conditions. Last but not least, I would like to thank shareholders for their loyalty and belief in us as we continue on our journey towards better times.

Mr. Lai Kuan Loong, Victor
Non-Executive Chairman and Independent Director
11 April 2022

[2] The Straits Times - Malaysia to reopen border to international visitors from April 1 (https://www.straitstimes.com/asia/se-asia/malaysia-pm-says-to-reopen-border-to-international-visitors-from-april-1)
[3] Malay Mail – Azmin: Malaysia to continue redoubling efforts to provide conducive economic climate (https://www.malaymail.com/news/malaysia/2022/01/20/azmin-malaysia-to-continue-redoubling-efforts-toprovide-conducive-economic/2036527)

Dear Shareholders,

It has been more than two years since the World Health Organisation declared COVID-19 as a pandemic. Since then, industries and businesses around the world have had to learn how to navigate in this evolving business landscape and re-think the future, and this is no exception to us. The emergence of new variants has also threatened the recovery of the global economy, with lockdown measures being reimplemented and extended. However, as authorities begin to learn from experience to implement more effective strategies to manage the situation, with increasing vaccination rates and approach towards endemic living, it provides a positive outlook that the worst may soon be over.

On behalf of the Board of Directors (the "Board"), of Astaka Holdings Limited (the "Company", and together with its subsidiaries, the "Group"), it is my pleasure to present our performance for the 18 months ended 31 December 2021 ("FY2021") as compared with the 12 months ended 30 June 2020 ("FY2020").

PERFORMANCE REVIEW

FY2021 has been another challenging year for us as we continue to adjust to the evolving landscape. As with most businesses, the prolonged Malaysia's Movement Control Order ("MCO") posed a challenge to our business operations as we had to deal with issues pertaining to manpower shortages, social distancing measures and other pandemic induced restrictions.

With weak sentiment surrounding the Malaysian residential property sector and prolonged closures of international borders as well as the pandemic induced disruptions, our financial performance for FY2021 was adversely impacted. The Group generated a revenue of approximately RM52.0 million in FY2021, a 74.2% decrease as compared to approximately RM201.3 million in FY2020. The lower revenue was also due to the completion of the Menara Majlis Bandaraya Johor Bahru development project in FY2020. The Group's net loss after tax increased by 26.0% from approximately RM18.1 million in FY2020 to approximately RM22.8 million in FY2021.

The Group also recorded a net cash used in operating activities of approximately RM35.9 million in FY2021 mainly due to a decrease in trade and other payables arising from the repayments made in FY2021. Net cash generated from financing activities in FY2021 amounted to approximately RM21.2 million mainly due to the additional loan drawdown from DMR Holdings Sdn Bhd ("DMR Holdings"), an associate of the Group's controlling shareholder. As at the end of FY2021, the Group's cash and cash equivalents stood at RM6.5 million.

Our Group has also managed to reach settlement agreements for both its legal disputes with China State Construction Engineering (M) Sdn Bhd ("CSCE") and Aliran Asia Sdn Bhd ("Aliran Asia"). At the date of this annual report, our Group has made payment of RM12.7 million to CSCE, with an outstanding amount of RM31.4 million payable to CSCE, as well as a full payment of RM3.4 million to Aliran Asia. In addition, our Group has obtained an additional unsecured, interest free loan facility from our controlling shareholder of up to RM60.0 million for general corporate and working capital purposes, to be drawn only when required. Our Group has also entered into a supplemental agreement with our contractor, JBB Kimlun Sdn. Bhd. ("JBB Kimlun"), for the full and final settlement of the outstanding amount payable from the Group to JBB Kimlun for the construction of the 15-storey Grade A office tower Menara MBJB, the headquarters of the Johor Bahru City Council. These agreements will help to improve our Group's cash flow and financial position for future expansion plans and planned projects.

ONE BUKIT SENYUM

Our flagship development, The Astaka @ One Bukit Senyum ("The Astaka"), witnessed some good progress since the lifting of MCO in October 2021. We launched the new and highest show units of The Astaka in December 2021, adding to the glamour of this prestigious and tallest residential tower in Southeast Asia. The newly completed show units, Type A2 and B, have built-up areas of 2,217 square feet and 2,659 square feet, respectively. We believe that with the opening of Malaysian borders and with better sentiments in the

[1] The Straits Times – Independent Agent appointed to certify Johor Baru-Singapore RTS Link safe to start in 2026 (https://www.straitstimes.com/singapore/transport/independent-agent-appointed-to-certify-johor-baru-singapore-rts-link-safe-to-start-in-2026)
[2] The Edge Markets – Brighter outlook for Malaysia's property market but headwinds remain (https://www.theedgemarkets.com/article/brighter-outlook-malaysias-property-market-headwinds-remain)

Malaysian property sectors, these units offer potential buyers the rare chance to experience luxurious living at its finest.

Located in the heart of the Johor Bahru City Centre, The Astaka is the embodiment of modern and luxurious living. The freehold development aims to provide residents with excellent connectivity, with various key amenities like the Johor Bahru Customs, Immigration, and Quarantine Complex and shopping malls; all being less than 10 minutes away. The development boasts over 435 luxury residential units, with the two towers scaling up to 65 and 70 storeys high. Its strategic location bestows residents with the best of both Johor and Singapore's stunning skyline and horizon. The development also features a comprehensive suite of facilities for its residents to exploit the excellent views, with its full facility deck being located on the sixth floor and a sky deck on both levels 58 for Tower B and 66 for Tower A. Standing at 1,020 feet above sea level, The Astaka is the tallest residential building in the Southeast Asia region and the tallest building in Johor Bahru. The development was also awarded the Best Luxury Condo/Apartment Development in 2019 by PropertyGuru for its innovative and exquisite design. In addition, it was hailed as the Best Residential High-Rise Development (Malaysia) at the International Property Awards (Asia Pacific) 2019, as well as Best Residential High-Rise Development and Most Inspiring New Developer at the 2019 Des Prix Infinitus Asean Property Awards Malaysia.

The Johor Bahru-Singapore Rapid Transit System Link ("RTS Link") is on track to commence commercial operations by end-2026, as highlighted by the Land Transport Authority Singapore and Ministry of Transport Malaysia.[1] The RTS Link aims to connect Bukit Chagar in Johor Bahru to Woodlands in Singapore, serving about 10,000 passengers per hour each way to help ease traffic congestion on the Causeway. Bukit Chagar is located just 1km from One Bukit Senyum and will add to the connectivity and attractiveness of The Astaka as being a prominent location in the central business district of Johor.

BUKIT PELALI @ PENGERANG

Our development of the 363-acre, self-contained strata township in Pengerang continues to demonstrate good progress in the development. The township will comprise more than 4,022 residential units including Johor Affordable Housing Scheme, and various key amenities comprising of shop offices, private hospital, school, mart, mosque, food and beverage hub and petrol station.

We have managed to remain on schedule for the development project, with phases 1B, 2A and 2B completed despite the MCO. Following the completion of those phases and the progression of Malaysia's national recovery plan, we expect to launch the development for phase 3 of the project in the second quarter of 2022.

The demand for the units has similarly shown strong progress, with about 87% of the units having been successfully sold for the phases launched. As the economy gradually picks up and market sentiments in the property market improves, we have also engaged in stronger marketing and sales initiatives to ramp up the sale of the remaining units, as well as phase 3 of the project.

OUTLOOK

While the global markets and economies have been on a stop-and-start trend amid the emergence of new variants, the situation seems to have stabilised as authorities learn from past experiences to better manage the waves of infection. This has also provided them with the confidence to press on with the full transition towards endemic living and a return to normalcy.

The consumer market sentiments continue to improve with recovery of job confidence and improved financial stability as the Malaysia's national recovery plan ("NRP") enters its next phase. The real estate market in Malaysia had initially shown signs of rebound in first half of 2021 with the stabilisation of the pandemic situation as property transaction volume increased by 21% in comparison with the first half of 2020[2]. The Malaysian government remains steadfast in transitioning towards an endemic living approach as it reiterates its commitment to avoid reintroducing lockdown measures.

Vaccinated Travel Lanes ("VTL") with Singapore had resumed in January 2022, and coupled with the further reopening of international borders on 1 April 2022, it is expected to bode well for the Malaysian economy. There has been pent-up demand by foreign investors during the MCO, as such we expect stronger demand for our existing projects. We will also capitalise on the upcoming festive periods to develop attractive packages and bundles for the sale of our projects.

Additionally, the development of several major infrastructure projects in Malaysia and Johor is also expected to help stimulate the state's property market and attract more foreign investors as these will increase the connectivity from Johor to Singapore and other states of Malaysia. Construction for the RTS Link commenced in 2021 and is expected to commence commercial operations in December 2026, providing additional ease of convenience for Singaporeans entering Malaysia and vice versa. The Gemas-Johor Bahru electrified double-tracking project ("EDTP"), which will complement the RTS link by connecting the northern and southern peninsula of Malaysia, will further add to Johor's connectivity within Malaysia and is projected to complete in 2023[3]. With the government focusing on developing stronger infrastructure for the attraction of foreign investments to create a more conducive business environment in Malaysia[4], this is expected to drive up demand and reinvigorate the real estate market in Malaysia.

[3] New Straits Times - The RTS and Gemas-JB rail networks, as well as the MM2H, may help to stimulate the Johor property market (https://www.nst.com.my/property/2021/10/738146/rts-and-gemas-jb-rail-networks-well-mm2h-may-help-stimulate-johor-property)
[4] Malay Mail – Azmin: Malaysia to continue redoubling efforts to provide conducive economic climate (https://www.malaymail.com/news/malaysia/2022/01/20/azmin-malaysia-to-continue-redoubling-efforts-toprovide-conducive-economic/2036527)

Riding on better market sentiments, we have also decided to embark on our long-awaited plans of expansion into new property segments as we made several exciting developments in January 2022.

Our Group has entered into a non-binding memorandum of understanding ("MOU") on 27 January 2022 with Straits Perkasa Services Sdn. Bhd. for the potential joint development of a commercial mix-used project in the township of Taman Setia Indah. The development will comprise of a mix-used development spanning across 2 acres of freehold land with an estimated gross development value ("GDV") of RM160 million. The development will be within the vicinity of Taman Mount Austin, a vibrant township in Johor Bahru, which is renowned for its vast selection of restaurants and activities. The area also boasts a thriving community with numerous properties ranging from landed residentials, serviced apartments, shop offices as well as factory warehouses, enhancing its attractiveness. It is also in close proximity to prominent amenities such as Austin Heights Water & Adventure Park, Eco Palladium, IKEA Tebrau and Tebrau Sport & Recreation Centre.

Beyond residential properties, our Group also entered into a MOU on 24 January 2022 just prior to the above MOU, for the potential development of mixed commercial properties and a light industrial park across several key locations in Johor. The MOU was signed with DMR Holdings for joint development projects with a total land area of 42 acres and an estimated GDV of RM1 billion, marking our Group's first foray into industrial development. The Malaysian government has signified its intentions to attract more foreign investments through investments into the nation's infrastructures, and we will be seeking to capitalise on this opportunity and expand our product portfolio to further establish our position as a leading integrated property developer.

Throughout this time, we have been working closely with our controlling shareholder for the development of our expansion plans. On 14 January 2022, our Group had entered into a conditional sale and purchase agreement (the "SPA") with Seaview Holdings Sdn. Bhd., an associate of our controlling shareholder, for the proposed sale of a parcel of freehold land (the "Land") having approximately 7.65 acres in area for a consideration of RM116.0 million (the "Proposed Disposal"). Hence, upon the approval at the extraordinary general meeting, the completion of the Proposed Disposal would allow us to improve our liquidity position and cash flow, which we will be utilising the proceeds raised from the Proposed Disposal for, amongst others, our expansion plans and to work on more projects.

We have continued to amass our assets and increase inventories in preparation of the reopening of the Malaysian economy during this period of inactivity. Together with the stronger marketing initiatives, these will put us in a favourable position to identify for more opportunities to further grow our Group.

Moving forward, we will continue to monitor the market closely as it continues to evolve rapidly and identify suitable business opportunities to further grow our Group. Despite the economic slowdown in the past 2 years, we have been relentless in the pursuit of strong business opportunities in preparation for the return to normalcy and lifting of restrictions. With the improvement in business climate globally, we are excited to put these plans into action gradually and will continue leveraging on our expertise to develop more innovative and high-quality property projects.

BOARD MEMBERSHIP UPDATES

The Board has undergone a period of transition in the previous reporting year and while we do not expect any further signification changes, we are constantly looking at how we can further strengthen the Board to aid in our Group's expansion. We would like to welcome aboard Ir. Hj Syarul Izam Bin Hj. Sarifudin as the new director of the Board, who brings along with him a wealth of experience and expertise which will be invaluable in our Group's growth moving forward. We would also like to extend our appreciation to the former Board members who have been instrumental in our Group's growth and reputation as a leading property developer in Johor and Malaysia. This transition period has allowed us to restructure our organisation to prepare for the future, and I strongly believe that the current Board members will actively contribute to our Group and propel it to even greater heights.

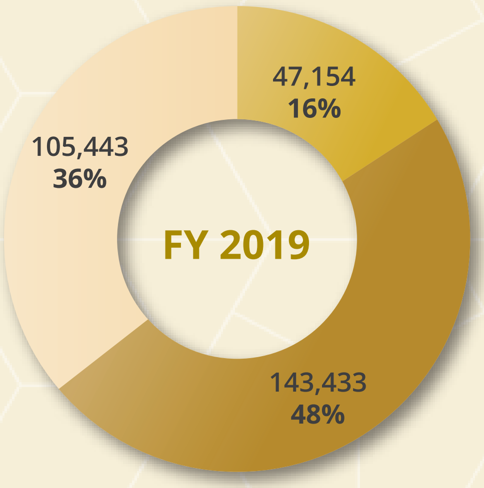
APPRECIATION

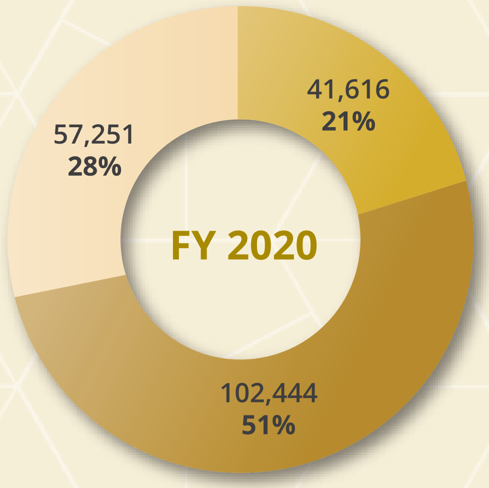
On behalf of the Board, I would like to thank the management team and staff for their dedication and hard work throughout this time. The resilience and commitment demonstrated by them have been invaluable in helping our Group to emerge stronger during these tumultuous times. I would also like to extend my appreciation to our shareholders for your unwavering support during this difficult period. Your belief and trust in us have been crucial in our journey as a leading property developer, and we look forward to your continued support as we strive towards better times.

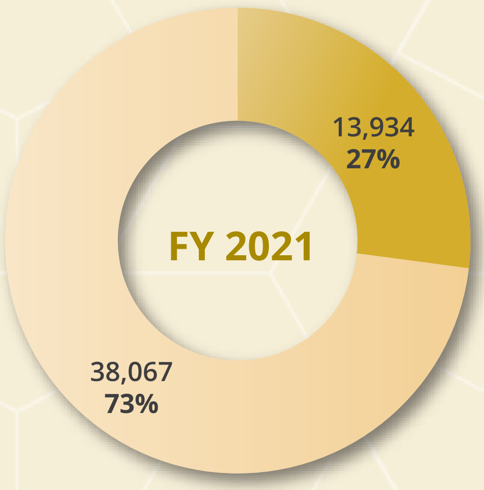
Mr. Khong Chung Lun
Executive Director and Chief Executive Officer
11 April 2022

ASTAKA HOLDINGS

PERFORMANCE BY DEVELOPMENT PROJECTS
(RM'000)



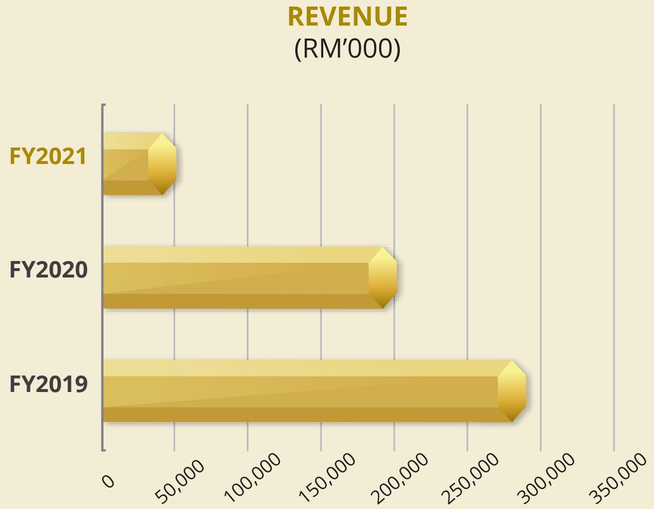


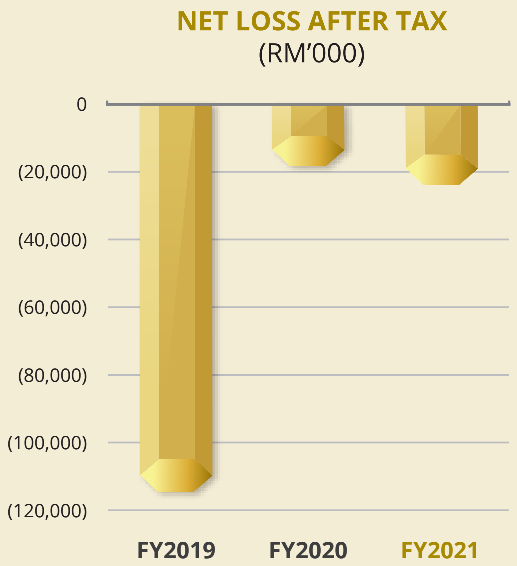


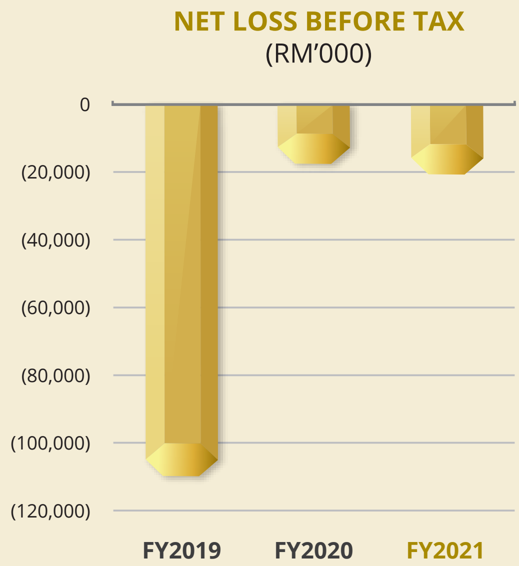

Bukit Pelali @ Pengerang

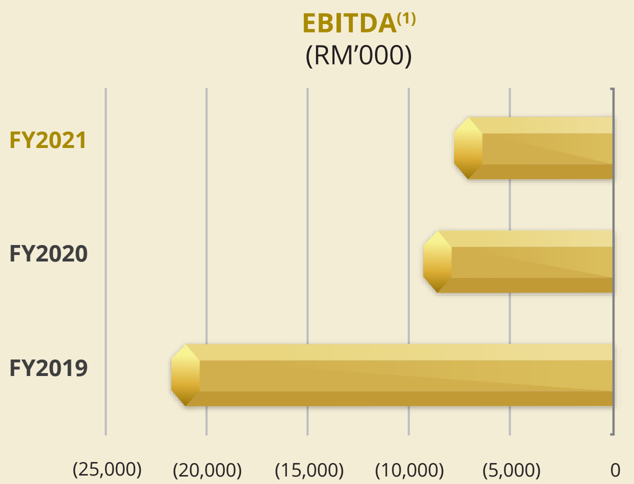

The Astaka @ One Bukit Senyum

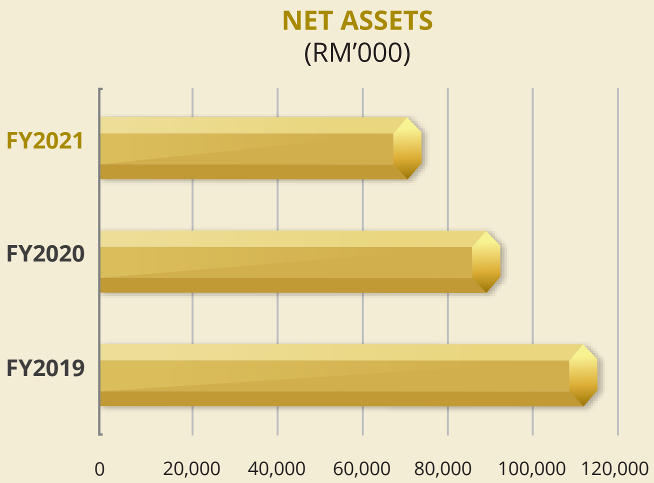

Menara MBJB @ One Bukit Senyum











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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

The revenue decreased by approximately 74.2% from approximately RM201.3 million in FY2020 to approximately RM52.0 million in FY2021, mainly due to weak sentiment surrounding the Malaysian residential property sector, prolonged closures of international borders and the disruption caused by the COVID-19 pandemic. In addition, the decrease in the revenue was also due to the completion of the Menara Majlis Bandaraya Johor Bahru development project ("MBJB Project") in FY2020.

Cost of Sales and Gross Profit

The cost of sales decreased by approximately 81.1% from approximately RM187.4 million in FY2020 to approximately RM35.4 million in FY2021, which was in line with the decrease in sales.

Additional development costs of RM2.6 million were incurred in FY2020 for The Astaka. These additional development costs were mainly incurred for touch-up works to The Astaka. The Group commenced touch-up works after the completion of the project in June 2018 to enhance the marketability of the balance unsold units of The Astaka.

In addition, reversal of the impairment losses on development properties in FY2021 was in view of the higher selling price for those development properties sold and as a result, the impairment losses on development properties which was previously provided was no longer applicable to those sold units.

Excluding reversal of foreseeable loss on development properties and allowance for foreseeable loss on development properties, gross profit in FY2021 would have been approximately RM14.6 million as compared to RM15.9 million in FY2020.

Other Income

Other income increased from approximately RM48,000 in FY2020 to RM268,000 in FY2021, which was mainly due to the gain on disposal of property, plant and equipment, forfeiture of payment from purchaser, discount received from rental of premises, rental income as well as interest earned on deposit placed with Tenaga Nasional Berhad which was received in FY2021.

Expenses

Selling and distribution expenses decreased by approximately 42.9% from approximately RM2.1 million in FY2020 to approximately RM1.2 million in FY2021 mainly due to the Johor state entering into "total lockdown" imposed by the Malaysia government since 1 June 2021 to 23 September 2021 under phase 1 of Malaysia's national recovery plan ("NRP Phase 1"). The Group's business premises and sales galleries in Malaysia were closed during NRP Phase 1 and all the economic sectors were only reopened in October 2021 as well as lifting of the border controls since November 2021.

Administrative expenses increased by approximately 6.4% from approximately RM20.3 million in FY2020 to approximately RM21.6 million in FY2021 million mainly due to quit rent and assessment, professional and legal fee, manpower costs.

Other expenses decreased by approximately 19.4% from approximately RM3.6 million in FY2020 to approximately RM2.9 million in FY2021 mainly due to lower provision of late payment interests on outstanding amount owing to contractors in FY2021.

Net finance costs increased by approximately 98.4% from approximately RM6.1 million in FY2020 to approximately RM12.1 million in FY2021 mainly due to the additional unsecured loan obtained from DMR Holdings at the interest rate of 8% per annum.

As a result of the abovementioned, the Group's net loss after tax increased by 26.0% from RM18.1 million in FY2020 to RM22.8 million in FY2021.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Property, plant and equipment ("PPE") decreased by approximately RM45,000 from approximately RM855,000 as at 30 June 2020 to approximately RM810,000 as at 31 December 2021. This was mainly due to the depreciation charged during the financial period, which was partially offset by additions of new PPE and rights-of-use assets.

Development properties decreased by approximately RM117.6 million from approximately RM454.9 million as at 30 June 2020 to approximately RM337.3 million as at 31 December 2021. The decrease was due to classification of the Land at One Bukit Senyum to asset held for sales following the announcement on the Proposed Disposal.

Contract assets decreased by approximately RM10.5 million from approximately RM13.3 million as at 30 June 2020 to approximately RM2.8 million as at 31 December 2021 due to the completion of phases 1B and 2A & 2B of Bukit Pelali, Pengerang ("BPP"), and no contract costs were recorded as at 31 December 2021.

Trade and other receivables remained relatively the same at approximately RM20.5 million, and consist of mainly the stakeholder money receivable in respect of phase 1B of BPP, which were held by the solicitors of the Group, as well as the retention sum receivables in respect of the MBJB Project. Such monies will be released to the Group upon expiry of the defects liability period of the development properties. Trade and other receivables also consist of deposit paid to office rental, office utilities, local authority for construction.

Tax recoverable decreased by approximately RM1.6 million from approximately RM1.8 million as at 30 June 2020 to approximately RM0.2 million as at 31 December 2021. 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 immediate preceding YOA.

Trade and other payables decreased by approximately RM64.3 million from approximately RM310.5 million as at 30 June 2020 to approximately RM246.2 million as at 31 December 2021, mainly due to payments made in FY2021.

Amounts due to related parties increased by approximately RM54.3 million from approximately RM94.2 million as at 30 June 2020 to approximately RM148.5 million as at 31 December 2021, which was mainly due to the Group drawing down approximately RM59.7 million from the loan facilities provided by DMR Holdings at the interest rate of 8% per annum, which is repayable on demand. The purpose of the loan is to finance general corporate expenses and working capital needs. In addition, the increase in amount due to related parties was also attributable to the BPP land consideration payable to the joint venture partner, Saling Syabas Sdn Bhd ("SSSB"). Based on the terms of the development agreement entered into between Bukit Pelali Properties Sdn Bhd ("BPPSB") and SSSB, BPPSB shall pay SSSB 12.0% of the cash proceeds to be received from the individual purchasers of the properties in the BPP project, such amount to be capped at and shall not exceed the sum of RM165.0 million. Such increase was partially offset by the interest paid to and capital injection by the related party during the financial period.

The current and non-current lease liabilities increased by approximately RM78,000 from approximately RM639,000 as at 30 June 2020 to approximately RM717,000 as at 31 December 2021. This was mainly due to the increase of right-of-use assets leased by the Group. The lease liabilities are payable on a monthly basis according to the lease payment terms.

The loans and borrowings increased by approximately RM0.8 million from approximately RM11.1 million as at 30 June 2020 to approximately RM11.9 million as at 31 December 2021, due to the additional drawdown of bank overdraft to finance the Group's property development projects and working capital. This was partially offset by the repayment made during the financial period.

Income tax payable amounted to approximately RM316,000 as a result of higher profit recorded by BPPSB as at 31 December 2021 (RMNil as at 30 June 2020).

CONSOLIDATED STATEMENT OF CASH FLOWS

The Group reported a net cash used in operating activities of approximately RM35.9 million as at 31 December 2021. This was primarily due to (i) cash outflow from operating activities before changes in working capital, (ii) the decrease in development properties arising from the reclassification of the Land, and (iii) the decrease in trade and other payables arising from the repayments made in FY2021, which was partially offset by the increase in asset held for sales arising from the reclassification of the Land and the decrease in contract assets as a result of progress billing issued for both MBJB and BPP projects.

Net cash generated from investing activities of approximately RM3.8 million was mainly due to the decrease in fixed deposit pledged, interest received from the financial institution and the proceeds received from disposal of PPE as at 31 December 2021, which was partially offset by the acquisition of PPE.

Net cash generated from financing activities of approximately RM21.2 million as at 31 December 2021 was mainly due to the additional loan drawdown from DMR Holdings amounting to approximately RM59.7 million and capital injection in BPPSB by SSSB amounting to approximately RM6.9 million. However, the aforesaid was offset by repayment to affiliated corporations, repayments to trade and other payables, term loan, lease liabilities as well as interest paid.

Included in the year-to-date ("YTD") December 2021 cash and bank balances is an amount of approximately RM0.8 million (YTD June 2020: RM1.0 million) of which the bank accounts are maintained in accordance with Housing Development (Housing Development Account) Regulation 1991 in Malaysia. These accounts, which consist of monies received from purchasers, are for the payments of property development expenditure incurred. The surplus monies, if any, will be released to the respective subsidiaries upon the completion of the property development properties and after all property development expenditure have been fully settled.

BOARD OF DIRECTORS AND KEY MANAGEMENT

(left to right)
Ir. Hj. Syarul Izam Bin Hj. Sarifudin; Dato' Sri Mohd Mokhtar Bin Mohd Shariff; Ms. Daeng Hamizah Binti Abd Aziz; Mr. Lai Kuan Loong, Victor; Ms. Ang Siew Peng; Mr. Khong Chung Lun; Mr. Lee Gee Aik

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

Mr. Lai Kuan Loong, Victor was appointed as Independent Director on 13 November 2019 and was last re-elected on 5 February 2020. He was appointed as the Interim Non-executive Chairman on 5 February 2020 and was formally appointed as the Independent Non-Executive Chairman of the Board with effect from 1 September 2021. He was also appointed as the Chairman of the Remuneration Committee and Nominating Committee, and member of the Audit Committee.

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

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

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

Mr. Khong Chung Lun
Executive Director and Chief Executive Officer

Mr. Khong Chung Lun was appointed to the Board as Executive Director on 13 November 2019 and was last re-elected on 5 February 2020. He succeeded Dato' Zamani Bin Kasim as Chief Executive Officer on 2 March 2020. He was also appointed as member of the Nominating Committee. Prior to these appointments, he was General Manager of the Group from June 2015 where he oversaw the strategic planning, business development and investments of the Group's projects.

Before joining Astaka, Mr. Khong was the Business Development Manager at Country Garden Real Estate Sdn Bhd, Malaysia from 2012 to 2015. Prior to that, he was Concept Specialist and Mechanical Engineer at Primepoint Oil & Gas Pte Ltd, Singapore from 2011 to 2012.

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

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

Mr. Lee Gee Aik
Non-Executive and Independent Director

Mr. Lee Gee Aik was re-designated as an Independent director of the Company on 19 November 2015 and was last re-elected on 28 October 2020. Prior to this, he was the Executive Vice Chairman from 29 January 2014 to 26 October 2015. He was also appointed as the Chairman of the Audit Committee, and a member of the Nominating and Remuneration Committees.

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

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

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

Dato' Sri Mohd Mokhtar Bin Mohd Shariff was appointed as Independent Director on 13 November 2019 and was last re-elected on 5 February 2020. He was also appointed as a member of the Nominating, Audit and Remuneration Committees.

Dato' Sri Mohd Mokhtar is currently an Independent Non-Executive Chairman of TMC Life Sciences Bhd. He has over 41 years of experience serving in the Royal Malaysian Police, having held various senior positions including Chief Police Officer of Johor from January 2008 to April 2015, Director of Narcotics and Crime Investigation Department from April 2015 to September 2017 and Director of Special Branch from September 2017 to May 2018.

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

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

Ir. Hj. Syarul Izam Bin Hj. Sarifudin was appointed as Non-Independent Director on 1 April 2022. He was also appointed as a member of the Nominating Committee.

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

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

Ms. Daeng Hamizah Binti Abd Aziz
Chief Operating Officer

Ms. Daeng Hamizah Binti Abd Aziz was appointed as Chief Operating Officer of the Group on 1 October 2016. She oversees the daily operations of the Group, liaises with government authorities, plans strategic activities and ensures effectiveness and efficiency of the operational process.

Ms. Daeng Hamizah first joined the Group in June 2012 as a Project Executive and held various positions including Special Assistant to the Chief Executive Officer where she oversaw several departments, assisted in fundraising activities and acquisition of development projects. Ms. Daeng Hamizah also played an instrumental role in the reverse takeover of E2-Capital Holdings Limited in November 2015.

Ms. Daeng Hamizah began her professional career as an Assistant Quantity Surveyor. Subsequently, she joined JB Bergabung Sdn Bhd as a Project Executive. She is presently a Director of Equapro Sdn Bhd and holds a Bachelor's Degree in Surveying (with Honours) from The Robert Gordon University of Scotland in 2011.

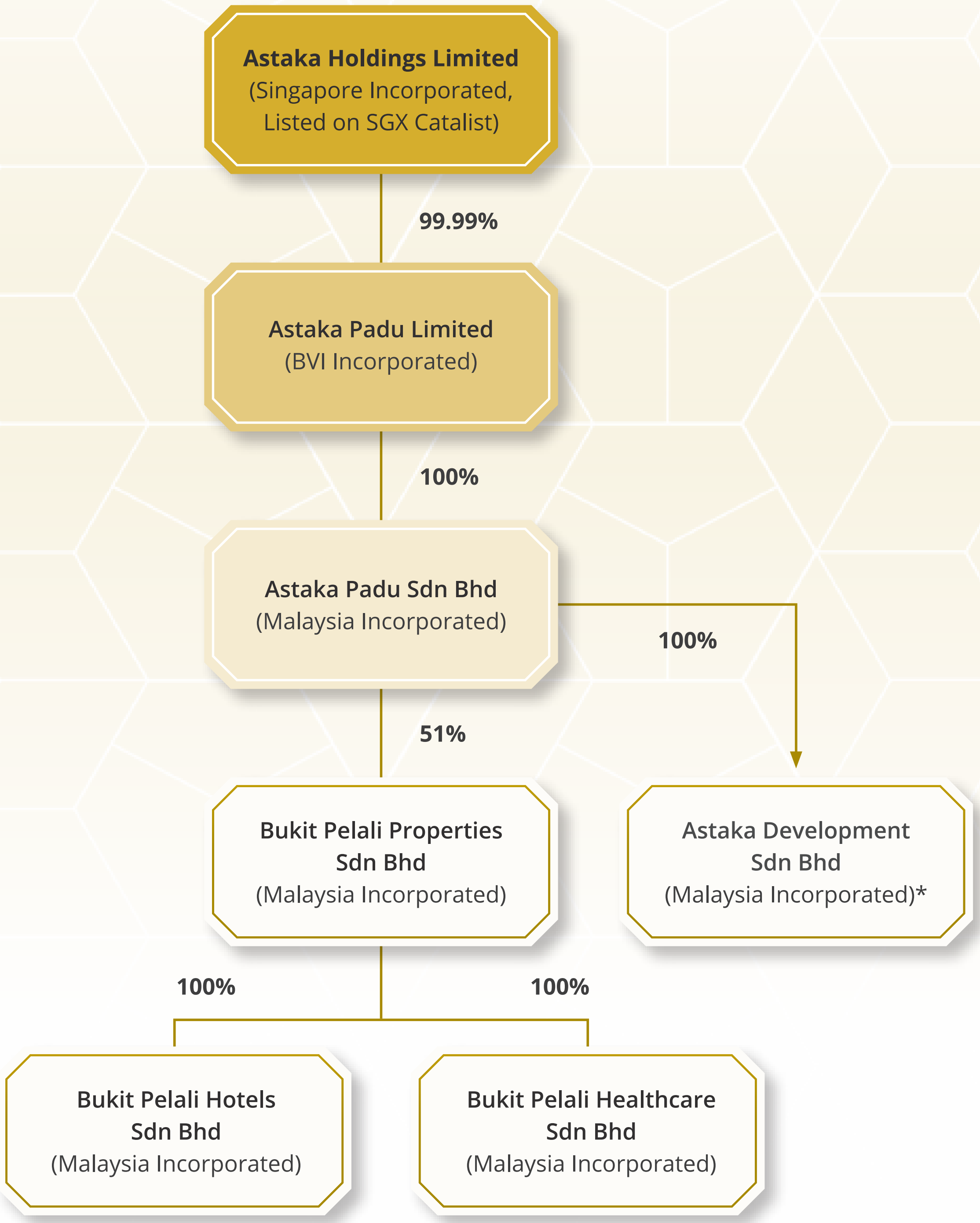
Ms. Ang Siew Peng
Financial Controller

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

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

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

"Slated to be the upcoming administrative and commerical hub, One Bukit Senyum is tipped to play a key role in Johor's transformation into a burgeoning metropolis of Malaysia."



**Astaka Development Sdn. Bhd. was incorporated post-FY2021*

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive:

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

Non-Executive:

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

AUDIT COMMITTEE

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

NOMINATING COMMITTEE

- Lai Kuan Loong, Victor (Chairman)
- Khong Chung Lun
- Lee Gee Aik
- Dato' Sri Mohd Mokhtar Bin Mohd Shariff
- Ir. Hj. Syarul Izam Bin Hj. Sarifudin

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

- Yoo Loo Ping

REGISTERED OFFICE

133 Cecil Street #14-01,
Keck Seng Tower,
Singapore 069535.
Tel: +65 6908 1227

BUSINESS OFFICE

No. 22, Jalan Padi Emas 1/4,
UDA Business Centre,
81200 Johor Bahru,
Johor Darul Ta'zim,
Malaysia
Tel: +607 231 5457 Fax: +607 244 3427

CONTINUING SPONSOR

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

SHARE REGISTRAR

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

AUDITORS

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

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ASTAKA HOLDINGS

SUSTAINABILITY REPORT

BOARD STATEMENT

The Board of Directors (the "**Board**") is pleased to present our fourth Sustainability Report for Astaka Holdings Limited (the "**Company**" or "**Astaka**", and together with its subsidiaries and joint venture, the "**Group**"). As the Board, we recognise that we have a responsibility to ensure that Astaka is viable as a business in a long-term, and that we must ensure that the well-being of our stakeholders and communities in the markets where we operate is not adversely affected by our operations. In doing so, we must pay attention to our economic, environmental, social, and governance ("**ESG**") impacts.

As we enter the second year of the COVID-19 pandemic, Astaka remains committed to delivering long-term sustainable value by managing the ESG impacts on our business while prioritising the health and safety of our employees, contracted partners, workers and customers. We do this by considering and incorporating ESG matters in addition to financial matters, as part of our strategy formulation and decision-making processes. This year, upon reviewing our material ESG matters, we have updated the report with one additional matter, water management. We also included our 3-year sustainability roadmap which identifies our ESG targets for the near future, and the steps we are taking towards a more sustainable future.

Astaka continues to progress in our ESG journey, and this report details our efforts for the financial period ended 31 December 2021. Reflecting our change in financial year-end from 30 June to 31 December, the data included in this report covers the period from 1 July 2020 to 31 December 2021 so as to continue to provide a basis for comparison over the next few years. The Board will continue to oversee the management and monitoring of material ESG matters, and we look forward to sharing our progress with you in the years to come.

ABOUT THE REPORT

Reporting Scope and Boundary

Astaka's Sustainability Report ("**SR**") covers our sustainability performance data and progress for the period from 1 July 2020 to 31 December 2021 ("**FY2021**"), with prior year's data where available. This report covers an 18-month reporting period due to the change in Astaka's financial year end from 30 June to 31 December. From FY2022 onwards, each SR reporting period will begin on 1 January and end on 31 December.

In this report, FY2021 data may be broken down into three periods of six-month blocks. The following short-forms may be used for convenience:

- "FY2021 Q1 – Q2" in reference to the period from 1 July 2020 – 31 December 2020
- "FY2021 Q3 – Q4" in reference to the period from 1 January 2021 – 30 June 2021
- "FY2021 Q5 – Q6" in reference to the period from 1 July 2021 – 31 December 2021

The intention is to allow for comparison of data against FY2020 for the period of 1 July 2019 - 30 June 2020, and comparison against the data in the next report for FY2022 for the period at 1 January 2022 - 31 December 2022.

This report will cover entities and properties listed in Figure 1, unless otherwise specified. In defining the SR's content, Astaka has considered sector-specific sustainability trends, incorporated key stakeholders' feedback and examined the materiality of relevant ESG issues. Please refer to Sustainability Approach and Sustainability Commitment sections for more detail.

Figure 1: *Reporting scope for FY2021*

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

Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative ("**GRI**") Sustainability Reporting Standards ("**GRI Standards**"): Core option, except for the additional topics Occupational Health and Safety as well as Water Management. These topics reference the GRI Standards Disclosures 403-1, 403-6, 403-7 and 303-3 respectively.

Astaka selected the GRI Standards as the reporting framework for its systemic and comprehensive sustainability reporting approach. Astaka observed that the GRI Standards are commonly adopted among sustainability leaders across different industries, including property development. By using identical reporting standards with its peers, Astaka can benchmark its sustainability performance, learn from best practices and implement sustainability initiatives most efficiently.

In addition, this report complies with the Sustainability Reporting Guide in Practice Note 7F of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"). Astaka also publishes a SR on an annual basis, save for the year 2021 where the SR was not issued based on the 12-month financial period from 1 July 2020 to 30 June 2021 due to the Company's change of its financial year end from 30 June to 31 December.

Reporting Quality

While we have not sought external assurance, we have been working jointly with external consultants to bridge reporting gaps identified in improving the quality of our report to stakeholders annually.

Feedback

We believe that safeguarding our stakeholders' well-being is paramount in building a sustainable future for Astaka. We welcome any feedback, comments, and enquiries on our sustainability report and sustainability strategy to Mr. Hon Yao Chuan, Deputy Director of Corporate Planning & Communications, at hon.yc@astaka.com.my.

SUSTAINABILITY APPROACH

Our Vision and Core Values

Figure 2: *Astaka's vision and core values*

Vision

To always be the premier real estate company in the country

Core Values

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

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

Astaka's Sustainability Governance

A sustainability governance structure enhances transparency, accountability, and effectiveness in Astaka's sustainability journey. Astaka has developed a whole-of-organisation approach and actively involves internal stakeholders in its sustainability agenda.

Figure 4: *Astaka's sustainability governance structure*

Astaka's Sustainability Governance Structure — **Roles and Responsibilities**

Board of Directors

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

CFO* **CEO** **COO**

Sustainability Steering Committee ("SSC")

**CFO or equivalent*

SSC is led by the CEO, and:

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

Department Representatives

Sustainability Taskforce

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

Supply Chain Management

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

To incorporate best practices into our supply chain management, we encourage our building contractors to conform to international quality, health and safety and environmental management systems' standards such as ISO9001, OHSAS 18001 and ISO14001 respectively. Where necessary, the Group's project team will engage with contractors to promptly resolve matters with the relevant parties should a breach with applicable local regulations be identified. The Group also emphasises for contractors to exercise precaution to anticipate, avoid and mitigate environmental pollution and social disruption to the local communities.

Figure 5: *Astaka's environmental and social requirements for contractors*

Environmental

Contractors shall take adequate precautions to avoid:

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

Contractors shall implement necessary measures for:

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

The Contractor shall conduct Environmental Impact Assessments whenever required.

Social

Contractors shall take adequate precautions to avoid:

- Injuries
- Property damage
- Open burning
- Theft

Contractors shall implement necessary measures for:

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

Stakeholder Engagement

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

We base the frequency of engagement with our stakeholder groups on two timeframes – immediate or occasional, depending on the nature and urgency of their needs and concerns. Inputs received from stakeholders over time have been considered in the development of our sustainability strategy, policies and initiatives.

The table below summarises our approach to stakeholder engagement.

Figure 6: *Key stakeholder groups and engagement*

Investors

Investors are key capital contributors to Astaka. All investors have the right to share feedback and receive timely updates.

Key concerns

- Business operations and performance
- Business strategy and outlook

Engagement frequency

Occasional

Engagement means

- Release of ESG results, announcements, press releases and other relevant disclosures through SGXNet and Astaka's website
- Annual General Meeting

Our responses

The Group keeps investors informed on significant developments regarding the business. On top of that, the Group have received numerous accolades including the People's Choice Awards for Best Luxury High Rise Development by iProperty in 2015. Additionally, the Group invites substantial and relevant questions from shareholders, to be addressed by the Directors and Management, before the Annual General Meeting and any Extraordinary General Meetings.

Suppliers

Astaka's ESG commitments and contractual obligations can only be fulfilled with the support from our suppliers.

Key concerns

- Health and safety
- Business performance

Engagement frequency

Occasional

Engagement means

- Regular meeting with suppliers (e.g. contractors and consultants)

Our responses

The Group integrates our environmental, social, and governance aspects in our terms of contract which suppliers are required to comply with. Please refer to Supply Chain Management on page 36 for more details.

Employees

As Astaka's main engine for success, employees deserve absolute respect and occupational care.

Key concerns

- Fair remuneration and opportunities
- Career development
- Employee good health and well-being
- Competency and technical training

Engagement frequency

Immediate

Engagement means

- Training programmes
- Induction for new employees
- Team building and staff activities
- Half-yearly performance appraisals

Our responses

The Group stands firm against any forms of discrimination in our organisation. Our Human Resource ("HR") team is also in the process of developing a yearly training calendar to address targeted needs of our employees. Refer to Talent Management and Development on page 49 for more details.

Local Communities

Astaka strives to create long-term value and minimise negative impacts on the local communities.

Key concerns

- Community investments

Engagement frequency

Immediate

Engagement means

- Contributions to support various philanthropic, community and charitable causes

Our responses

The Group actively strives to give back to the local community. In FY2021, the Group carried out two Corporate Social Responsibility ("CSR") events and provided RM0.86 million in donations and sponsorships. Refer to Local Communities on page 50 for more details.

Regulators

Regulators sets rules and regulations for Astaka and other companies to maintain a fair and just business operating system.

Key concerns

- Compliance with mandatory reporting requirements

Engagement frequency

Occasional

Engagement means

- Ongoing communication and consultation
- Training and updates of latest changes in laws, regulations and accounting reporting standards

Our responses

Astaka strives to be in compliance with all applicable local laws and regulations in its operations. There were no substantiated cases of significant incidents in FY2021. Refer to Compliance on page 56 for more details.

Materiality Assessment

We appointed an external consultant to facilitate a materiality reassessment, consisting a review of our existing material ESG matters in FY2020.[1] This was done through a focus group workshop with senior management and Heads of Departments to take into consideration the perceptions of both internal and external stakeholders. The material ESG matters were then validated by the Board.

As part of our yearly review of material ESG matters, in FY2021 we have included one new additional matter, water management. We will continue to review our material topics yearly to ensure relevance to our business.

Figure 7: *Material matters for reporting*

Astaka ESG matters

Material ESG matters	**Key stakeholders impacted** *refer to figure 5 for the full list of our key stakeholders)*
Economic Performance	All Key Stakeholders
Talent Management and Development	Employees
Local Communities	Local communities where we operate
Energy Management	Investors, regulators and tenants of our developments
Compliance	Investors, regulators
Additional ESG matter	**Key stakeholders impacted** *(refer to figure 5 for the full list of our key stakeholders)*
Occupational Health and Safety	Employees, customers, suppliers and contracted workers
Water Management	Investors, regulator and tenants of our developments

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

Our Response to COVID-19

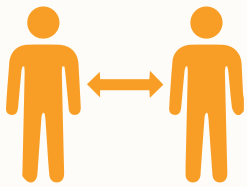
As the ongoing COVID-19 pandemic moves into its second year, its impacts continue to be felt worldwide and at Astaka. In response, we developed Astaka's Business Continuity Plan, and have included in our business continuity plan pandemic risks.

The health and safety of our employees and workers[2] is our top priority, and we have set in place the following preventive measures in line with government regulations while continuing our businesses and operations:

Hygiene

- Employees should always carry hand sanitiser and use as needed.
- Employees must wear a face mask at all times.
- Astaka provides surgical masks and hand sanitiser to all employees.
- Employees should bring utensils from home and avoid sharing utensils.
- Frequent self-disinfecting of workstation/laptop/mobile device are carried out.
- No entry to the office is allowed if an individual's body temperature is above 37.5 degrees celsius.

Social Distancing



- Assembling in large groups for praying is not allowed.
- Handshakes and hugs are not allowed.
- Employees should strictly abide by the one-meter safe-distancing rule at all times.
- Employees are split into teams, with no interactions between groups allowed and each team scheduled to return to the workplace two or three days a week, in order to reduce social interaction.
- Government guidelines on physical meeting arrangements are strictly adhered to, with no exceptions.

Our Sustainability Policy

The Group aspires towards building sustainable developments. We have dedicated resources in our aim to achieve:

Sustainable performance and operations

- To explore opportunities to implement design and technological solutions in all new developments and corporate operations, that are beneficial to the environment and communities while allowing us to deliver enhanced performance
- To also cultivate a sustainability-centric culture within our company by spreading awareness and educating our employees through various communication channels
- To comply with all applicable environmental and socio-economic regulations applicable to the Group

[2] For the purpose of this SR, 'employee' refers only to persons who have employment contracts with Astaka, while 'worker' includes persons who do not have an employment contract with Astaka, but who nevertheless perform work for Astaka, e.g. interns and employees of our suppliers.

Strong relationships with our key stakeholders

- To continuously engage and protect the well-being of our employees and our workers, including our contracted suppliers, with the provision of relevant training, benefits, as well as the enforcement of key health and safety measures
- To continuously engage our shareholders through annual general meetings and extraordinary general meetings (as and when required), and to maintain open channels of communication for shareholders via contact details available on our corporate website at https://astaka.com.my/contact/
- To build a relationship and provide an avenue to understand concerns of the local community and contribute in ways possible

Astaka's Sustainability Roadmap: Three Years Ahead

As part of ongoing efforts to enhance our sustainability reporting disclosures, we have developed our first sustainability roadmap setting out commitments and targets which we aim to achieve within the next three years. As we work towards our targets, we are also establishing internal governance processes and practices to strengthen the sustainability culture across our organisation in order to continue creating shared values with our stakeholders.

We have grouped our sustainability roadmap into three core pillars, namely Governance & Economic Activity, Environment and Social to ensure the holistic development of our sustainability journey.

Figure 8: *Astaka's three-year sustainability roadmap*

The table below summarises our progress against key commitments and targets set for this reporting period:

Key Milestones to Achieve in FY2021	Relevance to Material Topics	Deadline	Progress	Measures Taken and Action Plan
Governance and Economic Activity				
Establish the Group's Anti-Bribery and Corruption policy	Compliance	30 June 2021	Achieved	Established Anti-Bribery and Corruption Policy & procedures, covering all directors, officers and employees of the Group, as well as third-parties.
Zero confirmed cases of significant socio-economic and environmental non-compliance	Compliance	31 December 2022	In Progress	Achieved in 2021. Managed with a 4-dimensional risk management approach with the key principles of awareness, adherence, integration, and verification. More details on page 57.
To maintain zero confirmed cases of fraud or corruption	Compliance	31 December 2022	Achieved	Maintained in 2021. Astaka strives to ensure that this result is maintained in future years. More details on page 57.
Environment				
All future developments to be Green Building Index ("GBI") certified[3], and/or, to achieve a minimum of 3 green initiatives per development	Energy Management	Perpetual	In Progress	As of 31 December 2021, Astaka has no future developments currently planned. In 2021, however, Menara MBJB and The Astaka was rated GBI Certified and provisionally rated GBI Certified for Design Assessment respectively.
Social				
12 training hours on average per employee	Talent Management and Development	31 December 2021	Achieved	As of 31 December 2021, we achieved an average of 15.7 training hours per employee since July 2020.
16 training hours on average per employee	Talent Management and Development	31 December 2022	In Progress	As of February 2022, we are on track for each employee to achieve an average of 16 training hours per employee.
Zero cases of workplace injuries and fatalities	Occupational Health and Safety	Perpetual	Achieved	In FY2021, there were no occupational accident cases reported at corporate HQ. There were no development projects in FY2021 and no construction took place.
Completion of 2 CSR programmes per year	Local Communities	Perpetual	Achieved	In FY2021, we participated in three food aid programmes for flood victims and villagers and one programme where we provided personal protective equipment for school children returning to school amidst the new normal.

[3] The GBI is Malaysia's industry-recognised and profession-driven green rating tool for buildings. It is designed for tropical climates and Malaysia's current social, infrastructure and economic development.

Alignment with SDGs

In 2015, all United Nations Member States ("**UN Members**") adopted the 2030 Agenda for Sustainable Development. The agenda set forth by the UN Members is to address global economic, environmental, social and governance challenges and achieve the 17 Sustainable Development Goals ("SDGs") by 2030. As a responsible property developer in the business sector, Astaka has a long-term sustainability vision. We support the SDGs and as summarised below, these are some of our sustainability initiatives that contribute to the 6 SDGs that we have identified as the most relevant to our business.

As a property developer, Astaka has a strong culture for ensuring the good health and well-being of our employees and contracted workers. We also consider the health and well-being of the local communities.

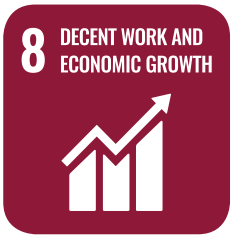
Key actions in FY2021:

- Precautionary measures in view of COVID-19
- Weekly online Quran-reading and exercise sessions to encourage employee bonding and wellness.

Astaka actively promotes gender equality and diversity in the workplace. We believe that gender equality improves the productivity of our employees and signals an attractive work environment for talent.

Key statistics in FY2021:

- Astaka's workforce consists of 45% women on average, across all employment levels
- Staff are provided with equal training opportunities



Since the inception of Astaka, we have provided competitive and merit-based employment opportunities to our talent and aim to promote sustained economic growth in our operating regions.

Highlights:

- All employees receive an annual performance review taking into account quantitative and qualitative key performance indicators in the areas of contribution to the Group's growth, individual performance, key qualities developed and adopted by the Group in FY2021.
- In FY2021, we began carrying out formal employee training sessions, and will continue to develop our employee training programmes.

Astaka promotes and endeavours to develop quality, reliable, sustainable and resilient residential, commercial and office buildings.

Highlights:

- Phase 2 of the development project at One Bukit Senyum (i.e., the Menara MBJB) received a GBI Certified rating, and Phase 1 of the development project at One Bukit Senyum (i.e., The Astaka) received a provisional GBI Certified rating for Design Assessment. Astaka plans to apply for GBI certifications for the remaining developments as well.
- Innovative and quality projects gained wide recognition in the nation and the region, winning awards such as the best integrated commercial development and best universal design development.

11 SUSTAINABLE CITIES AND COMMUNITIES

With a vision to transform Johor Bahru in Malaysia, Astaka's projects provide smart and integrated urban solutions, bringing amenities such as hotel, residences, apartments, shopping malls, private hospital and school all within a single district.

Highlights:

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

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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

Highlights:

- The project development of Menara MBJB used sustainable timber. During the construction phase, construction waste management and water recycling measures were implemented.
- Examples of sustainable features that we have incorporated in our past projects include water-efficient fittings, use of recycled building materials and pneumatic waste collection system which refers to an automated, enclosed system that conveys waste by air suction from individual buildings through an underground pipe network to a central location for pick-up, thereby improving manpower efficiency, as well as reducing odour and pest problems.

ECONOMIC

Economic Performance

Economic performance is an important aspect for Astaka. We work closely with our consultants to gather knowledge, plan and implement design solutions and invest in technologies that are effective in driving key performance indicator improvements, while striving to achieve positive environmental impacts through more sustainable-centric developments and operations.

We recognise that the way we operate our business has both direct and indirect impacts on various stakeholders. At Astaka, for instance, we empower livelihood through employment, provide opportunities for suppliers and contribute to the communities where we operate. Refer to Figure 7 for more information on the breakdown from July 2020 to December 2021.

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

Economic value generated in FY2021	Economic value distributed to others in FY2021	
RM52.58M This includes revenue from sale of development properties, incorporating Finance and other income(s)	Operating Costs **RM52.71M**	This includes purchases from suppliers in relation to the marketing and advertisement of properties, as well as, administrative and other operating expenses.
	Employee Wages & Benefits **RM7.49M**	This includes salaries and benefits to employees.
	Payments to Capital Providers **RM12.39M**	This includes interests paid to providers of loan and capital.
	Payments to Government **RM1.93M**	This includes income tax paid.
	Community Investments **RM0.86M**	This includes philanthropic donations and sponshorships.

Amidst a challenging year for the Malaysian residential property sector due to the disruption caused by the COVID-19 pandemic, Astaka reported a loss-making economic position for FY2021.

Taking into account the effect of COVID-19 safety measures on physical viewing of projects, we have sought to expand our reach to our regional and local customers through the use of virtual and digital marketing. At Bukit Pelali, we provide customers with a 360° virtual tour experience on our website. At The Astaka, we introduce the development to our customers through video meetings.

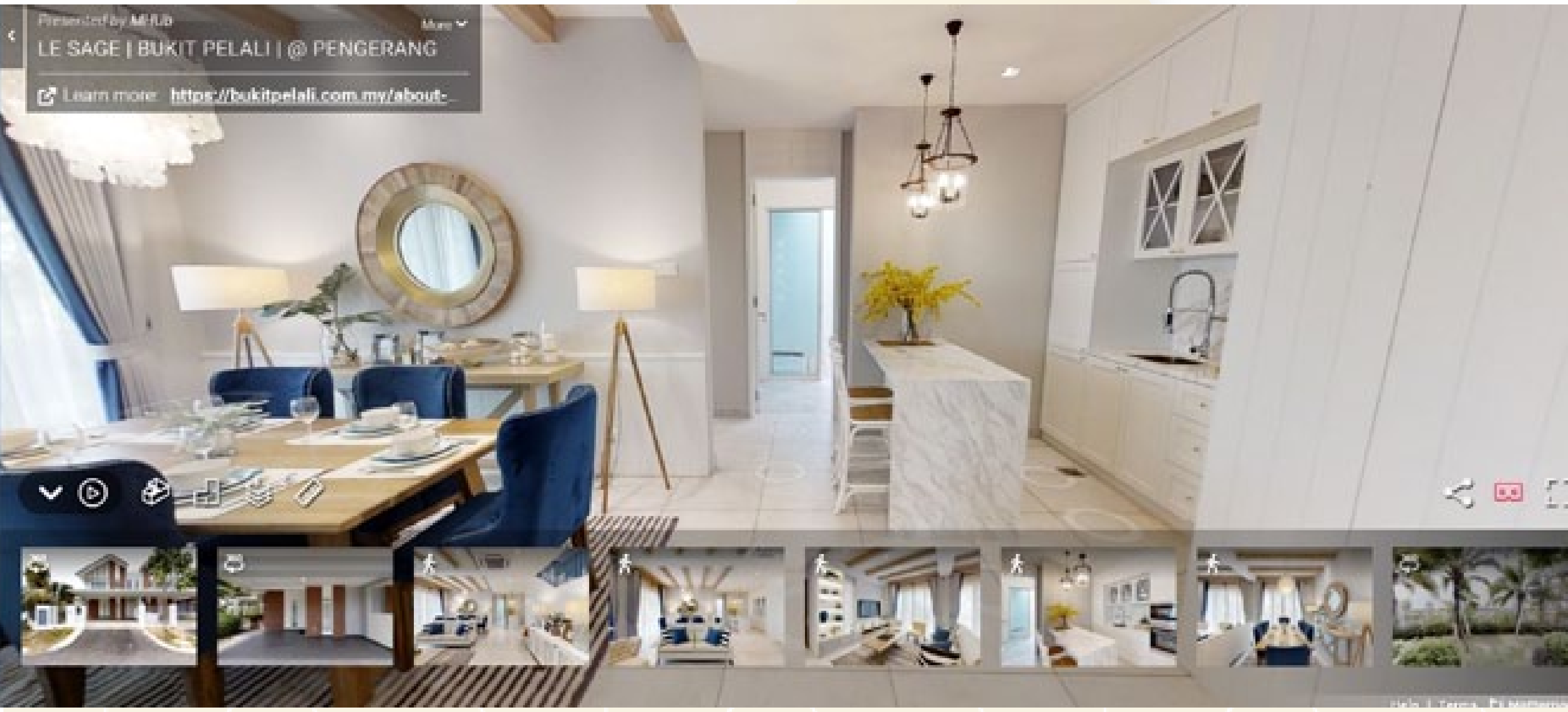


__Figure 10:__ Bukit Pelali 360° virtual tour experience

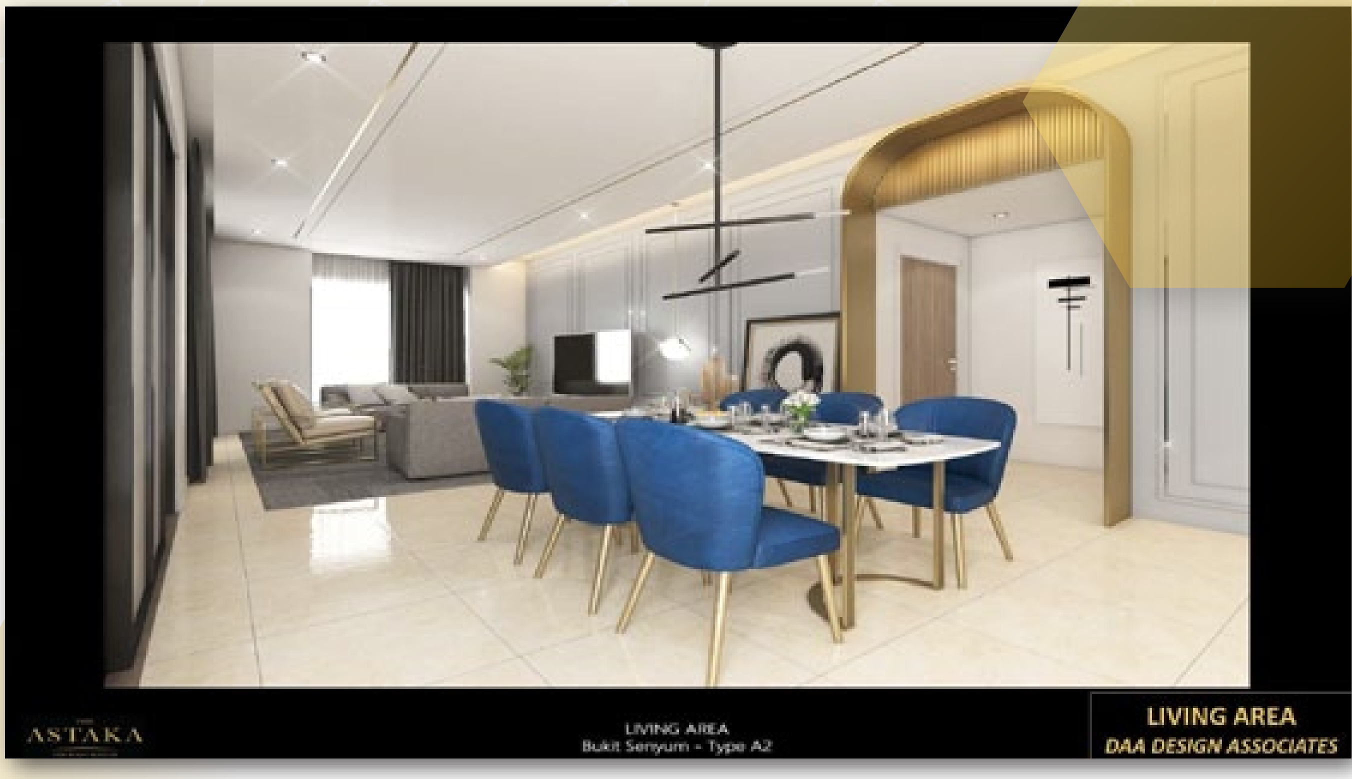


__Figure 11:__ Presentation used virtual meetings for The Astaka

Following the full reopening of all economic sectors in Malaysia in October 2021 and the full opening of the border on 1 April 2022, we anticipate a better outlook in the financial year ahead. With our expectations for improvements in the property sector and the shift towards the endemic living approach to dealing with COVID-19, we have also made encouraging progress in both enhancing our operations and, potentially, in expanding into newer segment of properties such as industrial properties.

We are closely monitoring the market and identifying projects with strong potential to help build our reputation as an integrated property developer. In accordance with this purpose, we recently signed a memorandum of understanding ("**MOU**") with DMR Holdings Sdn. Bhd. to jointly develop 42 acres of land in Johor, Malaysia with an estimated gross development value ("**GDV**") of RM1 billion. The recent MOU will mark our first foray into a light industrial park development, after establishing our reputation in residential and commercial developments. Building on that momentum, we have also entered an MOU with Straits Perkasa Services Sdn. Bhd. for a potential collaboration for a commercial mix-used development in Johor, Malaysia with an estimated GDV of RM160 million. Additionally, we will enhance our revenue stream by capitalising on our proven track record to provide project marketing consultancy services, wherein the Group has secured a contract from Active Estates Sdn. Bhd. ("**Active Group**") to provide project marketing consultancy services to Active Group's latest commercial development project in the centre of Johor Bahru, namely Business Boulevard @ Central Park ("**BBCP**").

Additionally, we remain focused on exploring strategic alliances to develop Phase 3 of One Bukit Senyum, which spans approximately 7.65 acres.

For more details on our Group's business review, historical and current financial performance, please refer to the Annual Report, pages 19 to 22.

We are committed to working closely with our consultants to improve key performance indicators while incorporating sustainable design solutions and technology in all new developments.

SOCIAL

Our People

Our employees are our greatest asset and one that we strongly value as a Group. Our workforce as at 31 December 2021 comprised a total of 69 full-time employees in Singapore and Malaysia. Due to the pandemic, a retrenchment exercise was held on 1 March 2021. We provided support to employees affected by the retrenchment exercise in applications for subsidies based on monthly salary from the Employee Insurance Scheme by the Social Security Organisation.

As at 31 December 2021, all our employees are permanent employees. At Astaka, we are committed to upholding fair employment practices and we strive to maintain a consistent percentage of permanent employees hired by the Group yearly.

We also have in place a half-yearly appraisal form to ensure that there is a formal channel for feedback from and for our employees. Additionally, in July 2021 we implemented formal half-yearly employee performance reviews and department performance assessments with 360-degree feedback. Each employee's individual performance is evaluated based on 5 key factors: company performance, department performance, personal-based key performance indicators (KPIs), demonstration of the Group's values, and feedback from co-workers.

Figure 12: *Astaka's workforce profiles*

Breakdown of full-time employees by employment contract (permanent / temporary), gender and region

Singapore Malaysia

Gender	Malaysia Permanent Employees	Malaysia Temporary Employees	Singapore Permanent Employees	Singapore Temporary Employees
	38 (58%)	0	3 (75%)	0
	28 (42%)	0	1 (25%)	0

Singapore Malaysia

Gender	Malaysia Permanent Employees	Malaysia Temporary Employees	Singapore Permanent Employees	Singapore Temporary Employees
	29 (57%)	0	2 (50%)	0
	22 (43%)	0	2 (50%)	0

Singapore Malaysia

Gender	Malaysia Permanent Employees	Malaysia Temporary Employees	Singapore Permanent Employees	Singapore Temporary Employees
	28 (53%)	0	1 (33%)	0
	25 (47%)	0	2 (66%)	0

Talent Management and Development

Recognising that our employees are key attributes to the continuous growth and success of our business, their competencies and professional development are important to the Group. We have taken the necessary steps to build a foundation for our employees' development and inculcate a growth mindset in order to perform their role and stretch their existing abilities.

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

With that, the Group aims to address both specialised as well as general knowledge and skillsets relevant to each department and those required of inter-departments to work harmoniously together to create quality developments. We aim to build a strong foundation for future programmes with our inaugural roll-out of our training programme beginning this year.

In FY2021, we were able to provide 68 training programmes and workshops, with 7 departments, 17 inter-department, 20 group-wide, and 24 external training segments. Our training programmes focused on internal compliance and Standard Operating Procedures and were carried out by internal heads of department, with specific training offered by external consultants for departments where required. We achieved a grand total of 1,080 training hours for our employees at the end of FY2021.

Figure 13: *Breakdown of average training hours in FY2021 by gender and by employment category*[4]

Average Hours of Training Undertaken in FY2021 by gender and by employment category

Gender	Average no. of Training Hours	
	Q1-Q4	Q3-Q6
Male	5.1	9.2
Female	8.2	13.2

Employee Category	Average no. of Training Hours	
	Q1-Q4	Q3-Q6
Top Management	2.7	7.4
Management	6.7	14.6
Executives	11.1	14.2
Non-executives	1.0	4.5

[4] *Training hours data includes staffs who have resigned.*

Local Communities

Astaka is committed to supporting and empowering the local communities in our operating regions. We maintain an open communication channel with our customers and the local communities through our property management team, which has an email address and a hotline available on our website for our stakeholders to contact when needed. In the event of unforeseen circumstances, such as when the slope slippage occurred at Bukit Pelali in Pengerang in January 2021 due to heavy rains, our property management team worked closely with the relevant authorities to ensure the safety and well-being of residents through site inspections, and established a taskforce to address the concerns of residents and interested parties.

Apart from that, we also support local communities by addressing their specific needs and participating in local charity programmes. Our donations and sponsorships largely focus on education, sports events and the well-being of the underprivileged. We have committed to contributing RM400,000 each year to the Iskandar Regional Development Authority's ("**IRDA**") Social Projects Fund ("**SPF**") between 2020 and 2024. The IRDA SPF funds social programmes and projects that focus on development in the region, such as the Kawan Iskandar Malaysia, Iskandar Malaysia Urban Farming, and Village Enhancement Programme.

In addition, we carried out 3 CSR programmes in FY2021. Disaster relief, food aid and the need for children to have personal protective equipment as they return to school during the pandemic were pressing community needs that we identified as key areas requiring support.

Flood Relief Donation at Pengerang Area

The state of Johor experienced bad weather with continuous heavy rains in late December 2020 and early January 2021, forcing more than 3,500 people to evacuate and move to temporary relief centers. Among the districts affected heavily by the floods was Pengerang, where our Bukit Pelali project is located. Recognising the immediate problem of food shortage, we took the initiative to donate food for 190 victims from 2 selected evacuation centres in a joint collaboration between one of our subsidiaries, Bukit Pelali Properties Sdn. Bhd. and the district community committee.

The distribution of donations was held at Kampung Lepau Flood Centre and SJKC Pok Poon Flood Centre on 2 January 2021.

Bubur Lambuk and Kurma Ramadhan 2021

During the month of Ramadhan, Bukit Pelali Properties partnered with villagers from Kampung Bukit Raja in Pengerang to serve rice porridge, otherwise known as "Bubur Lambuk" to the village community. In a collaborative effort with the village community committee, preparation of the cooking was managed by the village community committee and supported by Astaka employees. The combined efforts have enabled the distribution of 500 packets across five different locations on 29 April 2021.

Subsequently on 2 May 2021, Astaka Padu Sdn. Bhd. also carried out a similar initiative covering multiple locations in Johor Bahru with Grand Chicken Rice, our restaurant partner, managing the cooking preparation. 500 packets were also distributed to residents living in the community and to workers at nearby offices.

Support New Normal in School Programme 2021

In order to support students as they adjust to the new normal, Astaka's employees distributed disinfectants as well as personal protective equipments such as face masks. A total of 250 students from Little Caliphs, SJKC Yok Poon, SK Teluk Ramunia, SK Tanjung Kapal, SK Pungai, and Madrasah Tahfiz benefited from the donations.

Occupational Health and Safety

Safeguarding the health and safety of our employees and other workers at our sites is one of the top concerns and priorities of Astaka. We are fully aware of the hazards of the jobsite in our sector, and we recognise that workplace health and safety does not happen by chance and is not to be taken for granted. The Group has thus introduced multi-layered measures to protect our people’s well-being.

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

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

Although no construction activities took place for developments, remedial works were being carried out due to the slope slippage event at Bukit Pelali. To ensure the safety of the workers, safety meetings were conducted on a fortnightly basis, and minutes of safety meetings were incorporated into the monthly project reports. Additionally, scaffolding was inspected by an accredited inspector and certified fit for use, while daily tool box meetings placed an emphasis on occupational safety. In FY2021, there were no occupational accident cases reported at the construction sites or in the workplace.

Thirdly, all of Astaka’s employees are covered by a group medical and health insurance plan that provides coverage for hospitalisation and surgical treatment[5] with 24-hours and worldwide access. Cashless access is also available for panel hospitals.

Finally, we also promote employees’ well-being by organising workplace bonding events such as badminton sessions. We continued to hold employee wellness programmes during this period as well. Due to COVID-19 safety measures, we organised alternative e-wellness programmes that were made available to all staff during the WFH period. Further to that, we hold weekly Quran reading (Program Bacaan Yaasin & Tazkirah) and e-Exercise sessions to encourage employees to stay active during this pandemic.

[5] Subject to terms of the group insurance policy

ENVIRONMENT

Energy Management

Astaka firmly believes that climate change is an urgent global challenge and we seek to do our part by investing in effective energy conservation initiatives and technologies. For example, we now use energy-saving LED lighting in our corporate offices and sales galleries. Our developments are also managed with the target of ensuring energy efficiency where possible, with the full support of our property managers in practicing energy conservation measures. In recognition of our energy conservation initiatives, among others, The Astaka and Menara MBJB received a provisional GBI certification in Design Assessment and GBI Certified rating on Completion and Verification Assessment in 2021 respectively.

Green Initiatives at Astaka's Developments

Menara MBJB

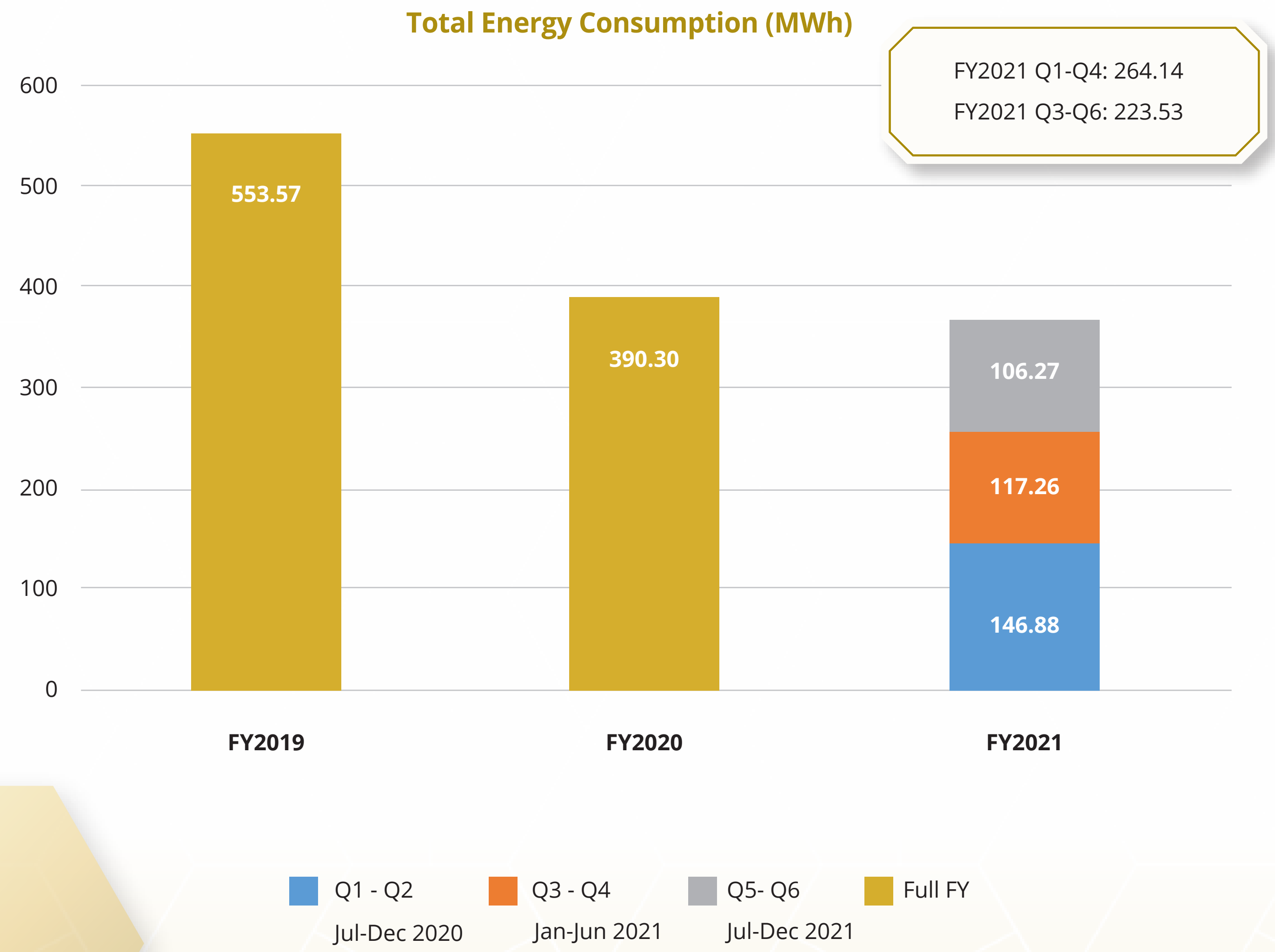
- Installed digital power and water meter to monitor energy and water consumption for efficiency to improve the building management system
- Used low volatile organic compounds ("**VOC**") paints, adhesives, sealants in the building, resulting in less pollution
- Avoided use of added urea formaldehyde timber boards and carpets, which contribute to increased emissions
- Used low-E Glass designed to maximise the view and daylight to laminate the façade. 50% of building Net Lettable Area ("**NLA**") has a Daylight factor of 1.0% to 3.5%, achieving a fair – good rating
- Installed LED lighting with motion lighting in all areas covering 25% of NLA
- Rendered more than 75% of the roof with cement, and the roof has a Solar Reflective Index ("**SRI**") of >78. This means that the roof's ability to reject solar heat is higher, thus reducing heat absorption
- Used recycled content for more than 10% of the building material
- Implemented usage of lifts with regenerative drives, with half of the building's lifts equipped with regenerative drives
- Used R134a refrigerant for the building chiller system, which is a zero-ozone depleting product
- Installed glass wall building covered with façade and blinds that helps to shade the building
- Ensured sustainable maintenance of the building together with the Facilities Management Team

The Astaka

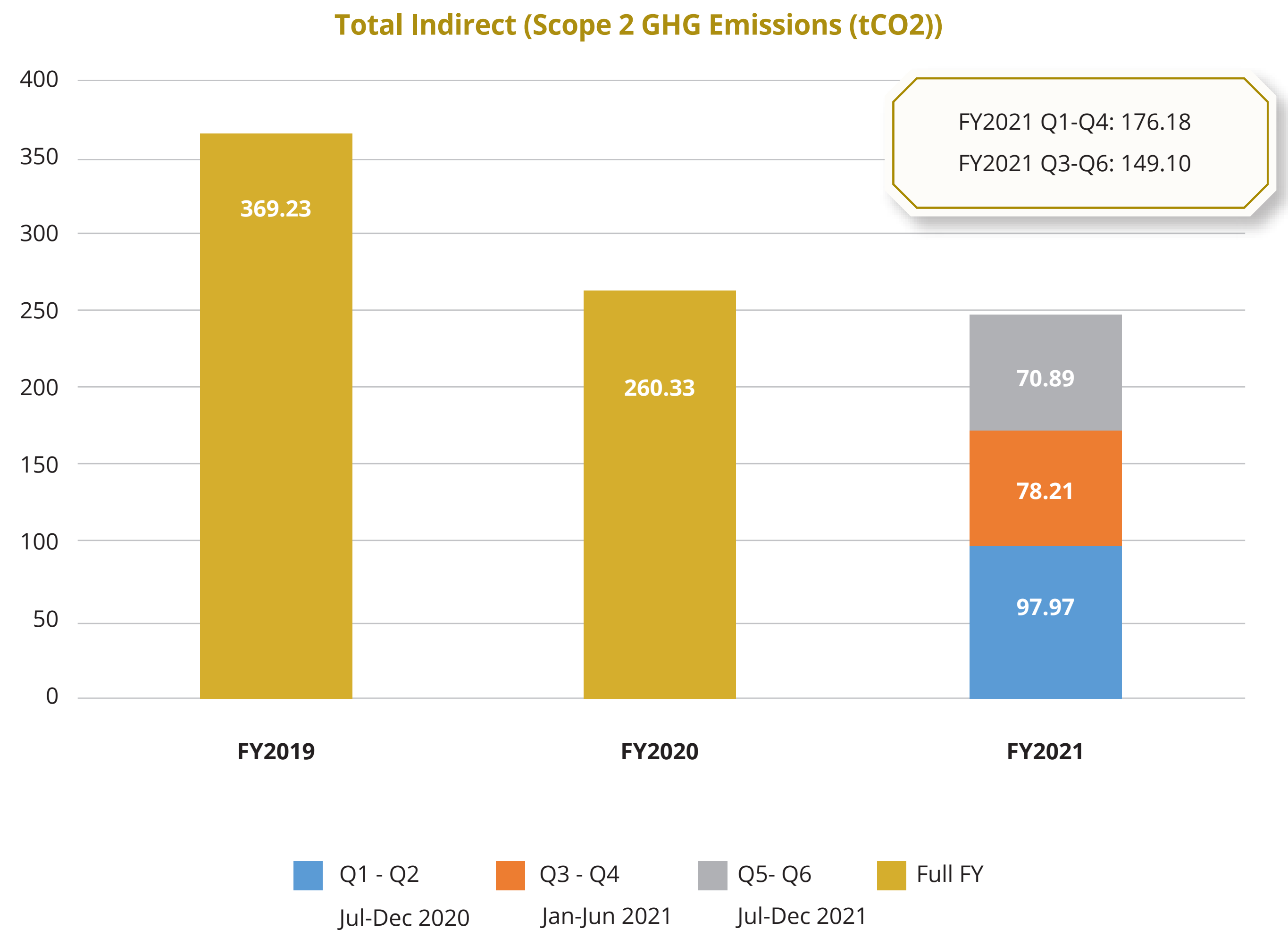
- Limited operating hours of the air conditioners at the main lobbies of The Astaka to a maximum of ten to twelve hours each day to conserve energy during non-peak hours, and air conditioners at select areas are also switched off when not in use.
- Provided water-efficient fittings for building occupants
- Used low VOC compounds in the building, resulting in less pollution
- Installed LED lighting in all common areas
- 75% of building NLA has a Daylight factor 1.0% to 3.5%, achieving a fair – good rating
- Greenscaped more than 25% of the land area with native and adaptive plants and/or water body. Additionally, more than 10% of the onsite landscape is planted with herbs.
- Implemented usage of lifts with regenerative drives, with half of the building's lifts equipped with regenerative drives

Astaka aims to ensure that our buildings are designed to use energy efficiently. We measure our energy consumption for our corporate office, sales galleries at The Astaka, and the common areas of one of our developments, Bukit Pelali. As Bukit Pelali is a joint venture with Saling Syabas, we have accounted for 51% of the emissions. Currently, we derive 100% of our energy from electricity purchased from the national grid. Following a significant improvement in environmental housekeeping practices and investments in energy efficient technology, in addition to the lack of footfall during COVID-19, in FY2021 our total energy consumption decreased from 390.3 Megawatt hour ("**MWh**") in FY2020 to 264.1 MWh in FY2021 Q1-Q4. Correspondingly, our carbon emissions decreased from 260.3 tonnes CO2 ("**tCO2**") in FY2020 to 176.2 tCO2 in FY2021 Q1-Q4, attaining a reduction of about 32%. Going forward, we aim to incorporate more sustainable design and technologies in our future developments to improve our carbon footprint.

Figure 14 and 15: *Energy consumption and Indirect (Scope 2) GHG emissions at Astaka*[6]



[6] The data in this section has been restated to account for the change in reporting scope. Astaka will no longer report energy data from the common areas of The Astaka as it is no longer under our operational control.



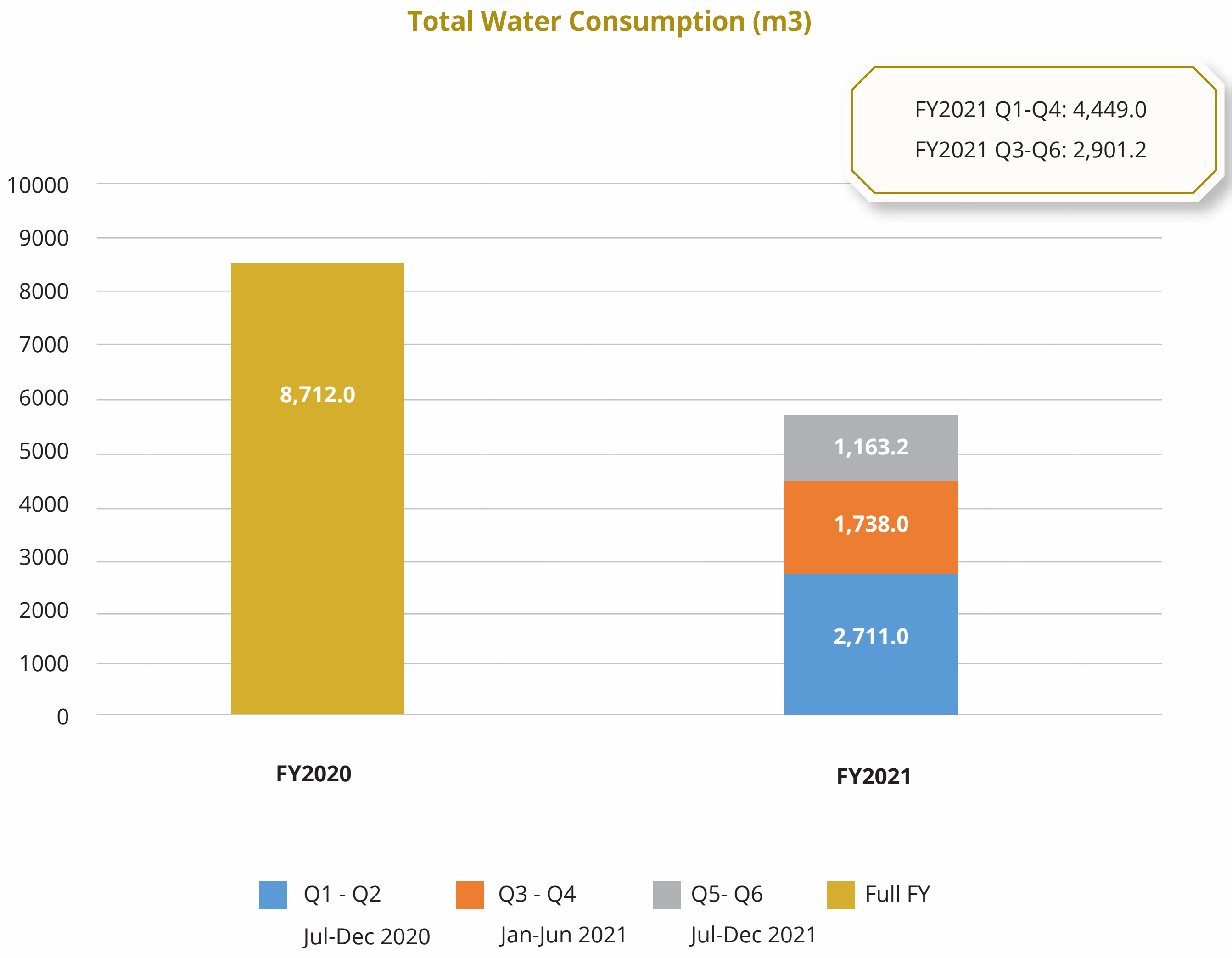
Water Management

With climate change resulting in longer dry spells, we at Astaka understand the importance of playing our part by reducing our water consumption, starting with initiatives such as rainwater harvesting at Menara MBJB and The Astaka. Harvested rainwater is typically used for watering of plants or cleaning at Menara MBJB and The Astaka. We have begun tracking our water consumption with the goal of setting realistic targets by 2023. Additionally, we have started to build a culture that values water conservation, starting with signages to remind our employees of good water saving habits.

Our water consumption at Astaka Padu HQ Office, Astaka Sales Gallery at One Bukit Senyum, and Bukit Pelali @ Pengerang consists of freshwater from the Johor Bahru municipal water supply. According to the World Resources Institute's Water Risk Atlas, Johor Bahru is an area at low risk of water stress.

In FY2021, our total intake of freshwater was 7,359.2 cubic meters, compared with 8,712.00 cubic meters in FY2020. The significant decrease in our water consumption for FY2021 as compared to FY2020 can be attributed to the lockdown measures during the height of the pandemic. Going forward, our aim will be to continue to monitor and reduce our water consumption, with the purpose of setting targets for water consumption in FY2023. Our freshwater intake is mainly used for operational purposes.

Figure 16: *Total Water Consumption (m3) at Astaka*



GOVERNANCE

Compliance

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

Figure 17: *Major laws and regulations that Astaka needs to comply with*

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

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

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

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

In FY2020 and FY2021, there were zero confirmed cases of fraud or corruption at Astaka. A public reprimand was however issued in FY2021 for breaches of Catalist Rules that took place in 2019. In response to this, the Board Charter was established and formalised by the Management, and approved by the Board. The Board Charter sets out the roles and responsibilities of the Board, the Reserved Matters and the Limits of Authorisation.

In FY2020 and FY2021, Astaka also recorded zero cases of significant socio-economic and environmental non-compliance.

Fines received in FY2021 did not exceed RM25,000 in total, and of the incidents, the majority were related to minor traffic offences such as vehicle parking. One incident was related to late submission of financial documents and five incidents were related to late payment of taxes. To ensure that we comply with regulations in the future, we have reviewed our process for setting and reviewing timelines in order to comply with deadlines for the submission of financial documents, and to monitor the expiry of season parking.

APPENDIX A: METHODOLOGY

This section details definitions, methodologies and data boundaries otherwise not already specified, applied to the sustainability performance data disclosed in our SR. They are made with reference to GRI Standards Glossary 2018, internationally recognised standards and the reporting guidance set out in the respective GRI topic-specific disclosures. The GRI topic-specific disclosures covered are listed out in Appendix B: GRI Content Index of this report.

General

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

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

Worker do not have a contractual relationship with the Group.

Talent management and development

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

Occupational Health and Safety

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

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

Energy management

Energy consumption and Indirect Scope 2 GHG emissions
Energy consumption and GHG emissions data at Bukit Pelali covers common areas owned by the Group and exclude data from tenants for the financial year. Noting that Bukit Pelali Properties is a joint-venture development with Saling Syabas, the Group has applied the financial control approach, which is aligned with Greenhouse Gas Protocol's guidance, in determining the amount of energy consumed by Astaka. We currently own 51% of Bukit Pelali. The same approach is applied for the calculation of GHG emissions.

The electricity Grid Emission Factor ("**GEF**") used has been sourced from 2017 CDM Electricity Baseline for Malaysia, prepared by Malaysian Green Technology Corporation. The last available GEF was from 2017.

Water management

Water consumption data covers the Astaka Padu HQ office, Astaka Sales Gallery at One Bukit Senyum, and Bukit Pelali @ Pengerang. Our water consumption consists of freshwater from the Johor Bahru municipal water supply. Information on water stress levels are referenced from the World Resources Institute's Water Risk Atlas.

Compliance

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

- Significant fines
- Non-monetary sanctions

APPENDIX B: GRI CONTENT INDEX

GRI Standards Disclosures		Report Section and/or Direct Answers	Page Reference
General Disclosures			
Organisational Profile			
102-1	Name of the organisation	Board Statement	32
102-2	Activities, brands, products, and services	Corporate Profile	1
102-3	Location of headquarters	Group Structure	28
102-4	Location of operations	Johor Bahru, Malaysia	-
102-5	Ownership and legal form	Group Structure	28
102-6	Markets served	The Group's core market is Malaysia	-
102-7	Scale of the organization	Financial Highlights; Our People	19 48
102-8	Information on employees and other workers	Our People	48 - 49
102-9	Supply chain	Supply Chain Management	36
102-10	Significant changes to the organization and its supply chain	Chairman's and CEO's Statement	13 - 17
102-11	Precautionary principle or approach	Supply Chain Management	36
102-12	External initiatives	Astaka's Sustainability Roadmap: Three Years Ahead	41 - 42
102-13	Membership of associations	The Group is a member of Real Estate Developers' Association of Singapore (REDAS)	N.A.
Strategy			
102-14	Statement from senior decision-maker	Board Statement	32
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	Sustainability Approach	34
Governance			
102-18	Governance structure	Astaka's Sustainability Governance	35
Stakeholder Engagement			
102-40	List of stakeholder groups	Stakeholder Engagement	37 - 39
102-41	Collective bargaining agreements	The Group has not entered into any collective bargaining agreements as at end of FY2021.	N.A.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	37 - 39

GRI Standards Disclosures		Report Section and/or Direct Answers	Page Reference
General Disclosures			
102-43	Approach to stakeholder engagement	Stakeholder Engagement	37 - 39
102-44	Key topics and concerns raised	Stakeholder Engagement	37 - 39
Reporting Practice			
102-45	Entities included in the consolidated financial statements	About the Report	33
102-46	Defining report content and topic Boundaries	About the Report	33
102-47	List of material topics	Materiality Assessment	39
102-48	Restatement of information	Energy Management	53
102-49	Changes in reporting	About the Report; Materiality Assessment	33 39
102-50	Reporting period	About the Report	33
102-51	Date of most recent report	Published on 9 October 2020	N.A.
102-52	Reporting cycle	Annual	N.A.
102-53	Contact point for questions regarding the report	About the Report	33
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	33
102-55	GRI content index	Appendix B: GRI Content Index	59 - 62
102-56	External assurance	This Sustainability Report is not externally assured. Astaka will consider engaging an independent third-party assurer as we mature in our reporting.	N.A.
Material Topic: Economic Performance			
Economic Performance 2016			
201-1	Direct economic value generated and distributed	Economic Performance	45 - 47
Management Approach			
103-1	Explanation of the material topic and its boundary	Economic Performance	45 - 47
103-2	The management approach and its components	Our Sustainability Policy; Astaka's Sustainability Roadmap: Three Years Ahead; Economic Performance	40 - 41 41 – 42 45 - 47
103-3	Evaluation of the management approach	Economic Performance	45 - 47

GRI Standards Disclosures		Report Section and/or Direct Answers	Page Reference
Material Topic: Talent Management and Development			
Management Approach			
103-1	Explanation of the material topic and its boundary	Training and Education	49
103-2	The management approach and its components	Our Sustainability Policy; Astaka's Sustainability Roadmap: Three Years Ahead; Training and Education	40 - 41 41 - 42 49
103-3	Evaluation of the management approach	Training and Education	49
Training and Education 2016			
404-1	Average hours of training per year per employee	Training and Education	49
Material Topic: Local Communities			
Management Approach			
103-1	Explanation of the material topic and its boundary	Local Communities	50 - 51
103-2	The management approach and its components	Our Sustainability Policy; Astaka's Sustainability Roadmap: Three Years Ahead; Local Communities	40 - 41 41 - 42 50 - 51
103-3	Evaluation of the management approach	Local Communities	50 - 51
Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Local Communities	50 - 51
Additional Topic: Occupational Health and Safety 2018			
Management Approach			
403-1	Occupational health and safety management system	Occupational Health and Safety	51
403-6	Promotion of worker health	Occupational Health and Safety	51
Additional Topic: Occupational Health and Safety 2018			
Management Approach			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	51
Material Topic: Energy Management			
Management Approach			
103-1	Explanation of the material topic and its boundary	Energy Management	52 - 54

GRI Standards Disclosures		Report Section and/or Direct Answers	Page Reference
103-2	The management approach and its components	Our Sustainability Policy; Astaka's Sustainability Roadmap: Three Years Ahead; Energy Management	40 - 41 41 - 42 52 - 54
103-3	Evaluation of the management approach	Energy Management	52 - 54
Energy 2016			
302-1	Energy consumption within the organization	Energy Management	52 - 54
Emission 2016			
305-2	Energy indirect (Scope 2) GHG emissions	Energy Management	52 - 54
Additional Topic: Water Management 2018			
Management Approach			
103-1	Explanation of the material topic and its boundary	Water Management	54 - 55
103-2	The management approach and its components	Our Sustainability Policy; Astaka's Sustainability Roadmap: Three Years Ahead; Water Management	40 - 41 41 - 42 54 - 55
103-3	Evaluation of the management approach	Water Management	54 - 55
Water and Effluents 2018			
303-3	Water Withdrawal	Water Management	54 - 55
Material Topic: Regulatory Compliance			
Management Approach			
103-1	Explanation of the material topic and its boundary	Compliance	56 - 57
103-2	The management approach and its components	Our Sustainability Policy; Astaka's Sustainability Roadmap: Three Years Ahead; Compliance	40 - 41 41 - 42 56 - 57
103-3	Evaluation of the management approach	Compliance	56 - 57
Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Compliance	56 - 57
Socio-economic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	Compliance	56 - 57
Environmental Compliance 2016			
307-1	Non-compliance with laws and regulations environmental laws and regulations	Compliance	56 - 57

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

The Company has adopted corporate governance practices and guidelines with references to the Code of Corporate Governance 2018 (the "Code") for the financial period from 1 July 2020 to 31 December 2021 ("FY2021").

Pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist issued by the SGX-ST (the "Catalist Rules"), this corporate governance report (the "Report") describes the Company's corporate governance processes and activities for FY2021. Proper explanation has been given where there is a deviation from the recommended guideline(s).

BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

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

The Board's principal functions include providing entrepreneurial leadership and approving strategic business plans, annual budget plan, major acquisition and disposal of assets and businesses, and financial results of the Group. It also establishes a framework of prudent and effective controls appropriate to the nature and size of the Group's operations which enable risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets and sets corporate values and standards (including ethical standards) for the Company to ensure that the obligation to shareholders and other stakeholders are met. In addition, the Board reviews the Company's corporate policies, financial performance as well as the performance of the management of the Company ("Management").

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

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

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

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

The Board conducts regularly scheduled meetings on a quarterly basis to coincide with the announcement of the Group's quarterly and full-year financial results and to keep the Board updated on business activities and the overall business environment in which the Group operates. Additional meetings are convened as and when circumstances dictate. The Company's Constitution allows for meetings to be conducted by way of telephone conferencing or any other electronic means of communication. The number of Board and Board Committee meetings held in FY2021 and the attendance of each Director are set out as follows:

	Board	AC	RC	NC
No. of meetings held in FY2021	6	6	1	1

Name of Director	Designation	No. of Meetings attended in FY2021			
Mr. Lai Kuan Loong, Victor	Non-Executive Chairman and Independent Director	6	6	1	1
Mr. Khong Chung Lun	Executive Director and Chief Executive Officer ("CEO")	6	Not Applicable	Not Applicable	1
Dato' Zamani Bin Kasim(1)	Executive Director	5	Not Applicable	Not Applicable	1
Mr. Lee Gee Aik	Non-Executive and Independent Director	6	6	1	1
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Non-Executive and Independent Director	6	6	1	1
Ir. Hj. Syarul Izam Bin Hj. Sarifudin(2)	Non-Executive and Non-Independent Director	–	Not Applicable	Not Applicable	–

Notes:

(1) Dato' Zamani Bin Kasim resigned as the Executive Director of the Company on 31 August 2021.

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

Orientations would be organised for new director(s), when appointed, that include briefing by Management on the Group's structure, business strategies, operations, and Company's policies. Management would also arrange tour of the Company's operating sites for all directors. Due to the COVID-19 restrictions over last two years, the tour of the Company's operating sites for the directors was postponed. Nevertheless, the new and existing directors were briefed and updated by Management with regards to the Company's operating sites on a regular basis. The Company will provide newly appointed director(s) with a formal letter setting out their duties and obligations. First-time directors of a listed company ("First-Time Director") will receive relevant training in the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange to meet the Mandatory Training requirements under Rule 406(3)(a) and Practice Note 4D of the Catalist Rules. No new Director was appointed in FY2021.

Subsequent to FY2021, the Company had appointed Ir. Hj. Syarul Izam Bin Hj. Sarifudin ("Ir. Hj. Syarul Izam") as the Non-Executive and Non-Independent Director of the Company on 1 April 2022. Ir. Hj. Syarul Izam was given the letter of appointment, setting out his duties, obligations and the terms of appointment, and was briefed on the Group's structure, business, operations and policies as well as given a tour of the Company's operating sites. Being a First-Time Director, Ir. Hj. Syarul Izam will undergo training in the roles and responsibilities of a director of a listed issuer within one year from the date of his appointment to the Board as prescribed by the SGX-ST, in accordance with Rule 406(3)(a) and Practice Note 4D of the Catalist Rules.

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

Some key briefings, updates and/or trainings attended by the Directors collectively for FY2021 include the following:

- the Company's external auditors updated the AC members on developments and/or changes on the accounting standards;
- the Directors are updated on the business activities and strategic directions of the Group;
- the Directors are updated on changes to the listing rules, corporate governance and other regulatory requirements, on a regular basis; and
- relevant training courses organised by the institutes and/ or group associations of specific interests, such as The Institute of Singapore Chartered Accountants.

Access to Information

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

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

The Directors also have unrestricted access to the Company's records and information. The Company Secretary administers, attends, and prepares minutes of all Board and Board Committees meetings for circulation and approval. The appointment and the removal of the Company Secretary rests with the Board as a whole.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

As at the end of FY2021, the Board comprises one (1) Executive Director and three (3) Non-Executive and Independent Directors (including the Board Chairman).

The composition of the Board is summarised in the table below:

Name of Director	Designation	Date of Appointment	Last Date of Re-election
Mr. Lai Kuan Loong, Victor	Non-Executive Chairman and Independent Director	13 November 2019	5 February 2020
Mr. Khong Chung Lun	Executive Director and CEO	13 November 2019	5 February 2020
Mr. Lee Gee Aik	Non-Executive and Independent Director	19 November 2015	28 October 2020
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Non-Executive and Independent Director	13 November 2019	5 February 2020

As at the date of this Report, the Board comprises one (1) Executive Director, three (3) Non-Executive and Independent Directors (including the Board Chairman), and one (1) Non-Executive and Non-Independent Director. The composition of the Board is summarised in the table below:

Name of Director	Designation	Date of Appointment	Last Date of Re-election
Mr. Lai Kuan Loong, Victor	Non-Executive Chairman and Independent Director	13 November 2019	5 February 2020
Mr. Khong Chung Lun	Executive Director and CEO	13 November 2019	5 February 2020
Mr. Lee Gee Aik	Non-Executive and Independent Director	19 November 2015	28 October 2020
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Non-Executive and Independent Director	13 November 2019	5 February 2020
Ir. Hj. Syarul Izam Bin Hj. Sarifudin	Non-Executive and Non-Independent Director	1 April 2022	–

There is a strong and independent element on the Board given that the Non-Executive and Independent Directors form the majority of the Board, including the Board Chairman who is non-executive and independent. Accordingly, the composition of the Board is in compliance with the Code and the Catalist Rules.

The Independent Directors have confirmed that they do not have any relationship with the Company, its related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere with the exercise of the Director's independent business judgment with a view to the best interest of the Company.

The Board considers an Independent Director as one who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment of the Company's affairs with a view to the best interests of the Company.

The Board has taken into account the assessment of the NC on whether a Director is independent in character and judgment and whether there are relationships or circumstances which are likely to affect or could appear to affect the Director's judgment. In assessing the independence of each Director annually, the NC had examined different relationships identified by the Code, the Practice Guidance on the Code and Rule 406(3)(d) of the Catalist Rules that might impair the Directors' independence and objectivity. Accordingly, the NC had reviewed and determined that Mr. Lee Gee Aik, Dato' Sri Mohd Mokhtar Bin Mohd Shariff and Mr. Lai Kuan Loong, Victor are considered independent.

There are no Independent Directors who have served beyond nine (9) years since the date of their appointments as an Independent Director of the Company.

The Non-Executive Directors, led by the Non-Executive Chairman, meets without the presence of Management as and when necessary, and provide feedback to the Board as appropriate. The Non-Executive Directors have met once in the absence of Management in FY2021. The Company also benefits from Management's ready access to its Directors for guidance and exchange of views at the Board and Board Committees meetings or informal meetings.

The Company has adopted a board diversity policy in the financial year ended 30 June 2020 ("FY2020"). The primary objective of the existing Board diversity policy is to ensure that the Board comprises a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and challenge that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core businesses and strategy of the Group, and support succession planning and development of the Board. It enhances decision-making capability and gives diversified views to enhance Board discussion and ensuring that the decisions made by the Board have been considered from all points of view. The Board comprises Directors who have expertise across areas such as finance and accounting, business and industry-specific experience, legal, management and strategic planning.

The diversity of the Directors' experience allows for the useful exchange of ideas and views. Taking into account the scope and nature of the operations of the Group, the Board considers its current size with diverse skills and experiences to be adequate for effective decision-making.

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

Core Competencies	Number of Directors	Proportion of Board
Accounting or Finance	3	60%
Business Management	4	80%
Legal or Corporate Governance	3	60%
Relevant industry knowledge experience	2	40%
Strategic Planning experience	5	100%

The Board carries out a Board performance evaluation annually. The Directors are requested to complete a Board evaluation questionnaire designed to seek their view on various aspects of the Board performance. The results were thereafter compiled and submitted by the Company Secretary to the NC Chairman, in consultation with the NC, to assess if the current size of the Board, combined experience, skills, knowledge and expertise of the Directors provide effective decision-making and leadership to the Company and to understand the range of expertise that is lacking by the Board, if any.

The Board collectively has professional expertise in accounting and finance, business management, legal, corporate governance, real estate development and strategic planning experience. The NC is of the view that the current Board comprises persons who as a group provide capabilities required for the Board to be effective. To meet the changing challenges in the industry which the Group operates in, such reviews, which include considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies would be done periodically to ensure that the Board dynamics remain optimal. The Board will consider the appointment of a new Board member with inter alia, the relevant industry knowledge (regardless of gender, ethnicity or nationality) experience to bring new perspective to the Board and further enhance the Board's effectiveness.

Independent and/or Non-Executive Directors constructively challenge and help develop proposals on strategy and review the performance of Management in meeting the goals and objectives, monitor the reporting of the Company's performance, and meet privately without the presence of the Executive Directors and Management as and when necessary. Key information of the Directors is set out on pages 24 to 26 of this Annual Report.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

In addition, the Chairman ensures that Board meetings are held as and when necessary, sets the meeting agenda and ensures that adequate time is available for discussion of all agenda items, in particular, strategic issues. He also ensures that any information and materials to be discussed at Board meetings are circulated on a timely basis to Directors so as to enable them to be updated and prepared, thereby enhancing the effectiveness of the Non-Executive Directors and the Board as a whole. He engages and promotes constructive engagement and open interaction as well as contribution among the Directors and engages with Management regularly. The Chairman assumes the lead role in promoting high standards of corporate governance and ensures the effective communication with shareholders. He is available to shareholders where they have concerns, and for which contact through the normal channels of communication with the Management are inappropriate or inadequate.

PRINCIPLE 4: BOARD MEMBERSHIP

Nominating Committee

As at the end of FY2021, the NC of the Company comprises four (4) directors, the majority of whom, including the NC Chairman, are Independent Directors. The members of the NC are:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As at the date of this Report, the Company does not have any alternate Directors. Alternate Directors may be appointed in exceptional circumstances.

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

The NC has adopted internal guidelines to address competing time commitments of Directors who serve on multiple boards by setting a maximum number of listed company board representations of not more than six (6). Please refer to pages 24 to 26 of the Annual Report for the information of all Directors, including their listed company directorships and other principal commitments.

Having assessed the capacity of the Directors based on factors such as the expected and/or competing time commitments of Directors, the size and composition of the Board and the nature and scope of the Group's operations and size, the Board is of the view that this number would allow Directors to have increased exposure to different Boards and broaden their experience and knowledge in relation to Board matters, hence ultimately benefitting the Company.

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

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

In considering the nomination, the NC took into account the composition of the Board, and the competency, performance and contribution of the Directors with reference to their attendance, preparedness and participation in the Board and Board Committees as well as the time and effort accorded to the Company's business and affairs. Subject to the NC's satisfactory assessment, the NC would recommend and propose re-appointment of the director to the Board for its consideration and approval. To ensure the independence of the Director's appointment, re-nomination and retirement, each member of the NC abstains from voting on any resolution and making any recommendations and/or participating in respect of matters of which he has an interest in. The NC has determined that in respect of FY2021, none of the Independent Directors has any relationship with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence to the Board.

The NC had recommended to the Board that Ir. Hj. Syarul Izam Bin Hj. Sarifudin, Mr. Lai Kuan Loong, Victor and Dato' Sri Mohd Mokhtar Bin Mohd Shariff be nominated for re-election at the forthcoming AGM. All three (3) of them have given their consent to continue in office.

Ir. Hj. Syarul Izam Bin Hj. Sarifudin will, upon re-election as a Director of the Company, remain as the Non-Independent and Non-Executive Director of the Company, and a member of the NC. Mr. Lai Kuan Loong, Victor will, upon re-election as a Director of the Company, remain as a Non-Executive Chairman and Independent Director of the Company, Chairman of the NC and RC, as well as member of the AC. Dato' Sri Mohd Mokhtar Bin Mohd Shariff will, upon re-election as a Director of the Company, remain as a Non-Executive and Independent Director of the Company, and a member of the AC, NC and RC. The Board considers Mr. Lai Kuan Loong, Victor and Dato' Sri Mohd Mokhtar Bin Mohd Shariff to be independent for the purposes of Rule 704(7) of the Catalist Rules.

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

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Directors seeking re-appointment (as set out in Appendix 7F to the Catalist Rules) can be found on pages 86 to 95 of this Annual Report.

A record of the NC members' attendance at the NC meetings during FY2021 is set out on page 64 of this Annual Report. Key information of the Directors is set out on pages 24 to 26 of this Annual Report.

PRINCIPLE 5: BOARD PERFORMANCE

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

The performance evaluation was conducted for the Board as a whole and each of the Board Committees (namely the AC, NC and RC) in FY2021 for assessing the contribution by the Chairman and each of the Board Committees' members to the effectiveness of the Board. This evaluation exercise reviews the effectiveness of the Board as a whole and of its Board Committees and provides an opportunity to obtain constructive feedback from each Director and Board Committee member on whether procedures and processes had allowed him to discharge his duties effectively. They were also encouraged to propose changes which may be made to enhance the effectiveness of the Board and Board Committees.

In evaluating the Board's and its Board Committees' performance, the NC considers a set of quantitative and qualitative performance criteria that has been approved by the Board. The performance criteria for the Board evaluation includes:

(i) Board size and composition;

(ii) Board information;

(iii) Board process and accountability;

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

(v) Standards of conduct.

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

The following director's performance criterions were assessed by the NC during the annual Board performance evaluation, and approved by the Board:

(i) Interactive skills;

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

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

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

The performance evaluation for FY2021 was conducted by having all Directors complete a questionnaire, which included questions on the Board and Board Committees' composition and effectiveness as well as process and contribution, timeliness of Board information and accountability. The Company Secretary collated and submitted the questionnaire results to the NC Chairman. The NC discussed the results of the performance evaluation and tabled the appropriate improvements to be taken up with the Chairman of the Board and of each Board Committee. No external facilitator had been engaged by the Board for this purpose. There has been no change in assessment criteria in FY2021 as the criteria for the financial year ended 30 June 2019 was considered adequate for the aforementioned measures.

The NC is of the view that the performance of the Board as a whole and the Board Committees were satisfactory and had met the respective performance objectives as set out for FY2021. Given the current size of the Board, the NC is of the view that individual performance evaluation is not necessary at this juncture. The NC has reviewed from time to time commitments and efforts contributed by each of the Directors to the affairs of the Company through their participation and contributions at Board and Board Committee meetings.

REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Remuneration Committee

As at the end of FY2021 and the date of this Report, the RC of the Company comprises three (3) members, all of whom, including the RC Chairman, are Non-Executive and Independent Directors:

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

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

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

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

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

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

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

The RC considers all aspects of remuneration (including Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination payments) in the review of remuneration packages for the Directors and executive officers with an aim to be fair and to avoid rewarding poor performance, before making any recommendation to the Board.

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

The RC has access to professional advice regarding compensation matters, if required. No remuneration experts have been appointed to advise on remuneration matters for FY2021.

Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his remuneration package or that of employees related to him.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The RC makes recommendations on an appropriate framework of remuneration taking into account employment conditions within the industry, the Company's performance and employees' performance to ensure that the package is competitive and sufficient to attract, retain and motivate the Executive Directors and key management personnel, if any, so as to align their interests with those of shareholders and promote long-term success of the Company. The remuneration of Executive Directors and key management personnel are in accordance with the service agreements which comprise a basic salary component and a variable component (which is the annual bonus). In addition, the Company has in place performance-related remuneration review system in respect of the Executive Directors and key management personnel which are determined based on the performance of the ongoing operations and corporate actions of the Company and/or Group and individual performance. Individual performance will be reviewed based on three broad dimensions, including the performance-based indicator (capabilities and performances of the individual), quality-based indicator (i.e., superior's comment(s)) and 360-degree assessment (i.e., comment(s) from other colleagues).

The RC has reviewed and is satisfied that for FY2021, the remuneration received by the CEO, the Executive Director and key management personnel commensurate their contribution, efforts, responsibilities and achievements. The RC has also reviewed and is satisfied that the overall performance conditions were met for FY2021.

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

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

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

(A) Remuneration of Directors

A breakdown, showing the level and mix of each Director's remuneration for FY2021 is as follows:

Name of Director	Base/Fixed Salary %	Directors' fee %	Variable or Performance Related Income/Bonus %	Benefits in Kind %	Total %
Below S$250,000					
Mr. Lai Kuan Loong, Victor	–	100	–	–	100
Mr. Khong Chung Lun	99.8	–	0.2	–	100
Dato' Zamani Bin Kasim[(1)]	99.7	–	0.3	–	100
Mr. Lee Gee Aik	–	100	–	–	100
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	–	100	–	–	100
Ir. Hj. Syarul Izam Bin Hj. Sarifudin[(2)]	–	–	–	–	–

Notes:

(1) Dato' Zamani Bin Kasim resigned as the Executive Director of the Company on 31 August 2021.

(2) Ir. Hj. Syarul Izam Bin Hj. Sarifudin was appointed as the Non-Executive and Non-Independent Director on 1 April 2022, subsequent to the FY2021.

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

(B) Remuneration of Key Management Personnel

Name of key management personnel[(1)]	Designation	Base/Fixed Salary %	Variable or Performance Related Income/Bonus %	Total %
Below S$250,000				
Ms. Daeng Hamizah Binti Abd Aziz[(2)]	Chief Operating Officer	99.8	0.2	100
Ms. Ang Siew Peng	Financial Controller	99.7	0.3	100

Notes:

(1) As at the date of this Report, the Company has only two (2) top management personnel who are not directors or the CEO of the Company.

(2) Ms. Daeng Hamizah Binti Abd Aziz is the niece of the controlling shareholder of the Company, Dato' Daing A Malek Bin Daing A Rahaman.

During FY2021, the Company only had two (2) key management personnel in the Group. The aggregate remuneration paid to these key management personnel (who are not Directors or the CEO of the Company) was approximately S$300,000 for FY2021.

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

For FY2021, there was no other employee who is an immediate family member of the Directors or the CEO or substantial shareholder of the company and whose remuneration exceeded S$100,000.

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

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

The Board, taking into consideration the sensitive nature of the subject and the competitive business environment, has decided not to disclose the exact details of the remuneration of each individual Director and key management personnel. The Company is of the view that providing full details of the remuneration of each individual Director and key management personnel is not of the best interests of the Company and may adversely affect talent attraction and retention. The Company has, however disclosed the remuneration of the Directors in bands of S$250,000.

Despite its deviation from Provision 8.1 of the Code, the Board is of the view that the Company has provided a high level of transparency on remuneration matters, as information on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation had been disclosed in detail in the preceding paragraphs. Accordingly, the Board is of the view that the non-disclosure of the exact quantum of the remuneration of each Director and key management personnel will not be prejudicial to the interest of shareholders and is in line with the intent of Principle 8 of the Code.

PRINCIPLE 9: ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

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

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

The Board appointed TRS Forensics Pte Ltd as the internal auditors of the Company and its subsidiaries during FY2021. A full internal audit review was conducted, covering the areas on (i) project management, (ii) financial management, (iii) human resource and payroll, (iv) procurement, sub-contracting, payables and payment, and (v) the follow-up review of prior year's internal audit findings. The internal audit review was completed in July 2021, and the internal auditors issued its report in July 2021. Notwithstanding, the Group's internal risk management and compliance team remains in place to monitor the Group's internal controls for FY2021. A total of five (5) audit findings have been identified by the internal auditors, all being rated as medium or low risk. All the agreed plans to implement the recommendations by the internal auditors have been implemented by the Group as at FY2021. In addition, the Board also appointed an external consultant to review and strengthen its enterprise risk management process across the Group, and the Management evaluates and reports to the AC regularly on the risk(s) and action plan(s).

For FY2021, the Board had received the following written assurances:

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

(ii) from the CEO and relevant key management personnel that the Company's risk management and internal control systems were adequate and effective.

Based on the internal controls framework established, reviews carried out by Management and the AC, work performed by the internal auditors and external auditors, and the assurance from Management, the Board opines, with the concurrence of the AC, that the Company's internal controls (including financial, operational, compliance, information technology) and risk management systems were adequate and effective for FY2021.

PRINCIPLE 10: AUDIT COMMITTEE

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

As at the end of FY2021 and the date of this Report, the AC of the Company comprises three (3) members, all of whom, including the AC Chairman, are Non-Executive and Independent Directors:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The AC met with the internal auditors and external auditors without the presence of Management in respect of FY2021 audit to review matters that might be raised privately and also review the independence of the external auditor annually.

In the review of the financial statements for FY2021, the AC had discussed with Management and the external auditors the accounting principles that were applied and its judgement of items that might affect the integrity of the financial statements, and had deliberated the key audit matters ("KAMs") presented by the external auditors, including (i) recognition of revenue and cost of sales of sales of development properties, and completeness of trade and other payables, (ii) valuation of development properties, and (iii) impairment of investment in subsidiaries. The AC had reviewed the KAMs and concurred with the external auditors and Management on their assessment, judgements and estimates on the significant matters reported by the external auditors as set out under the Independent Auditor's Report on pages 101 to 104 of this Annual Report.

During FY2021, the AC reviewed (i) the quarterly and full-year financial statements prior to submission to the Board for approval; (ii) the annual audit plan of the external auditor and the internal auditors and the results of the audit performed by them; (iii) interested person transactions; (iv) effectiveness and adequacy of the Company's risk management and internal controls systems; and (v) the audit and non-audit services rendered by the external auditors and the re-appointment of external auditors and their remuneration.

The AC members had been briefed by the external auditors, Mazars LLP, on any changes to accounting standards and issues which have a direct impact on financial statements as part of their audit. A record of the AC members' attendance at the AC meetings during FY2021 is set out on page 64 of this Annual Report.

External Audit

The Company had engaged Mazars LLP, an audit firm registered with the Accounting and Corporate Regulatory Authority ("ACRA"), as the external auditors of the Company and its significant subsidiaries for consolidation purposes, with RSM Malaysia being appointed as the statutory auditor of the Company's subsidiaries in Malaysia. The Board and AC have considered this and are satisfied that the appointment of different auditing firms would not compromise the standard and effectiveness of the audit of the Company by Mazars LLP. Accordingly, the Company and the Group have complied with Rule 712 and Rule 715 of the Catalist Rules in the appointment of its auditors.

The AC has reviewed the fees for the non-audit services provided to the Company by the external auditors. The aggregate amount of fees paid by the Company to the external auditors, Mazars LLP and RSM Malaysia, amounted to S$99,600 and S$47,000, respectively for their audit services. The non-audit services rendered by Mazars LLP for the Group in FY2021 amounted to S$18,000, representing approximately 12% of the total fees paid to the external auditors for FY2021. The non-audit fee was for the services rendered by Mazars LLP on examination of cash flow forecast of the Group for the period from 1 January 2022 to 30 June 2023 in accordance with Singapore Standard on Assurance Engagements 3400, The Examination of Prospective Financial Information.

The AC has reviewed the independence and objectivity of Mazars LLP in FY2021 and is satisfied that Mazars LLP has demonstrated appropriate qualifications and expertise and is also independent of the Company. Having reviewed the non-audit services provided by Mazars LLP, the AC is satisfied that the nature and extent of such services would not affect the independence and objectivity of the external auditors.

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

Internal Audit

The AC is responsible for the appointment, removal, evaluation and compensation of the accounting or auditing firm or corporation that the internal audit function of the Company is outsourced to.

The Group's internal audit function for FY2021 was outsourced to an independent internal audit service provider, TRS Forensics Pte Ltd ("TRS"), who had reported directly to the AC Chairman on audit matters. TRS has operations in Singapore, Malaysia and China, and is a corporate member of the Institute of Internal Auditors, Singapore. TRS is currently the internal auditors for more than 10 listed companies in Singapore. The engagement team for FY2021 was led by Mr. Gary Ng, a director of TRS, who is a Certified Internal Auditor and Chartered Accountant of Singapore, with more than 15 years of external and internal audit experience. In addition, the engagement team consists of members of the Institute of Internal Auditors as well as qualified personnel who are cybersecurity and forensic professionals. The engagement team from TRS is guided by the International Standards for Professional Practice of Internal Auditing set by the Institute of Internal Auditors in carrying out its functions.

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

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

The internal auditors had during the course of their audit performed tests over operating effectiveness of certain controls and made some observations on internal controls and proposed recommendations to assist Management in enhancing existing controls, reducing risks and improving operational efficiency and effectiveness in the areas reviewed. Action plans to address these observations and findings have been put in place.

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

Whistle-Blowing Policy

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

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

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

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

The Group has designated an independent function to investigate whistle-blowing reports made in good faith. Once whistle-blowing is initiated, an investigation committee will be formed, and shall comprise of the independent committee members recommended by the Chairman of the AC, to carry out the investigation with great care, sensitivity and timeliness, and to avoid "misleading or wrongful" conclusions or actions which might affect the evidence of the investigation or result in wrongful accusations of any party(ies).

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

SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETING

Shareholders' Rights and Conduct of General Meetings

The Company recognises the importance of treating all shareholders fairly and equitably, as well as the responsibility to facilitate the exercise of shareholders' rights, and have the opportunity to communicate their views on matters affecting the company. All registered shareholders are given the opportunity to participate effectively in and vote at general meetings. Shareholders are informed of shareholders' meetings through notices published via SGXNet and the corporate website. Notices of general meetings are issued with the annual report or relevant circulars and sent to shareholders within the prescribed time frame.

The Company adopts an open and non-discriminatory communication program to promote regular, effective and fair communication with shareholders. Shareholders are encouraged to attend and participate at the general meetings to ensure a greater level of shareholders' participation. Shareholders are informed of the rules, including voting procedures that govern the general meetings to enable them to participate effectively in and vote at the general meetings. As authentication of shareholder identity information and other related security issues remain a concern, the Company, for the time being, has not amended its Constitution to allow absentia voting at general meetings.

The Company's forthcoming AGM will be held on 28 April 2022, notice of which is set out on pages 178 to 182 of this Annual Report.

In view of the COVID-19 situation, the Company's forthcoming AGM to be held in April 2022 will be conducted via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Alternate Meeting Arrangement Order"). Alternative arrangements relating to the mode of publication of notice of AGM, annual report and proxy form, attendance at the AGM via electronic means, submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, will be put in place for the forthcoming AGM.

All Directors and the key management personnel shall attend the general meetings, unless in cases of exigencies, and shareholders are given opportunities to ask the Board and Management questions regarding the operations of the Group and in relation to the meeting agenda prior to the respective meetings, and the Company is to answer any relevant questions prior or during the general meetings pursuant to the Alternate Meeting Arrangement Order and the relevant guideline issued by the SGX. All Directors attending the general meetings are to answer any questions relating to the work of their respective Committees. The external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. All directors attended the last AGM of the Company held for FY2020.

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

The Company prepares minutes of general meetings which includes key comments and queries from shareholders relating to the agenda of the meetings, and responses from the Board and Management. Pursuant to the Alternate Meeting Arrangement Order, the Company's minutes of general meetings will be published in the SGXNet and Company's website within one (1) month of the AGM.

Dividend Policy

The Company does not have a fixed dividend policy. The Board will consider various factors, such as the Company's and/or Group's earnings, general financial position, capital expenditure requirements, cash flow, general business environment, development plans and other factors that may be deemed appropriate, to determine whether dividends would be paid for the financial year.

The Board has not declared or recommended any dividend for FY2021, as the Company recorded a loss in FY2021 with an accumulated loss position as at 31 December 2021.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

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

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

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

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

PRINCIPLE 13: MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

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

The Company's engagement with the key stakeholders, including engagement methods, strategy and key areas of focus in relation to the management of stakeholder relationships will be disclosed in the Company's Sustainability Report for FY2021 on pages 37 to 39 of this Annual Report.

Stakeholders can know more about the Group's business, performance and governance practices through the Company's website (https://astaka.com.my) and to communicate with the Company through the contact details set out in the website.

OTHER CORPORATE GOVERNANCE MATTERS

INTERESTED PERSON TRANSACTIONS ("IPTS")

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

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Dato' Daing A Malek Bin Daing A Rahaman ("Dato' Malek")	Controlling Shareholder	RM4,948,367[(1)]	Not applicable
DMR Holdings Sdn Bhd ("DMR Holdings")	An associate of Dato' Malek	RM2,874,233[(2)]	Not applicable
Saling Syabas Sdn Bhd ("SSSB")	An associate of Dato' Malek	RM3,904,991[(3)]	Not applicable
SSSB	An associate of Dato' Malek	RM2,093,900[(4)]	Not applicable
Sukma Consortium Sdn Bhd	An associate of Dato' Malek	RM738,000[(5)]	Not applicable

Notes:

(1) Dato' Malek, the controlling shareholder of the Company, had extended unsecured loans in aggregate principal outstanding amount of RM52,322,839 to the subsidiary of the Company, Astaka Padu Sdn Bhd ("APSB"), comprising: (i) a loan in principal outstanding amount of RM22,322,839 at a fixed interest rate of 4% per annum extended in FY2017, repayable on demand; and (ii) a loan in principal outstanding amount of RM30,000,000 pursuant to the loan agreement dated 14 February 2020 entered into between Dato' Malek and APSB (as supplemented by the supplemental letter agreement dated 3 November 2020) ("DM Loan Agreement") at a fixed interest rate of 8% per annum, repayable within one year (unless automatically extended) or on demand.

In respect of the DM Loan Agreement, the loan and interest are repayable within one year from the date of the first drawing date or on demand, and no interest shall be charged on any accrued interest. The tenure of the loan shall be extended automatically by each subsequent one (1) year period unless APSB receives a termination notice from Dato' Malek not less than 30 days prior to the repayment date, and provided that no event of default has occurred. The Company had obtained the approval from its shareholders on 28 October 2020 for the entry by APSB into the DM Loan Agreement as an interested person transaction under Chapter 9 of the Catalist Rules. Please refer to the Company's circular to its shareholders dated 9 October 2020 for further details on the DM Loan Agreement.

(2) DMR Holdings (an associate of Dato' Malek) agreed to grant an unsecured loan in the principal outstanding amount not exceeding RM60,000,000 to APSB (as supplemented by the supplemental letter agreement dated 3 November 2020) ("DMR Loan Agreement") at a fixed interest rate of 8% per annum, repayable within one year (unless automatically extended) or on demand.

APSB shall repay the DMR Loan and interest thereon within one year from the date of the first Drawing Date ("Repayment Period"), and no interest shall be charged on any accrued interest. Notwithstanding the Repayment Period above, the tenure of the DMR Loan shall be extended automatically by each subsequent one (1) year period unless APSB receives a notice of termination from DMR Holdings not less than thirty (30) days from the last date of the Repayment Period, and provided that no event of default has occurred. The Company had obtained the approval from its shareholders on 28 October 2020 for the entry by APSB into the DMR Loan Agreement as an interested person transaction under Chapter 9 of the Catalist Rules. Please refer to the Company's circular to its shareholders dated 9 October 2020 for further details on the DMR Loan Agreement.

In addition, APSB has on 8 December 2021 obtained an additional loan facility (the "Additional Loan Facility") of up to RM8,000,000 for general corporate and working capital purposes. APSB has drawn down RM4,700,000 of the Additional Loan Facility, with RM3,300,000 available for further drawdown as at 31 December 2021.

(3) This comprises the amount payable by the subsidiary of the Company, Bukit Pelali Properties Sdn Bhd ("BPPSB") to SSSB as at 31 December 2021 for the sole and exclusive right to develop the Bukit Pelali land, and was approved by the Company's shareholders at an extraordinary general meeting on 16 December 2016. Please refer to the Company's circular to shareholders dated 29 November 2016 for further details.

(4) This comprises the back charge to SSSB of the authority fee incurred by SSSB in relation to the submission and processing fees to secure the Bukit Pelali land in 2016, which was incorrectly billed to BPPSB in 2016.

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

Save for the above mentioned, there were no IPTs of S$100,000 or more for FY2021.

For FY2021, the Group does not have a general mandate from its shareholders for recurring IPTs.

DEALING IN THE COMPANY'S SECURITIES

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

MATERIAL CONTRACTS

Pursuant to Rule 1204(8) of the Catalist Rules, save as disclosed below, in the section entitled “Interested Person Transactions” above and elsewhere in the consolidated financial statements of the Group, there were no material contracts entered into by the Company or its subsidiaries that involved the interests of the Directors, CEO or controlling shareholders which are still subsisting as at the end of FY2021, or if not then subsisting, entered into since the end of the previous financial year.

Loan agreement with a main contractor

Pursuant to a letter of award dated 18 December 2014 and a construction agreement dated 2 August 2015 (collectively, the “Contract”) between Astaka Padu Sdn Bhd (“APSB”), a subsidiary of the Company and China State Construction Engineering (M) Sdn Bhd (“CSCE”), APSB had engaged CSCE as the main contractor to carry out construction works for the development of service apartments in Malaysia. As of 28 February 2017, a sum of RM46,532,461 remained due and owing by APSB to CSCE under the Contract.

On 12 April 2017, APSB entered into a loan agreement (“Loan Agreement”) with CSCE to convert the outstanding trade payables of RM46,532,461 due to CSCE under the Contract into a loan (“Loan”). The Loan is subject to an interest rate of 8.5% per annum commencing from 30 June 2017 until the date of full repayment of the Loan. In addition, the Loan was secured against certain land parcels located in Bukit Pelali that are owned by Saling Syabas Sdn Bhd (“SSSB”) and over which the Group holds development rights. SSSB is owned by Dato’ Malek. No agreement was entered into between the Group, SSSB and Dato’ Malek for the provision of such security, and no payment has been made by the Group to SSSB and Dato’ Malek for the provision of such security.

Further to the Loan Agreement, a dispute arose between APSB and CSCE for the sum of RM50,878,046.41 and interests thereon (the “Dispute”), pursuant to which a settlement agreement was entered into between APSB and CSCE on 29 November 2021 by way of consent judgment, as full and final settlement and discharge of all disputes, differences and claims by either party in connection with the dispute (the “2021 Settlement Agreement”). In accordance to the terms of the 2021 Settlement Agreement, only 4 Land Parcels remain secured to CSCE.

As at 31 December 2021, the Group has recorded an amount owing to a CSCE of approximately RM34,073,120 (30 June 2020: RM63,573,120). This outstanding amount as at 31 December 2021 shall be paid by APSB to CSCE in accordance with the terms of the 2021 Settlement Agreement.

Overdraft facility with Affin Bank Berhad (“Affin Bank”)

On 7 October 2015, APSB entered into an overdraft facility of RM10,000,000 (the “Overdraft Facility”) and has on 9 December 2020 obtained an additional Overdraft Facility of RM2,000,000 with Affin Bank, which is repayable on demand. The nominal interest rate of the Overdraft Facility of 5.56% is calculated based on Affin Bank’s base lending rate plus 0.25%. The Overdraft Facility is secured against the controlling shareholder of the Company, Dato’ Malek’s fixed deposit of RM12,000,000. No agreement was entered into between the Group and Dato’ Malek for the provision of such security, and no payment has been made by the Group to Dato’ Malek for the provision of such security.

As at 31 December 2021, RM11,898,680 of the Overdraft Facility has been utilised by APSB. For more details, please refer to Note 25 of the consolidated financial statements of the Group.

NON-SPONSOR FEES

In FY2021, the Company paid to its sponsor, Novus Corporate Finance Pte Ltd, non-sponsor fees of S$67,500.

SUSTAINABILITY REPORTING

Pursuant to Rules 711A and 711B of the Catalist Rules, the Company's sustainability report is set out from pages 31 to 62 of this Annual Report.

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

Name of Person	**Dato' Sri Mohd Mokhtar Bin Mohd Shariff**	**Lai Kuan Loong, Victor**	**Ir. Hj. Syarul Izam Bin Hj. Sarifudin**
Date of Appointment	13 November 2019	13 November 2019	1 April 2022
Date of last re-appointment (if applicable)	5 February 2020	5 February 2020	Not Applicable
Age	64	43	47
Country of principal residence	Malaysia	Singapore	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered, among others, the recommendation of the NC and reviewed and assessed the qualifications, work experiences and suitability of Dato' Sri Mohd Mokhtar Bin Mohd Shariff, is of the view that he has the requisite experiences and capabilities to assume the duties and responsibilities as the Independent Director of the Company. The Board considers Dato' Sri Mohd Mokhtar Bin Mohd Shariff to be independent for the purpose of Rule 704(7) of the Catalist Rules.	The Board, having considered, among others, the recommendation of the NC and reviewed and assessed the qualifications, work experiences and suitability of Mr Lai Kuan Loong, Victor, is of the view that he has the requisite experiences and capabilities to assume the duties and responsibilities as the Independent Director of the Company. The Board considers Mr Lai to be independent for the purpose of Rule 704(7) of the Catalist Rules.	The Board, having considered, among others, the recommendation of the NC and reviewed and assessed the qualifications, work experiences and suitability of Ir. Hj. Syarul Izam Bin Hj. Sarifudin, is of the view that he has the requisite experiences and capabilities to assume the duties and responsibilities as the Non-Executive and Non-Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Member of the Nominating Committee, Audit Committee and Remuneration Committee	Non-Executive Chairman and Independent Director, Chairman of the Nominating Committee and Remuneration Committee, and Member of Audit Committee	Non-Executive and Non-Independent Director, Member of the Nominating Committee

Name of Person	Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Lai Kuan Loong, Victor	Ir. Hj. Syarul Izam Bin Hj. Sarifudin
Professional qualifications	1. Bachelor of Laws (Honours), University of Wolverhampton, United Kingdom 2. Certificate of Legal Practice, Legal Profession Qualifying Board of Malaysia 3. Malaysian Bar Admission since September 2019	1. Bachelor of Accountancy (Honours), Nanyang Technological University 2. Public Accountant, Accounting & Corporate Regulatory Authority 3. Chartered Accountant (Practising), Institute of Singapore Chartered Accountants	1. Bachelor of Engineering (Honours) in Civil and Structural Engineering – University of Bradford, England 2. Diploma in Civil Engineering – University Technology Malaysia
Working experience and occupation(s) during the past 10 years	1. September 2017 to May 2018, Director of Special Branch, Royal Malaysian Police 2. April 2015 to September 2017, Director of Narcotics Crime Investigation Department, Royal Malaysian Police 3. January 2008 to March 2015, Chief Police Officer of Johor, Royal Malaysian Police	1. July 2019 to Present, Daiho Energy Services Pte. Ltd., Director 2. June 2019 To Present, CitadelCorp Pte. Ltd. – Principal Consultant 3. July 2019 to October 2019, Boardroom Limited, Independent Consultant 4. February 2015 to July 2019, Boardroom Limited, Regional Managing Director 5. October 2002 to December 2014, Pricewaterhouse Coopers LLP, Director	1. January 2015 to Present – Vice Managing Director, Country Garden Pacificview Sdn Bhd ("CGPV") 2. April 2009 to January 2015 – Vice President, Projects and Prime Minister Office, Iskandar Regional Development Authority
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil

Name of Person	Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Lai Kuan Loong, Victor	Ir. Hj. Syarul Izam Bin Hj. Sarifudin
Conflict of interest (including any competing business)	Nil	Nil	Ir. Hj. Syarul Izam is the Vice Managing Director in CGPV, in which the controlling shareholder of the Company, Dato' Daing A Malek Bin Daing A Rahaman, has a deemed effective interest of 6.24% in CGPV. CGPV is principally engaged in the business of property development in Johor, Malaysia. However, it is envisaged that the Company and CGPV will not experience direct competition in the real estate sector due to the nature and scope of its respective development projects, as well as the profile of its client base. In assessing Ir. Hj. Syarul Izam's suitability, the NC and the Board took into account (i) his background, experience, industry knowledge, professional skills, qualifications and connections which are beneficial to the Company's future growth; and (ii) his professional aptitude and commitment towards managing, full disclosure and preventing any potential conflicts of interest between the Company and CGPV and/or its affiliates. The NC and the Board was satisfied with Ir. Hj. Syarul Izam's commitment that he will fully disclose all perceived and actual conflicts of interest and recuse himself should such circumstances arise and in decisions involving the issue/conflict.

Name of Person	Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Lai Kuan Loong, Victor	Ir. Hj. Syarul Izam Bin Hj. Sarifudin
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)			
Past (for the last 5 years)	Nil	1. Boardroom Corporate & Advisory Services Pte Ltd 2. Boardroom Executive Services Pte Ltd 3. Boardroom Share Registrars (HK) Ltd 4. Boardroom Share Registrar Sdn Bhd	Nil
Present	TMC Life Sciences Berhad – Independent and Non-Executive Chairman	1. Daiho Energy Services Pte. Ltd. - Director 2. CitadelCorp Pte. Ltd. – Principal Consultant 3. Universal Terminals (S) Pte. Ltd. - Director	1. SIS Consultancy (M) Sdn Bhd – Director 2. Worldwide Adventure Sdn Bhd – Director
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No

Name of Person	Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Lai Kuan Loong, Victor	Ir. Hj. Syarul Izam Bin Hj. Sarifudin
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

Name of Person	Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Lai Kuan Loong, Victor	Ir. Hj. Syarul Izam Bin Hj. Sarifudin
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

Name of Person	Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Lai Kuan Loong, Victor	Ir. Hj. Syarul Izam Bin Hj. Sarifudin
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

Name of Person	Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Lai Kuan Loong, Victor	Ir. Hj. Syarul Izam Bin Hj. Sarifudin
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Reference is made to the independent fact-finding report dated 3 April 2020 ("Fact-Finding Report") issued by Ernst & Young Advisory Pte Ltd, as the independent reviewer to undertake a review of the matters set out in the Fact-finding Report, and released by the Company on SGXNet on 3 April 2020. The Company and relevant persons were previously engaged in correspondences with the SGX-ST in relation to the same. Subsequently, the SGX-ST had on 17 August 2021 issued its written grounds of decision to the Company in relation to the aforesaid matter. Please refer to the Company's announcement dated 20 August 2021 for more details.	Reference is made to the independent fact-finding report dated 3 April 2020 ("Fact-Finding Report") issued by Ernst & Young Advisory Pte Ltd, as the independent reviewer to undertake a review of the matters set out in the Fact-finding Report, and released by the Company on SGXNet on 3 April 2020. The Company and relevant persons were previously engaged in correspondences with the SGX-ST in relation to the same. Subsequently, the SGX-ST had on 17 August 2021 issued its written grounds of decision to the Company in relation to the aforesaid matter. Please refer to the Company's announcement dated 20 August 2021 for more details. On a formerly SGX-listed issuer, Mr Lai was a Director of the issuer at the time when SGX RegCo issued a private warning to the issuer and its directors relating to the issuer not being able to announce its financial results for the year ended 31 October 2019 ("FY2019") and not being able to hold its Annual General Meeting for FY2019, due to the lack of financial resources of the issuer.	No

Name of Person	Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Lai Kuan Loong, Victor	Ir. Hj. Syarul Izam Bin Hj. Sarifudin
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

Name of Person	Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Lai Kuan Loong, Victor	Ir. Hj. Syarul Izam Bin Hj. Sarifudin
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Please refer to (j)(i) above.		No
Disclosure applicable to the appointment of Director only			
Any prior experience as a director of an issuer listed on the Exchange?	N.A. This relates to re-appointment of Director.	N.A. This relates to re-appointment of Director.	N.A. This relates to re-appointment of Director.
If yes, please provide details of prior experience.	N.A.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	N.A.	N.A.	N.A.

The directors present their statement to the members together with the audited financial statements of the Group for the financial period from 1 July 2020 to 31 December 2021 and the statement of financial position of the Company as at 31 December 2021.

1. Opinion of the directors

In the opinion of the directors,

(a) the financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the financial period from 1 July 2020 to 31 December 2021 in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

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

2. Directors

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

Mr. Lai Kuan Loong, Victor
Mr. Khong Chung Lun
Mr. Lee Gee Aik
Dato' Sri Mohd Mokhtar Bin Mohd Shariff

3. Arrangements to enable directors to acquire shares and debentures

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

4. Directors' interests in shares or debentures

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

Name of directors and respective company in which interest are held	Direct interests		Deemed interests	
Astaka Holdings Limited	**1 July 2020**	**31 December 2021**	**1 July 2020**	**31 December 2021**
No. of ordinary shares				
Mr. Khong Chung Lun	47,900	47,900	–	–

There were no changes in any of the directors' interests in the Company between the end of the financial period and 21 January 2022.

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

During the financial period, the Company has in the normal course of business entered into transactions with the directors and/or their affiliated companies, being related parties and parties in which some of the directors are deemed to have an interest, with the directors having disclosed their interests in such transactions pursuant to Section 156 of the Act. Such transactions disclosed in Note 29 to the financial statements were carried out on normal commercial terms and in the normal course of business of the Company.

5. Share options

During the financial period, there were:

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

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

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

6. Audit Committee

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

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

All members of the Audit Committee were independent non-executive directors of the Company.

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

The Audit Committee met six times during the financial period ended 31 December 2021. In performing its function, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Group's systems of internal controls.

The Audit Committee also reviewed the following:

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

Please refer to the Corporate Governance Report for further details on the activities of the Audit Committee during the financial period ended 31 December 2021.

6. Audit Committee (Continued)

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

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

7. Auditors

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

On behalf of the Board of Directors

Mr. Lai Kuan Loong, Victor
Director

Mr. Khong Chung Lun
Director

Singapore
29 March 2022

Report on the Audit of Financial Statements

Opinion

We have audited the consolidated financial statements of Astaka Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 December 2021, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial period from 1 July 2020 to 31 December 2021, and notes to the financial statements, including a summary of significant accounting policies from pages 107 to 175.

In our opinion, the accompanying consolidated financial statements of the Group, and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Group for the financial period from 1 July 2020 to 31 December 2021.

Basis for Opinion

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

Material uncertainty related to going concern

We draw attention to Note 2 to the consolidated financial statements which indicates that the Group incurred a net loss of RM22.79 million for the financial period ended 31 December 2021, and as of 31 December 2021, the Group reported net current assets of RM75.50 million, for which current assets include development properties amounting to RM337.28 million, representing the completed properties held for sale and properties in the course of development. As at 31 December 2021, the Company was in net current liability position of RM3.2 million. As stated in Note 2, these conditions along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group and the Company to continue as going concern. Our opinion is not modified in respect of this matter.

Overview

Audit Approach

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

Materiality

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

Scope of Audit

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

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

Area of Focus

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial period. These matters include the salient areas of focus in our audit and do not represent all the risks identified by our audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern Section, we have determined the matters described below to be a key audit matter to be communicated in our report.

Matter	Audit response
Recognition of revenue and cost of sales of development properties, and completeness of trade and other payables (refer to Note 14 and Note 26 to the financial statements)	
The Group enters into contracts with customers to deliver specified building units to the customers based on the plan and specifications as set out in the contracts. In accordance with SFRS(I) 15 *Revenue from Contracts with Customers*, the analysis of whether the contracts comprise one or more performance obligations, determining whether the performance obligations are satisfied over time or at a point in time, the method used to measure progress for revenue recognition where performance obligations are satisfied over time and estimated variable consideration included in the transaction price represent areas requiring critical judgement and estimates by the Group. For those contracts where revenue is recognised over time, the Group measures its work progress by reference to the construction costs incurred to date to the estimated total construction costs, including contingencies and variation orders, which are highly judgmental. Any changes in these estimates could result in material variance in revenue recognised and the recognition for the provision of rectification costs and liquidated damages. There is a broad range of possible outcomes resulting from these judgements that could lead to different revenue, costs and loss being reported in the consolidated financial statements. We hence consider this as a key audit matter.	Our audit procedures included, and were not limited to, the following: ● Evaluated the Group's design and implementation of relevant key controls and processes over revenue recognition for sales of development properties and assessed the basis for the identification of performance obligations; ● Read the sales and purchase agreements of development properties to obtain an understanding of the specific terms so as to identify performance obligations; ● Assessed whether the criteria are met for recognising revenue over time or at point in time of revenue recognition; ● Assessed the appropriateness of methods and amounts used to measure the progress of the construction of specified building units by reference to construction costs incurred to date compared to the estimated total construction costs where the performance obligation is satisfied over time; ● Assessed the adequacy of the estimated total construction costs by comparing them with the actual costs incurred to-date and discussed with management on the progress of the projects, taking into consideration of any significant deviation in design plans or potential delays;

Key Audit Matters (Continued)

Matter	Audit response
Recognition of revenue and cost of sales of development properties, and completeness of trade and other payables (refer to Note 14 and Note 26 to the financial statements) (Continued)	
	Our audit procedures included, and were not limited to, the following (Continued): ● Reviewed management's assessment of the probability of further costs to be incurred arising from the completed projects. For works that have been contracted to third party contractors, we agreed to the underlying contracts. For construction costs incurred to date, we tested the significant items of cost components by vouching to the supporting documents pertaining to the claims from main contractors to ascertain the existence and accuracy of the costs of work done; ● Assessed the appropriateness of assumptions used to measure the variable consideration, which includes rebates, discounts, transaction costs borne by the Group and liquidated damages included in the transaction price by comparing the supporting documents pertaining to rebates and discounts granted by the Group. For transaction costs borne by the Group, we discussed with management, taking into consideration the historical costs borne by the Group. For liquidated damages, we compared the actual delivery date of the property developments against the promised delivery date as well as penalty terms in the contracts; ● Inspected relevant documents to review the additional variation orders placed by management for additional scope of works to be performed by the main contractors; ● Discussed with the quantity surveyors and external main contractors on the work done to date, and status of the outstanding claims to be submitted and obtained confirmation from the main contractors; and ● We have sent confirmation request to the main contractors to ascertain all progress claims are recorded in the financial statements as at 31 December 2021.

Key Audit Matters (Continued)

Matter	Audit response
Valuation of development properties (refer to Note 14 to the financial statements)	
As at 31 December 2021, the Group's development properties were RM337.28 million which represents 69.88% of the Group's current assets. The Group has residential and commercial development properties held for sale in its core market, Malaysia. Development properties are stated at the lower of their cost and their net realisable values. Net realisable value represents the estimated future selling price, less estimated costs of completion and selling expenses. The estimated future selling prices is dependent on the Group's expectation of the market development in Malaysia. There is therefore a risk that the estimated net realisable value exceeds the future actual selling prices, resulting in losses when these properties are sold. The Group assessed the net realisable value of development properties, based on the estimated selling prices, future costs to complete the projects and development plans of the Group, taking into consideration available industry data, status of construction progress, deviation in design plans, cost overruns and current market factors. For developed but unsold units in The Astaka, the Group has assessed the net realisable value based on latest valuation obtained from an independent external valuer less estimated cost to sales. Significant judgement and estimates are involved in determining the appropriate valuation methods and assumptions applied in the valuation. The determination of allowance for foreseeable losses involves a high level of judgement, which may have significant impact on the financial statements. We hence consider the management's assessment of net realisable value of development properties as a key audit matter.	Our audit procedures included, and were not limited to, the following: ● Assessed the reasonableness of the Group's estimated selling prices by comparing them with recent transacted selling prices of the development properties; and ● Evaluated the independence, objectivity and competency of the independent external valuer for valuation on the unsold unit of The Astaka Tower. Considered the valuation methodologies used and assessed the reasonableness of the key assumptions used by the independent external valuer, which included a comparison of the discount rates, and price per square feet, against historical rates and available market data, taking into consideration comparable and market factors in consultation with internal valuation expert.

Key Audit Matters (Continued)

Matter	Audit response
Impairment of investment in subsidiaries (refer to Note 13 to the financial statements)	
As at 31 December 2021, the Company's investment in subsidiaries were RM200 million, net of impairment loss of RM1,029 million which represents 99.70% of the Company's total assets. Management assessed the recoverable amount of the investment in subsidiaries based on the estimated cash flows generated from the sale of development properties and proposed development projects to be undertaken by the subsidiaries. The Company has assessed the estimated selling prices, future costs to complete the projects and development plans of the respective subsidiaries, taking into consideration available industry data, status of construction progress, deviation in design plans, cost overruns and current market factors to estimate the cash flows generated from the sale of development properties and future phases to be developed. The determination of impairment of investment in subsidiaries involves a high level of judgement, which may have significant impact on the financial statements. We hence consider this as a key audit matter.	Our audit procedures included, and were not limited to, the following: ● Evaluated the reasonableness of the cash flow estimate from sale of development properties and future phases to be developed by comparing the estimated selling prices against the recent transacted prices of the development properties; ● Discussed with management on their planned strategies, revenue growth strategies and cost initiatives; ● Evaluated the independence, objectivity and competency of the independent external valuer for valuation on the land to be developed. Considered the valuation methodologies used and assessed the reasonableness of the key assumptions used by the independent external valuer, in consultation with internal valuation expert; and ● Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the cash-generating units subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.

Other Information

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
29 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Period From 1 July 2020 to 31 December 2021

	Note	1 July 2020 to 31 December 2021 RM	1 July 2019 to 30 June 2020 RM
Revenue	5	52,000,923	201,310,742
Cost of sales	6	(35,365,623)	(187,372,457)
Gross profit		16,635,300	13,938,285
Other income	7	267,970	47,766
Selling and distribution expenses		(1,172,178)	(2,106,827)
Administrative expenses		(21,581,344)	(20,342,935)
Other expenses		(2,934,100)	(3,637,510)
Results from operating activities		(8,784,352)	(12,101,221)
Finance income	8	313,957	931,202
Finance costs	8	(12,387,132)	(7,022,037)
Net finance costs		(12,073,175)	(6,090,835)
Loss before income tax	9	(20,857,527)	(18,192,056)
Tax (expense)/credit	10	(1,930,330)	108,492
Loss for the period/year, representing total comprehensive loss for the period/year		(22,787,857)	(18,083,564)
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(22,875,022)	(20,753,493)
Non-controlling interests		87,165	2,669,929
Total comprehensive loss for the period/year		(22,787,857)	(18,083,564)
Loss per share			
Basic and diluted loss per share (cents per share)	11	(1.22)	(1.11)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group 31 December 2021 RM	Group 30 June 2020 RM	Company 31 December 2021 RM	Company 30 June 2020 RM
Assets					
Property, plant and equipment	12	810,105	854,975	–	–
Investment in subsidiaries	13	–	–	200,000,000	811,831,738
Non-current assets		810,105	854,975	200,000,000	811,831,738
Development properties	14	337,281,464	454,906,080	–	–
Asset held for sales	15	115,401,687	–	–	–
Contract costs	16	–	1,228,570	–	–
Contract assets	17	2,814,580	13,350,949	–	–
Trade and other receivables	18	20,498,568	20,475,934	81,670	40,945
Tax recoverable		206,737	1,846,382	–	–
Cash and cash equivalents	19	6,464,616	19,010,565	520,437	595,257
Current assets		482,667,652	510,818,480	602,107	636,202
Total assets		483,477,757	511,673,455	200,602,107	812,467,940
Equity					
Share capital	20	259,383,777	259,383,777	1,455,078,944	1,455,078,944
Merger reserve	21	(10,769,090)	(10,769,090)	–	–
Capital reserve	22	–	–	1,419,389	1,419,389
Accumulated losses		(176,677,976)	(153,802,954)	(1,259,678,312)	(647,710,474)
Equity attributable to owners of the Company		71,936,711	94,811,733	196,820,021	808,787,859
Non-controlling interests	23	3,966,356	(2,980,809)	–	–
Total equity		75,903,067	91,830,924	196,820,021	808,787,859
Liabilities					
Lease liabilities	24	408,223	226,736	–	–
Non-current liabilities		408,223	226,736	–	–
Contract liabilities	17	–	3,405,645	–	–
Trade and other payables	26	246,180,147	310,535,673	731,801	639,211
Amounts due to related parties	27	148,463,067	94,196,546	3,050,285	3,040,870
Lease liabilities	24	308,715	412,710	–	–
Loans and borrowings	25	11,898,680	11,065,221	–	–
Income tax payable		315,858	–	–	–
Current liabilities		407,166,467	419,615,795	3,782,086	3,680,081
Total liabilities		407,574,690	419,842,531	3,782,086	3,680,081
Total equity and liabilities		483,477,757	511,673,455	200,602,107	812,467,940

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Period From 1 July 2020 to 31 December 2021

	Attributable to owners of the Company					
	Share capital RM	Merger reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 July 2019	259,383,777	(10,769,090)	(133,049,461)	115,565,226	(5,650,738)	109,914,488
Loss and total comprehensive loss for the year	–	–	(20,753,493)	(20,753,493)	2,669,929	(18,083,564)
At 30 June 2020	259,383,777	(10,769,090)	(153,802,954)	94,811,733	(2,980,809)	91,830,924
Loss and total comprehensive loss for the period	–	–	(22,875,022)	(22,875,022)	87,165	(22,787,857)
Capital injection in a subsidiary by non-controlling interests	–	–	–	–	6,860,000	6,860,000
At 31 December 2021	259,383,777	(10,769,090)	(176,677,976)	71,936,711	3,966,356	75,903,067

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Period From 1 July 2020 to 31 December 2021

	Note	1 July 2020 to 31 December 2021 RM	1 July 2019 to 30 June 2020 RM
Cash flows from operating activities			
Loss before income tax		(20,857,527)	(18,192,056)
Adjustments for:			
Accruals for late payment interests	9	1,853,245	1,401,386
Depreciation of property, plant and equipment	12	752,945	535,218
Gain on disposal of property, plant and equipment, net	7,9	(6,833)	–
Interest expense	8	12,387,132	7,022,037
Interest income	8	(313,957)	(918,248)
Reversal of foreseeable loss on development properties	6	(2,085,293)	(678,447)
(Reversal of)/Accruals for liquidated ascertained damages	9	(651,653)	1,213,879
Unrealised loss on foreign exchange		45,749	114,115
Total operating cash flows before movements in working capital		(8,876,192)	(9,502,116)
Changes in working capital:			
- Development properties		119,709,910	12,900,367
- Asset held for sales		(115,401,687)	–
- Contract costs		1,228,570	10,150,346
- Contract assets and liabilities		7,130,724	(17,608,049)
- Trade and other receivables		(22,634)	105,884,995
- Trade and other payables		(39,719,810)	(70,385,869)
Cash (used in)/generated from operations		(35,951,119)	31,439,674
Tax refund		1,415,360	902,325
Tax paid		(1,390,187)	(5,882,239)
Net cash (used in)/generated from operating activities		(35,925,946)	26,459,760
Cash flows from investing activities			
Acquisition of property, plant and equipment		(101,796)	(135,863)
Decrease/(Increase) in fixed deposits pledged		3,571,665	(997,985)
Interest received		313,957	918,248
Proceeds from disposal of property, plant and equipment		57,000	–
Net cash generated from/(used in) investing activities		3,840,826	(215,600)
Cash flows from financing activities			
Advances from affiliated corporations		61,388,119	12,116,491
Advances from a controlling shareholder		–	30,000,000
Interest paid		(6,031,894)	(11,236,206)
Proceeds from drawdown of term loan		–	1,138,692
Repayment to affiliated corporations		(2,940,000)	(4,977,029)
Repayment to bank overdrafts		–	(17,000,000)
Repayment to trade and other payables		(29,500,000)	(12,417,628)
Repayment to term loan		(1,138,692)	–
Repayment to lease liabilities		(586,837)	(369,819)
Net cash generated from/(used in) financing activities		21,190,696	(2,745,499)
Net (decrease)/increase in cash and cash equivalents		(10,894,424)	23,498,661
Cash and cash equivalents at the beginning of period/year		4,082,551	(19,301,747)
Effect of exchange rate fluctuation on cash held		(52,011)	(114,363)
Cash and cash equivalents at the end of period/year	19	(6,863,884)	4,082,551

The accompanying notes form an integral part of these financial statements.

Reconciliation of liabilities arising from financing activities

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

(1) There was loan agreement with main contractor for outstanding amount payable to them which is included in trade and other payables (Note 26).

The accompanying notes form an integral part of these financial statements.

Reconciliation of liabilities arising from financing activities (Continued)

	Liabilities						
	Amount due to affiliated corporations RM	Amount due to a controlling shareholder RM	Trade and other payables [1] RM	Term loan RM	Bank overdrafts RM	Lease liabilities RM	Total RM
At 1 July 2019	32,454,611	25,619,279	54,442,979	–	25,581,952	972,105	139,070,926
Changes from financing cash flows:							
- Advances from affiliated corporations	12,116,491	–	–	–	–	–	12,116,491
- Advances from a controlling shareholder	–	30,000,000	–	–	–	–	30,000,000
- Interest paid	(696,830)	–	(8,582,371)	(56,187)	(1,900,818)	–	(11,236,206)
- Proceeds from drawdown of term loan	–	–	–	1,138,692	–	–	1,138,692
- Repayment to affiliated corporations	(4,977,029)	–	–	–	–	–	(4,977,029)
- Repayment to bank overdrafts	–	–	–	–	(17,000,000)	–	(17,000,000)
- Repayment to trade and other payables	–	–	(12,417,628)	–	–	–	(12,417,628)
- Repayment to lease liabilities	–	–	–	–	–	(369,819)	(369,819)
Total changes from financing cash flows	6,442,632	30,000,000	(20,999,999)	1,082,505	(18,900,818)	(369,819)	(2,745,499)
Other changes: Liability-related							
- Changes in bank overdrafts	–	–	–	–	1,344,577	–	1,344,577
- Accrued expense	(962,153)	(924,184)	–	–	–	–	(1,886,337)
- Interest expense	184,130	1,382,231	3,461,511	56,187	1,900,818	37,160	7,022,037
Total liability-related other changes	(778,023)	458,047	3,461,511	56,187	3,245,395	37,160	6,480,277
At 30 June 2020	38,119,220	56,077,326	36,904,491	1,138,692	9,926,529	639,446	142,805,704

(1) There was loan agreement with main contractor for outstanding amount payable to them which is included in trade and other payables (Note 26).

The accompanying notes form an integral part of these financial statements.

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

1. General

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

The financial statements of the Company as at and for the financial period ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are disclosed in Note 13 to the financial statements.

During the current financial period, the Company changed its financial year end from 30 June to 31 December. Accordingly, these financial statements cover a period of 18 months from 1 July 2020 to 31 December 2021. The comparative period covers a period of 12 months from 1 July 2019 to 30 June 2020.

The financial statements of the Group and the statement of financial position of the Company for the financial period from 1 July 2020 to 31 December 2021 were authorised for issue by the directors on 29 March 2022.

2. Going concern

The Group incurred a net loss of RM22.79 million for the financial period from 1 July 2020 to 31 December 2021 and, as of 31 December 2021, the Group reported net current assets of RM75.50 million, for which current assets comprised mainly development properties amounting to RM337.28 million, representing the completed properties held for sale and properties in the course of development. As at 31 December 2021, the Company was in net current liability position of RM3.2 million. In light of the weak sentiment surrounding the Malaysian residential property sector and the disruption caused by the COVID-19 pandemic, the Group may not be able to generate sufficient operating cash flows for the next 18 months to cover its operating costs and settle its current liabilities.

The above matters represent material uncertainty that may cast significant doubt on the ability of the Group and of the Company to continue as a going concern and therefore, the Group and the Company may not be able to realise their assets and discharge their liabilities in the normal course of business.

Notwithstanding the above, the financial statements have been prepared on a going concern basis. To support the financial statements having been prepared on going concern basis and to ensure the adequacy of funds required to meet the Group's obligations and working capital needs, the Group has prepared a 18-month consolidated cash flow forecast from 1 January 2022. In preparing the 18-month consolidated cash flow forecast, the Group exercised judgement and made certain key assumptions and basis of judgements including the following:

(i) Following the resumption of Vaccinated Travel Lanes ("VTL") between Malaysia and Singapore in January 2022 and in tandem with the recovering economy, the Malaysian authorities have recently announced the full opening of its international borders, commencing from April 2022. This is expected to bode well for the Group as the Group can expect to regain a flow of foreign home seekers. The Board is of the view that the Group is able to sell certain completed properties through various sales packages and promotions, including special rebates and discount during the forecasted period.

2. Going concern (Continued)

(ii) The Group aims to launch new commercial development projects namely Phase 3A, 3B and 3C located in Bukit Pelali, Pengerang ("BPP"), which spans approximately 20.49 acres, in the second quarter of 2022.

(iii) The subsidiary of the Group, Astaka Padu Sdn Bhd ("APSB"), has entered into a conditional sale and purchase agreement (the "SPA") with Seaview Holdings Sdn. Bhd. ("SHSB") for the proposed sale of a parcel of freehold land held under H.S.(D) 571006, PTD 233330, Mukim of Plentong, District of Johor Bahru, State of Johor, measuring approximately 7.65 acres in area (the "Land") on 14 January 2022 (the "Proposed Disposal"). The sale consideration for the Land is RM116.0 million.

On 21 February 2022, APSB and SHSB entered into a supplemental letter agreement to the SPA (the "Supplemental Letter Agreement"), to vary, amend and alter certain terms of the SPA. APSB and the SHSB have agreed, under the terms of the Supplemental Letter Agreement, to remove the set-off arrangement in respect of the balance against the Related Party Advances entirely from the SPA and that the balance (of RM104,400,000.00) shall be paid and settled in full by SHSB to APSB in cash via 6 tranches in a fixed sum of RM17,400,000.00 for each Instalment Tranche.

(iv) Continuing support from Dato' Daing A Malek Bin Daing A Rahaman ("Dato' Malek"), the controlling shareholder of the Company. The controlling shareholder of the Company has undertaken to provide the necessary financial support to the Group to enable it to continue its operations and to pay its debts as and when they fall due.

APSB has on 8 December 2021 obtained an additional loan facility from DMR Holdings Sdn Bhd ("DMR Holdings") (the "Additional Loan Facility") of up to RM8.0 million for general corporate and working capital purposes. APSB has drawn down RM4.7 million of the Additional Loan Facility, with RM3.3 million available for further drawdown as at 31 December 2021.

In addition, subsequent to the financial period end, APSB has on 21 February 2022, obtained an additional unsecured, interest free loan facility from Dato' Malek, the controlling shareholder of the Company, of up to RM60.0 million (the "2022 New Loan") for general corporate and working capital purposes.

(v) APSB has entered into a settlement agreement on 29 November 2021 with the main contractor, China State Construction Engineering (M) Sdn Bhd ("CSCE"), by way of consent judgment, as full and final settlement. The details of the settlement are disclosed in Note 26.

(vi) On 19 January 2022, APSB has entered into a settlement agreement with Aliran Asia Sdn Bhd ("Aliran Asia") as full and final settlement of all the disputes, differences and claims between the Parties in connection with the Dispute. As of the date of financial statement, APSB has made full payment of RM3.4 million in accordance with the settlement agreement with Aliran Asia.

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

2. Going concern (Continued)

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

The Board believes that the Group and the Company will be able to continue operations in the foreseeable future based on the 18-month consolidated cash flow forecast, and that the preparation of the accompanying consolidated financial statements on a going concern basis is appropriate.

If the going concern assumption were inappropriate, the Group may be unable to discharge its liabilities in the normal course of business and, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group may have to reclassify non-current assets and liabilities to current assets and liabilities respectively. No such adjustments have been made to the financial statements.

3. Summary of significant accounting policies

3.1 Basis of preparation

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

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

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 July 2020. The adoption of these new or revised SFRS(I) and SFRS(I) INT did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior period's financial statement and is not expected to have a material effect on future periods.

3. Summary of significant accounting policies (Continued)

3.1 Basis of preparation (Continued)

SFRS(I) and SFRS(I) INT issued but not yet effective

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

SFRS (I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 16	Amendment to SFRS(I) 16: Covid-19- Related Rent Concessions beyond 30 June 2021	1 April 2021
SFRS(I) 3	Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 January 2022
SFRS(I) 1-16	Amendment to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
SFRS(I) 1-37	Amendment to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2023
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
SFRS(I) 8	Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 : Disclosure of Accounting Policies	1 January 2023
Various	Annual Improvements to SFRS(I)s 2018-2021	1 January 2022

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

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

3.2 Basis of consolidation

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

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

3. Summary of significant accounting policies (Continued)

3.2 Basis of consolidation (Continued)

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

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

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

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

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

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

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

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

3. Summary of significant accounting policies (Continued)

3.3 Business combinations

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

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

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

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

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

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

3. Summary of significant accounting policies (Continued)

3.3 Business combinations (Continued)

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

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

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

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

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

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

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

3. Summary of significant accounting policies (Continued)

3.4 Revenue recognition

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

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

Sale of development properties

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

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

For development properties whereby the Group has no enforceable right to payment until legal title has passed to the customer, revenue is recognised when the legal title has been transferred to the customer.

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

3.5 Borrowing costs

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

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

3. Summary of significant accounting policies (Continued)

3.6 Employee benefits

(i) Defined contribution plans

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

(ii) Short-term employee benefits

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

3.7 Income tax

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

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

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

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

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

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

3. Summary of significant accounting policies (Continued)

3.7 Income tax (Continued)

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

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

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

3.8 Foreign currency transactions and translation

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

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

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

3. Summary of significant accounting policies (Continued)

3.9 Property, plant and equipment

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

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

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

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

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

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

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

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

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 24.

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

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

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

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

3. Summary of significant accounting policies (Continued)

3.10 Impairment of non-financial assets

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

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

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

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

3.11 Assets held for sale

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

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

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

3. Summary of significant accounting policies (Continued)

3.12 Financial instruments

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

Financial assets

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15") in Note 3.4.

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

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

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

Financial assets at amortised cost

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

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

Effective interest method

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

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

3. Summary of significant accounting policies (Continued)

3.12 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

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

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

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

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

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

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

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

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 30.

Derecognition of financial assets

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

3. Summary of significant accounting policies (Continued)

3.12 Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Ordinary share capital

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

Financial liabilities

Initial recognition and measurement

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

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

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

Other financial liabilities

Trade and other payables

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

3. Summary of significant accounting policies (Continued)

3.12 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Loans and borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs in Note 3.5. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Derecognition of financial liabilities

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

Offsetting of financial instruments

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

(a) Currently has a legally enforceable right to set off the recognised amounts; and
(b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

3.13 Development properties

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

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

3.14 Contract costs

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

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

3. Summary of significant accounting policies (Continued)

3.14 Contract costs (Continued)

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

Contract liabilities primarily relate to:

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

3.15 Cash and cash equivalents

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

3.16 Leases

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

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

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

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

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

3. Summary of significant accounting policies (Continued)

3.16 Leases (Continued)

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

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

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

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

- fixed payments, including in-substance fixed payments less any lease incentive receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

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

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

<u>The Group as a lessor</u>

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

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

3. Summary of significant accounting policies (Continued)

3.16 Leases (Continued)

Operating leases

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

3.17 Provisions

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

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

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

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

3.18 Contingencies

A contingent liability is:

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

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

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

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

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

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

3. Summary of significant accounting policies (Continued)

3.19 Government grants

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

3.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions. Refer to Note 28.

4. Significant accounting estimates and judgements

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

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

Identifying performance obligations, measuring progress and measuring estimated variable consideration included in transaction price

The Group enters into contracts with customers to deliver specified building units to the customers based on the plan and specifications as set out in the contracts. In accordance with SFRS(I) 15, the analysis of whether the contracts comprise one or more performance obligations, determining whether the performance obligations are satisfied over time or at a point in time, the method used to measure progress for revenue recognition where performance obligations are satisfied over time and estimated variable consideration included in the transaction price represent areas requiring critical judgement and estimates by the Group.

4.2 Key sources of estimation uncertainty

Completeness of trade and other payables

The Group records the construction costs of development properties at each reporting date based on certified claims submitted by the main contractors. The Group also accrues the construction costs by relying on the estimates of claims prepared by quantity surveyors in relation to those physical work done performed by the main contractors but yet to be submitted by the main contractors to the Group at the reporting dates. The ultimate of actual claims may differ from the accrued construction costs and the difference may affect the Group's results. The carrying amount of the Group's trade and other payables as at 31 December 2021 were RM246,180,147 (30 June 2020: RM310,535,673).

4. Significant accounting estimates and judgements (Continued)

4.2 Key sources of estimation uncertainty (Continued)

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Management estimates the useful lives of these property, plant and equipment to be within 2 to 5 years. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's property, plant and equipment at 31 December 2021 were RM810,105 (30 June 2020: RM854,975).

Estimation of allowance for foreseeable losses for development properties and impairment losses for contract costs

The Group assesses at every reporting date whether any allowance for foreseeable losses and impairment losses is required. The allowance for foreseeable losses and impairment losses is estimated after taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on prevailing market trends in relation to the recent 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 and impairment losses for contract costs were recognised by the Group as at 31 December 2021 and 30 June 2020.

Measurement of ECL of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the country (i.e. Malaysia). The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 31 December 2021 was RMNil (30 June 2020: 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 expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax as at 31 December 2021 was net tax liabilities of RM109,121 (30 June 2020: tax recoverable of RM1,846,382).

4. Significant accounting estimates and judgements (Continued)

4.2 Key sources of estimation uncertainty (Continued)

Impairment of investment in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investment in subsidiaries are impaired or that an impairment loss recognised in prior periods may no longer exist or may have decreased. Where applicable, the Company's and Group's determination of the recoverable value is based on the estimation of the value-in-use of the applicable assets as defined in SFRS(I) 1-36 *Impairment of Assets* by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amounts of investment in subsidiaries as at 31 December 2021 was RM200,000,000 (30 June 2020: RM811,831,738).

5. Revenue

	Group	
	1 July 2020 to 31 December 2021	1 July 2019 to 30 June 2020
	RM	RM
Revenue from sale of development properties		
- transferred at a point in time	21,649,359	43,932,299
- transferred over time	30,351,564	157,378,443
	52,000,923	201,310,742

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

In 2020, there is one of the customers of the Group represent approximately RM102,443,654 of the Group's total revenue.

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	Group	
	31 December 2021	30 June 2020
	RM	RM
Aggregate amount of the transaction price allocated to sale of development properties for contracts that are partially unsatisfied as at the reporting date	–	29,056,517

6. Cost of sales

	Group	
	1 July 2020 to 31 December 2021	1 July 2019 to 30 June 2020
	RM	RM
Cost for sale of development properties, including fulfilment cost	37,020,233	187,722,075
Amortisation of capitalised commission	430,683	328,829
Reversal of foreseeable loss on development properties (refer to accounting policy in Note 3.13)	(2,085,293)	(678,447)
	35,365,623	187,372,457

7. Other income

	Group	
	1 July 2020 to 31 December 2021	1 July 2019 to 30 June 2020
	RM	RM
Rental income	107,100	46,200
Rental rebate	30,748	–
Interest income	43,884	–
Forfeiture payment from purchasers of development properties	24,582	–
Gain on disposal of property, plant and equipment	12,000	–
Others	49,656	1,566
	267,970	47,766

8. Net finance costs

	Group 1 July 2020 to 31 December 2021 RM	Group 1 July 2019 to 30 June 2020 RM
Finance income		
Foreign exchange gain	–	8,549
Interest income	313,957	918,248
Late payment interest charged to customers	–	4,405
	313,957	931,202
Finance costs		
Interest expense on:		
- term loan	(101,420)	(56,187)
- bank overdrafts	(854,079)	(1,900,818)
- advances from a controlling shareholder	(4,948,367)	(1,382,231)
- advances from affiliated corporations	(2,874,233)	(184,130)
- loan from a trade payable (Note 26)	(3,570,402)	(3,461,511)
- lease liabilities	(38,631)	(37,160)
	(12,387,132)	(7,022,037)
Net finance costs	(12,073,175)	(6,090,835)

9. Loss before income tax

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

	Group	
	1 July 2020 to 31 December 2021	1 July 2019 to 30 June 2020
	RM	RM
Accruals for late payment interests	1,853,245	1,401,386
Audit fees paid to:		
- auditors of the Company	307,296	254,619
- auditors of other components	140,000	146,000
Non-audit fees paid to auditors of the Company	55,535	–
Depreciation of property, plant and equipment	752,945	535,218
Directors' fee	715,089	661,560
Directors' remuneration of the Company:		
- Short-term benefits	866,034	1,081,666
- Employers' contribution to defined contribution plans	74,172	53,899
Employee benefits expenses (see below)	7,491,022	5,647,520
Loss on disposal of property, plant and equipment	5,167	–
Operating lease expense	680,604	653,770
(Reversal of)/Accruals for liquidated ascertained damages	(651,653)	1,213,879
Employee benefits expense:		
Wages and salaries	6,594,929	5,094,409
Employer's contribution to defined contribution plans including Central Provident Fund	693,860	458,343
Other benefits	202,233	94,768
	7,491,022	5,647,520

10. Tax expense/(credit)

	Group	
	1 July 2020 to 31 December 2021	1 July 2019 to 30 June 2020
	RM	RM
Current tax expense/(credit)		
Current period	1,500,000	–
Under/(Over) provision in prior years	430,330	(108,492)
Tax expense/(credit)	1,930,330	(108,492)

10. Tax expense/(credit) (Continued)

	Group	
	1 July 2020 to 31 December 2021	1 July 2019 to 30 June 2020
	RM	RM
Reconciliation of effective tax rate		
Loss before income tax	(20,857,527)	(18,192,056)
Tax using the Malaysia tax rate of 24% (2020: 24%)	(5,005,806)	(4,366,094)
Effect of different tax rates in foreign jurisdiction	246,331	249,652
Non-deductible expenses	5,379,873	2,433,319
Non-taxable income	(1,561)	333
Deferred tax assets not recognised	881,163	1,682,790
Under/(Over) provision in prior years	430,330	(108,492)
	1,930,330	(108,492)

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

	Group	
	1 July 2020 to 31 December 2021	1 July 2019 to 30 June 2020
	RM	RM
Plant and equipment	208,619	236,100
Unutilised tax losses	72,013,531	68,516,400
Unutilised capital allowances	417,065	215,203
	72,639,215	68,967,703

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

11. Loss per share

(a) Basic loss per share

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

	Group	
	1 July 2020 to 31 December 2021	1 July 2019 to 30 June 2020
	RM	RM
Loss attributable to owners of the Company	(22,875,022)	(20,753,493)
Weighted average number of ordinary shares outstanding for basic loss per share (in units)	1,869,434,303	1,869,434,303
Basic loss per share (RM cents per share)	(1.22)	(1.11)

(b) Diluted loss per share

The basic loss per share for the period/year ended 31 December 2021 and 30 June 2020 is the same as the respective diluted loss per share, as there were no potential dilutive ordinary shares in existence during the period/year ended 31 December 2021 and 30 June 2020.

12. Property, plant and equipment

	Renovations	Computers	Equipment and fittings	Motor vehicles	Office buildings	Total
	RM	RM	RM	RM	RM	RM
Group						
Cost						
At 1 July 2019	2,845,721	360,190	460,170	2,216,498	589,990	6,472,569
Additions	–	32,513	17,350	86,000	–	135,863
Written-off	–	(12,197)	–	–	–	(12,197)
At 1 July 2020	2,845,721	380,506	477,520	2,302,498	589,990	6,596,235
Additions	–	73,974	27,822	–	656,446	758,242
Disposal	–	–	(19,000)	(86,000)	–	(105,000)
At 31 December 2021	2,845,721	454,480	486,342	2,216,498	1,246,436	7,249,477
Accumulated depreciation						
At 1 July 2019	2,845,721	266,043	334,172	1,772,303	–	5,218,239
Depreciation charge	–	70,830	38,000	178,911	247,477	535,218
Written-off	–	(12,197)	–	–	–	(12,197)
At 1 July 2020	2,845,721	324,676	372,172	1,951,214	247,477	5,741,260
Depreciation charge	–	69,761	35,554	252,260	395,370	752,945
Disposal	–	–	(19,000)	(35,833)	–	(54,833)
At 31 December 2021	2,845,721	394,437	388,726	2,167,641	642,847	6,439,372
Carrying amount						
At 31 December 2021	–	60,043	97,616	48,857	603,589	810,105
At 30 June 2020	–	55,830	105,348	351,284	342,513	854,975

Property, plant and equipment includes right-of-use assets with carrying amount of RM647,850 (30 June 2020: RM611,115). Details of right-of-use assets are disclosed in Note 24(a).

During the financial period, the Group acquired property, plant and equipment for an aggregate of approximately RM758,242 (30 June 2020: RM135,863) of which RM656,446 (30 June 2020: RMNil) was acquired by means of a lease.

13. Investment in subsidiaries

	Company	
	31 December 2021	30 June 2020
	RM	RM
Unquoted equity shares, at cost	1,229,000,000	1,229,000,000
Less: Impairment loss	(1,029,000,000)	(417,168,262)
Carrying amount	200,000,000	811,831,738

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

	Company	
	31 December 2021	30 June 2020
	RM	RM
At beginning of the period	417,168,262	291,168,262
Addition	611,831,738	126,000,000
At end of the period	1,029,000,000	417,168,262

An assessment is made on whether there are indicators that the Company's investment in subsidiaries are impaired. The estimate of the recoverable amount is determined based on value-in-use calculations. Value-in-use is calculated based on the estimated cash flows generated from the sale of development properties and proposed development projects to be undertaken by the cash generating units comprise Astaka Padu Sdn Bhd and Bukit Pelali Properties Sdn Bhd.

For estimated cash flows generated from the sale of development properties and future phases to be developed, the Company has assessed the estimated selling prices, future costs to complete the projects and development plans of the Group, taking into consideration available industry data, status of construction progress, deviation in design plans, cost overruns and current market factors.

For estimated cash flows generated from the land to be developed, the Company has assessed based on valuation obtained from an independent external valuer. Significant judgement and estimates are involved in determining the appropriate valuation methods and assumptions applied in the valuation.

Based on the assessment, the Company determined the recoverable amount to be RM200,000,000 (30 June 2020: RM811,831,738) and recognised an impairment loss of RM611,831,738 (30 June 2020: RM126,000,000) in the statement of comprehensive income for the financial period ended 31 December 2021 as a result of the slowdown in the property market in Malaysia.

13. Investment in subsidiaries (Continued)

Key assumptions used in the estimated cash flows

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

Development properties	Key assumptions
Completed projects	■ Estimated selling price of RM280 to RM740 (30 June 2020: RM250 to RM750) per square feet. ■ Construction costs of RM180 to RM730 (30 June 2020: RM240 to RM720) per square feet.
Land to be developed	■ Estimated selling price of RM700 to RM1,700 (30 June 2020: RM800 to RM2,260) per square feet for apartments, offices and retail mall. ■ Estimated construction costs of RM2,700 to RM6,000 (30 June 2020: RM2,700 to RM5,000) per square metre for apartments, offices, retail mall and hotel. ■ Pre-tax discount rate of 11.18% (30 June 2020: 10.53%).
Future phases to be developed	■ Estimated selling price of RM240 to RM650 (30 June 2020: RM240 to RM650) per square feet for apartments, offices, houses, hotel and club house. ■ Estimated selling price of RM50 to RM170 (30 June 2020: RM50 to RM170) for low-cost houses and shops. ■ Estimated construction costs of RM230 to RM570 (30 June 2020: RM230 to RM570) per square feet for apartments, offices, houses, hotel and club house. ■ Estimated construction costs of RM120 to RM180 (30 June 2020: RM120 to RM180) per square feet for low-cost houses and shops. ■ Pre-tax discount rate of 11.18% (30 June 2020: 10.53%).

13. Investment in subsidiaries (Continued)

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Ownership interest	
			31 December 2021	30 June 2020
			%	%
Held by the Company				
Astaka Padu Limited [1]	Investment holding	British Virgin Islands	99.99	99.99
Held by Astaka Padu Limited				
Astaka Padu Sdn Bhd [2]	Property development	Malaysia	100	100
Held by Astaka Padu Sdn Bhd				
Bukit Pelali Properties Sdn Bhd [2]	Property development	Malaysia	51	51
Held by Bukit Pelali Properties Sdn Bhd				
Bukit Pelali Healthcare Sdn Bhd [2]	Dormant	Malaysia	100	100
Bukit Pelali Hotels Sdn Bhd [2]	Dormant	Malaysia	100	100

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

2 Audited by RSM Malaysia (Johor Bahru)

14. Development properties

		Group	
		31 December 2021	30 June 2020
		RM	RM
Completed properties held for sale:			
- completed properties	(i)	217,128,814	186,600,896
Properties in the course of development (on-going projects):			
Unsold units			
- aggregate costs incurred	(ii)	–	39,547,582
Properties for development representing mainly development costs, at cost		120,152,650	228,757,602
Total		337,281,464	454,906,080

14. Development properties (Continued)

Securities

On 12 April 2017, a subsidiary of the Company, APSB has entered into a loan agreement with CSCE and as a security under the loan agreement, a lien holder caveat has been created on certain lands owned by Saling Syabas Sdn Bhd ("SSSB"), non-controlling shareholder of Bukit Pelali Properties Sdn Bhd SSSB is owned by the controlling shareholder of the Company, Dato' Daing A Malek Bin Daing A Rahaman. The said lands are located in Bukit Pelali, Pengerang, Johor, Malaysia, which the Group has the sole and exclusive development rights to develop its development properties. On 29 November 2021, APSB and CSCE has entered into 2021 Settlement Agreement and 4 land parcels remain secured to CSCE. As at 31 December 2021, the Group had incurred and recorded RM40,264,433 (30 June 2020: RM43,273,830) in development properties for the share of master infrastructure costs on the said lands.

For more details, please refer to Note 26 of the consolidated financial statements of the Group.

Completed properties held for sale

(i) Completed properties held for sale

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

	Group	
	31 December 2021 RM	30 June 2020 RM
Completed properties held for sale		
- aggregate costs incurred	234,744,400	205,715,459
- allowance for foreseeable losses	(17,615,586)	(19,114,563)
	217,128,814	186,600,896

Properties in the course of development (on-going projects)

(ii) Unsold units

The amount relates primarily to cost attributable to the unsold units.

	Group	
	31 December 2021 RM	30 June 2020 RM
Unsold units		
- aggregate costs incurred	–	40,133,898
- allowance for foreseeable losses	–	(586,316)
	–	39,547,582

14. Development properties (Continued)

Properties in the course of development (on-going projects) (Continued)

(ii) Unsold units (Continued)

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

	Group	
	31 December 2021 RM	30 June 2020 RM
At beginning of the period/year	19,700,879	69,085,195
Reversal of foreseeable loss on development properties sold at carrying amount	–	(48,705,869)
Reversal of foreseeable loss on development properties sold at above carrying amount	(2,085,293)	(678,447)
At end of the period/year	17,615,586	19,700,879

The major development properties are as follows:

Project name/ location	Description	Tenure	Site area (acre)	Gross floor area (square feet)	Stage of completion	Expected completion (Financial year)	Group's interest in properties
The Astaka @ One Bukit Senyum/ Johor Bahru, Malaysia	Luxury condominium	Freehold	2.42	1,434,900	100%	Completed	99.99%
Majlis Bandaraya Johor Bahru/ Johor Bahru, Malaysia	15-storey commercial office tower	Freehold	1.37	442,810	100%	Completed	99.99%
Bukit Pelali Phase 1A/ Pengerang, Malaysia	Commercial development	99 years leasehold	0.87	75,715	100%	Completed	50.99%
Bukit Pelali Phase 1A/ Pengerang, Malaysia	Residential development	99 years leasehold	15.93	370,575	100%	Completed	50.99%
Bukit Pelali Phase 1B/ Pengerang, Malaysia	Residential development	99 years leasehold	25.46	512,055	100%	Completed	50.99%
Bukit Pelali Phase 2A & 2B/ Pengerang, Malaysia	Commercial development	99 years leasehold	3.48	379,465	100%	Completed	50.99%
Future phases in Bukit Pelali/ Pengerang, Malaysia	Mixed township development comprising of residential, shop offices, private mart and hospital	99 years leasehold	166.05	9,654,029	–	–	50.99%

15. Asset held for sales

During the current financial period, the Group's management planned to sell a parcel of freehold land held under H.S.(D) 571006, PTD 233330, Mukim of Plentong, District of Johor Bahru, State of Johor, measuring approximately 7.65 acres in area (the "Land"), previously classified as development properties. Management is of the view that the freehold land expected to be sold within the next twelve months. The carrying amount of asset held for sale as at 31 December 2021 was RM115,401,687 (30 June 2020: RMNil).

On 14 January 2022, APSB has entered into sale and purchase agreement ("SPA") with Seaview Holdings Sdn. Bhd. for the proposed sale of aforementioned freehold land. The sale consideration for the Land is RM116,000,000.

16. Contract costs

		Group	
		31 December 2021 RM	30 June 2020 RM
Capitalised commission	(i)	–	398,155
Fulfilment costs	(ii)	–	830,415
		–	1,228,570

(i) Capitalised commission

Management expects the incremental commission fees paid to property agents as a result of securing sale contracts to be recoverable. The Group has therefore capitalised the commission fees and amortised these commission fees when the related revenue is recognised.

	Group	
	31 December 2021 RM	30 June 2020 RM
Capitalised commission		
At beginning of the period/year	398,155	169,098
Additions	32,528	557,886
Amortised to profit or loss	(430,683)	(328,829)
At end of the period/year	–	398,155

16. Contract costs (Continued)

(ii) Fulfilment costs

Costs that are attributable to the sold units are capitalised as fulfilment costs. These costs are expected to be recoverable and are amortised to profit or loss as cost of sales when the related revenue is recognised.

	Group	
	31 December 2021 RM	30 June 2020 RM
Fulfilment costs		
At beginning of the period/year	830,415	11,209,818
Additions	5,694,035	128,418,825
Amortised to profit or loss	(6,524,450)	(138,798,228)
At end of the period/year	–	830,415

17. Contract assets/(liabilities)

	Group	
	31 December 2021 RM	30 June 2020 RM
Contract assets	2,814,580	13,350,949
Contract liabilities	–	(3,405,645)

Contract assets represent the unbilled amount for work completed to date. The amount is transferred to trade receivable when the right to bill becomes unconditional upon receipts of the architects' certification. This typically occurs when the construction milestones are achieved. The significant changes in the contract assets during the period/year are as follows:

	Group	
	31 December 2021 RM	30 June 2020 RM
At beginning of the period/year	13,350,949	24,835,892
Contract assets reclassified to trade receivables that was included in the contract asset balance at the beginning of the period/year	(13,350,949)	(24,835,892)
Revenue recognised but not billed, excluding amounts reclassified to trade receivables during the period/year	2,814,580	13,350,949
At end of the period/year	2,814,580	13,350,949

17. Contract assets/(liabilities) (Continued)

Contract liabilities represent the progress billings exceed costs incurred plus recognised profits. The amount is recognised as revenue when the Group performs the underlying performance obligations under the contract. The significant changes in the contract liabilities during the period/year are as follows:

	Group	
	31 December 2021 RM	30 June 2020 RM
At beginning of the period/year	(3,405,645)	(32,498,637)
Revenue recognised that was included in the contract liability balance at the beginning of the period/year	3,405,645	32,498,637
Increases due to cash received and billings issued, excluding amounts recognised as revenue during the period/year	–	(3,405,645)
At end of the period/year	–	(3,405,645)

The exposure to credit risk and impairment losses related to contract assets is disclosed in Note 30.

18. Trade and other receivables

	Group		Company	
	31 December 2021 RM	30 June 2020 RM	31 December 2021 RM	30 June 2020 RM
Trade receivables from:				
- third parties	6,940,511	4,454,085	–	–
	6,940,511	4,454,085	–	–
Amounts due from subsidiaries	–	–	104,214,250	107,597,153
Stakeholding money receivables	2,064,216	2,739,385	–	–
Retention sums receivables	8,238,631	8,238,631	–	–
Other receivables	783,759	138,648	–	–
Deposits	2,184,940	4,177,851	–	–
Less: Impairment loss allowance amounts due from subsidiaries	–	–	(104,214,250)	(107,597,153)
	20,212,057	19,748,600	–	–
Advance payments	120,778	100,778	–	–
Prepayments	165,733	626,556	81,670	40,945
	20,498,568	20,475,934	81,670	40,945

The Group's stakeholding money receivables represent the payments received from the purchasers of Phase 1B of Bukit Pelali (30 June 2020: Phase 1A of Bukit Pelali), which were held by the solicitors of the Group at the reporting date. Such monies will be released to the Group upon the expiry of the defective period of the development properties.

Deposits consist of deposits paid to office rental, office utilities, local authority for construction and banker guarantee which are held in trust by a former director of the Company.

The exposure to credit risk and impairment losses related to trade and other receivables is disclosed in Note 30.

19. Cash and cash equivalents

	Group		Company	
	31 December 2021	30 June 2020	31 December 2021	30 June 2020
	RM	RM	RM	RM
Cash and bank balances	5,034,796	14,009,080	520,437	595,257
Fixed deposits pledged	1,429,820	5,001,485	–	–
	6,464,616	19,010,565	520,437	595,257

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

	Group	
	31 December 2021	30 June 2020
	RM	RM
Cash and bank balances per consolidated statement of financial position	6,464,616	19,010,565
Less: Fixed deposits pledged	(1,429,820)	(5,001,485)
Less: Bank overdrafts (Note 25)	(11,898,680)	(9,926,529)
Cash and cash equivalents per consolidated statement of cash flows	(6,863,884)	4,082,551

The Group's fixed deposits are pledged as security to obtain a bank overdraft facility as disclosed in Note 25. The effective interest rate on fixed deposits of the Group is 1.85% (30 June 2020: 3.90%) per annum.

Included in cash and bank balances is an amount of RM818,416 (30 June 2020: RM986,669) of which the bank accounts are maintained in accordance with Housing Development (Housing Development Account) Regulation 1991 in Malaysia. These accounts, which consist of monies received from purchasers, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the respective subsidiaries upon the completion of the property development projects and after all property development expenditure have been fully settled.

20. Share capital

	No. of ordinary shares issued	Amount of share capital	
	Company	Group	Company
		RM	RM
31 December 2021			
At beginning and end of the period	1,869,434,303	259,383,777	1,455,078,944
30 June 2020			
At beginning and end of the period	1,869,434,303	259,383,777	1,455,078,944

20. Share capital (Continued)

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

The Group's share capital amount differs from that of the Company as a result of reverse acquisition accounting upon completion of reverse acquisition on 19 November 2015.

21. Merger reserve

In 2014, Astaka Padu Limited ("APL") acquired the entire share capital of Astaka Padu Sdn Bhd ("APSB") through a share-for-share swap by issuing 80 ordinary shares amounting to RM20,000,000 to the shareholders of APSB. The acquisition of APSB by APL had been accounted for as a capital reorganisation as both APL and APSB were under common control of the same controlling shareholders.

The share capital of the Group issued for the purpose of the capital reorganisation in 2014 amounting to RM30,769,090 was measured based on deemed cost of acquiring APSB, being the existing carrying values of the net assets acquired. The resulting differences are recognised separately as a merger reserve.

22. Capital reserve

	Company	
	31 December 2021 RM	30 June 2020 RM
At beginning and end of the period	1,419,389	1,419,389

Capital reserve represents the issue of shares to the Arranger of the Company during the listing of the Company in 2009 and the listing expenses borne by the shareholders were deemed to be capital contributions by the shareholders and were recognised as a component of equity in capital reserve.

23. Non-controlling interests

The following subsidiary has non-controlling interests ("NCI") that are material to the Group.

Name of subsidiary	Country of incorporation	Ownership interests held by NCI	
		31 December 2021 %	30 June 2020 %
Bukit Pelali Properties Sdn Bhd ("Bukit Pelali Properties")	Malaysia	49.01	49.01

23. Non-controlling interests (Continued)

The following summarises the financial information for the above subsidiary which are prepared in accordance with SFRS(I).

	Bukit Pelali Properties	Other immaterial NCI	Total
	RM	RM	RM
31 December 2021			
Revenue	38,067,166		
Profit for the period, representing total comprehensive income for the period	196,567		
Attributable to NCI:			
- Profit for the year, representing total comprehensive income for the period	96,328	(9,163)	87,165
Non-current assets	44,946		
Current assets	177,652,865		
Non-current liabilities	(16,458)		
Current liabilities	(169,521,004)		
Net liabilities	8,160,349		
Net liabilities attributable to NCI	3,998,987	(32,631)	3,966,356
30 June 2020			
Revenue	57,251,257		
Profit for the year, representing total comprehensive income for the year	5,463,486		
Attributable to NCI:			
- Profit for the year, representing total comprehensive income for the year	2,677,387	(7,458)	2,669,929
Non-current assets	145,086		
Current assets	188,111,561		
Non-current liabilities	(61,745)		
Current liabilities	(194,231,119)		
Net liabilities	(6,036,217)		
Net liabilities attributable to NCI	(2,958,054)	(22,755)	(2,980,809)

24. The Group as a lessee

The Group leases office buildings and motor vehicles for 2 to 5 years.

Extension options

The Group has several lease contracts with extension options exercisable by the Group up to 180 days before the end of the non-cancellable contract period. These extension options are exercisable by the Group and not by the lessors. The extension options are used by the Group to provide operation flexibility in terms of managing the assets used in the Group's operation. As at 31 December 2021, the Group is not reasonably certain that they will exercise these extension options.

Recognition exemptions

The Group has certain lease of office buildings with lease terms of 12 months or less and/or of low value. For such leases, the Group has elected not to recognise right-of-use assets and lease liabilities.

a) *Right-of-use assets*

The carrying amount of right-of-use assets by class of underlying asset classified within property, plant and equipment are as follows:

	Office buildings RM	Motor vehicles RM	Total RM
Group			
At 1 July 2020	342,513	268,602	611,115
Addition	656,446	–	656,446
Depreciation	(395,370)	(224,341)	(619,711)
At 31 December 2021	603,589	44,261	647,850

The total cash outflows for leases during the financial period ended 31 December 2021 was RM586,837 (30 June 2020: RM369,819).

b) *Lease liabilities*

	Group	
	31 December 2021 RM	30 June 2020 RM
Lease liabilities - non-current	408,223	226,736
Lease liabilities - current	308,715	412,710
	716,938	639,446

The maturity analysis of lease liabilities is disclosed in Note 30. Lease liabilities are denominated in Malaysia Ringgit.

24. The Group as a lessee (Continued)

c) *Amounts recognised in profit or loss*

	Group	
	1 July 2020 to 31 December 2021	1 July 2019 to 30 June 2020
	RM	RM
Interest expenses on lease liabilities	38,631	37,160
Expense relating to short-term leases	680,604	653,770

25. Loans and borrowings

	Group	
	31 December 2021	30 June 2020
	RM	RM
Current liabilities		
Secured		
Term loan	–	1,138,692
Bank overdrafts	11,898,680	9,926,529
Total loans and borrowings	11,898,680	11,065,221

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Carrying amount
		%		RM
Group				
31 December 2021				
Secured				
Bank overdrafts	RM	5.81%	2022	11,898,680
30 June 2020				
Secured				
Bank overdrafts	RM	6.06%	2021	9,926,529
Term loan	RM	8.25%	2021	1,138,692
				11,065,221

25. Loans and borrowings (Continued)

Security

In 2020, the term loan relates to Term Financing and Bridging Financing Facilities from Malaysia Building Society Berhad of RM1,200,000 for the purpose of the constructing the Group's development properties. It is secured by third party for the first open monies legal charge over the land held under Lot PTD 6009, Mukim of Pengerang, District of Kota Tinggi, Johor which is owned by SSSB. This term loan has been fully settled during the financial period.

Included in the bank overdrafts is Affin Bank Berhad overdraft facility of RM12,000,000 (30 June 2020: RM10,000,000) for the working capital requirements of the Group, which is secured against a controlling shareholder's fixed deposit of RM12,000,000 (30 June 2020: RM10,000,000).

26. Trade and other payables

	Group		Company	
	31 December 2021 RM	30 June 2020 RM	31 December 2021 RM	30 June 2020 RM
Trade payables	207,083,905	256,655,283	–	–
Other payables	7,044,716	19,719,596	731,801	639,211
Accrued land costs	3,390,792	7,708,684	–	–
Accrued transaction costs	10,956,819	13,289,628	–	–
Accrued expenses	17,703,915	13,162,482	–	–
	246,180,147	310,535,673	731,801	639,211

Included in the Group's trade payables is an amount of RM34,652,800 (30 June 2020: RM34,652,800) owing to the Johor State Government for acquisition of development land.

Included in the Group's other payables are deposits received from the purchasers of the property development totalling RM25,948 (30 June 2020: RM15,948).

Included in the Group's accrued expenses are:

(a) accrued interest expense of RM6,360,062 (30 June 2020: RM2,789,660) arising from its overdue trade payable amounts of RM4,614,831 (30 June 2020: RM34,114,832) owing to a main contractor, pertaining to settlement agreement;

(b) accrued late payment interest of RM6,430,151 (30 June 2020: RM4,576,906) arising from its trade payable amounts owing to a main contractor, pertaining to settlement agreement; and

(c) accrued liquidated damages amounting to RM918,846 (30 June 2020: RM1,570,502), representing late payment charges for late delivery of the property development to purchasers.

26. Trade and other payables (Continued)

Dispute with China State Construction Engineering (M) Sdn Bhd ("CSCE")

On 12 April 2017, APSB entered into a loan agreement (the "Loan Agreement") with CSCE to convert the outstanding trade payables of RM46,532,461 due to CSCE under the letter of award dated 18 December 2014 and a construction agreement dated 2 August 2015 between APSB and CSCE (collectively, the "Contract") into a loan (the "Loan"). The Loan is subject to an interest rate of 8.5% per annum commencing from 30 June 2017 until the date of full repayment of the loan. As security for the Loan, certain land parcels located in Bukit Pelali, which are owned by SSSB and over which a subsidiary, Bukit Pelali Properties Sdn Bhd holds development rights, were secured to CSCE. APSB has defaulted on the settlement to CSCE and these amounts remained unsettled as at 1 July 2017, 30 June 2018, 30 June 2019 and 30 June 2020. In addition, APSB has also received letters of demands dated 2 October 2018, 1 February 2019 and 11 July 2019 from the solicitor of CSCE to demand the payments of the total trade payable amounts of RM125,347,303 (inclusive of the overdue trade payable amounts of RM46,532,461) relating to the Loan Agreement and Contract, and interest thereon.

On 1 October 2019, APSB entered into a settlement agreement with CSCE to settle the remaining outstanding balances of RM74,390,000 (inclusive of interests) in instalments until 30 June 2020 (the "Settlement Agreement"). The Settlement Agreement constitutes full and final settlement between APSB and CSCE for all claims and disputes in relation to the Contract and Loan Agreement, subject to the terms and conditions of the Settlement Agreement. Following the execution of the Settlement Agreement, CSCE issued a letter of withdrawal to the Group confirming the withdrawal of its claims of RM125,347,303 and all demands that it had made against the Group.

On 8 April 2020, APSB received a letter of default dated 3 April 2020 by email from CSCE in relation to the Settlement Agreement and on 1 July 2020, setting out, inter alia, APSB's failure to pay RM5,000,000 that was due and payable by APSB to CSCE under the Settlement Agreement for the month of February 2020 and March 2020.

On 1 July 2020, APSB received a letter of demand from CSCE in relation to the Settlement Agreement (the "Letter of Demand"). Pursuant to the Letter of Demand, CSCE claimed that it is entitled to immediately initiate legal proceedings against the Group for the entire unpaid portion of the settlement sum and any other amount due including interest without any further reference to the Group, including but not limited to:

(i) initiating adjudication in accordance with the Construction Industry Payment and Adjudication Act 2012; and/or

(ii) commencing winding up proceedings against the Group.

Pursuant to the Letter of Demand, CSCE demanded that APSB paid CSCE the outstanding sums (together with applicable interests) within seven (7) days from the date of the Letter of Demand, failing which CSCE would initiate legal proceedings against APSB to recover the outstanding sums.

On 2 July 2020, the Company announced among others, that following receipt of the Letter of Demand, the management of APSB would (i) continue to engage CSCE to negotiate a further extension of time and/or a revised Settlement Agreement as APSB's ability to repay the outstanding sums under the Settlement Agreement has been impeded as a result of the government of Malaysia's imposition of the Movement Control Order to curb the spread of COVID-19, and the weak property market sentiment in Malaysia, especially the high-end condominium/service apartment sector; and (ii) verify the payments due to CSCE as set out in the Letter of Demand.

26. Trade and other payables (Continued)

Dispute with China State Construction Engineering (M) Sdn Bhd (Continued)

On 25 November 2020, APSB received a payment claim from CSCE for amounts owing by APSB to CSCE (the "Payment Claim"). Pursuant to the Payment Claim:

(i) CSCE claims against APSB for the sum of RM50,878,046.41 and interest thereon (being RM5,824,944.96 calculated as at 25 November 2020), pursuant to Section 5 of the Construction Industry Payment and Adjudication Act 2012 ("CIPAA"); and

(ii) CSCE's cause of action is based on breach of the terms of payment contained in the Settlement Agreement which is to provide for the payment of works done under the Contract.

In addition, CSCE specified that it would claim for costs against APSB in the adjudication proceedings and/or other legal proceedings and reserved their rights against APSB to make further and other claims arising from the Settlement Agreement against APSB. The Group appointed Sanjay Mohan Advocates & Solicitors ("Sanjay Mohan") as its Malaysian legal advisers to advise APSB on the Payment Claim and next steps.

On 7 December 2020, APSB responded to CSCE in relation to the Payment Claim through its Malaysian legal advisers, Sanjay Mohan (the "Payment Response"). In the Payment Response, APSB denied each and every claim set out in the Payment Claim (including setting out the merits of each defence in the Payment Response), and took the position that it has a valid counterclaim against CSCE for damages or liquidated damages for delay to the progress of works by CSCE, such that the amounts claimed by CSCE will be significantly reduced or negative.

Matter in the Kuala Lumpur High Court (the "KL Matter")

On 25 January 2021, APSB filed an originating summons in the Kuala Lumpur High Court ("KL Court") against CSCE ("Originating Summons") seeking for, amongst others, the following orders:

(i) a declaration that the disputes between the APSB and the CSCE as set out in the Payment Claim do not fall within the ambit of the CIPAA;

(ii) a declaration that the Payment Claim issued pursuant to Section 5 of the CIPAA is invalid, unlawful and an abuse of process; and

(iii) an order restraining CSCE from commencing and/or proceeding with the adjudication proceedings based on the claims set out in the Payment Claim.

APSB had also filed a notice of application seeking for, inter alia, an interim injunction to prevent the CSCE from commencing and/or proceeding with the adjudication proceedings against the APSB pursuant to CIPAA until the disposal of the Originating Summons (the "Notice of Application").

On 30 July 2021, the Company announced that the hearing of the originating summons and notice of application was heard on 26 July 2021 before the KL Court and is fixed for a decision on 6 August 2021.

On 10 August 2021, the Company announced that the KL Court had, on 6 August 2021, dismissed APSB's Originating Summons and the Notice of Application, which were heard before the KL Court on 26 July 2021, with costs of RM 6,000 and RM 4,000 awarded to CSCE, respectively (the "KL Dismissal").

On 25 August 2021, the Company announced that APSB had, on 24 August 2021, filed for a notice of appeal in the Court of Appeal of Malaysia at Putrajaya (Appellate Jurisdiction) to appeal against the KL Dismissal.

26. Trade and other payables (Continued)

Dispute with China State Construction Engineering (M) Sdn Bhd (Continued)

Matter in the Kuala Lumpur High Court (the "KL Matter") (Continued)

On 5 October 2021, the Company announced that APSB, had on 1 October 2021, filed a notice of application in the KL Court for the following orders pursuant to Order 29, Order 69A and Order 92 Rule 4 of the Rules of Court 2012: (i) an Erinford Injunction to preserve the status quo of the matter pending the disposal of APSB's appeal to the Court of Appeal against the KL Dismissal by KL Court; (ii) that the cost of the application be paid by CSCE; and (iii) any further orders and/or reliefs that the KL Court deems fit, appropriate, and just (collectively, the "Erinford Injunction").

On 26 October 2021 and 30 November 2021, the Company announced that the hearing in relation to the Erinford Injunction was fixed on 31 January 2022 by the KL Court.

Matter in the High Court of Malaya at Johor Bahru (the "JB Matter")

On 25 January 2021, APSB was served with a (i) sealed "Writ" dated 30 December 2020 (the "Writ of Summons") and "Pernyataan Tuntutan" dated 30 December 2020 (the "Statement of Claim") by CSCE in the High Court of Malaya at Johor Bahru ("JB Court"); and (ii) "Notis Pengurusan Kes Secara e-Review" dated 31 December 2020 (the "e-Review Case Management Notice"), in relation to the Payment Claim.

Pursuant to the Statement of Claim, CSCE claimed from the APSB: (i) the sum of RM50,878,046.41; (ii) interest to be calculated at the rate of 8.5% per annum in respect of the sums allowed under item (i) above, to be calculated from 1 September 2019 until the date of actual payment; (iii) costs; and (iv) any other or further relief that the JB Court deems fit to grant, including any applicable tax.

On 16 February 2021, APSB filed a stay of proceedings pending referral to arbitration pursuant to Section 10 of the Arbitration Act 2005 ("Stay of Proceedings") in relation to CSCE's Writ of Summons and Statement of Claim.

On 17 February 2021, APSB filed its Statement of Defence in response to CSCE's Statement of Claim and counterclaimed for, inter alia,the sum of RM67,328,000 or such other sums as assessed by the JB Court for damages for the losses incurred by APSB as a result of the delays caused by CSCE to the progress of the works and a declaration that the loan agreement dated 12 April 2017 and the Settlement Agreement dated 1 October 2019 are unenforceable in law.

On 30 July 2021, the Company announced that hearing in relation to the Stay of Proceedings was heard before the JB Court on 26 July 2021 and is fixed for a decision on 1 September 2021.

On 3 September 2021, the Company announced that the JB Court had, on 1 September 2021, dismissed APSB's Stay of Proceedings with costs of RM5,000 awarded to CSCE (the "JB Dismissal").

On 15 September 2021, the Company announced that APSB had, on 13 September 2021, filed for a notice of appeal in the Court of Appeal of Malaysia at Putrajaya (Appellate Jurisdiction) to appeal against the JB Dismissal and is fixed for further case management on 1 December 2021 to update the status of the filing of appeal record following the 1 November 2021's case management.

26. Trade and other payables (Continued)

Dispute with China State Construction Engineering (M) Sdn Bhd (Continued)

<u>Matter in the High Court of Malaya at Johor Bahru (the "JB Matter")</u> (Continued)

On 5 October 2021, the Company announced that APSB, had on 1 October 2021, received a letter from Raja, Darryl & Loh (being CSCE's Malaysian legal advisers for the JB Matter) enclosing, inter alia, an unsealed notice of application for an order from the JB Court for a summary judgment against APSB pursuant to Order 14 of the Rules of Court 2012 as follows: (i) the sum of RM50,878,046.41; (ii) interest to be calculated at the rate of 8.5% per annum in respect of the sums allowed under paragraph (i) above to be calculated from 1 September 2019 until the date of actual payment; (iii) costs; and (iv) any other or further relief that the JB Court deems fit to grant (collectively, the "Summary Judgment").

On 26 October 2021 and 30 November 2021, the Company announced that the hearing in relation to the Summary Judgement was fixed on 13 December 2021 by the JB Court.

<u>2021 Settlement Agreement</u>

On 30 November 2021, the Company announced that APSB had, on 29 November 2021, entered into a settlement agreement with CSCE by way of consent judgment, as full and final settlement and discharge of all disputes, differences and claims by either party in connection with CSCE's claim against APSB for the sum of RM50,878,046.41 and interests thereon (the "Dispute") (the "2021 Settlement Agreement"). The terms of the 2021 Settlement Agreement include the (a) potential transfer of up to five (5) properties within the development, The Astaka @ Bukit Senyum ("The Astaka") from APSB to CSCE or nominees of CSCE, at the discretion of APSB; and (b) payment by APSB to CSCE of a settlement sum of RM44,073,120.00, which includes the potential transfer of up to five (5) properties within the development.

On 30 December 2021, the Company announced that following the execution of the 2021 Settlement Agreement, CSCE had filed and recorded the consent judgment of the civil proceedings relating to the 2021 Settlement Agreement in the JB Court on 13 December 2021 (the "Consent Judgment"). Accordingly, both CSCE and APSB had since started to withdraw and/or discontinue the adjudication or civil proceedings relating to the Dispute.

Further to the Consent Judgment, APSB had on 22 December 2021, filed the notice of discontinuance in the Court of Appeal at Putrajaya and had withdrawn the Erinford Injunction at the KL Court.

APSB has fulfilled its repayment milestones to CSCE in accordance with the 2021 Settlement Agreement as follows:

(i) RM5,000,000.00 which was paid on the same day which the 2021 Settlement Agreement was entered into;

(ii) RM5,000,000.00 which was paid on 14 December 2021 following the receipt of the Consent Judgment; and

accordingly, an amount of RM34,073,120.00 remains outstanding under the 2021 Settlement Agreement which forms part of the trade payables of the Group as at 31 December 2021.

27. Amounts due to related parties

	Group		Company	
	31 December 2021	30 June 2020	31 December 2021	30 June 2020
	RM	RM	RM	RM
Amounts due to:				
- affiliated corporations	90,850,607	38,119,220	–	–
- a controlling shareholder	57,612,460	56,077,326	–	–
- subsidiary	–	–	3,050,285	3,040,870
	148,463,067	94,196,546	3,050,285	3,040,870

Amount due to subsidiary is non-trade, unsecured, interest-free and are repayable on demand.

Amounts due to affiliated corporations and a controlling shareholder are non-trade, unsecured, interest-free and are repayable on demand except for amounts of RM117,022,839 (30 June 2020: RM57,322,839), which bear interest ranged from 4.0% to 8.0% (30 June 2020: 4.0% to 8.0%) per annum.

Affiliated corporations are defined as those companies in which a controlling shareholder of the Company is a director and controlling shareholder of these companies.

The exposure to credit risk and impairment losses related to amount due from related parties is disclosed in Note 30.

28. Segment information

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

Management considers that the entire Group's operations constitute a single segment which is in the business of property development in Malaysia. Management assesses the performance of the Group's operations based on the profit before tax, total assets and total liabilities which are measured in a manner consistent with that of the consolidated financial statements.

29. Significant related party transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

29. Significant related party transactions (Continued)

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) Both entities are joint ventures of the same third party;
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) The entity is controlled or jointly controlled by a person identified in (a);
(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The effect the Group's and Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

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

	Group	
	1 July 2020 to 31 December 2021	**1 July 2019 to 30 June 2020**
	RM	**RM**
Affiliated corporations		
Advances from	59,700,000	5,000,000
Rental expenses	338,250	246,000
Interest expenses	2,874,233	184,130
Land costs paid/payable	3,904,991	10,732,895
A controlling shareholder of the Company		
Advances	–	30,000,000
Interest expenses	4,948,367	1,382,231
Rental expenses	244,098	40,683

The controlling shareholder of the Company is Dato' Daing A Malek Bin Daing A Rahaman.

29. Significant related party transactions (Continued)

Key management personnel remuneration

	Group	
	1 July 2020 to 31 December 2021	1 July 2019 to 30 June 2020
	RM	RM
Short-term employee benefits	2,441,832	2,690,202
Post-employment benefits (Employer's contribution to defined contribution plans)	183,553	154,646
	2,625,385	2,844,848

30. Financial instruments

Financial risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by internal auditors. Internal auditors undertake both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

30. Financial instruments (Continued)

Credit risk

Credit risk is the risk of potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

The Group's credit risks arise mainly from cash and cash equivalents, trade and other receivables and contract assets. Cash and cash equivalents are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risk, the Group categorises the aforementioned financial assets and contract assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, and/or where contractual payments are 90 days past due as per SFRS(I) 9's presumption.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the reporting date.

The Group has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. The Group's trade receivables represent progress billings for sale of development properties. However, the ownership and rights to the development properties sold will revert to the Group in the event of default. Cash at banks are placed with regulated banks and financial institutions.

At the reporting dates, the Group has significant concentration of credit risk with respect to trade receivables arising from one customer amounting to RM10,881,061 (2020: RM10,614,171). Other than as disclosed above, there is no significant concentration of credit risk as a result of the Group's large number of customers, which are widely distributed and covers a broad range of end markets.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risk [Note 1]	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition [Note 2] or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired [Note 3]	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount [Note 4]	Written off

30. Financial instruments (Continued)

Credit risk (Continued)

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc.) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are > 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

30. Financial instruments (Continued)

Credit risk (Continued)

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cash flows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

Contract assets (Note 17), trade receivables and retention sum receivables (Note 18)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for these contract assets and receivables, where the loss allowance is equal to lifetime ECL.

The contract assets and receivables represent progress billings for sale of development properties. The Group assessed the expected credit loss exposure of these contract assets and receivables to be insignificant based on historical default rates, the Group's view of current and future conditions corresponding with the default rates pertaining to group of customers because the ownership and rights to the development properties sold to the customers will be reverted to the Group in the event of default, which is governed under the Housing Development (Control and Licensing) Act 1966 in Malaysia.

Stakeholding money receivables, other receivables and deposits (Note 18)

As of 31 December 2021, the Group recorded stakeholding money receivables, other receivables and deposits amount of RM2,064,216 and RM2,968,699, respectively (30 June 2020: RM2,739,385 and RM4,316,499, respectively). The Group assessed the credit exposure of these receivables is insignificant based on the historical default rates, the Group's view of current and future conditions corresponding with the default rates pertaining to group of customers. The Group considers that the credit risk of these counter parties has not increased. The amount of the allowance on other receivables and deposits was insignificant.

Amount due from subsidiaries (Note 18)

As at 31 December 2021, the Company measured the impairment losses of amount due from subsidiaries of RM 104,214,250 at an amount equal to lifetime ECLs because the said receivables are assessed to be credit-impaired due to the significant financial difficulty encountered by its subsidiaries.

30. Financial instruments (Continued)

Credit risk (Continued)

Exposure to credit risk

The exposure to credit risk for contract assets and trade and other receivables (excluding prepayments and advances to suppliers) at the reporting date was:

		Group		Company	
	Category	31 December 2021	30 June 2020	31 December 2021	30 June 2020
		RM	RM	RM	RM
Contract assets	Note (i)	2,814,580	13,350,949	–	–
Trade receivables	Note (i)	6,940,511	4,454,085	–	–
Retention sum receivables	Note (i)	8,238,631	8,238,631	–	–
Stakeholding money receivables	1	2,064,216	2,739,385	–	–
Other receivables and deposits	1	2,968,699	4,316,499	–	–
Amount due from subsidiaries	4	–	–	104,214,250	107,597,153
		23,026,637	33,099,549	104,214,250	107,597,153
Impairment loss allowance		–	–	(104,214,250)	(107,597,153)
		23,026,637	33,099,549	–	–

Note (i): For trade receivables and contract assets, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL.

30. Financial instruments (Continued)

Credit risk (Continued)

Exposure to credit risk (Continued)

The following table provides information about the exposure to credit risk and ECL for contract assets and trade and other receivables as at 31 December 2021.

		31 December 2021		30 June 2020	
Group	**Weighted average loss rate**	**Gross carrying amount RM**	**Loss allowance RM**	**Gross carrying amount RM**	**Loss allowance RM**
Contract assets	0%	2,814,580	–	13,350,949	–
Trade receivables					
Not past due	0%	–	–	6,521	–
Past due 1 to 30 days	0%	–	–	217,844	–
Past due 31 to 60 days	0%	2,378,085	–	395,720	–
Past due 61 to 90 days	0%	622,500	–	2,384,366	–
Past due more than 91 days	0%	3,939,926	–	1,449,634	–
		6,940,511	–	4,454,085	–
Stakeholding money receivables					
Not past due	0%	2,064,216	–	2,739,385	–
Retention sum receivables					
Not past due	0%	8,238,631	–	8,238,631	–
Other receivables and deposits					
Not past due	0%	2,968,699	–	4,316,499	–
		23,026,637	–	33,099,549	–
Company					
Amount due from subsidiaries					
Not past due	100%	104,214,250	(104,214,250)	107,597,153	(107,597,153)

30. Financial instruments (Continued)

Credit risk (Continued)

Exposure to credit risk (Continued)

The movement in the loss allowance during the financial year and the Company's exposure to credit risk in respect of amount due from subsidiaries are as follows:

Company	**Amount due from subsidiaries**	
Internal credit risk grading	**Category 1**	**Total**
	RM	**RM**
Loss allowance		
Balance at 1 July 2019	108,165,553	108,165,553
Reversal of loss allowance	(568,400)	(568,400)
Balance at 30 June 2020	107,597,153	107,597,153
Reversal of loss allowance	(3,382,903)	(3,382,903)
Balance at 31 December 2021	104,214,250	104,214,250
Gross Carrying amount		
At 30 June 2020	107,597,153	107,597,153
At 31 December 2021	104,214,250	104,214,250
Net carrying amount		
At 30 June 2020 and 31 December 2021	–	–

Cash and cash equivalents

The Group and the Company held cash and cash equivalents. The cash and cash equivalents are held with banks and financial institutions with sound credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group and the Company consider that their cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was insignificant.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents and credit facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group also obtained financial support from its controlling shareholder to finance the Group's operations, hence reducing liquidity risk.

30. Financial instruments (Continued)

Liquidity risk (Continued)

The following are the contractual undiscounted cash outflows of financial liabilities, including interest payments:

	Carrying amounts	Cash flows: Contractual cash flows	Within 1 year	After 1 year but within 5 years
	RM	RM	RM	RM
Group				
31 December 2021				
Trade and other payables	246,180,147	(246,180,147)	(246,180,147)	–
Amounts due to related parties	148,463,067	(148,463,067)	(148,463,067)	–
Loans and borrowings	11,898,680	(11,898,680)	(11,898,680)	–
Lease liabilities	716,938	(769,488)	(277,862)	(491,626)
	407,258,832	(407,311,382)	(406,819,756)	(491,626)
30 June 2020				
Trade and other payables	310,535,673	(310,535,673)	(310,535,673)	–
Amounts due to related parties	94,196,546	(94,196,546)	(94,196,546)	–
Loans and borrowings	11,065,221	(11,065,221)	(11,065,221)	–
Lease liabilities	639,446	(666,332)	(437,724)	(228,608)
	416,436,886	(416,463,772)	(416,235,164)	(228,608)
Company				
2021				
Trade and other payables	731,801	(731,801)	(731,801)	–
Amounts due to related parties	3,050,285	(3,050,285)	(3,050,285)	–
	3,782,086	(3,782,086)	(3,782,086)	–
2020				
Trade and other payables	639,211	(639,211)	(639,211)	–
Amounts due to related parties	3,040,870	(3,040,870)	(3,040,870)	–
	3,680,081	(3,680,081)	(3,680,081)	–

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group is not exposed to fair value interest rate risk.

30. Financial instruments (Continued)

Market risk (Continued)

Interest rate risk (Continued)

The Group's interest-bearing assets are primarily bank balances. The interest rates on these bank balances are monitored closely to ensure that they are maintained at favourable rates. The Group considers the risk of significant changes to interest rates on bank balances to be unlikely.

The Group's exposure to cash flow interest rate risks arises mainly from variable rate borrowings. The Group manages its interest rate exposure by monitoring movements in interest rates and actively reviewing its borrowings.

Interest rate profile

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, was as follows:

	Group	
	31 December 2021	30 June 2020
	RM	RM
Fixed rate instruments		
Trade and other payables	4,614,832	34,114,832
Amount due to related parties	117,022,839	57,322,839
Lease liabilities	716,938	639,446
	122,354,609	92,077,117
Variable rate instruments		
Term loan	–	1,138,692
Bank overdrafts	11,898,680	9,926,529
	11,898,680	11,065,221

Cash flow sensitivity analysis for variable instruments

A change of 100 basis points (bps) in interest rates at the reporting date would have increased/(decreased) development properties by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group	
	31 December 2021	30 June 2020
	RM	RM
Variable rate instruments		
100 bp increase	118,987	110,652
100 bp decrease	(118,987)	(110,652)

30. Financial instruments (Continued)

Market risk (Continued)

Foreign currency risk

The Group is exposed to foreign currency risk on cash and cash equivalents held by the Group denominated in Singapore Dollars ("SGD") and Hong Kong Dollars ("HKD") that are denominated other than the functional currency of the Group entities, Malaysia Ringgit ("RM").

The Group's exposure to foreign currency risk based on notional amounts is as follows:

	SGD RM	HKD RM	Total RM
Group			
31 December 2021			
Cash and cash equivalents	523,746	31,544	555,290
30 June 2020			
Cash and cash equivalents	563,746	32,629	596,375

Sensitivity analysis

A 5% strengthening of the following major currencies against RM at the reporting dates held by the Group would decrease loss before tax by the amounts shown below. Similarly, a 5% weakening would have the equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date and assumes that all other variables, in particular interest rates, remain constant.

	Group Loss before income tax	
	31 December 2021 RM	30 June 2020 RM
SGD	26,187	28,187
HKD	1,577	1,631
	27,764	29,818

Apart from these SGD and HKD denominated cash and cash equivalents, the Group is not exposed to significant foreign currency risk on monetary assets and liabilities that are denominated in a currency other than the functional currencies of the entities within the Group.

30. Financial instruments (Continued)

Market risk (Continued)

Accounting classifications and fair values

The fair values of applicable assets and liabilities, are determined and categorised using a fair value hierarchy as follows:

(a) Level 1 - the fair values of assets and liabilities with standard terms and conditions and which trade in active markets that the Group can access at the measurement date are determined with reference to quoted market prices (unadjusted).

(b) Level 2 - in the absence of quoted market prices, the fair values of the assets and liabilities are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets or included within Level 1, quoted prices for identical or similar assets/liabilities in non-active markets.

(c) Level 3 - in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

The accounting classification of financial assets and liabilities amounts shown in the statements of financial position, are as follows. Fair value information for financial assets and financial liabilities not measured at fair value has not been presented if the carrying amount is a reasonable approximation of fair value due to short term period to their maturity.

30. Financial instruments (Continued)

Market risk (Continued)

Accounting classifications and fair values (Continued)

	Note	Amortised cost RM	Liabilities at amortised cost RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group								
31 December 2021								
Financial assets not measured at fair value								
Trade and other receivables	18	20,212,057	–	20,212,057	–	–	–	–
Cash and cash equivalents	19	6,464,616	–	6,464,616	–	–	–	–
		26,676,673	–	26,676,673				
Financial liabilities not measured at fair value								
Trade and other payables	26	–	(246,180,147)	(246,180,147)	–	–	–	–
Amount due to related parties	27	–	(148,463,067)	(148,463,067)	–	–	–	–
Loans and borrowings	25	–	(11,898,680)	(11,898,680)	–	(11,898,680)	–	(11,898,680)
Lease liabilities	24	–	(716,938)	(716,938)	–	(716,938)	–	(716,938)
		–	(407,258,832)	(407,258,832)				
Company								
31 December 2021								
Financial assets not measured at fair value								
Cash and cash equivalents	19	520,437	–	520,437	–	–	–	–
		520,437	–	520,437				
Financial liabilities not measured at fair value								
Trade and other payables	26	–	(731,801)	(731,801)	–	–	–	–
Amount due to related parties	27	–	(3,050,285)	(3,050,285)	–	–	–	–
		–	(3,782,086)	(3,782,086)				

30. Financial instruments (Continued)

Market risk (Continued)

Accounting classifications and fair values (Continued)

	Note	Amortised cost RM	Liabilities at amortised cost RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group								
30 June 2020								
Financial assets not measured at fair value								
Trade and other receivables	18	19,748,600	–	19,748,600	–	–	–	–
Cash and cash equivalents	19	19,010,565	–	19,010,565	–	–	–	–
		38,759,165	–	38,759,165				
Financial liabilities not measured at fair value								
Trade and other payables	26	–	(310,535,673)	(310,535,673)	–	–	–	–
Amount due to related parties	27	–	(94,196,546)	(94,196,546)	–	–	–	–
Loans and borrowings	25	–	(11,065,221)	(11,065,221)	–	(11,065,221)	–	(11,065,221)
Lease liabilities	24	–	(639,446)	(639,446)	–	(639,446)	–	(639,446)
		–	(416,436,886)	(416,436,886)				
Company								
30 June 2020								
Financial assets not measured at fair value								
Cash and cash equivalents	19	595,257	–	595,257	–	–	–	–
		595,257	–	595,257				
Financial liabilities not measured at fair value								
Trade and other payables	26	–	(639,211)	(639,211)	–	–	–	–
Amount due to related parties	27		(3,040,870)	(3,040,870)	–	–	–	–
		–	(3,680,081)	(3,680,081)				

30. Financial instruments (Continued)

Valuation techniques and significant unobservable inputs.

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant observable inputs used.

Financial instruments not measured at fair value

Type	Valuation techniques	Significant observable inputs
Group		
Lease liabilities / Loans and borrowings	Discounted cash flows: The valuation model considers the present value of expected future payments, discounted using a risk-adjusted discount rate.	Discount rate

31. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital and to maintain the future development and growth of the business. The Group's overall strategy remains unchanged from 2020.

The Group monitors capital using a net debt equity ratio, which is adjusted net debt divided by total capital. For this purpose, adjusted net debt is defined as loans and borrowings, lease liabilities and certain trade and other payables less cash and cash equivalents. Total equity includes equity attributable to owners of the Company and non-controlling interests.

The gearing ratio is as follows at the reporting date:

	31 December 2021 RM	30 June 2020 RM
Trade and other payables	4,614,831	34,114,832
Loans and borrowings	11,898,680	11,065,221
Lease liabilities	716,938	639,446
Less: cash and cash equivalents	(6,464,616)	(19,010,565)
Net debts	10,765,833	26,808,934
Total equity	75,903,067	91,830,924
Total capital	86,668,900	118,639,858
Net debt ratio	0.12	0.23

The Company is not subjected to externally imposed capital requirements for the financial period/ year ended 31 December 2021 and 30 June 2020.

32. Subsequent events

On 14 January 2022, APSB has entered into a 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"). The sale consideration for the Land is RM116.00 million. The Company will convene an extraordinary general meeting to seek the approval of the Shareholders for the Proposed Disposal of the Land.

On 19 January 2022, APSB has entered into a settlement agreement with Aliran Asia Sdn Bhd ("Aliran Asia") as full and final settlement of all the disputes, differences and claims between the Parties in connection with the Dispute. As of the date of financial statement, APSB has made full payment of RM3.4 million in accordance with the settlement agreement with Aliran Asia.

On 24 January 2022, APSB has entered a non-binding memorandum of understanding ("MOU") with DMR Holdings for a potential collaboration to jointly undertake land development projects in Johor, Malaysia.

On 26 January 2022, APSB has entered a MOU with Straits Perkasa Services Sdn Bhd. ("SPSSB") for a potential collaboration for a mix used development project in Johor, Malaysia.

On 28 January 2022, the Group has incorporated a wholly-owned subsidiary, Astaka Development Sdn Bhd with an issued and paid-up capital of 500,000 shares of RM1.00 per share, and its principal activities are investment holding and property development.

On 21 February 2022, APSB has obtained the 2022 New Loan from Dato' Malek of up to RM60.0 million for general corporate and working capital purposes, which shall be drawn only when required.

On 21 February 2022, APSB and SHSB has entered into a supplemental letter agreement to the SPA, to vary, amend and alter certain terms of the SPA.

On 17 March 2022, APSB entered into the Supplemental Agreement with JBB Kimlun for the full and final settlement of the outstanding amount of RM24,761,348.35 payable from APSB to JBB Kimlun in respect of work done for the MBJB Project. The said outstanding amount will be settled in the following manner: (i) a sum of RM12,867,695.00 to be settled by way of transferring eleven properties held for sale by the Group to JBB Kimlun's nominee(s), namely Kimlun Sdn. Bhd., being a related company of JBB Kimlun, or other third parties as identified by JBB Kimlun, in accordance with the terms of the contra agreement to be entered into pursuant to the Supplemental Agreement; (ii) a sum of RM5,865,159.97 shall be paid to JBB Kimlun based on 2 years instalment plan and (iii) RM6,028,493.38 which being the retention sum, shall be paid to JBB Kimlun after the issuance of the certificate of making good defects by the superintending officer and within fourteen (14) days from the date on which APSB is in receipt of the retention sum under the MBJB Project from the Mayor of Johor Bahru. The contra arrangement will reduce the current liabilities of the Group without having to overstretch its current working capital requirements.

As at 23 March 2022

Class of Shares	:	Ordinary Shares of equal voting rights
Issued and fully Paid-up Capital	:	S$477,554,589.08
Number of Ordinary Shares in Issue (excluding treasury shares)	:	1,869,434,303
Number of Treasury Shares held	:	Nil
Number of Subsidiary Holdings held	:	Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	96	43.83	3,184	0.00
100 – 1,000	21	9.59	8,928	0.00
1,001 – 10,000	41	18.72	188,485	0.01
10,001 – 1,000,000	48	21.92	5,718,965	0.31
1,000,001 and above	13	5.94	1,863,514,741	99.68
TOTAL	**219**	**100.00**	**1,869,434,303**	**100.00**

SUBSTANTIAL SHAREHOLDERS
(As recorded in the Register of Substantial Shareholders as at 23 March 2022)

NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST NO. OF SHARES	%	DEEMED INTEREST NO. OF SHARES	%
HORIZON SEA LIMITED	1,244,062,150	66.55	–	–
DATO' DAING A MALEK BIN DAING A RAHAMAN(1)	3,665,000(2)	0.20	1,244,062,150	66.55

Notes:

(1) Dato Daing A Malek bin Daing A Rahaman is deemed interested in the shares held by Horizon Sea Limited by virtue of him being the sole shareholder of Horizon Sea Limited.

(2) Held through Phillip Securities Pte Ltd.

TWENTY LARGEST SHAREHOLDERS AS AT 23 MARCH 2022

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	HORIZON SEA LIMITED	1,244,062,150	66.55
2	PHILLIP SECURITIES PTE LTD	277,001,618	14.82
3	ACE POINT HOLDINGS LIMITED	93,281,075	4.99
4	GLORYBASE HOLDINGS LIMITED	93,281,075	4.99
5	LUXUS HOLDINGS LIMITED	55,968,645	2.99
6	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	48,800,331	2.61
7	HSBC (SINGAPORE) NOMINEES PTE LTD	23,906,966	1.28
8	CLASSIC LINK INVESTMENTS LIMITED	18,656,215	1.00
9	NG SAY PIYU	3,783,666	0.20
10	HANIFAH BINTE MOHAMED HOSNAN	1,235,000	0.07
11	RYAISHA FILDA BINTE ROSLAN	1,235,000	0.07
12	ZHAO JING	1,212,000	0.06
13	MA ZHEN	1,091,000	0.06
14	CITIBANK NOMINEES SINGAPORE PTE LTD	940,600	0.05
15	RAFFLES NOMINEES (PTE) LIMITED	842,797	0.05
16	TAN SIEW BOOY	564,000	0.03
17	DBS NOMINEES PTE LTD	473,432	0.03
18	UOB KAY HIAN PTE LTD	413,900	0.02
19	YU KAM YUEN LINCOLN	226,666	0.01
20	HUM TEE SUNG	206,000	0.01
	TOTAL	**1,867,182,136**	**99.89**

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 23 March 2022, approximately 23.27% of the issued ordinary shares of the Company were held by the public.

Accordingly, the Company has complied with Rule 723 of the Catalist Rules.

NOTICE IS HEREBY GIVEN that the annual general meeting ("**AGM**") of Astaka Holdings Limited (the "**Company**") will be convened and held by way of electronic means on Thursday, 28 April 2022 at 11.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial period ended 31 December 2021 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to Regulations 88 & 89 of the Company's Constitution:

   (i) Ir. Hj. Syarul Izam Bin Hj. Sarifudin (appointed on 1 April 2022) (retiring pursuant to Regulation 88) **(Resolution 2)**

   (ii) Mr. Lai Kuan Loong, Victor (retiring pursuant to Regulation 89) **(Resolution 3)**

   (iii) Dato' Sri Mohd Mokhtar Bin Mohd Shariff (retiring pursuant to Regulation 89) **(Resolution 4)**
   [See Explanatory Note 1]

3. To approve payment of additional Directors' fees of S$42,000 for the financial period from 1 July 2020 to 31 December 2021.
   [See Explanatory Note 2] **(Resolution 5)**

4. To approve the payment of Directors' fees of S$204,000 for the financial year ending 31 December 2022, to be paid quarterly in arrears. (FY2021: S$192,000). **(Resolution 6)**

5. To re-appoint Mazars LLP as the Company's auditors and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**

6. To transact any other ordinary business which may properly be transacted at the Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

7. **Authority to allot and issue shares**

   That pursuant to Section 161 of the Companies Act 1967 (the "Companies Act") and subject to Rule 806 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), authority be given to the Directors of the Company to allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise, and/or make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be allotted and issued, including but not limited to creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit, and (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Ordinary Resolution was in force, provided that:

(a) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this Ordinary Resolution) to be issued pursuant to this Ordinary Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a pro rata basis to all shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Ordinary Resolution, after adjusting for:

(i) new Shares arising from the conversion or exercise of convertible securities;

(ii) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Ordinary Resolution, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares;

(c) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(d) (unless revoked or varied by the Company in general meeting), such authority continues in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.
[See Explanatory Note 3] **(Resolution 8)**

By Order of the Board

Yoo Loo Ping
Company Secretary

Singapore
11 April 2022

Explanatory Note on Resolutions to be passed:

1. Ir. Hj. Syarul Izam Bin Hj. Sarifudin, if re-elected, will remain as the Non-Independent and Non-Executive Director of the Company and a member of the Nominating Committee ("NC") of the Company.

   Mr. Lai Kuan Loong, Victor, if re-elected, will remain as the Non-Executive Chairman and Independent Director of the Company, Chairman of the Remuneration Committee ("RC") and NC, and a member of the Audit Committee ("AC") of the Company. He is considered independent for the purposes of Rule 704(7) of Catalist Rules.

   Dato' Sri Mohd Mokhtar Bin Mohd Shariff, if re-elected, will remain as the Non-Executive and Independent Director of the Company, and a member of the AC, NC and RC. He is considered independent for the purposes of Rule 704(7) of Catalist Rules.

The key information of Ir. Hj. Syarul Izam Bin Hj. Sarifudin, Mr. Lai Kuan Loong, Victor and Dato' Sri Mohd Mokhtar Bin Mohd Shariff can be found on pages 24 to 26 of the annual report for the financial period ended 31 December 2021 (the "**FY2021 Annual Report**").

2. The Company had during the AGM held on 28 October 2020 approved the Directors' fees of S$192,000 for the period from 1 July 2020 to 30 June 2021. With the change of financial year end from 30 June to 31 December, the Company proposed payment of additional Directors' fees of S$42,000 for the period from 1 July 2020 to 31 December 2021, in addition to the Directors' fees of S$192,000 approved at the AGM held on 28 October 2020.

3. The Ordinary Resolution 8 proposed in item 7 above, if passed, will empower the Directors of the Company, from the date of the AGM effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Ordinary Resolution, for such purposes as they consider would be in the interests of the Company, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to shareholders.

   For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

IMPORTANT NOTICE FOR SHAREHOLDERS:

The Company's AGM is being convened, and will be held, by way of electronic means pursuant to the provision of the COVID-19 (Temporary Measures)(Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation titled "Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period".

Printed copies of this Notice of AGM, the Proxy Form and the FY2021 Annual Report will NOT be despatched to shareholders of the Company. Instead, copies of the documents and information relating to the AGM (including the FY2021 Annual Report, Notice of AGM and Proxy Form) have been made available on SGXNet and the Company's corporate website and may be accessed at the following URLs:

(a) https://www2.sgx.com/securities/company-announcements; or

(b) http://astaka.com.my/investor-relations/.

Shareholders should take note of the following arrangements for the AGM:

(a) **Participation in the AGM via live webcast or live audio feed**

The AGM will be conducted only by way of electronic means, and shareholders will **not** be able to attend the AGM in person. Shareholders will also **not** be able to vote online on the resolutions to be tabled for approval at the AGM. Shareholders may instead participate in the AGM by:-

(i) Observing and/or listening to the proceedings of the AGM through a "live" audio-visual webcast and "live" audio-only feed;

(ii) Submitting questions in relation to any agenda item in this notice of AGM in advance of the AGM; and/or

(iii) Appointing the chairman of the AGM ("**Chairman**") as proxy to vote on their behalf in accordance with their vote instructions.

Details of the steps for pre-registration, pre-submission of questions and voting at the AGM are set out in items (b) to (e) below.

(b) **Pre-registration for AGM**

Shareholders, including investors who hold shares through the Central Provident Fund ("**CPF**") and/or Supplementary Retirement Scheme ("**SRS**"), who wish to follow the proceedings of the AGM must pre-register online at https://globalmeeting.bigbangdesign.co/astaka2022/ not later than 26 April 2022, 11.00 a.m. ("**Pre-Registration Deadline**") for verification purposes. Following successful verification, an email with instructions on how to join the live webcast or audio feed of the AGM proceedings will be sent to the registered shareholders via email by 27 April 2022, 11.00 a.m. Shareholders must not forward the email instruction to other persons who are not shareholders and who are not entitled to attend the AGM proceedings. This is also to avoid any technical disruptions or overload to the AGM proceedings.

Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act ("**Investors**") (other than CPF/SRS investors) will not be able to pre-register for the live webcast of the AGM. An Investor who wishes to participate in the live webcast of the AGM should approach his/her relevant intermediary as soon as possible in order to make the necessary arrangements. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number), via email to the Company at webcast@bigbangdesign.co not later than **26 April 2022, 11.00 a.m**.

Shareholders and Investors who have registered by the Pre-Registration Deadline but did not receive the aforementioned email by 27 April 2022, 11.00 a.m. should contact the Company by email to webcast@bigbangdesign.co.

(c) **Submission of Questions**

Shareholders and Investors will not be able to ask questions during the AGM proceedings.

Shareholders and Investors who have questions in relation to any agenda item in this notice of AGM can submit their questions to the Company in advance, by **18 April 2022**, through any of the following means:

(i) via the pre-registration website at the URL https://globalmeeting.bigbangdesign.co/astaka2022/;

(ii) by email to webcast@bigbangdesign.co; or

(iii) by post, to be deposited at the Company's registered office at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535.

Shareholders and/or Investors must identify themselves when posting questions through email or mail by providing the following details:

(i) Full Name;

(ii) Contact Telephone Number;

(iii) Email Address; and

(iv) The manner in which you hold shares (if you hold shares directly, please provide your CDP account number; otherwise, please state if you hold your shares through CPF or SRS, or are a relevant intermediary shareholder).

In view of the current COVID-19 situation, Shareholders and Investors are strongly encouraged to submit their questions via the pre-registration website or by email. The Company will endeavour to respond to all substantial and relevant questions through an announcement on SGXNet at the URL https://www2.sgx.com/securities/company-announcements and the Company's website at the URL http://astaka.com.my/investor-relations/ by 22 April 2022.

Follow up questions which are submitted after 18 April 2022 will be consolidated and addressed either before the AGM via an announcement on SGXNet and the Company's website or at the AGM. The Company will publish the minutes of the AGM, which will include responses from the Board and management of the Company on the substantial and relevant questions received from Shareholders and Investors via an announcement on SGXNet and the Company's website within one (1) month after the AGM.

(d) **Voting at the AGM by appointing Chairman as Proxy (Submit a Proxy Form)**

For Investors who hold shares through relevant intermediaries please refer to item (e) for the procedures to vote at the AGM.

Shareholders will only be able to vote at the AGM by appointing the Chairman as proxy to vote on their behalf. Duly completed Proxy Forms must be submitted through any of the following means not later than **26 April 2022, 11.00 a.m.** (being no later than 48 hours before the time appointed for holding the AGM) and in default the instrument of proxy shall not be treated as valid:

(i) by email, a copy to webcast@bigbangdesign.co; or

(ii) by post, be deposited at the Company's registered office at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535.

The Proxy Form has been made available on SGXNet and the Company's corporate website and may be accessed at the URLs https://www2.sgx.com/securities/company-announcements and http://astaka.com.my/investor-relations/.

In appointing the Chairman of the Meeting as proxy, the Shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

Please refer to the detailed instructions set out in the Proxy Form.

(e) **Voting at the AGM by Relevant Intermediary Investors and CPF/SRS Investors**

Relevant Intermediary Investors (including CPF/SRS investors) who wish to appoint the Chairman as their proxy to vote at the AGM should not make use of the Proxy Form and should instead approach their respective relevant intermediaries as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF agent banks or SRS approved banks or depository agents to submit their votes by **18 April 2022, 11.00 a.m.**, being at least seven (7) working days before the AGM, in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman to vote on their behalf not later than 26 April 2022, 11.00 a.m.

Personal Data Privacy

"Personal data" in this notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes your name, address and NRIC/Passport number. By submitting (a) an application to pre-register for participation in the AGM; (b) questions relating to the resolutions to be tabled for approval at the AGM; and/or (c) an instrument appointing Chairman of the AGM as proxy to vote at the AGM and/or any adjournment thereof, a member of the Company hereby consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers including any organisations the Company has engaged to perform any function related to the AGM) for the purposes of, (i) verifying the member's information and processing of the member's application to pre-register to participate in the AGM and providing the member with any technical assistance where possible; (ii) addressing any selected questions submitted by the member and following up with the member where necessary, and responding to, handling, and processing queries and requests from the member; (iii) the processing and administration by the Company (or its agents or service providers including any organisations the Company has engaged to perform any function related to the AGM) of proxy forms appointing Chairman of the AGM (including any adjournment thereof); and (iv) the preparation, compilation and disclosure (as application) of the attendance lists, minutes, questions from members and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers including any organisations the Company has engaged to perform any function related to the AGM) to comply with any applicable laws, listing rules, regulations and/or guidelines.

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ASTAKA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200814792H)

ANNUAL GENERAL MEETING
PROXY FORM

IMPORTANT:

1. The Annual General Meeting ("**AGM**" or the "**Meeting**") is being convened, and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in the Notice of AGM dated 11 April 2022 which has been uploaded on SGXNet at https://www2.sgx.com/securities/company-announcements and the Company's website at http://astaka.com.my/investor-relations/ on the same day.
2. A shareholder will not be able to attend the AGM in person. If a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in this Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. For CPF, or SRS investors who wish to appoint the Chairman of the Meeting as their proxy, they should approach their CPF and/or SRS Approved Nominees to submit their votes at least seven (7) working days before the AGM (i.e., by 11.00 a.m. on 18 April 2022). This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. By submitting an instrument appointing the Chairman of the Meeting as proxy, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 April 2022.
5. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a shareholder's proxy to vote on his/her/its behalf at the AGM.

This Proxy Form has also been made available on SGXNet and the Company's corporate website and may be accessed at the following URLs: https://www2.sgx.com/securities/company-announcements and http://astaka.com.my/investor-relations/.

*I/We, ______________________ (Name) ______________________ (*NRIC/Passport/Registration No.)

of ____ (Address)
being a *shareholder/shareholders of **ASTAKA HOLDINGS LIMITED** (the "**Company**"), hereby appoint the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the AGM of the Company to be held by way of electronic means via the live audio-visual webcast or live audio-only feed on Thursday, 28 April 2022 at 11.00 a.m. and at any adjournment thereof. *I/We direct the Chairman of the Meeting to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder.

 # (Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes for or against a resolution to be proposed at the AGM, please indicate with a "√" in the space provided under "For" or "Against". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution to be proposed at the Meeting, please indicate with a "√" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.)

No.	Ordinary Resolutions relating to	FOR#	AGAINST#	ABSTAIN#
1.	Directors' Statement and Audited Financial Statements for the financial period ended 31 December 2021			
2.	Re-election of Ir. Hj. Syarul Izam Bin Hj. Sarifudin as a Director			
3.	Re-election of Mr. Lai Kuan Loong, Victor as a Director			
4.	Re-election of Dato' Sri Mohd Mokhtar Bin Mohd Shariff as a Director			
5.	Approval of additional Directors' fees for the financial period from 1 July 2020 to 31 December 2021 amounting to S$42,000			
6.	Approval of Directors' fees for the financial year ending 31 December 2022 amounting to S$204,000, payable quarterly in arrears			
7.	Re-appointment of Mazars LLP as Auditors of the Company			
8.	Authority to allot and issue Shares			

** Delete where inapplicable*

Dated this ______ day of ________________ 2022

Total Number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

IMPORTANT: Please read the notes overleaf for this Proxy Form.

Notes:

(1) Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Future Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number of shares is inserted, this proxy form will be deemed to relate to all shares held by you.

(2) A shareholder will not be able to vote through the live audio-visual webcast or live audio-only feed and voting is only through submission of proxy form. If a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in this proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

(3) The Chairman of the Meeting, as a proxy, need not be a member of the Company.

(4) The instrument appointing Chairman of the Meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

(5) Where this instrument appointing Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.

(6) The instrument appointing the Chairman of the Meeting as proxy, duly executed, must be submitted through any of the following means by **26 April 2022 at 11.00 a.m.**, which is not later than 48 hours before the time appointed for holding the AGM:

    (i) by email a copy to webcast@bigbangdesign.co; or

    (ii) by post, be deposited at the Company's registered office at 133 Cecil Street, #14-01, Keck Seng Tower, Singapore 069535.

    In view of the current COVID-19 situation, shareholders are strongly encouraged to submit their completed proxy forms via email to webcast@bigbangdesign.co.

(7) The Company shall be entitled to reject the instrument appointing Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing Chairman of the Meeting as proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointment the Chairman of the Meeting as proxy lodged if the shareholder being the appointor, is not shown to have shares entered against his/her/its name in the Depositor Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) to the Company.

Personal Data Privacy:

By submitting a proxy form appointing Chairman of the Meeting as proxy, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 April 2022.

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ASTAKA HOLDINGS

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