

Unaudited Second Quarter Financial Statements and Dividend Announcement for the period ended 31 December 2020

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

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

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

	Group			Group		
	3 months ended		Change %	6 months ended		Change %
	31/12/2020 (Unaudited) RM'000	31/12/2019 (Unaudited) RM'000		31/12/2020 (Unaudited) RM'000	31/12/2019 (Unaudited) RM'000	
Revenue	26,691	72,983	(63.4)	39,790	141,272	(71.8)
Cost of sales	(19,886)	(68,125)	(70.8)	(26,385)	(130,815)	(79.8)
Gross profit	6,805	4,858	40.1	13,405	10,457	28.2
Other income	92	11	736.4	136	31	338.7
Selling and distribution expenses	(206)	(344)	(40.1)	(583)	(1,438)	(59.5)
Administrative expenses	(3,983)	(4,877)	(18.3)	(7,471)	(9,641)	(22.5)
Other expenses	(410)	(14)	n.m	(808)	(295)	173.9
Results from operating activities	2,298	(366)	n.m	4,679	(886)	n.m
Finance income	6	(41)	n.m	179	(1)	n.m
Finance costs	(1,915)	(2,845)	(32.7)	(3,814)	(3,983)	(4.2)
Net finance costs	(1,909)	(2,886)	(33.9)	(3,635)	(3,984)	(8.8)
Profit/(Loss) before income tax	389	(3,252)	n.m	1,044	(4,870)	n.m
Tax (expense)/credit	(222)	172	n.m	(678)	124	n.m
Profit/(Loss) for the period, representing total comprehensive income/(loss) for the period	167	(3,080)	n.m	366	(4,746)	n.m
Total comprehensive income/(loss) attributable to:						
Owners of the Company	(1,302)	(2,586)	(49.7)	(3,180)	(3,722)	(14.6)
Non-controlling interests	1,469	(494)	n.m	3,546	(1,024)	n.m
Total comprehensive income/(loss) for the period	167	(3,080)	n.m	366	(4,746)	n.m

n.m. – not meaningful

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

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

	Group		Group	
	3 months ended		6 months ended	
	31/12/2020 (Unaudited) RM'000	31/12/2019 (Unaudited) RM'000	31/12/2020 (Unaudited) RM'000	31/12/2019 (Unaudited) RM'000
Interest expense	1,915	2,845	3,814	3,983
Accruals for late payment interests	373	-	745	-
Depreciation of property, plant and equipment	131	68	263	141
Repair and maintenance	39	495	67	737
Landscape maintenance	22	438	65	550
Loss on foreign exchange	2	33	4	21
Interest income	(6)	(38)	(179)	(66)
Interest earned on deposit placed with Tenaga Nasional Berhad	(44)	-	(44)	-
Gain on disposal of property, plant and equipment	(12)	-	(12)	-
(Reversal of)/Allowance for foreseeable loss on development properties	(707)	420	(707)	420

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

	Group		Company	
	31/12/2020 (Unaudited) RM'000	30/06/2020 (Audited) RM'000	31/12/2020 (Unaudited) RM'000	30/06/2020 (Audited) RM'000
Assets				
Property, plant and equipment	625	855	-	-
Investment in subsidiaries	-	-	811,832	811,832
Non-current assets	625	855	811,832	811,832
Development properties	456,826	454,906	-	-
Contract costs	-	1,229	-	-
Contract assets	11,023	13,351	-	-
Trade and other receivables	29,021	20,475	77	41
Tax recoverable	668	1,846	-	-
Cash and cash equivalents	10,980	19,011	119	595
Current assets	508,518	510,818	196	636
Total assets	509,143	511,673	812,028	812,468
Equity				
Share capital	259,384	259,384	1,455,079	1,455,079
Merger reserve	(10,769)	(10,769)	-	-
Capital reserve	-	-	1,419	1,419
Accumulated losses	(156,982)	(153,802)	(647,978)	(647,710)
Equity attributable to owners of the Company	91,633	94,813	808,520	808,788
Non-controlling interests	565	(2,981)	-	-
Total equity	92,198	91,832	808,520	808,788

	Group		Company	
	31/12/2020 (Unaudited) RM'000	30/06/2020 (Audited) RM'000	31/12/2020 (Unaudited) RM'000	30/06/2020 (Audited) RM'000
Liabilities				
Lease liabilities	118	227	-	-
Non-current liabilities	118	227	-	-
Contract liabilities	-	3,406	-	-
Trade and other payables	305,342	310,534	494	639
Amount due to related parties	100,451	94,197	3,014	3,041
Lease liabilities	353	412	-	-
Loans and borrowings	10,681	11,065	-	-
Current liabilities	416,827	419,614	3,508	3,680
Total liabilities	416,945	419,841	3,508	3,680
Total equity and liabilities	509,143	511,673	812,028	812,468

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

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

As at 31/12/2020		As at 30/06/2020	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
10,826	66,232	11,208	57,592

(b) the amount repayable after one year;

As at 31/12/2020		As at 30/06/2020	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
108	10	144	83

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

Please refer to (a) and (b) above.

(d) details of any collaterals

As at 31 December 2020, the Group's financing facilities of RM11,200,000 (30 June 2020: RM11,200,000) are secured against the fixed deposits of the controlling shareholder of the Company, Dato' Daing A Malek Bin Daing A Rahman ("**Dato Malek**") and secured by 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 Saling Syabas Sdn Bhd ("**SSSB**"). The Group's hire purchase financing facilities of RM692,000 (30 June 2020: RM692,000) are secured by its underlying assets.

As at 31 December 2020, amounts owing to a main contractor of approximately RM31,615,000 (30 June 2020: RM34,115,000) are secured against certain land parcels located in Bukit Pelali, Pengerang, which are owned by SSSB and over which the Company's subsidiary, Bukit Pelali Properties Sdn Bhd ("**BPPSB**"), holds the development rights. SSSB is owned by Dato' Malek and Dato' Zamani Bin Kasim, the Executive Director of the Company.

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

	Group		Group	
	3 months ended		6 months ended	
	31/12/2020 (Unaudited) RM'000	31/12/2019 (Unaudited) RM'000	31/12/2020 (Unaudited) RM'000	31/12/2019 (Unaudited) RM'000
Cash flow from operating activities				
Profit/(Loss) before income tax	389	(3,252)	1,044	(4,870)
Adjustments for:				
Accruals for late payment interests	373	-	745	-
Depreciation of property, plant and equipment	131	68	263	141
Gain on disposal of property, plant and equipment	(12)	-	(12)	-
Interest expense	1,915	2,845	3,814	3,983
Interest income	(6)	(38)	(179)	(66)
(Reversal of)/Allowance for foreseeable loss on development properties	(707)	420	(707)	420
Unrealised loss on foreign exchange	26	253	3	1
	2,109	296	4,971	(391)
Changes in:				
Development properties	2,617	20,212	(1,213)	10,125
Contract costs	3,613	(1,877)	1,229	282
Contract assets and liabilities	6,579	25,385	(1,078)	31,494
Trade and other receivables	(9,528)	25,089	(8,546)	46,384
Trade and other payables	208	(72,143)	(4,921)	(83,017)
Cash generated from/(used in) operations	5,598	(3,038)	(9,558)	4,877
Tax refund	-	-	853	-
Tax paid	(210)	(372)	(353)	(5,573)
Net cash generated from/(used in) operating activities	5,388	(3,410)	(9,058)	(696)
Cash flow from investing activities				
Acquisition of property, plant and equipment	(29)	-	(33)	(19)
Decrease in fixed deposit pledged	-	-	4,004	-
Interest received	6	38	179	66
Proceeds from disposal of property, plant and equipment	12	-	12	-
Net cash (used in)/generated from investing activities	(11)	38	4,162	47
Cash flow from financing activities				
Advances from affiliated corporations	3,759	7,853	8,806	9,974
Interest paid	(754)	(792)	(2,291)	(1,583)
Proceeds from drawdown of term loans	-	1,139	-	1,139
Repayment of affiliated corporations	(2,700)	(3,500)	(2,700)	(3,500)
Repayment of trade and other payables	(500)	(7,000)	(2,500)	(9,918)
Repayment of term loan	(205)	-	(411)	-
Repayment of finance lease liabilities	-	(34)	-	(69)
Repayment of lease liabilities	(48)	-	(57)	-
Net cash (used in)/generated from financing activities	(448)	(2,334)	847	(3,957)
Net increase/(decrease) in cash and cash equivalents	4,929	(5,706)	(4,049)	(4,606)
Cash and cash equivalents at beginning Of financial period	(4,871)	(18,202)	4,083	(19,302)
Effect of exchange rate fluctuation on cash held	(29)	-	(5)	-
Cash and cash equivalents at 31 December	29	(23,908)	29	(23,908)

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

	31/12/2020 (Unaudited) RM'000	31/12/2019 (Unaudited) RM'000
Cash and bank balances	10,980	6,972
(-) Bank overdrafts	(9,953)	(26,876)
(-) Fixed deposit pledged	(998)	(4,004)
Cash and cash equivalents per consolidated statement of cash flows	29	(23,908)

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

**Group
(Unaudited)**

	Share capital RM'000	Merger reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total Equity RM'000
Balance as at 1 July 2020	259,384	(10,769)	(153,802)	94,813	(2,981)	91,832
(Loss)/Profit and total comprehensive (loss)/income for the period	-	-	(1,878)	(1,878)	2,077	199
Balance as at 30 September 2020	259,384	(10,769)	(155,680)	92,935	(904)	92,031
(Loss)/Profit and total comprehensive (loss)/income for the period	-	-	(1,302)	(1,302)	1,469	167
Balance as at 31 December 2020	259,384	(10,769)	(156,982)	91,633	565	92,198

**Group
(Unaudited)**

	Share capital RM'000	Merger reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
Balance as at 1 July 2019	259,384	(10,769)	(133,049)	115,566	(5,651)	109,915
Loss and total comprehensive loss for the period	-	-	(1,136)	(1,136)	(530)	(1,666)
Balance as at 30 September 2019	259,384	(10,769)	(134,185)	114,430	(6,181)	108,249
Loss and total comprehensive loss for the period	-	-	(2,586)	(2,586)	(494)	(3,080)
Balance as at 31 December 2019	259,384	(10,769)	(136,771)	111,844	(6,675)	105,169

**Company
(Unaudited)**

	Share capital RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Balance as at 1 July 2020	1,455,079	1,419	(647,710)	808,788
Profit and total comprehensive income for the period	-	-	227	227
Balance as at 30 September 2020	1,455,079	1,419	(647,483)	809,015
Loss and total comprehensive loss for the period	-	-	(495)	(495)
Balance as at 31 December 2020	1,455,079	1,419	(647,978)	808,520

**Company
(Unaudited)**

	Share capital RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Balance as at 1 July 2019	1,455,079	1,419	(518,712)	937,786
Loss and total comprehensive loss for the period	-	-	(1,149)	(1,149)
Balance as at 30 September 2019	1,455,079	1,419	(519,861)	936,637
Loss and total comprehensive loss for the period	-	-	(1,182)	(1,182)
Balance as at 31 December 2019	1,455,079	1,419	(521,043)	935,455

- 1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Number of issued shares	Issued and paid-up share capital (RM'000)
Balance as at 30 September 2020	1,869,434,303	1,455,079
Balance as at 31 December 2020	1,869,434,303	1,455,079

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

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

	As at 31/12/2020	As at 30/06/2020
Total number of issued shares	1,869,434,303	1,869,434,303

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

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

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

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

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

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

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

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

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

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

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

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

The accounting policies and methods of computations adopted in the financial statements for the current financial period reported on are consistent with those applied in the preparation of the most recent audited consolidated financial statements of the Group for the financial year ended 30 June 2020.

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

There are no changes in the accounting policies and methods of computation for the current financial period reported on.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: -
 (a) based on the weighted average number of ordinary shares on issue; and
 (b) on a fully diluted basis (detailing any adjustments made to the earnings).

	3 months ended		6 months ended	
	31/12/2020 (Unaudited)	31/12/2019 (Unaudited)	31/12/2020 (Unaudited)	31/12/2019 (Unaudited)
Loss attributable to equity holders of the Company (RM'000)	(1,302)	(2,586)	(3,180)	(3,722)
Weighted average number of ordinary shares in issue	1,869,434,303	1,869,434,303	1,869,434,303	1,869,434,303
Loss per share ("LPS") (RM'sen)	(0.07)	(0.14)	(0.17)	(0.20)
Fully diluted LPS (RM'sen)	(0.07)	(0.14)	(0.17)	(0.20)

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

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

	Group		Company	
	31/12/2020 (Unaudited)	30/06/2020 (Audited)	31/12/2020 (Unaudited)	30/06/2020 (Audited)
Net Asset Value ⁽¹⁾ ("NAV") (RM'000)	91,633	94,813	808,520	808,788
Number of ordinary shares in issue	1,869,434,303	1,869,434,303	1,869,434,303	1,869,434,303
NAV per ordinary share (RM'sen)	4.90	5.07	43.25	43.26

Note:

(1) NAV attributable to owners of the Company.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Consolidated statement of comprehensive income

Revenue

The decrease in revenue for the second quarter ended 31 December 2020 ("2QFY2021") as compared to the second quarter ended 31 December 2019 ("2QFY2020") was mainly due to the decrease in sales of the Group's properties in light of the weak sentiment surrounding Malaysia's residential property sector and the disruption caused by the COVID-19 pandemic, including the conditional movement control order being imposed in Johor Bahru in 2QFY2021. In addition, the decrease in revenue was also due to the completion of the Menara Majlis Bandaraya Johor Bahru project during the financial year ended 30 June 2020.

Cost of Sales and Gross Profit

The decrease in cost of sales was in line with the decrease in sales and due to the reversal of foreseeable loss on development properties in view of the higher selling price on those inventories sold and as a result, the foreseeable loss 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 2QFY2021 would have been approximately RM6.1 million as compared to RM5.3 million in 2QFY2020. In addition, due to revision of budgeted costs and cost savings from variable orders, a higher gross profit was recorded for 2QFY2021.

Other Income

Other income increased in 2QFY2021 mainly due to a gain on disposal of property, plant and equipment, rental income received as well as interest earned on deposit placed with Tenaga Nasional Berhad during the financial period.

Finance Income

The increase in finance income was attributable to the interest received from a financial institution.

Expenses

Decrease in selling and distribution expenses in 2QFY2021 as compared to 2QFY2020 was mainly due to lesser marketing expenses incurred for organising of events and roadshows.

Administrative expenses decreased in 2QFY2021 mainly due to the following:

- i. repair and maintenance expenses of RM39,000 (2QFY2020: RM495,000) due to lesser works being carried out for the period;
- ii. manpower costs of RM1.4 million (2QFY2020: RM2.0 million);
- iii. professional and other office maintenance expenses of RM200,000 (2QFY2020: RM326,000); and
- iv. landscape maintenance expenses of RM22,000 (2QFY2020: RM438,000) was mainly due to cost saving measures undertaken by the management during the financial period.

However, the decrease in administrative expenses in 2QFY2021 was partially offset by an increase in quit rent and assessment fees on the undeveloped lands and unsold units of the Group as well as the increase in depreciation of property, plant and equipment (“**PPE**”). This was mainly due to the depreciation being charged to the right-of-use assets leased by the Group as well as to the additional PPE purchased in FY2020

Other expenses increased in 2QFY2021 mainly due to the provision of late payment interest on outstanding amount owing to a main contractor during the financial period.

In 2QFY2021, the Group’s finance cost relates mainly to (i) bank overdraft interest which amounted to approximately RM0.1 million, and (ii) interest expenses in relation to the loan agreements entered into by Astaka Padu Sdn Bhd (“**APSB**”), a subsidiary of the Company, which on aggregate, amounted to approximately RM1.8 million. The increase in interest expenses in relation to the loan agreements for 2QFY2021 was mainly due to the additional unsecured loan obtained from Dato Malek and DMR Holdings Sdn Bhd (“**DMR Holdings**”) (wholly owned by Dato Malek) at the interest rate of 8% per annum.

Income tax expenses increased mainly due to the net profit recorded by the Group in 2QFY2021.

Consolidated statement of financial position

PPE decreased by RM230,000 from RM855,000 as at 30 June 2020 to RM625,000 as at 31 December 2020. This was mainly due to the depreciation charged during the financial period. This was partially offset by additions of new PPE.

Development properties increased by approximately RM1.9 million from RM454.9 million as at 30 June 2020 to RM456.8 million as at 31 December 2020. The increase was in line with the progress of the current on-going construction of the Group’s property development projects.

Decrease in contract cost and contract assets as at 31 December 2020 was due to the completion of phases 1B and 2A & 2B of Bukit Pelali at Pengerang (“**BPP**”) (developed by BPPSB), and no contract liabilities were recorded as at 31 December 2020.

Trade and other receivables increased by approximately RM8.5 million from RM20.5 million as at 30 June 2020 to RM29.0 million as at 31 December 2020, mainly attributable to the collection amount yet to be received from the BPP projects.

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

Trade and other payables decreased by approximately RM5.2 million from RM310.5 million as at 30 June 2020 to RM305.3 million as at 31 December 2020, mainly due to payments made during the financial period.

Amount due to related parties increased by approximately RM6.3 million from RM94.2 million as at 30 June 2020 to RM100.5 million as at 31 December 2020, which was mainly due to the Group drawing down approximately RM8.7 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, SSSB. Based on the terms of the development agreement entered into between BPPSB and SSSB, BPPSB shall pay SSSB 12.0% of the cash proceeds to be received from the individual purchasers of the properties in the BPP project, such amount to be capped at and shall not exceed the sum of RM165.0 million. Such increase was partially offset by the interest paid to the related parties during the financial period.

The current and non-current lease liabilities decreased by RM168,000 from RM639,000 as at 30 June 2020 to RM471,000 as at 31 December 2020. This was mainly due to the right-of-use assets leased by the Group, in which payments were made on a monthly basis according to the lease payment term.

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

Consolidated statement of cash flow

The Group reported a net cash generated from operating activities of approximately RM5.4 million in 2QFY2021. This was primarily due to progress billings received from the purchasers which arose from the completion of phase 1B and phases 2A & 2B of BPP.

Net cash outflow used in investing activities of RM11,000 was mainly due to acquisition of PPE in 2QFY2021. The aforesaid was partially offset by the interest received from financial institution and the proceeds received from disposal of PPE.

Net cash outflow used in financing activities of RM448,000 in 2QFY2021 was mainly due to the repayments of term loan, affiliated corporation, trade and other payables, lease liabilities as well as interest paid. However, the aforesaid was offset by additional loan drawdown from DMR Holdings amounting to approximately RM4.0 million.

Included in the Year to Date (“YTD”) December 2020 cash and bank balances is an amount of approximately RM1.1 million (YTD December 2019: RM0.8 million) of which the bank accounts are maintained in accordance with Housing Development (Housing Development Account) Regulation 1991 in Malaysia. These accounts, which consist of monies received from purchasers, are for the payments of property development expenditure incurred. The surplus monies, if any, will be released to the respective subsidiaries upon the completion of the property development properties and after all property development expenditure have been fully settled.

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

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

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

The outlook of the residential property market segment in Malaysia is expected to remain challenging amidst the ongoing political uncertainties and the worsening COVID-19 situation. The Group expects the sale of the development properties will continue to be impacted by the prolonged closures of international borders as a result of the COVID-19 pandemic.

As mentioned in the announcements dated 13 January 2021 and 29 January 2021, the Group’s business premises and sales galleries in Malaysia have been closed since 13 January 2021 following a Movement Control Order (“MCO”) imposed by the Malaysian government to curb the spread of COVID-19, and such MCO has since been extended to 18 February 2021.

In order to ensure the continuity of business operations, APSPB has obtained the approval from the Ministry of International Trade and Industry (“MITI”) to allow its employees in the management group (not exceeding 30%) to return to the workplace during the MCO period, subject to the strict compliance of standard operating procedures (SOPs) drawn up by MITI. The Group will only resume its operations in full when the MCO expires, subject to any further directives from the Malaysian government.

BPPSB had on 10 December 2020 and 17 November 2020 received the certificates of completion and compliance for Phases 1B and 2A & 2B of BPP, respectively. However, the Group expects the vacant possession delivery process for Phases 1B and 2A & 2B of BPP to be slower than expected with the MCO in place.

In addition, the flood situation in Johor has improved recently. The clean-up and repair works at BPP are expected to commence as soon as the MCO is lifted or the approval to operate during the MCO is obtained from MITI, whichever is earlier. In response to the slope slippage at BPP development site caused by heavy rainfall between late December 2020 and early January 2021, the Group is studying the existing flood mitigation measures implemented at BPP. Going forward, additional flood mitigation measures may be implemented, if necessary, to better prepare for and respond to flood emergencies and protect the township against extreme rainfall.

At the same time, the Group will remain focused on exploring strategic alliances to develop Phase 3 of One Bukit Senyum which spans approximately 7.65 acres. The Group will also work towards the submission of a revised resumption of trading proposal ("**Revised Resumption Proposal**") to the SGX-ST by 31 December 2021, following the receipt of the no objection letter from the SGX-ST ("**No Objection Letter**") as set out in the announcement dated 20 January 2021. In compliance with requirements of the No Objection Letter, the Company had, on 29 January 2021, provided its first monthly update on the Company's operations and progress in meeting key milestones for its submission of a Revised Resumption Proposal to the SGX-ST, and will continue to provide regular and detailed monthly updates to the SGX-ST and Shareholders via SGXNET.

11. If a decision regarding dividend has been made: -

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

No dividend has been declared or recommended for 2QFY2021.

(b)

(i) Amount per share (RM'sen)

Not applicable.

(ii) Previous corresponding period (RM'sen)

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

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended as the Group continues to incur losses attributable to owners of the Company in 2QFY2021.

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

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

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 Malek	Controlling Shareholder	RM827,727 ⁽¹⁾	Not applicable
SSSB	An associate of Dato' Malek	RM1,933,645 ⁽²⁾	Not applicable
SSSB	An associate of Dato' Malek	RM2,093,900 ⁽³⁾	Not applicable

Notes:

- (1) Dato Malek, the controlling shareholder of the Company, had extended unsecured loans in aggregate outstanding principal amount of RM52,322,839 to the subsidiary of the Company, AP SB, 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 of RM30,000,000 pursuant to the loan agreement dated 14 February 2020 entered into between Dato' Malek and AP SB (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. Please refer to the Company's circular to Shareholders dated 9 October 2020 for further details on the DM Loan Agreement.
- (2) This comprises the amount payable by the subsidiary of the Company, BPPSB to SSSB, which were incurred in 2QFY2021 for the sole and exclusive right to develop the Bukit Pelali land, which was approved by 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).
- (3) 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.

Save for the above mentioned, there were no interested persons transactions of S\$100,000 or more for 2QFY2021.

14. Negative confirmation pursuant to Rule 705(5).

The Board hereby confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for 2QFY2021 to be false or misleading in any material aspect.

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

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

On behalf of the Board of Directors

Khong Chung Lun
Executive Director and Chief Executive Officer
9 February 2021

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

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

The contact person for the Sponsor is Mr Andrew Leo, Chief Executive Officer, 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.