

Unaudited Full Year Financial Statements and Dividend Announcement for the year ended 30 June 2018

The Board of Directors 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 4th quarter ended 30 June 2018.

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 | 30/6/2017 | Change | 12 months ended | 30/6/2017 | Change |
| | 30/6/2018 | (Unaudited) | % | 30/6/2018 | (Audited) | % |
| | (Unaudited) | (Unaudited) | | (Unaudited) | (Audited) | |
| | RM'000 | RM'000 | | RM'000 | RM'000 | |
| Revenue | 57,459 | 103,042 | (44.2) | 343,264 | 309,648 | 10.9 |
| Cost of sales | (63,219) | (89,774) | (29.6) | (304,427) | (253,903) | 19.9 |
| Gross profit | (5,760) | 13,268 | (143.4) | 38,837 | 55,745 | (30.3) |
| Other income | 1,325 | 541 | 144.9 | 2,923 | 1,514 | 93.1 |
| Other gains/(loss) | 165 | - | n.m. | (632) | 1,724 | (136.7) |
| Expenses: | | | | | | |
| Selling and distribution | (574) | (1,289) | (55.5) | (2,550) | (3,169) | (19.5) |
| Administrative | (2,363) | (3,941) | (40.0) | (12,928) | (12,882) | 0.4 |
| Finance costs | (9) | (8) | 12.5 | (32) | (18) | 77.8 |
| Others | (559) | (1,630) | (65.7) | (1,548) | (2,177) | (28.9) |
| (Loss)/Profit before tax | (7,775) | 6,941 | (212.0) | 24,070 | 40,737 | (40.9) |
| Income tax credit/(expense) | 1,975 | (4,508) | (143.8) | (6,704) | (11,759) | (43.0) |
| (Loss)/Profit after tax and total comprehensive income for the period | (5,800) | 2,433 | (338.4) | 17,366 | 28,978 | (40.1) |
| (Loss)/Profit and total comprehensive income attributable to: | | | | | | |
| Equity holders of the Company | (4,568) | 1,958 | (333.3) | 18,256 | 28,393 | (35.7) |
| Total comprehensive income attributable to non-controlling interests | (1,232) | 475 | (359.4) | (890) | 585 | (252.1) |
| Total comprehensive income | (5,800) | 2,433 | (338.4) | 17,366 | 28,978 | (40.1) |

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

| | Group | | Group | |
|--|------------------------------------|------------------------------------|------------------------------------|----------------------------------|
| | 3 months ended | | 12 months ended | |
| | 30/6/2018 (Unaudited) RM'000 | 30/6/2017 (Unaudited) RM'000 | 30/6/2018 (Unaudited) RM'000 | 30/6/2017 (Audited) RM'000 |
| Depreciation of property, plant and equipment | 380 | 361 | 1,477 | 1,361 |
| Interest expense | 9 | 8 | 32 | 18 |
| Interest income | (2,540) | (458) | (2,730) | (1,239) |
| Foreign exchange losses/(gains) | 180 | 314 | 169 | (1,725) |
| Property, plant and equipment written off | - | - | - | 13 |
| Provision for foreseeable losses on development properties | 2,420 | - | 2,420 | - |

- 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 | |
|---|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| | 30/6/2018 (Unaudited) RM'000 | 30/6/2017 (Audited) RM'000 | 30/6/2018 (Unaudited) RM'000 | 30/6/2017 (Audited) RM'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 1,279 | 2,501 | - | - |
| Investment in subsidiaries | - | - | 1,229,000 | 1,229,000 |
| Deferred tax assets | 416 | 77 | - | - |
| | 1,695 | 2,578 | 1,229,000 | 1,229,000 |
| Current assets | | | | |
| Development properties | 543,622 | 371,128 | - | - |
| Contract assets | 21,581 | 162,474 | - | - |
| Trade and other receivables | 261,181 | 128,515 | 43 | 200 |
| Amount due from related parties | - | - | 111,318 | 112,100 |
| Cash and cash equivalents | 16,422 | 27,152 | 4,778 | 9,685 |
| | 842,806 | 689,269 | 116,139 | 121,985 |
| Total assets | 844,501 | 691,847 | 1,345,139 | 1,350,985 |
| EQUITY | | | | |
| Capital and reserves attributable to equity holders of the Company | | | | |
| Share capital | 259,384 | 259,384 | 1,455,079 | 1,455,079 |
| Capital reserve | - | - | 1,419 | 1,419 |
| Merger reserve | (10,769) | (10,769) | - | - |
| Accumulated losses | (8,636) | (26,892) | (114,865) | (109,240) |
| | 239,979 | 221,723 | 1,341,633 | 1,347,258 |
| Non-controlling interest | 2,643 | 1,083 | - | - |
| Total equity | 242,622 | 222,806 | 1,341,633 | 1,347,258 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 422,357 | 336,782 | 553 | 610 |
| Contract liabilities | 33,342 | 26,541 | - | - |
| Current tax liabilities | 12,402 | 12,111 | - | - |
| Bank overdraft | 12,962 | 14,487 | - | - |
| Borrowings | 61,908 | 19,062 | - | - |
| Finance lease liabilities | 186 | 169 | - | - |
| Amount due to related parties | 44,392 | 38,765 | 2,953 | 3,117 |
| | 587,549 | 447,917 | 3,506 | 3,727 |

| | Group | | Company | |
|-------------------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| | 30/6/2018 (Unaudited) RM'000 | 30/06/2017 (Audited) RM'000 | 30/6/2018 (Unaudited) RM'000 | 30/06/2017 (Audited) RM'000 |
| Non-current liabilities | | | | |
| Borrowings | 13,938 | 20,642 | - | - |
| Finance lease liabilities | 392 | 482 | - | - |
| | 14,330 | 21,124 | - | - |
| Total liabilities | 601,879 | 469,041 | 3,506 | 3,727 |
| Total equity and liabilities | 844,501 | 691,847 | 1,345,139 | 1,350,985 |

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 30/6/2018 | | As at 30/06/2017 | |
|-------------------|---------------------|-------------------|---------------------|
| Secured RM'000 | Unsecured RM'000 | Secured RM'000 | Unsecured RM'000 |
| 75,056 | - | 33,718 | - |

(b) the amount repayable after one year;

| As at 30/6/2018 | | As at 30/06/2017 | |
|-------------------|---------------------|-------------------|---------------------|
| Secured RM'000 | Unsecured RM'000 | Secured RM'000 | Unsecured RM'000 |
| 14,330 | - | 21,124 | - |

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

The Group did not have any unsecured loan as at 30 June 2018 and 30 June 2017.

(d) details of any collaterals

As at 30 June 2018, the Group's financing facilities of RM369,770,000 (30 June 2017: RM270,770,000) were secured by legal charges on certain of the Group's development properties, property, plant and equipment, pledge of fixed deposits from a controlling shareholder and jointly and severally guaranteed by directors of subsidiaries and a controlling shareholder.

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 | | 12 months ended | |
| | 30/6/2018 | 30/6/2017 | 30/6/2018 | 30/6/2017 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Cash flow from operating activities | | | | |
| (Loss)/Profit after tax | (5,800) | 2,433 | 17,366 | 28,978 |
| Adjustment for: | | | | |
| - Income tax expense | (1,975) | 4,508 | 6,704 | 11,759 |
| - Depreciation of property, plant and equipment | 380 | 361 | 1,477 | 1,361 |
| - Provision for foreseeable losses on development properties | 2,420 | - | 2,420 | - |
| - Property, plant and equipment written off | - | - | - | 13 |
| - Interest expense | 9 | 8 | 32 | 18 |
| - Interest income | (2,540) | (458) | (2,730) | (1,239) |
| | (7,506) | 6,852 | 25,269 | 40,890 |
| Change in working capital: | | | | |
| Development properties | (36,787) | (73,768) | (168,096) | (148,385) |
| Contract assets/(liabilities) | 93,753 | (53,307) | 147,694 | (69,800) |
| Trade and other receivables | (89,477) | (14,551) | (132,666) | (16,659) |
| Trade and other payables | 39,665 | 135,722 | 85,575 | 257,154 |
| Cash generated (used in)/from operations | (352) | 948 | (42,224) | 63,200 |
| Income tax paid | (3,802) | (1,699) | (6,752) | (2,136) |
| Net cash flow (used in)/generated from operating activities | (4,154) | (751) | (48,976) | 61,064 |
| Cash flow from investing activities | | | | |
| Additions to property, plant and equipment | (12) | (107) | (145) | (261) |
| Interest received | 2,540 | 459 | 2,730 | 1,239 |
| Net cash flow generated from/(used in) investing activities | 2,528 | 352 | 2,585 | 978 |
| Cash flows from financing activities | | | | |
| Amount due to related parties | 2,173 | 212 | 5,627 | 10,255 |
| Additional investment from non-controlling interest | - | - | 2,450 | 490 |
| Proceeds from drawdown of term loan | 5,687 | - | 76,637 | 19,920 |
| Repayment of term loan | (11,600) | - | (40,495) | (107,799) |
| Repayment of finance lease liabilities | (57) | (42) | (183) | (109) |
| Interest paid | (2,906) | (1,115) | (6,850) | (6,470) |
| Net cash flow (used in)/generated from financing activities | (6,703) | (945) | 37,186 | (83,713) |
| Net (decrease)/increase in cash and cash equivalents | (8,329) | (1,344) | (9,205) | (21,671) |
| Cash and cash equivalents | | | | |
| Beginning of financial period | 11,789 | 14,009 | 12,665 | 34,336 |
| Effects of currency translation on cash and cash equivalents | - | - | - | - |
| End of financial period | 3,460 | 12,665 | 3,460 | 12,665 |

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

| | 30/6/2018 (Unaudited) | 30/6/2017 (Audited) |
|---|--------------------------|------------------------|
| Cash and bank balances | 16,422 | 27,152 |
| (-) Bank overdrafts | (12,962) | (14,487) |
| Cash and cash equivalents per consolidated statement of cash flows | 3,460 | 12,665 |

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

**Group
(Unaudited)**

| | Share capital | Merger reserve | Accumulated losses | Total | Non-controlling interest | Total equity |
|---|----------------|-----------------|--------------------|----------------|--------------------------|----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 July 2017 | 259,384 | (10,769) | (26,892) | 221,723 | 1,083 | 222,806 |
| Acquisition of interests in subsidiary by non-controlling interests | - | - | - | - | 2,450 | 2,450 |
| Profit and total comprehensive income for the period | - | - | 22,824 | 22,824 | 342 | 23,166 |
| Balance as at 31 March 2018 | 259,384 | (10,769) | (4,068) | 244,547 | 3,875 | 248,422 |
| Loss and total comprehensive income for the period | - | - | (4,568) | (4,568) | (1,232) | (5,800) |
| Balance as at 30 June 2018 | 259,384 | (10,769) | (8,636) | 239,979 | 2,643 | 242,622 |
| | Share capital | Merger reserve | Accumulated losses | Total | Non-controlling interest | Total equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 July 2016 | 259,384 | (10,769) | (55,285) | 193,330 | 8 | 193,338 |
| Incorporation of subsidiary with non-controlling interests | - | - | - | - | 490 | 490 |
| Profit and total comprehensive income for the period | - | - | 26,435 | 26,435 | 110 | 26,545 |
| Balance as at 31 March 2017 | 259,384 | (10,769) | (28,850) | 219,765 | 608 | 220,373 |
| Profit and total comprehensive income for the period | - | - | 1,958 | 1,958 | 475 | 2,433 |
| Balance as at 30 June 2017 | 259,384 | (10,769) | (26,892) | 221,723 | 1,083 | 222,806 |

**Company
(Unaudited)**

| | Share capital | Capital reserve | Retained earnings | Total equity |
|------------------------------------|------------------|-----------------|-------------------|------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 July 2017 | 1,455,079 | 1,419 | (109,240) | 1,347,258 |
| Total comprehensive income | - | - | (4,661) | (4,661) |
| Balance as at 31 March 2018 | 1,455,079 | 1,419 | (113,901) | 1,342,597 |
| Total comprehensive income | - | - | (964) | (964) |
| Balance as at 30 June 2018 | 1,455,079 | 1,419 | (114,865) | 1,341,633 |
| | Share capital | Capital reserve | Retained earnings | Total equity |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 July 2016 | 1,455,079 | 1,419 | (105,470) | 1,351,028 |
| Total comprehensive income | - | - | (2,118) | (2,118) |
| Balance as at 31 March 2017 | 1,455,079 | 1,419 | (107,588) | 1,348,910 |
| Total comprehensive income | - | - | (1,652) | (1,652) |
| Balance as at 30 June 2017 | 1,455,079 | 1,419 | (109,240) | 1,347,258 |

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State 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 1 April 2018 | 1,869,434,303 | 1,455,079 |
| Balance as at 30 June 2018 | 1,869,434,303 | 1,455,079 |

The Company did not have any outstanding options or convertibles as at 30 June 2018 and 30 June 2017. There were no treasury shares or subsidiary holdings as at 30 June 2018 and 30 June 2017.

- 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 30/6/2018 | As at 30/06/2017 |
|-------------------------------|--------------------|---------------------|
| Total number of issued shares | 1,869,434,303 | 1,869,434,303 |

There were no treasury shares as at 30 June 2018 and 30 June 2017.

- 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 qualifications or emphasis of a matter).

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

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

Save as disclosed in paragraph 5, the accounting policies and methods of computations adopted in the financial statements for the current financial period reported on are consistent with those disclosed in the most recently audited consolidated financial statements of the Group for the financial year ended 30 June 2017.

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

The Group has adopted all the applicable new and revised Financial Reporting Standards (“FRS”) and Interpretation of FRS that are relevant to its operation and effective for the accounting periods beginning on or after 1 July 2017. The adoption of these new and revised FRS did not result in any substantial change to the Group’s and Company’s accounting policies and has no significant impact on the financial statements for the current financial period reported on.

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

| | 3 months ended | | 12 months ended | |
|---|--------------------------|--------------------------|--------------------------|------------------------|
| | 30/6/2018 (Unaudited) | 30/6/2017 (Unaudited) | 30/6/2018 (Unaudited) | 30/6/2017 (Audited) |
| Total comprehensive income attributable to equity holders of the Company (RM'000) | (4,568) | 1,958 | 18,256 | 28,393 |
| Weighted average number of ordinary shares in issue | 1,869,434,303 | 1,869,434,303 | 1,869,434,303 | 1,869,434,303 |
| Basic earnings per share (“EPS”) (RM’sen) | (0.24) | 0.10 | 0.98 | 1.52 |
| Fully diluted EPS (RM’sen) | (0.24) | 0.10 | 0.98 | 1.52 |

The basic and fully diluted EPS were the same as there were no potentially dilutive ordinary shares in issue as at 30 June 2018 and 30 June 2017.

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 | |
|--|--------------------------|-------------------------|--------------------------|-------------------------|
| | 30/6/2018 (Unaudited) | 30/06/2017 (Audited) | 30/6/2018 (Unaudited) | 30/06/2017 (Audited) |
| Net Assets Value (RM'000) | 242,622 | 222,806 | 1,341,633 | 1,347,258 |
| 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) | 12.98 | 11.92 | 71.77 | 72.07 |

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

Consolidated statement of comprehensive income

Revenue

The increase in revenue of RM33.6 million for FY2018 was mainly due to full year revenue recognised from the Group's development projects, namely, Menara Majlis Bandaraya Johor Bahru ("MBJB") project for the Johor Bahru's City Council and the housing development in Pengerang ("Bukit Pelali @ Pengerang"). Most of the Group's revenue from The Astaka Towers @ One Bukit Senyum ("The Astaka") had been recognised in the first nine months of the year.

The MBJB project which commenced in May 2017 had contributed a full year of revenue which amounted to RM78.0 million in FY2018 as compared to one month of revenue in FY2017 which amounted to RM17.9 million. This project is expected to be completed by the end of 2019. Additionally, the housing development at Bukit Pelali @ Pengerang had contributed full year revenue of RM55.1 million in FY2018 as compared to 6 months of revenue which amounted to RM29.2 million in FY2017.

Cost of Sales and Gross Profit

The Group's gross profit decreased by 30.3% to RM38.8 million in FY2018. This was mainly due to decreased project margin from The Astaka (which was completed in June 2018) after inclusion of additional developments costs, further enhancement works which were done for the project and the increased infrastructure cost attributable to the site clearance and earthwork costs incurred for stabilising the hilly site topography in Bukit Pelali @ Pengerang. The aforementioned costs also resulted in the increase in the Group's costs of sales in FY2018. The aforementioned costs were mainly incurred in the last quarter of FY2018 which also resulted in the gross loss for that quarter.

Other Operating Income

Other operating income increased by RM1.4 million to RM2.9 million in FY2018 mainly due to increase in (i) late payment interest on progress billings charged to buyers which amounted to RM1.4 million; (ii) interest received from deposits with financial institutions which amounted to RM46,000; and (iii) staff overtime claim reimbursed from contractor which amounted to RM136,000.

However, the aforesaid increase was offset by decrease in advertisement sponsorship of RM235,000.

Other Losses

The Group recorded other losses of RM0.6 million in FY2018 as compared to other gains of RM1.7 million in FY2017 which was due to depreciation of Ringgit Malaysia against the Singapore Dollar during the FY2018.

Expenses

Selling and distribution expenses decreased by RM0.6 million to RM2.6 million in FY2018 from RM3.2 million in FY2017. The decrease was mainly due to less marketing expenses incurred in relation to the organising of events and roadshows for selling and promoting The Astaka and Bukit Pelali @ Pengerang projects.

Administrative expenses increased by RM46,000 to RM12.9 million in FY2018, mainly due to the increase in salaries and related expense arising from additional manpower requirements, in line with the Group's increased activities in its current projects development.

Other operating expenses decreased by approximately RM0.6 million to RM1.5 million in FY2018 from RM2.2 million in FY2017, mainly due to the decrease in the real property gain tax charged by Malaysian Inland Revenue Board for the land disposal incurred in prior years which amounted to RM140,800 and RM480,000 of decrease in expenditure on corporate social responsibility activities.

Income tax expense decreased by RM5.1 million to RM6.7 million in FY2018 from RM11.8 million in FY2017. This was due to lower profit earned in FY2018.

The Group recorded provision for foreseeable losses on development properties of RM2.4 million in FY2018 which arose from the initial phase of the Bukit Pelali @ Pengerang project due to additional site clearance and earthwork costs were incurred in stabilising the hilly site topography.

Consolidated statement of financial position

Property, plant and equipment decreased to RM1.3 million as at 30 June 2018 from RM2.5 million as at 30 June 2017, mainly due to the depreciation charges on existing and newly acquired office equipment, office furniture and fixtures and motor vehicles for operations purpose.

Deferred tax assets which amounted to RM416,000 as at 30 June 2018 was mainly attributable to temporary differences for property, plant and equipment.

Development properties increased by RM172.5 million to RM543.6 million as at 30 June 2018. The increase was in line with the progress of the current on-going construction of the Group's property development projects billings by sub-contractors, professionals and consultants. A total of RM300.9 million included in the development properties as at 30 June 2018 arose from the completion of The Astaka.

Contract assets have decreased to RM21.6 million from RM162.5 million as at 30 June 2017 mainly due to progress billings to the purchasers of units in The Astaka as a result of the completion of the project. Contract liabilities have increased to RM33.3 million from RM26.5 million as at 30 June 2017, mainly due contract costs incurred for Bukit Pelali @ Pengerang project which has not billed to the purchasers.

Trade and other receivables increased by RM132.7 million to RM261.2 million as at 30 June 2018, mainly due to the additional outstanding trade receivables of the Group's property development mainly attributable to the Bukit Pelali @ Pengerang project and The Astaka, which was in line with the progressive development work done for the said projects.

Trade and other payables increased by RM85.6 million to RM 422.4 million as at 30 June 2018 mainly pertaining to contractors and sundry accruals for the Group's development projects. The increase was in line with the progressive development work done for the said projects.

Current borrowings increased by RM42.8 million to RM61.9 million as at 30 June 2018, due to drawdown of borrowings during FY2018 for financing the Group's property development projects and working capital.

Amount due to related parties increased by RM5.6 million to RM44.4 million as at 30 June 2018, which was mainly attributed to RM6.7 million being the Bukit Pelali @ Pengerang 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") (a 51:49 joint venture company between by the Company's 99.99% owned subsidiary, Astaka Padu Sdn Bhd ("APSB") and SSSB) and SSSB, BPPSB shall pay SSSB 12% of the cash proceeds to be received from the individual purchasers of the properties in the Bukit Pelali @ Pengerang project, such amount to be capped at and shall not exceed the sum of RM165 million.

Long term borrowings decreased by RM6.7 million to RM13.9 million as at 30 June 2018, due to the repayment of borrowings during the year.

Share capital remained at RM259.4 million as at 30 June 2018 and 30 June 2017.

Consolidated statement of cash flow

The Group reported a net cash outflow from operating activities of RM49.0 million in FY2018 as compared to a net cash inflow of RM61.1 million in FY2017. This was primarily due to development costs being progressively incurred in The Astaka during FY2018 where billing has only been issued near the end of June 2018.

Net cash inflow from investing activities of RM2.6 million in FY2018 was mainly due to interest income received from financial institutions and offset by cash outflow used in acquiring new property, plant and equipment.

Net cash inflow from financing activities of RM37.2 million in FY2018 was mainly due to the drawdown of term loan which amounted to RM76.6 million during FY2018 for purposes as explained above and offset against the repayment of term loan and finance lease liabilities which amounted to RM40.7 million.

As a result, the Group recorded an overall net decrease in cash and cash equivalents of RM9.2 million in FY2018 as compared to net decrease of RM21.7 million in FY2017. As at 30 June 2018, net cash and cash equivalents amounted to RM3.5 million.

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 property market outlook in Malaysia is generally expected to remain subtle. However, the Group is confident that its projects will appeal to potential buyers as they are well planned and strategically located with major infrastructure in the pipeline.

With the Group's maiden project, The Astaka completed in June 2018, the Group has proven its track record in the market, which the Group can leverage on in marketing the remaining unsold units of The Astaka.

Additionally, our projects that are currently in progress, namely, MPJB and Bukit Pelali @ Pengerang, are progressing well and on schedule. We believe that the progressive development and completion of our projects would help to create appreciation value on our current and future developments.

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 FY2018.

(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 FY2017.

(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.

No dividend has been declared (recommended) for FY2018.

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

| Name of interested person | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |
|--|--|--|
| Dato Daing A Malek Bin Daing A Rahaman ("Dato Malek") and his associates | RM1,870,725 ⁽¹⁾ | Not applicable. |

Note:

(1) Comprise (i) rental payable by the Company's 99.99% owned subsidiary, Astaka Padu Sdn Bhd ("APSB"), to an associate of Dato Malek for the rental of office premises by APSB for a period of one year from 1 September 2017 to 31 August 2018; (ii) interest payable to Dato Malek for an extension of loan by Dato Malek to the Company; and (iii) cleaning services contract with an associate of Dato Malek.

Save for the above mentioned, there were no interested persons transactions of S\$100,000 or more for entered into during the FY2018.

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

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

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

PART II Additional Information Required for Full Year Announcement

15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Company considers that the entire Group's operations constitute a single segment, which is in the business of property development in the Iskandar region of Johor, Malaysia. Accordingly, no business or geographical segment information is presented.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Not applicable, as the Group only operates in a single segment.

17. A breakdown of sales as follows:

| | Group | | |
|--|---|---|------------------------------------|
| | FY2018 30 June 2018 (Unaudited) RM'000 | FY2017 30 June 2017 (Unaudited) RM'000 | % increase / (decrease) |
| Sales reported for the first half year | 210,480 | 110,168 | 91.1 |
| Operating profit after tax and before deducting minority interests reported for the first half year | 16,618 | 11,513 | 44.3 |
| Sales reported for the second half year | 132,784 | 199,480 | (33.4) |
| Operating profit after tax and before deducting minority interests reported for the second half year | 748 | 17,465 | (95.7) |

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Not applicable. No dividend has been declared for FY2018 and FY2017.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

| Name | Age | Family relationship with any director and/or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|--|------------|---|--|--|
| Ms Daeng Hamizah binti Aziz ("Ms. Hamizah") | 31 | Niece of Dato Malek, a controlling shareholder of the Company | Chief Operating Officer of the Company since 1 October 2016. Ms. Hamizah oversees the daily operations of the Group, liaises with government authorities, plans strategic activities and ensures effectiveness and efficiency of the operational processes. | - |

Except for Ms. Hamizah, the Company confirmed that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Catalist Rule 704(10).

On behalf of the Board of Directors

Dato Zamani Bin Kasim
Executive Director and Chief Executive Officer
27 August 2018

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

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

The contact person for the Sponsor is Mr. Lance Tan, Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).