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

Unaudited Full Year Financial Statements and Dividend Announcement for the year ended 30 June 2016

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

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

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Background

On 19 November 2015, E2-Capital Holdings Limited (the "Company") completed its acquisition of 99.99% equity interest in Astaka Padu Limited (the "Astaka" and together with its subsidiaries, the "Astaka Group") ("RTO") via the issuance of shares in the Company to the shareholders of the Astaka Group. The RTO was completed on 19 November 2015 and the Company changed its name to Astaka Holdings Limited. Please refer to the Company's circular dated 18 September 2015 for further details of the RTO.

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

Following the completion of the RTO, the Company changed the functional currency and presentation currency for its financial statements from Hong Kong Dollars ("HKD") to Malaysia Ringgit ("RM"). The exchange rate of HKD1.00 to MYR0.55739 as at 19 November 2015 was used for the translation.

<u>Group level</u>

The RTO is a reverse takeover of the Company as the shareholders of the Astaka Group became the controlling shareholders of the Company on completion of the transaction. Accordingly, the Astaka Group (being the legal subsidiaries in the transaction) is regarded as the accounting acquirer, and the Company (being the legal parent) is regarded as the accounting acquiree.

The consolidated financial statements of the Group represent a continuation of the financial position, performance and cash flows of the Astaka Group. Accordingly, the consolidated financial statements are prepared on the following basis:

a) the assets and liabilities of the Astaka Group are recognised and measured in the balance sheet of the Group at their pre-acquisition carrying amounts;
b) the assets and liabilities of the Company are recognised and measured in the consolidated balance sheet at their acquisition-date fair values;
c) the accumulated profits and other equity balances recognised in the consolidated financial statements are the accumulated profits and other equity balances of the Astaka Group immediately before the RTO;
d) the amount recognised as issued equity interests in the consolidated financial statements is determined by adding the fair value of the Company (which is based on the number of equity interests deemed to have been issued by the Astaka Group) to the issued equity of the Astaka Group immediately before the RTO. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) reflect the equity structure of the

legal parent (i.e. the Company), including the equity instruments issued by the Company to effect the RTO;

e) the consolidated statement of comprehensive income for the financial year ended 30 June 2016 reflects the full year results of Astaka Group together with the post-acquisition results of the Company; and
f) the comparative figures presented in these consolidated financial statements are those of the Astaka Group.

The Astaka Group is deemed to have issued equity shares as purchase consideration for the assets and liabilities of the Company using the accounting principles in FRS 102 Share-based Payment, as the Company's operations did not constitute a business under FRS 103 Business Combinations. The purchase consideration for the RTO was measured at the fair value of the entire issued equity of the Company just prior to the completion of the RTO on 19 November 2015. The difference between the purchase consideration and net identifiable assets of the Company, amounting to RM63.6 million was recognised in the Consolidated Statement of Comprehensive Income as acquisition costs arising from the RTO in accordance with FRS 102.

Company Level

The above accounting applies only at the consolidated financial statements of the Group. In the Company's separate financial statements, investment in the legal subsidiaries (Astaka Group) is accounted for at cost less accumulated impairment losses, if any, in the Company's balance sheet. The initial cost of the investment in the Astaka Group is based on the fair value of the ordinary shares issued by the Company as at the acquisition date.

Notes:

i. The Group's consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year ended 30 June 2016 refer to the enlarged group which included the results of Astaka Group from 1 July 2015 to 30 June 2016 and the post-acquisition results of the Company from 20 November 2015 to 30 June 2016.
ii. The Group's consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year ended 30 June 2015 refer to the results of Astaka Group from 1 July 2014 to 30 June 2015.
iii. The Group's consolidated statement of financial position as at 30 June 2016 refers to the consolidated statement of financial position of the Astaka Group and E2-Capital Holdings Limited as at 30 June 2016.
iv. The Group's consolidated statement of financial position as at 30 June 2015 refers to the consolidated statement of financial position of the Astaka Group.
v. The Company's statement of financial position as at 30 June 2016 and 30 June 2015 refer to that of the Company.
vi. The Company's statement of changes in equity for the year ended 30 June 2016 and 30 June 2015 refer to that of the Company.

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

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

	Group		
	FY2016 30/06/2016 (Unaudited) RM'000	**FY2015 30/06/2015 (Unaudited) RM'000**	**Change %**
Revenue	-	208	n.m.
Cost of sales	-	(3)	n.m.
Gross profit	-	205	n.m.
Other operating income	453	750	(39.6)
Selling and distribution expenses	(707)	(764)	(7.5)
Administrative expenses	(11,149)	(12,171)	(8.4)
Other operating expenses	(1,383)	(407)	239.8
Finance costs	(7)	(7)	n.m.
Loss from operations	(12,793)	(12,394)	3.2
Non-operating expenses	(98,699)	(4,256)	n.m.
Loss before income tax	(111,492)	(16,650)	569.6
Income tax credit	517	1,710	(69.8)
Net loss and total comprehensive loss for the financial year	**(110,975)**	**(14,940)**	**642.8**
Total comprehensive loss attributable to equity holders of the Company	**(110,974)**	**(14,940)**	**642.8**
Total comprehensive loss attributable to non-controlling interests	**(1)**	**-**	**n.m.**
Total comprehensive loss	**(110,975)**	**(14,940)**	**642.8**

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: -

	Group	
Loss for the financial year is stated after charging/(crediting) the following:	**FY2016 30/06/2016 (Unaudited) RM'000**	**FY2015 30/06/2015 (Unaudited) RM'000**
Depreciation of property, plant and equipment	1,132	5,018
Interest expenses	7	7
Interest income	(396)	(279)
Foreign exchange loss	2,648	461
Loss on reverse acquisition	63,625	-
RTO professional fees	7,713	-
RTO arranger fees	27,361	-

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	
	FY2016 30/06/2016 (Unaudited) RM'000	**FY2015 30/6/2015 (Unaudited) RM'000**	**FY2016 30/06/2016 (Unaudited) RM'000**	**FY2015 30/6/2015 (Unaudited) RM'000**
ASSETS				
Non-current assets				
Property, plant and equipment	3,137	1,324	-	-
Investment in subsidiaries	-	-	1,229,000	-
	3,137	1,324	1,229,000	-
Current assets				
Trade and other receivables	66,907	71,001	92,727	6,538
Development properties	483,811	300,183	-	-
Cash and cash equivalents	50,308	3,158	32,788	12,718
	601,026	374,342	125,515	19,256
Total assets	**604,163**	**375,666**	**1,354,515**	**19,256**
LIABILITIES				
Current liabilities				
Trade and other payables	315,674	231,864	3,487	3,619
Current tax liabilities	4,547	22	-	-
Bank overdraft	15,972	11,368	-	-
Borrowings	34,082	51,896	-	-
Hire purchase liabilities	81	60	-	-
	370,356	295,210	3,487	3,619
Non-current liabilities				
Borrowings	93,501	52,656	-	-
Hire purchase liabilities	203	179	-	-
Deferred tax liabilities	2,735	7,897	-	-
	96,439	60,732	-	-
Total liabilities	**466,795**	**355,942**	**3,487**	**3,619**
NET ASSETS	**137,368**	**19,724**	**1,351,028**	**15,637**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	259,384	30,769	1,455,079	21,510
Capital reserve	-	-	1,419	1,237
Merger reserve	(10,769)	(10,769)	-	-
Foreign currency reserve	-	-	-	420
Retained earnings	(111,250)	(276)	(105,470)	(7,530)
	137,365	19,724	1,351,028	15,637
Non-controlling interest	3	-	-	-
Total equity	**137,368**	**19,724**	**1,351,028**	**15,637**

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

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

As at 30/06/2016		As at 30/06/2015	
Secured RM'000	**Unsecured RM'000**	**Secured RM'000**	**Unsecured RM'000**
50,135	-	63,324	-

(b) the amount repayable after one year;

As at 30/06/2016		As at 30/06/2015	
Secured RM'000	**Unsecured RM'000**	**Secured RM'000**	**Unsecured RM'000**
93,704	-	52,835	-

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

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

(d) details of any collaterals

The term loan and bank overdraft relates to AL Murabahah credit facility from Maybank Islamic Berhad of RM270,000,000 (30 June 2015: RM270,000,000) for the purpose of the construction of the Group's development properties. It is secured by a first party legal charge over 2.43 acres of land and building to be erected on the land in Bukit Senyum under PTD 216346 and fixed deposits from a controlling shareholder of the Company of RM20,000,000 (30 June 2015: RM90,000,000). Directors of Astaka Padu Sdn Bhd, a subsidiary of the Company, and a controlling shareholder of the Company jointly and severally guarantee the loan and there was a lien holder's caveat and charge-in-escrow over the remaining 6.22 acres of land in Bukit Senyum under PTD 216345 in favour of the bank.

Bank overdraft facility from Affin Bank Berhad of RM10,000,000 (30 June 2015: Nil) for the purpose of working capital of the Group's development properties was secured by a fixed deposit from a controlling shareholder 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	
	FY2016 30/06/2016 (Unaudited) RM'000	**FY2015 30/06/2015 (Unaudited) RM'000**
Cash flows from operating activities		
Loss after income tax	(110,975)	(14,940)
Adjustment for:		
- Income tax credit	(517)	(1,710)
- Depreciation of property, plant and equipment	1,132	5,018
- Depreciation of investment property	-	3
- Interest expense	7	7
- Interest income	(396)	(207)
- Arranger fees paid in shares	27,361	-
- Gain on disposal of investment property	-	(87)
- Loss on reverse acquisition	63,625	-
- Unrealised currency translation loss / (gain)	1,899	(11)
	(17,864)	(11,927)
Change in working capital:		
Development properties	(175,757)	(111,232)
Trade and other receivables	11,888	(36,330)
Trade and other payables	76,791	90,190
Cash used in operations	(104,942)	(69,299)
Income tax paid	(120)	(3)
Net cash flows used in operating activities	**(105,062)**	**(69,302)**
Cash flows from investing activities		
Additions to property, plant and equipment	(2,945)	(1,003)
Proceeds from disposal of investment property	-	590
Interest received	396	207
Net cash flows used in investing activities	**(2,549)**	**(206)**

Cash flows from financing activities		
Proceeds from issuance of shares	130,620	-
Share issue expenses	(2,788)	-
Net cash received from reverse acquisition	9,027	-
Interest payment	(7,879)	(4,038)
Net proceeds from term loan	23,031	61,953
Additions to/(repayment of) hire purchase liabilities	45	(61)
Net cash flows generated from financing activities	**152,056**	**57,854**
Net increase/(decrease) in cash and cash equivalents	**44,445**	**(11,654)**
Cash and cash equivalents		
Beginning of financial year	(8,210)	3,433
Effects of currency translation on cash and cash equivalents	(1,899)	11
End of financial year	**34,336**	**(8,210)**

Cash and cash equivalents at the end of each financial year comprises the following:

	FY2016 30/6/2016 (Unaudited) RM'000	**FY2015 30/6/2015 (Unaudited) RM'000**
Cash and bank balances	50,308	3,158
Bank overdrafts	(15,972)	(11,368)
	34,336	**(8,210)**

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

Group (Unaudited)

	Share capital RM'000	**Merger reserve RM'000**	**Retained earnings RM'000**	**Attributable to parent RM'000**	**Non-controlling interest RM'000**	**Total equity RM'000**
Balance as at 1 July 2015	30,769	(10,769)	(276)	19,724	-	19,724
Issuance of consideration shares	73,422	-	-	73,422	4	73,426
Issuance of arranger shares	27,361	-	-	27,361	-	27,361
Issuance of compliance shares	130,620	-	-	130,620	-	130,620
Share issue expenses	(2,788)	-	-	(2,788)	-	(2,788)
Total comprehensive income	-	-	(110,974)	(110,974)	(1)	(110,975)
Balance as at 30 June 2016	**259,384**	**(10,769)**	**(111,250)**	**137,365**	**3**	**137,368**

	Share capital RM'000	Merger reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2014	20,000	-	14,664	34,664
Issuance of new shares	-[(1)]	-	-	-
Share swap pursuant to the capital reorganization	(20,000)	-	-	(20,000)
Issuance of shares pursuant to the capital reorganisation	30,769	(10,769)	-	20,000
Total comprehensive income	-	-	(14,940)	(14,940)
Balance as at 30 June 2015	**30,769**	**(10,769)**	**(276)**	**19,724**

Note:
(1) Less than RM500.00

Company
(Unaudited)

	Share capital RM'000	Capital reserve RM'000	Foreign currency reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2015	21,510	1,237	420	(7,530)	15,637
Effects of change in functional currency	3,174	182	(420)	(629)	2,307
Capital reduction	(5,462)	-	-	-	(5,462)
Issuance of consideration shares	1,280,664	-	-	-	1,280,664
Issuance of arranger shares	27,361	-	-	-	27,361
Issuance of compliance shares	130,620	-	-	-	130,620
Share issue expenses	(2,788)	-	-	-	(2,788)
Total comprehensive income	-	-	-	(97,311)	(97,311)
Balance as at 30 June 2016	**1,455,079**	**1,419**	**-**	**(105,470)**	**1,351,028**

	Share capital RM'000	Capital reserve RM'000	Foreign currency reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2014	112,839	1,237	420	(6,245)	108,251
Capital reduction	(91,329)	-		-	(91,329)
Total comprehensive income	-	-		(1,285)	(1,285)
Balance as at 30 June 2015	**21,510**	**1,237**	**420**	**(7,530)**	**15,637**

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

	Number of issued shares	Issued and paid-up share capital (RM'000)
Balance as at 1 April 2016	1,869,434,303	1,455,079
Balance as at 30 June 2016	**1,869,434,303**	**1,455,079**

The Company did not have any outstanding options, convertibles or treasury shares as at 30 June 2016 and 30 June 2015.

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

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

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

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

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

Not applicable, as the Company did not have any treasury shares during and as at the end of the current financial year reported on.

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

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

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

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

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

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

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

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

	Group	
	FY2016 30/06/2016 (Unaudited)	**FY2015 30/06/2015 (Unaudited)**
Total comprehensive loss attributable to equity holders of the Company (RM'000)	(110,974)	(14,940)
Weighted average number of ordinary shares in issue	1,185,198,653	93,333,255
Basic loss per share ("LPS") (RM'sen)	(9.36)	(16.0)
Fully diluted LPS (RM'sen)	(9.36)	(16.0)

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

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

	Group
	FY2016 30/06/2016 (Unaudited) RM'000
Total comprehensive loss attributable to equity holders of the Company	(110,974)
Adjusting for non-recurring items: -	
1) RTO professional fees	7,713
2) RTO arranger fees	27,361
3) Loss on reverse acquisition	63,625
Adjusted total comprehensive loss attributable to equity holders of the Company	(12,275)
Adjusted basic LPS (RM'sen)	(1.04)
Adjusted fully diluted LPS (RM'sen)	(1.04)

The basic and fully diluted LPS were the same as there were no potentially dilutive ordinary shares in issue as at 30 June 2016 and 30 June 2015.

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

	Group		Company	
	30/06/2016 (Unaudited)	**30/06/2015 (Unaudited)**	**30/06/2016 (Unaudited)**	**30/06/2015 (Unaudited)**
Net Assets Value ("NAV") (RM'000)	137,368	19,724	1,351,028	15,637
Number of ordinary shares in issue	1,869,434,303	93,333,255	1,869,434,303	93,333,255
NAV per ordinary share (RM'sen)	7.35	21.13	72.27	16.75

The net asset value per share as at 30 June 2016 was computed based on 1,869,434,303 issued shares (excluding treasury shares) subsequent to the completion of the share consolidation. The number of issued shares used for the calculation of those for the comparatives has been adjusted for the effect of the share consolidation that was completed on 18 November 2015.

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

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

Consolidated statement of comprehensive income

Revenue from the development properties that have been sold is recognised when the construction of the development properties is completed and the risks and rewards of ownership have been transferred to the buyer through either the transfer of legal title or equitable interest in a property. The development of the The Astaka @ One Bukit Senyum ("Phase 1 of OBS")is expected to be completed in March 2018, and as such there were no revenues and cost of sales reported for the financial year ended 30 June 2016 ("FY2016"). The Company had sold 310 units as at 30 June 2016.

Other operating income decreased by RM297,000 to RM453,000 in FY2016 from RM750,000 in the financial year ended 30 June 2015 ("FY2015"). The decrease was mainly due to the absence of (i) a one-off gain on the disposal of investment property of RM87,000; (ii) land lease rental of RM205,000 which ceased as a result of the aforesaid disposal; and (iii) forfeiture income of RM106,000 arising from the cancellation of some booked units by certain purchasers, all of which were accounted for in FY2015. The aforesaid decrease in operating income was partially offset by increase in interest income of RM117,000 in FY2016.

Selling and distribution expenses decreased by RM57,000 to RM707,000 in FY2016 from RM764,000 in FY2015. The decrease was due to the adoption of a more focused marketing strategy for Phase 1 of OBS in FY2016.

Administrative expenses decreased by RM1.1 million to RM11.1 million in FY2016 from RM12.2 million in FY2015. The decrease was mainly due to (i) lower depreciation charges on property, plant and equipment of RM3.9 million mainly due to the sales gallery and show units for Phase 1 of OBS being fully depreciated in July 2015. The aforesaid decrease was offset by higher unrealised foreign exchange loss of RM2.2 million as a result of the strengthening of the Malaysia Ringgit against the Singapore Dollar during FY2016; and (ii) increase in salaries and related expenses of RM420,000 following the completion of the RTO exercise.

Other operating expenses increased by RM1.0 million to RM1.4 million in FY2016 from RM407,000 in FY2015 due to increase in expenditure on corporate social responsibility activities of RM197,000, goods and service tax expenses of RM331,000, provision for income tax penalty of RM325,000 due to the underestimation of income tax payable for FY2016 and withholdings tax of RM123,000.

Finance costs remained at RM7,000 for FY2016 and FY2015.

Non-operating expenses increased by RM94.4 million to RM98.7 million in FY2016 from RM4.3 million in FY2015, due to the increase in professional fees of RM7.7 million and arranger fees of RM27.4 million incurred for the RTO transaction, which was completed on 19 November 2015 and recognition of the loss on reverse acquisition of RM63.6 million.

Consolidated statement of financial position

Property, plant and equipment increased to RM3.1 million as at 30 June 2016 from RM1.3 million as at 30 June 2015, mainly due to the purchase of office, furniture and fittings, offset by depreciation charged on property, plant and equipment.

Development properties increased to RM483.8 million as at 30 June 2016 from RM300.2 million as at 30 June 2015 due to additional payments to sub-contractors, professionals and consultants for the development of Phase 1 of OBS, which is in line with the current stage of construction of the development.

Trade and other receivables decreased to RM66.9 million as at 30 June 2016 from RM71.0 million as at 30 June 2015, mainly due to the decrease in advance payment to contractors of RM29.3 million which was utilised as part of the payment made to contractors and value added tax of RM1.5 million. The aforesaid decrease was offset by increase in trade receivables of RM23.3 million from the progress billing for Phase 1 of OBS and increase in deposits and prepayment of RM3.4 million.

Trade and other payables increased to RM315.7 million as at 30 June 2016 from RM231.9 million as at 30 June 2015, mainly due to the increase in accounts payables of RM21.3 million, progress billing to purchasers of RM80.5 million and loans from related parties of RM4.0 million. The aforesaid increase was offset by decrease in accrual and other payables of RM22.3 million, mainly arising from the payment of the remaining balance due to Malpakat Development Sdn Bhd in relation to the termination revocation of the Tebrau Junction joint venture agreement ("Tebrau Junction JVA"). Please refer to Section 12.2 of the Company's circular dated 18 September 2015 for further details on the Tebrau Junction JVA.

Current tax liabilities increased to RM4.5 million as at 30 June 2016 from RM22,000 as at 30 June 2015, mainly due to the increase in the percentage of completion used for the FY2016 tax computation.

Bank overdraft increased to RM16.0 million as at 30 June 2016 from RM11.4 million as at 30 June 2015, mainly due to increase in payments to sub contractors, professionals and consultants for the development of Phase 1 of OBS.

Current borrowings decreased to RM34.1 million as at 30 June 2016 from RM51.9 million as at 30 June 2015, mainly due to the repayment of bank facilities.

Long term borrowings increased to RM93.5 million as at 30 June 2016 from RM52.7 million as at 30 June 2015, mainly due to further drawdown of bank facilities for payments to the main contractor for Phase 1 of OBS.

Deferred tax liabilities decreased to RM2.7 million as at 30 June 2016 from RM7.9 million as at 30 June 2015 mainly due to the recognition of additional deferred tax assets arising from the property under development.

Share capital increased to RM259.4 million as at 30 June 2016 from RM30.8 million as at 30 June 2015, following a compliance share placement exercise and issuance of consideration shares pursuant to the acquisition.

Consolidated statement of cash flows

The Group reported a net cash outflow from operating activities of RM105.1 million in FY2016 as compared to RM69.3 million in FY2015. This was primarily due to the Group's losses incurred in FY2016 and an increase in development properties, which were partially offset by an increase in trade and other payables and trade and other receivables.

Net cash used in investing activities of RM2.5 million in FY2016 was due to the purchase of plant and equipment of RM2.9 million, offset by interest income from bank deposits of RM396,000.

Net cash generated from financing activities of RM152.1 million in FY2016 was largely due to the net proceeds from issuance of shares of RM127.8 million, net cash received from the RTO of RM9.0 million and net proceeds from bank loans and hire purchase of RM23.1 million, which were partially offset by interest payment of RM7.9 million.

As such, the Group recorded an overall net increase in cash and cash equivalents of RM44.4 million in FY2016 as compared to net decrease of RM11.7 million in FY2015. As at 30 June 2016, net cash and cash equivalents amounted to RM34.3 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 completion of the RTO on 19 November 2015 is a major milestone to position the Group as a premium integrated developer in Iskandar Malaysia whilst it continues its efforts in building up its land bank and expanding to other geographical markets if opportunities arise.

While Malaysia's property market continues to remain soft, the Group believes that development in the Iskandar Malaysia region – where the Group's flagship One Bukit Senyum ("OBS") project is located – remains healthy. The region has attracted RM208 billion in investments from 2006 until June 2016, underscoring its strong fundamentals(1).

OBS is strategically located at Zone A of the Iskandar region of Johor, Malaysia which houses the customs, immigration and quarantine ("CIQ") complex, Johor's central business district and the proposed Rapid Transit System ("RTS") project which will connect Johor Bahru and Singapore. The Group believes that the RTS will not only increase capital values of properties in the vicinity but will also increase demand for units in OBS.

As announced on 2 August 2016, the Group signed a memorandum of understanding with Johor Bahru's City Council, Majlis Bandaraya Johor Bahru ("MBJB"), under which the Group will construct, develop and sell to MBJB a 14-storey Grade A office tower, Menara MBJB. The tower, which is to expected to be completed by the end of 2019, will house 800 MBJB staff and will be located adjacent to the Phase 1 of OBS. The location of the MBJB headquarters within OBS further strengthens the premium positioning of the integrated development in the future administrative, business and communications hub of Johor.

The conceptual master plan for phase 2 of One Bukit Senyum ("Phase 2 of OBS") is expected to be unveiled in 3Q 2017.

The Group will continue to focus on its international marketing activities for OBS in Singapore, Brunei, Taiwan, China and Indonesia. As at 30 June 2016, 310 units of Phase 1 of OBS has been sold.

The Group will continue to explore strategic partnerships and joint ventures in conjunction with the development of Phase 2 of OBS.

(1) Web link: http://business.asiaone.com/news/investors-show-strong-interest-iskandar-malaysia

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 FY2016.

(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 FY2015.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared (recommended) for FY2016.

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

There were no interested persons transactions of S$100,000 or more for FY2016.

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 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.

17. A breakdown of sales as follows:

	Group		
	FY2016 30 June 2016 (unaudited) RM'000	**FY2015 30 June 2015 (unaudited) RM'000**	**% increase / (decrease)**
Sales reported for the first half year	-	-	0.0
Operating loss after tax and before deducting minority interests reported for the first half year	(101,057)	(2,166)	n.m.
Sales reported for the second half year	-	-	0.0
Operating loss after tax and before deducting minority interests reported for the second half year	(9,918)	(12,774)	(22.4)

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 FY2016 and FY2015.

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.

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 Rule 704(10).

20. Update on the use of compliance placement proceeds

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

Notes –

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

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

On behalf of the Board of Directors

Dato Zamani Bin Kasim
Executive Director and Chief Executive Officer
22 August 2016