

**Unaudited Full Year Financial Statements and Dividend Announcement for the year ended 30 June 2019**

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 4<sup>th</sup> quarter ended 30 June 2019.

**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 30/6/2019 (Unaudited) RM'000	30/6/2018 (Restated) RM'000	Change %	12 months ended 30/6/2019 (Unaudited) RM'000	30/6/2018 (Restated) RM'000	Change %
Revenue	108,053	46,935	130.2	296,030	332,740	(11.0)
Cost of sales	(164,486)	(61,175)	168.9	(366,942)	(298,017)	23.1
Gross (loss)/profit	(56,433)	(14,240)	296.3	(70,912)	34,723	n.m.
Other income	(158)	1,325	n.m.	4,158	2,923	42.3
Other gains/(loss)	63	166	(62.0)	75	(632)	n.m.
Expenses:						
Selling and Distribution	1,167	(574)	n.m.	(5,527)	(2,550)	116.7
Administrative	(6,244)	(2,363)	164.2	(19,428)	(12,928)	50.3
Finance costs	(7,409)	(6,339)	16.9	(7,428)	(10,570)	(29.7)
Others	(6,101)	(559)	991.4	(8,560)	(1,549)	452.6
<b>(Loss)/Profit before tax</b>	<b>(75,115)</b>	<b>(22,584)</b>	232.6	<b>(107,622)</b>	<b>9,417</b>	n.m.
Income tax (expense)/credit	(4,990)	4,580	n.m.	(6,103)	(4,137)	47.5
<b>(Loss)/Profit after tax and total comprehensive income for the period</b>	<b>(80,105)</b>	<b>(18,004)</b>	344.9	<b>(113,725)</b>	<b>5,280</b>	n.m.
<b>(Loss)/Profit and total comprehensive income attributable to:</b>						
<b>Equity holders of the Company</b>	<b>(70,456)</b>	<b>(16,770)</b>	320.1	<b>(105,434)</b>	<b>6,172</b>	n.m.
<b>Non-controlling interests</b>	<b>(9,649)</b>	<b>(1,234)</b>	681.9	<b>(8,291)</b>	<b>(892)</b>	829.5
<b>Total comprehensive income</b>	<b>(80,105)</b>	<b>(18,004)</b>	344.9	<b>(113,725)</b>	<b>5,280</b>	n.m.

n.m. – not meaningful

Notes: The figures of FY2018 have been restated to expense borrowing costs on development properties when incurred instead of capitalizing. Please refer to Paragraph 5 for more details.

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

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

	Group		Group	
	3 months ended		12 months ended	
	30/6/2019 (Unaudited) RM'000	30/6/2018 (Restated) RM'000	30/6/2019 (Unaudited) RM'000	30/6/2018 (Restated) RM'000
Depreciation of property, plant and equipment	134	380	730	1,477
Impairment loss on inventories	67,213	-	67,213	-
Interest expense	7,409	6,339	7,428	10,570
Interest income	(34)	(2,540)	(235)	(2,730)
Foreign exchange (gains)/losses	(63)	180	(75)	169
Forfeiture income	(93)	-	(3,500)	-
Provision for foreseeable losses on development properties <sup>1</sup>	5,389	2,420	5,821	2,420
Provision for late payment interests	4,816	-	4,816	-

<sup>1</sup>The Group recorded allowance for foreseeable losses on development properties in FY2019 which arose from the BPP project due to additional master infrastructure and landscape works contracted to enhance the environment in the BPP development.

- 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	
	30/06/2019 (Unaudited) RM'000	30/6/2018 (Restated) RM'000	30/6/2017 (Restated) RM'000	30/06/2019 (Unaudited) RM'000	30/6/2018 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	664	1,279	2,501	-	-
Investment in subsidiaries	-	-	-	988,038	1,229,000
Deferred tax assets	-	5,161	2,255	-	-
	664	6,440	4,756	988,038	1,229,000
<b>Current assets</b>					
Development properties	478,507	534,375	362,055	-	-
Contract assets	24,836	21,581	162,474	-	-
Trade and other receivables	109,293	261,182	128,515	38	43
Amount due from related parties	-	-	-	-	111,318
Cash and cash equivalents	10,284	16,422	27,151	3,614	4,778
	622,920	833,560	680,195	3,652	116,319
<b>Total assets</b>	<b>623,584</b>	<b>840,000</b>	<b>684,951</b>	<b>991,690</b>	<b>1,345,139</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	259,384	259,384	259,384	1,455,079	1,455,079
Capital reserve	-	-	-	1,419	1,419
Merger reserve	(10,769)	(10,769)	(10,769)	-	-
Accumulated losses	(133,049)	(27,615)	(33,787)	(468,507)	(114,865)
	115,566	221,000	214,828	987,991	1,341,633
Non-controlling interests	(5,651)	2,640	1,082	-	-
<b>Total equity</b>	<b>109,915</b>	<b>223,640</b>	<b>215,910</b>	<b>987,991</b>	<b>1,341,633</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Contract liabilities	32,499	33,342	26,541	-	-
Trade and other payables	393,890	436,838	336,782	657	553
Amount due to related parties	58,074	44,392	38,765	3,042	2,953
Bank overdraft	25,582	12,962	14,487	-	-
Borrowings	-	61,908	19,062	-	-
Finance lease liabilities	130	186	169	-	-
Current tax liabilities	3,242	12,402	12,111	-	-
	513,417	602,030	447,917	3,699	3,506

	Group			Company	
	30/06/2019 (Unaudited) RM'000	30/6/2018 (Restated) RM'000	30/6/2017 (Restated) RM'000	30/06/2019 (Unaudited) RM'000	30/6/2018 RM'000
<b>Non-current liabilities</b>					
Borrowings	-	13,938	20,642	-	-
Finance lease liabilities	252	392	482	-	-
	252	14,330	21,124	-	-
<b>Total liabilities</b>	<b>513,669</b>	<b>616,360</b>	<b>469,041</b>	<b>3,699</b>	<b>3,506</b>
<b>Total equity and liabilities</b>	<b>623,584</b>	<b>840,000</b>	<b>684,951</b>	<b>991,690</b>	<b>1,345,139</b>

Notes: The figures of FY2018 and FY2017 are restated to expense borrowing costs on development properties when incurred instead of capitalizing. Please refer to Paragraph 5 for more details.

**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 30/6/2019		As at 30/06/2018	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
25,712	-	75,056	-

- (b) the amount repayable after one year;

As at 30/6/2019		As at 30/06/2018	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
252	-	14,330	-

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

The Group did not have any unsecured loan as at 30 June 2019 and 30 June 2018.

- (d) details of any collaterals

As at 30 June 2019, the Group's financing facilities of RM27,000,000 (30 June 2018: RM369,770,000) was secured by pledge of fixed deposits from a subsidiary and a controlling shareholder (30 June 2018: pledge of fixed deposits from a controlling shareholder and development properties of the Group).

As at 30 June 2019, amounts owing to a main contractor of approximately RM46,532,000 (30 June 2018: RM46,532,000) were secured against certain land parcels located in Bukit pelali, pengerang owned by Bukit Pelali Properties Sdn Bhd, a joint venture of Astaka Padu Sdn Bhd, a wholly-owned indirect subsidiary of the Group.

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	
	30/6/2019	30/6/2018	30/6/2019	30/6/2018
	(Unaudited)	(Restated)	(Unaudited)	(Restated)
	RM'000	RM'000	RM'000	RM'000
<b>Cash flow from operating activities</b>				
<b>(Loss)/Profit after tax</b>	(80,105)	(18,004)	(113,725)	5,280
Adjustment for:				
- Income tax expense	4,990	(4,580)	6,103	4,137
- Depreciation of property, plant and equipment	134	380	730	1,477
- Impairment loss on inventories	67,213	-	67,213	-
- Interest expense	7,409	6,339	7,428	10,570
- Interest income	(34)	(2,540)	(235)	(2,730)
- Provision for foreseeable losses on development properties	5,389	2,420	5,821	2,420
- Provision for late payment interests	4,816	-	4,816	-
- Currency translation gains	(67)	-	(142)	-
	9,745	(15,985)	(21,991)	21,154
Change in working capital:				
Development properties	(15,108)	(39,355)	(17,166)	(174,740)
Contract assets/(liabilities)	43,403	93,753	(4,098)	147,694
Trade and other receivables	(41,567)	(89,477)	151,889	(132,666)
Trade and other payables	(16,408)	50,190	(51,577)	96,100
Cash generated from/(used in) operations	(19,935)	(874)	57,057	(42,458)
Income tax paid	(4,589)	(3,802)	(10,102)	(6,752)
<b>Net cash flow (used in)/generated from operating activities</b>	<b>(24,524)</b>	<b>(4,676)</b>	<b>46,955</b>	<b>(49,210)</b>
<b>Cash flow from investing activities</b>				
Additions to property, plant and equipment	(5)	(12)	(115)	(145)
Interest received	34	2,540	235	2,730
<b>Net cash flow generated from investing activities</b>	<b>29</b>	<b>2,528</b>	<b>120</b>	<b>2,585</b>
<b>Cash flows from financing activities</b>				
Amount due to related parties	3,619	2,173	13,682	5,626
Additional investment from non-controlling Interest	-	-	-	2,450
Proceeds from drawdown of term loan	-	5,687	-	76,637
Repayment of term loan	-	(11,600)	(75,846)	(40,495)
Repayment of finance lease liabilities	(47)	(57)	(196)	(183)
Interest paid	(3,454)	(2,384)	(3,473)	(6,615)
<b>Net cash flow generated from/(used in) financing activities</b>	<b>118</b>	<b>(6,181)</b>	<b>(65,833)</b>	<b>37,420</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(24,377)</b>	<b>(8,329)</b>	<b>(18,758)</b>	<b>(9,205)</b>
<b>Cash and cash equivalents</b>				
Beginning of financial period	9,079	11,789	3,460	12,665
Effects of currency translation on cash and cash equivalents	-	-	-	-
<b>End of financial period</b>	<b>(15,298)</b>	<b>3,460</b>	<b>(15,298)</b>	<b>3,460</b>

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

	30/6/2019	30/6/2018
	(Unaudited)	(Restated)
	RM'000	RM'000
Cash and bank balances	10,284	16,422
(-) Bank overdrafts	(25,582)	(12,962)
<b>Cash and cash equivalents per consolidated statement of cash flows</b>	<b>(15,298)</b>	<b>3,460</b>

Notes: The figures of FY2018 are restated to expense borrowing costs on development properties when incurred instead of capitalizing. Please refer to Paragraph 5 for more details.

- 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	Accumulated losses (Restated) RM'000	Total (Restated) RM'000	Non-controlling interest (Restated) RM'000	Total Equity (Restated) RM'000
Balance as at 1 July 2018	259,384	(10,769)	(27,615)	221,000	2,640	223,640
Loss and total comprehensive income for the period	-	-	(34,978)	(34,978)	1,358	(33,620)
<b>Balance as at 31 March 2019</b>	<b>259,384</b>	<b>(10,769)</b>	<b>(62,593)</b>	<b>186,022</b>	<b>3,998</b>	<b>190,020</b>
Loss and total comprehensive income for the period	-	-	(70,456)	(70,456)	(9,649)	(80,105)
<b>Balance as at 30 June 2019</b>	<b>259,384</b>	<b>(10,769)</b>	<b>(133,049)</b>	<b>115,566</b>	<b>(5,651)</b>	<b>109,915</b>

**Group  
(Restated)**

	Share capital RM'000	Merger reserve RM'000	Accumulated losses (Restated) RM'000	Total (Restated) RM'000	Non-controlling interest (Restated) RM'000	Total equity (Restated) RM'000
Balance as at 1 July 2017	259,384	(10,769)	(33,787)	214,828	1,082	215,910
Acquisition of interests in subsidiary by non-controlling interests	-	-	-	-	2,450	2,450
Profit and total comprehensive income for the period	-	-	22,942	22,942	342	23,284
<b>Balance as at 31 March 2018</b>	<b>259,384</b>	<b>(10,769)</b>	<b>(10,845)</b>	<b>237,770</b>	<b>3,874</b>	<b>241,644</b>
Loss and total comprehensive income for the period	-	-	(16,770)	(16,770)	(1,234)	(18,004)
<b>Balance as at 30 June 2018</b>	<b>259,384</b>	<b>(10,769)</b>	<b>(27,615)</b>	<b>221,000</b>	<b>2,640</b>	<b>223,640</b>

**Company  
(Unaudited)**

	Share capital RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Balance as at 1 July 2018	1,455,079	1,419	(114,865)	1,341,633
Loss and total comprehensive income for the period	-	-	(3,291)	(3,291)
<b>Balance as at 31 March 2019</b>	<b>1,455,079</b>	<b>1,419</b>	<b>(118,156)</b>	<b>1,338,342</b>
Loss and total comprehensive income for the period	-	-	(350,351)	(350,351)
<b>Balance as at 30 June 2019</b>	<b>1,455,079</b>	<b>1,419</b>	<b>(468,507)</b>	<b>987,991</b>

**Company**

	Share capital RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Balance as at 1 July 2017	1,455,079	1,419	(109,240)	1,347,258
Loss and total comprehensive income for the period	-	-	(4,661)	(4,661)
<b>Balance as at 31 March 2018</b>	<b>1,455,079</b>	<b>1,419</b>	<b>(113,901)</b>	<b>1,342,597</b>
Loss and total comprehensive income for the period	-	-	(964)	(964)
<b>Balance as at 30 June 2018</b>	<b>1,455,079</b>	<b>1,419</b>	<b>(114,865)</b>	<b>1,341,633</b>

- 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 2019	1,869,434,303	1,455,079
<b>Balance as at 30 June 2019</b>	<b>1,869,434,303</b>	<b>1,455,079</b>

The Company did not have any outstanding options, convertibles, treasury shares or subsidiary holdings as at 30 June 2019 and 30 June 2018.

- 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 30/6/2019	As at 30/06/2018
Total number of issued shares	1,869,434,303	1,869,434,303

There were no treasury shares as at 30 June 2019 and 30 June 2018.

- 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 2018.

**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.**

In December 2017, the Accounting Standards Council (“ASC”) issued the Singapore Financial Reporting Standards (International) (“SFRS(I)”). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group’s financial statements for the financial year ending 30 June 2019 will be prepared in accordance with SFRS(I). The application of the new standards and interpretations (including SFRS(I) (9) as further detailed below) do not have any significant impact on the Group’s financial statements for the current financial period reported on.

**SFRS(I) 9 Financial Instruments**

SFRS(I) 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new “expected credit loss” (“ECL”) model and a new general hedge accounting model. The Group adopted SFRS(I) 9 from 1 July 2018.

In accordance with the exemption in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International), the Group elected not to restate information for the financial year ended 30 June 2018. Accordingly, the information presented for the financial year ended 30 June 2018 is presented, as previously reported, under FRS 39 Financial Instruments: Recognition and Measurement. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings as at 1 July 2018. The expected impact on adoption of SFRS(I) 9 are described below.

**Impairment**

The Group’s financial assets consist of loans and receivables that continue to be accounted for using amortised cost model under SFRS(I) 9. SFRS(I) 9 replaces the current ‘incurred loss’ model in FRS 39 with a forward-looking expected credit loss (“ECL”) model. The new impairment model applies to financial assets measured at amortised cost.

The Group applied the simplified approach and record lifetime ECL on all trade receivables. For the non-trade receivables, the Group applied the general approach and record 12-month ECL on non-trade receivables.

Based on the assessment, there is no significant impact on the Group’s financial statements for the current financial period reported on arising from SFRS(I) 9.

**Prior Years’ Restatements**

**(a) Borrowing Costs Relating to Development Properties**

Arising from the Tentative Agenda Decision issued by the IFRS Interpretation Committee (IFRIC) relating to the capitalisation of borrowing costs for the construction of a residential multi-unit estate development where revenue is recognised over time, the Group has ceased capitalization of borrowing costs on development properties. Borrowing costs relating to development properties will instead be expensed when incurred. A summary of the retrospective adjustments is shown in the table below:

<b>Consolidated statements of financial position</b>	<b>30 June 2018 RM’000</b>	<b>1 July 2017 RM’000</b>
Increase in deferred tax assets	2,219	2,178
Decrease in development properties	(9,246)	(9,073)
Decrease in reserves	(7,026)	(6,894)
Decrease in non-controlling interests	(1)	(1)

<b>Consolidated income statement</b>	<b>3 Months ended 30 June 2018 RM'000</b>	<b>Year ended 30 June 2018 RM'000</b>
Increase in cost of sales	2,046	6,411
Increase in finance costs	2,374	6,584
Decrease in tax expense	(79)	(41)
Decrease in profit attributable to owners of the Company	<u>(249)</u>	<u>(132)</u>

**(b) Under-recognition of finance costs**

The Group has inadvertently under-recognised an interest expense of RM3.96 million for the year ended 30 June 2018, arising from its overdue trade payable amounts owing to its main contractor, which was subject to an interest rate of 8.5% per annum.

<b>Consolidated statements of financial position</b>	<b>30 June 2018 RM'000</b>	
Increase in trade and other payables	3,955	
Decrease in reserves	<u>(3,955)</u>	

  

<b>Consolidated income statement</b>	<b>3 Months ended 30 June 2018 RM'000</b>	<b>Year ended 30 June 2018 RM'000</b>
Increase in finance costs	(3,955)	(3,955)
Decrease in profit attributable to owners of the Company	<u>(3,955)</u>	<u>(3,955)</u>

**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: -**

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>30/6/2019 (Unaudited)</b>	<b>30/6/2018 (Unaudited)</b>	<b>30/6/2019 (Unaudited)</b>	<b>30/6/2018 (Restated)</b>
Total comprehensive income attributable to equity holders of the Company (RM'000)	(70,456)	(16,770)	(105,434)	6,172
Weighted average number of ordinary shares in issue	1,869,434,303	1,869,434,303	1,869,434,303	1,869,434,303
<b>Basic (loss)/ earnings per share ("LPS"/"EPS") (RM'sen)</b>	<u>(3.77)</u>	<u>(0.90)</u>	<u>(5.64)</u>	<u>0.33</u>
<b>Fully diluted EPS (RM'sen)</b>	<u>(3.77)</u>	<u>(0.90)</u>	<u>(5.64)</u>	<u>0.33</u>

The basic and fully diluted EPS were the same as there were no potentially dilutive ordinary shares in issue as at 30 June 2019 and 30 June 2018.

**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**

	<b>Group</b>		<b>Company</b>	
	<b>30/6/2019 (Unaudited)</b>	<b>30/06/2018 (Restated)</b>	<b>30/6/2019 (Unaudited)</b>	<b>30/06/2018</b>
Net Assets Value (RM'000)	109,915	223,640	987,991	1,341,633
Number of ordinary shares in issue	1,869,434,303	1,869,434,303	1,869,434,303	1,869,434,303
<b>NAV per ordinary share (RM'sen)</b>	<u>5.88</u>	<u>11.96</u>	<u>52.85</u>	<u>71.77</u>



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 decrease in revenue for FY2019 was mainly due to lower revenue recognised from The Astaka @ One Bukit Senyum ("The Astaka") due to fewer units being sold in FY2019 of RM39.8 million as compared to FY2018 of RM199.6 million.

However, the reduction in revenue from The Astaka was mitigated by increase in revenue generated from higher percentage of completion from:-

- (i) the Menara Majlis Bandaraya Johor Bahru ("MBJB") project of RM143.4 million in FY2019 as compared to FY2018 of RM78.0 million; and
- (ii) the Bukit Pelali @ Pengerang ("BPP") project of RM105.4 million in FY2019 as compared to FY2018 of RM55.1 million.

#### **Cost of Sales and Gross Loss**

The Group's costs of sales increased mainly due to impairment losses on the carrying value of the unsold units on The Astaka of RM67.2 million, arising from the bulk purchase of units at a discounted price subsequent to financial year end; and additional development costs of RM27.9 million were mainly incurred for additional and touch-up works to The Astaka to further enhance its market position as an iconic building in the Iskandar region of Johor Bahru. Excluding the RM67.2 million impairment losses on the carrying value of the unsold units in The Astaka, the Group made a gross profit of RM 10.8 million in 4QFY2019 and gross loss of RM3.7 million in FY2019.

#### **Other Operating Income**

Other operating income increased in FY2019 mainly due to forfeiture payments from purchasers in relation to termination of sales and purchase agreement of development properties which amounted to RM3.5 million, arising from buyers being unable to continue making payments. The aforesaid increase was offset by decrease in late payment interest on progress billings charged to buyers of RM2.6 million, as The Astaka was completed in FY2018.

#### **Expenses**

Selling and distribution expenses increased in FY2019 mainly due to marketing expenses incurred in relation to the organising of events and roadshows for selling and promoting The Astaka and BPP projects.

Administrative expenses increased in FY2019 mainly due to the following:

- i. increase in repair and maintenance cost incurred of RM1.3 million for The Astaka in FY2019 for the common area to enhance the marketability of the units; and
- ii. 9-months (for the period October 2018 to June 2019) of maintenance fee and sinking fund paid to property management for unsold units for The Astaka which amounted to RM2.0 million, which was absent in FY2018 as The Astaka had yet to be completed; and
- iii. due to changes in the accounting standard during the financial year, capitalization of quit rent and assessment on land that were yet to develop is to expense off instead of capitalise it. Thus, the quit rent and assessment on the undeveloped land in the Group amounted to RM1.0 million in FY2019 (FY2018: Nil) has been expensed off.

Finance cost expenses in FY2019 mainly relates to overdue trade payable amounts owing to its main contractor, which was subject to an interest rate of 8.5% per annum.

Other operating expenses increased in FY2019 mainly due to (i) provision of late payment interests of RM4.8 million on the amount owing to main contractor in The Astaka project; and (ii) to interest charges charged by Inland Revenue Board of Malaysia ("IRBM") to the Company ("IRBM Charges") for the approved instalments of corporate tax payments in years of assessment ("YOA") 2016 and 2017, which were omitted by IRBM in their prior billings

and only billed to the Company in FY2019. For the avoidance of doubt, the corporate income taxes for YOA 2016 and 2017 had been fully paid by the Company in FY2019.

Income tax expense increased mainly due to deferred tax assets written back of RM3.7 million in FY2019 from RM2.8 million deferred tax expenses in FY2018. The aforesaid increase was offset by decrease in income tax expenses of RM2.5 million in FY2019 from RM7.0 million in FY2018.

### **Consolidated statement of financial position**

Property, plant and equipment decreased as at 30 June 2019, mainly due to the depreciation charges on existing and newly acquired office equipment, office furniture and fixtures and motor vehicles for operational purposes.

Development properties decreased as at 30 June 2019 mainly due to inventories for The Astaka sold in FY2019 and impairment losses arising from the unsold units of The Astaka. The decrease was compensated by the additional billings by sub-contractors, professionals and consultants for the development of MBBJ and BPP. This was in line with the progress of the current on-going construction of the Group's property development projects.

Trade and other receivables decreased as at 30 June 2019 mainly attributed to the increase in collections from MBBJ project.

Trade and other payables decreased as at 30 June 2019 mainly due to the payment to the contractors and sundry accruals for The Astaka.

Bank overdraft and current borrowings decreased as at 30 June 2019 due to the full repayment of bank borrowings of RM61.9 million and drawdown of bank overdraft of RM12.6 million for financing the Group's property development projects and working capital.

Amount due to related parties increased as at 30 June 2018, which was mainly attributed to RM12.3 million being the BPP land consideration payable to the joint venture partner, Saling Syabas Sdn Bhd ("SSSB"). Based on the terms of the development agreement entered into between Bukit Pelali Properties Sdn Bhd ("BPPSB") (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 BPP project, such amount to be capped at and shall not exceed the sum of RM165 million.

Long term borrowings were fully repaid as at 30 June 2019.

### **Consolidated statement of cash flow**

The Group reported a net cash inflow from operating activities in FY2019 was primarily due to progress billings received from the purchasers of the MBBJ & BPP projects.

Net cash outflow from financing activities in FY2019 was mainly due to the repayment of bank borrowings, finance lease liabilities and interest, offset by land consideration paid to the joint venture partner as explained above.

**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.**

Unresolved US-China trade tension continues to dampen market sentiment globally. Malaysia's economy is not spared the effects of the trade tension which poses more challenges to the property market.

The Group is on track for the construction and development of its two phases of development comprising terrace houses and shop offices in the Bukit Pelali Township in the third quarter of 2019, after an approximate 3-month delay due to the additional requirements on the drainage system from the local authorities in obtaining the completion certificate. Meanwhile, the construction and development of MBBJ is on track and scheduled for completion in the fourth quarter of 2019.

The Group continues to explore strategic alliances to develop Phase 3 of One Bukit Senyum which spans approximately 7.65 acres.

**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 FY2019.

(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 FY2018.

(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 was loss-making in FY2019 with accumulated loss position at 30 June 2019

**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	RM1,499,995 <sup>(1)</sup>	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 2 years from 1 September 2018 to 31 August 2020 of RM408,000 and (ii) interest payable to Dato Malek for an extension of loan by Dato Malek to the Company of RM1,091,995.

Save for the above mentioned, there were no interested persons transactions of S\$100,000 or more for entered into during the FY2019.

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 Catalist 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:**

	<b>Group</b>		
	<b>FY2019</b>	<b>FY2018</b>	
	<b>30 June 2019</b>	<b>30 June 2018</b>	<b>% increase/</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(decrease)</b>
	<b>RM'000</b>	<b>RM'000</b>	
Sales reported for the first half year	110,519	210,480	(47.5)
Operating profit after tax and before deducting minority interests reported for the first half year	1,343	16,618	(91.9)
Sales reported for the second half year	185,511	122,260	51.7
Operating loss after tax and before deducting minority interests reported for the second half year	(115,068)	(11,338)	(914.9)

**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 FY2019 and FY2018.

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
Daeng Hamizah Binti Abd Aziz (“ <b>Ms Hamizah</b> ”)	32	Niece of Dato Malek, a controlling shareholder of the Company	<p>Chief operating officer of the Company, since 1 October 2016.</p> <p>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.</p>	-

Except for Ms Hamizah, the Company confirmed that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, 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**  
**29 August 2019**

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*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”) in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist.*

*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 Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).*