

## Unaudited Condensed Interim Financial Statements for the three months ended 31 March 2024

The board of directors (the “**Board**” or “**Directors**”) of Astaka Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited condensed interim consolidated financial statements of the Group for the three months ended 31 March 2024. Such quarterly reporting announcement is pursuant to the Singapore Exchange Securities Trading Limited’s (the “**SGX-ST**”) requirement following the Company’s resumption of trading on 27 December 2023, as required under Rule 705(2C) of the SGX-ST Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”).

### A. Condensed consolidated statement of profit or loss and other comprehensive income

	Note	Group		
		3 months ended		Change %
		31/03/2024 (Unaudited) RM'000	31/03/2023 (Unaudited) RM'000	
Revenue	4	10,477	16,158	(35.2)
Cost of sales		(9,224)	(13,253)	(30.4)
<b>Gross profit</b>		<b>1,253</b>	<b>2,905</b>	<b>(56.9)</b>
Other income	6	125	1,220	(89.8)
Selling and distribution expenses		(943)	(471)	>100
Administrative expenses		(4,120)	(3,481)	18.4
Other expenses		(13)	(130)	(90.0)
<b>Results from operating activities</b>		<b>(3,698)</b>	<b>43</b>	<b>n.m.</b>
Finance income	6	59	737	(92.0)
Finance costs	6	(245)	(660)	(62.9)
<b>Net finance costs/income</b>		<b>(186)</b>	<b>77</b>	<b>n.m.</b>
<b>(Loss)/Profit before income tax</b>		<b>(3,884)</b>	<b>120</b>	<b>n.m.</b>
Tax (expense)/credit		-	-	n.a
<b>(Loss)/Profit for the period, representing total comprehensive (loss)/income for the period</b>		<b>(3,884)</b>	<b>120</b>	<b>n.m.</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company		(3,417)	467	n.m.
Non-controlling interests		(467)	(347)	34.6
<b>Total comprehensive (loss)/ income for the period</b>		<b>(3,884)</b>	<b>120</b>	<b>n.m.</b>
<b>(Loss)/Earnings per share</b>				
Basic and diluted (loss)/earnings per share (RM'sen per share)		<b>(0.18)</b>	<b>0.02</b>	<b>n.m.</b>

n.m. – not meaningful

n.a. – not applicable

The basic and fully diluted earnings per share (calculated based on the weighted average number of ordinary shares in issue) were the same as there were no potentially dilutive ordinary shares in issue as at 31 March 2024 and 31 March 2023.

## B. Condensed statements of financial position

	Note	Group		Company	
		31/03/2024 (Unaudited) RM'000	31/12/2023 (Audited) Note A RM'000	31/03/2024 (Unaudited) RM'000	31/12/2023 (Audited) Note A RM'000
<b>Assets</b>					
Property, plant and equipment	8	396	458	-	-
Investment in subsidiaries	9	-	-	85,000	85,000
<b>Non-current assets</b>		<b>396</b>	<b>458</b>	<b>85,000</b>	<b>85,000</b>
Development properties	10	238,444	245,173	-	-
Trade and other receivables		5,706	9,245	85	5
Amount due from related parties		1,438	1,438	-	-
Tax recoverable		658	648	-	-
Cash and cash equivalents		9,617	16,486	275	642
<b>Current assets</b>		<b>255,863</b>	<b>272,990</b>	<b>360</b>	<b>647</b>
<b>Total assets</b>		<b>256,259</b>	<b>273,448</b>	<b>85,360</b>	<b>85,647</b>
<b>Equity</b>					
Share capital	11	259,384	259,384	1,455,079	1,455,079
Merger reserve		(10,769)	(10,769)	-	-
Capital reserve		-	-	1,419	1,419
Accumulated losses		(169,110)	(165,693)	(1,375,008)	(1,374,803)
<b>Equity attributable to owners of the Company</b>		<b>79,505</b>	<b>82,922</b>	<b>81,490</b>	<b>81,695</b>
Non-controlling interests		(955)	(488)	-	-
<b>Total equity</b>		<b>78,550</b>	<b>82,434</b>	<b>81,490</b>	<b>81,695</b>
<b>Liabilities</b>					
Trade and other payables	13	99,155	109,235	438	537
Amounts due to related parties		66,971	69,634	3,432	3,415
Lease liabilities	12	143	234	-	-
Borrowings	14	11,440	11,911	-	-
<b>Current liabilities</b>		<b>177,709</b>	<b>191,014</b>	<b>3,870</b>	<b>3,952</b>
<b>Total liabilities</b>		<b>177,709</b>	<b>191,014</b>	<b>3,870</b>	<b>3,952</b>
<b>Total equity and liabilities</b>		<b>256,259</b>	<b>273,448</b>	<b>85,360</b>	<b>85,647</b>

### Note A:

Differences between the figures set out herein and the figures set out in the Company's annual report for the financial year ended 31 December 2023 are due to rounding.

### C. Condensed statement of changes in equity

#### Group (Unaudited)

	Share capital RM'000	Merger reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2024	259,384	(10,769)	(165,693)	82,922	(488)	82,434
Total comprehensive loss for the period	-	-	(3,417)	(3,417)	(467)	(3,884)
<b>Balance as at 31 March 2024</b>	<b>259,384</b>	<b>(10,769)</b>	<b>(169,110)</b>	<b>79,505</b>	<b>(955)</b>	<b>78,550</b>

#### Group (Unaudited)

	Share capital RM'000	Merger reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2023	259,384	(10,769)	(168,766)	79,849	2,140	81,989
Total comprehensive income/(loss) for the period	-	-	467	467	(347)	120
<b>Balance as at 31 March 2023</b>	<b>259,384</b>	<b>(10,769)</b>	<b>(168,299)</b>	<b>80,316</b>	<b>1,793</b>	<b>82,109</b>

#### Company (Unaudited)

	Share capital RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
<b>Balance as at 1 January 2024</b>	<b>1,455,079</b>	<b>1,419</b>	<b>(1,374,803)</b>	<b>81,695</b>
Total comprehensive loss for the period	-	-	(205)	(205)
<b>Balance as at 31 March 2024</b>	<b>1,455,079</b>	<b>1,419</b>	<b>(1,375,008)</b>	<b>81,490</b>

#### Company (Unaudited)

	Share capital RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
<b>Balance as at 1 January 2023</b>	<b>1,455,079</b>	<b>1,419</b>	<b>(1,359,525)</b>	<b>96,973</b>
Total comprehensive loss for the period	-	-	(453)	(453)
<b>Balance as at 31 March 2023</b>	<b>1,455,079</b>	<b>1,419</b>	<b>(1,359,978)</b>	<b>96,520</b>

#### D. Condensed consolidated statement of cash flows

	Note	Group	
		3 months ended	
		31/03/2024 (Unaudited) RM'000	31/03/2023 (Unaudited) RM'000
<b>Cash flows from operating activities</b>			
<b>(Loss)/Profit before income tax</b>		(3,884)	120
Adjustments for:			
Adjustment to accrued interest	6.1	-	(638)
Depreciation of property, plant and equipment	6.1	114	109
Interest expense	6.1	245	660
Interest income	6.1	(35)	(99)
Reversal of foreseeable loss on development properties	10	(1,461)	(1,255)
Reversal of liquidated ascertained damages	6.1	-	(357)
Unrealised gain on foreign exchange		(10)	(5)
<b>Total operating cash flows before movements in working capital</b>		(5,031)	(1,465)
Changes in working capital:			
Development properties		8,190	14,451
Contract assets		-	1,146
Trade and other receivables		3,539	(8,339)
Trade and other payables		(10,036)	(7,099)
<b>Cash used in operations</b>		(3,338)	(1,306)
Tax paid		(10)	(34)
<b>Net cash used in operating activities</b>		<b>(3,348)</b>	<b>(1,340)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	9	(52)	(7)
Increase in fixed deposit pledged		-	(99)
Interest received		35	99
Proceeds from the asset held for sale		-	17,400
<b>Net cash (used in)/generated from investing activities</b>		<b>(17)</b>	<b>17,393</b>
<b>Cash flows from financing activities</b>			
Advances from affiliated corporations		241	5
Advances from a controlling shareholder		-	1,000
Interest paid		(250)	(204)
Repayment to affiliated corporations		(3,000)	(18,700)
Repayment to lease liabilities		(31)	(38)
<b>Net cash used in financing activities</b>		<b>(3,040)</b>	<b>(17,937)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(6,405)</b>	<b>(1,884)</b>
Cash and cash equivalents at the beginning of period		4,245	(6,096)
Effect of exchange rate fluctuation on cash held		7	-
<b>Cash and cash equivalents at the end of period</b>		<b>(2,153)</b>	<b>(7,980)</b>

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

	Group	
	31/03/2024 (Unaudited) RM'000	31/03/2023 (Unaudited) RM'000
Cash and cash equivalents	9,617	5,488
(-) Bank overdrafts	(11,440)	(11,997)
(-) Fixed deposit pledged	(330)	(1,471)
<b>Cash and cash equivalents per consolidated statement of cash flows</b>	<b>(2,153)</b>	<b>(7,980)</b>

## E. Notes to the condensed interim consolidation financial statements

### 1 Corporate information

Astaka Holdings Limited is incorporated in Singapore and listed on the Catalist Board of the SGX-ST. These condensed interim consolidated financial statements as at and for the three-month period ended 31 March 2024 comprise the Company and its subsidiaries. The principal activity of the Company is that of investment holding and the principal activity of the Group is property development.

### 2 Basis of preparation

The condensed consolidated financial statements for the three-month period ended 31 March 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The condensed interim consolidated financial statements are presented in Malaysian Ringgit ("**RM**") which is the functional currency of the Company.

The Group recorded a net loss of RM3.88 million for three-months period ended 31 March 2024 (31 March 2023: net profit of RM0.12 million) and, as of 31 March 2024, the Group reported net current assets of RM78.15 million (31 December 2023: RM81.98 million) for which current assets include development properties amounting to RM238.44 million (31 December 2023: RM245.17 million), representing the completed properties held for sale and properties in the course of development. As the Group's newly launched project, The Aliva @ Mount Austin ("**The Aliva**"), is in its early development stage, such revenue from the project has yet to be recognised. In addition, the Group received continued support from stakeholders and the controlling shareholder of the Company, Dato' Dr. Daing A Malek Bin Daing A Rahaman ("**Dato' Malek**"). Dato' Malek has agreed not to demand repayment for the amount owing to him and his related companies until the financial resources of the Group and the Company permits and to continue to provide financial support to the Group and the Company to enable it to meet its financial obligations for next 18 months from the audited financial statements dated 28 March 2024 so that the Group and the Company will continue as a going concern in the foreseeable future.

Therefore, the Board believes that the Group and the Company will be able to continue operations in the foreseeable future and there is no material uncertainty on the ability of the Group and the Company to continue as a going concern.

#### 2.1 New and amended standards adopted by the Group

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") including related Interpretations of SFRS(I) ("**SFRS(I) INT**") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2024. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group's and Company's accounting policies and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

#### 2.2. Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

### **2.2.1 Critical judgements made in applying the Group's accounting policies**

Management is of the opinion that there is no critical judgement that has a significant effect on the amounts recognised in the financial statements.

### **2.2.2 Key sources of estimation uncertainty**

#### **Estimation of allowance for foreseeable losses for development properties**

The Group assesses at every reporting date whether there is any allowance for foreseeable losses. The allowance for foreseeable losses is estimated after taking into account estimated selling prices and estimated total construction costs and costs to sell. The estimated selling prices are based on prevailing market trends in relation to the recent transacted of comparable properties in Malaysia. The estimated total construction costs are based on future costs to complete the projects and development plans of the Group, taking into consideration available industry data, status of construction progress, deviation in design plans, cost overruns and current market factors.

Based on the assessment, there is a reversal of allowance for foreseeable losses on development properties of RM1,461,000 (31 March 2023: RM1,255,000) during the financial period ended 31 March 2024.

#### **Measurement of Expected Credit Losses ("ECL") of trade receivables**

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the country (i.e. Malaysia). The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 31 March 2024 was RM Nil (31 December 2023: RM Nil).

#### **Provision for income taxes**

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax as at 31 March 2024 was tax recoverable of RM658,000 (31 December 2023: tax recoverable of RM648,000).

#### **Impairment of investment in subsidiaries**

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investment in subsidiaries is impaired or that an impairment loss recognised in prior periods may no longer exist or may have decreased. Where applicable, the Company's and Group's determination of the recoverable value is based on the estimation of the value-in-use of the applicable assets as defined in SFRS(I) 1-36 *Impairment of Assets* by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amounts of investment in subsidiaries as at 31 March 2024 was RM85,000,000 (31 December 2023: RM85,000,000).

### 3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 4 Segment and revenue information

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors. The Board of Directors is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by management.

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

Management considers that the entire Group's operations constitute a single segment which is in the business of property development in Malaysia. Management assesses the performance of the Group's operations based on the profit before tax, total assets and total liabilities which are measured in a manner consistent with that of the consolidated financial statements.

In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments is not applicable, as the Group only operates in a single segment.

#### 4.1 Revenue

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31/03/2024 (Unaudited) RM'000</b>	<b>31/03/2023 (Unaudited) RM'000</b>
<b>Revenue from sale of development properties</b>		
- transferred at a point in time	10,477	16,158

n.m. – not meaningful

### 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 March 2024 and 31 December 2023.

		<b>Group</b>		<b>Company</b>	
		<b>31/03/2024 (Unaudited) RM'000</b>	<b>31/12/2023 (Audited) RM'000</b>	<b>31/03/2024 (Unaudited) RM'000</b>	<b>31/12/2023 (Audited) RM'000</b>
<b>Note</b>					
<b>Financial assets at amortised cost</b>					
Trade and other receivables (excluding prepayment and advance payment)		5,169	9,008	-	-
Amount due from related parties		1,438	1,438	-	-
Cash and cash equivalents		9,617	16,486	275	642
		16,224	26,932	275	642
<b>Financial liabilities at amortised cost</b>					
Trade and other payables	13	(99,155)	(109,235)	(438)	(537)
Amount due to related parties		(66,971)	(69,634)	(3,432)	(3,415)
Borrowings	14	(11,440)	(11,911)	-	-
Lease liabilities	12	(143)	(234)	-	-
		(177,709)	(191,014)	(3,870)	(3,952)

## 6 (Loss)/Profit before income tax

### 6.1 Significant items

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31/03/2024</b>	<b>31/03/2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Other income</b>		
Project marketing consultancy service fee	58	56
Rental income	60	14
Jobs growth incentive received	-	17
Forfeiture of payment to purchaser	-	322
Reversal of provision for Social Projects Fund Contribution (the "SPF Contribution")	-	800
<b>Finance income</b>		
Adjustment to accrued interest	-	638
Interest income	35	99
Gain on foreign exchange	24	-
<b>Finance costs</b>		
Interest expense	245	660
<b>Expenses</b>		
Manpower cost, including directors' remuneration and directors' fee	1,803	1,585
Operating lease expense	118	119
Depreciation of property, plant and equipment	114	109
Loss on foreign exchange	-	6
Reversal of foreseeable loss on development properties sold at above carrying amount	(1,461)	(1,255)
Reversal of liquidated ascertained damages	-	(357)
Waiver of late payment interest charge to purchaser	-	153

### 6.2 Significant related party transactions

In addition to the related party information disclosed elsewhere in the condensed interim consolidated financial statements, the following significant transactions took place between the Group and related parties during the financial period on terms agreed between the parties concerned:

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31/03/2024</b>	<b>31/03/2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Affiliated corporations</b>		
Rental expenses	62	51
Interest expenses	-	58
Land costs paid/payable	241	5
<b>A controlling shareholder of the Company</b>		
Advances from	-	1,000
Rental expenses	41	41
Interest expenses	-	396



## 7 Net asset value

	Group		Company	
	31/03/2024 (Unaudited) RM'000	31/12/2023 (Audited) RM'000	31/03/2024 (Unaudited) RM'000	31/12/2023 (Audited) RM'000
Net Asset Value <sup>(1)</sup> ("NAV") (RM'000)	79,505	82,922	81,490	81,695
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>	<b>4.25</b>	<b>4.44</b>	<b>4.36</b>	<b>4.37</b>

### Note:

(1) NAV attributable to owners of the Company.

## 8 Property, plant and equipment

During the financial period ended 31 March 2024, the Group acquired assets amounting to RM52,000 (31 December 2023: RM153,000).

## 9 Investment in subsidiaries

	Company	
	31 March 2024 (Unaudited) RM'000	31 December 2023 (Audited) RM'000
Unquoted equity shares, at cost	1,229,000	1,229,000
Less: Impairment loss	(1,144,000)	(1,144,000)
Carrying amount	85,000	85,000

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

	Company	
	31 March 2024 (Unaudited) RM'000	31 December 2023 (Audited) RM'000
At beginning of the period/year	1,144,000	1,129,000
Addition	-	15,000
At end of the period/year	1,144,000	1,144,000

## 10 Development properties

	Group	
	31 March 2024 (Unaudited) RM'000	31 December 2023 (Audited) RM'000
Completed properties held for sale:		
- completed properties	90,095	98,542
Properties in the course of development (on-going projects):		
- properties for development representing mainly development costs, at cost	148,349	146,631
	238,444	245,173

## Completed properties held for sale

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

	Group	
	31 March 2024 (Unaudited) RM'000	31 December 2023 (Audited) RM'000
Completed properties held for sale:		
- aggregate costs incurred	94,600	104,508
- allowance for foreseeable losses	(4,505)	(5,966)
	90,095	98,542

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

	Group	
	31 March 2024 (Unaudited) RM'000	31 December 2023 (Audited) RM'000
At beginning of the period/year	5,966	12,221
Reversal of foreseeable loss on development properties sold at above carrying amount	(1,461)	(6,255)
At end of the period/year	4,505	5,966

## Securities

On 12 April 2017, a subsidiary of the Company, Astaka Padu Sdn Bhd ("**APSB**") has entered into a loan agreement with China State Construction Engineering (M) Sdn Bhd ("**CSCE**") and as a security under the loan agreement, a lien holder caveat has been created on certain lands owned by Saling Syabas Sdn Bhd ("**SSSB**"), non-controlling shareholder of Bukit Pelali Properties Sdn Bhd ("**BPPSB**"). SSSB is owned by the controlling shareholder of the Company, Dato' Dr. Daing A Malek Bin Daing A Rahaman ("**Dato' Malek**"). The said lands are located in Bukit Pelali, Pengerang, Johor, Malaysia, which the Group has the sole and exclusive development rights to develop its development properties. On 29 November 2021, APSB and CSCE have entered into a settlement agreement and on 29 December 2023, APSB and CSCE have entered into a supplementary agreement to vary certain terms and conditions of the settlement agreement, which include clauses in relation to the defects retention sum, other retention sum and accrued interest and 4 land parcels remain secured to CSCE. As at 31 March 2024, the Group had incurred and recorded RM38,516,125 (31 December 2023: RM38,293,465) in development properties for the share of master infrastructure costs on the said lands.

For more details, please refer to Note 13 of this announcement.

## 11 Share capital

	31 March 2024			31 December 2023		
	Number of shares	Group Amount RM'000	Company Amount RM'000	Number of shares	Group Amount RM'000	Company Amount RM'000
Issued and fully paid ordinary shares	1,869,434,303	259,384	1,455,079	1,869,434,303	259,384	1,455,079

There were no changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on, being 31 December 2023.

The Company did not hold any treasury shares as at 31 March 2024 and 31 March 2023.

There were no outstanding convertibles as at 31 March 2024 and 31 March 2023.

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2024 and 31 March 2023.

There was no sale, transfer, cancellation and/or use of treasury shares or subsidiary holdings during, and as at the end of, the three-month period ended 31 March 2024.

## 12 Lease liabilities

	Group	
	31 March 2024 (Unaudited) RM'000	31 December 2023 (Audited) RM'000
Amount repayable within one year or on demand:		
- Unsecured	143	234

## 13 Trade and other payables

	Group		Company	
	31/03/2024 (Unaudited) RM'000	31/12/2023 (Audited) RM'000	31/03/2024 (Unaudited) RM'000	31/12/2023 (Audited) RM'000
Trade payables	59,576	67,450	-	-
Other payables	14,106	15,181	438	537
Accrued land costs	1,309	1,550	-	-
Accrued transaction costs	10,465	10,768	-	-
Accrued expenses	13,699	14,286	-	-
	99,155	109,235	438	537

Included in the Group's trade payables is an amount of RM34,652,800 (31 December 2023: RM34,652,800) owing to the Johor State Government for acquisition of development land.

## Settlement Agreement with CSCE

On 30 November 2021, the Company announced that APSB had, on 29 November 2021, entered into a settlement agreement with CSCE by way of consent judgment, as full and final settlement and discharge of all disputes, differences and claims by either party in connection with CSCE's claim against APSB for the sum of RM50,878,046.41 and interests thereon (the "**Dispute**") (the "**2021 Settlement Agreement**"). The terms of the 2021 Settlement Agreement include the potential transfer of up to five (5) properties within the development, The Astaka @ Bukit Senyum ("**The Astaka**") from APSB to CSCE or nominees of CSCE, at the discretion of APSB. To date, the five (5) properties have yet to be transferred from APSB to CSCE or nominees of CSCE.

On 30 December 2021, the Company announced that following the execution of the 2021 Settlement Agreement, CSCE had filed and recorded the consent judgment of the civil proceedings relating to the 2021 Settlement Agreement in the High Court of Malaya at Johor Bahru on 13 December 2021 (the "**Consent Judgment**"). Accordingly, both CSCE and APSB have since started to withdraw and/or discontinue the adjudication or civil proceedings relating to the Dispute.

Further to the Consent Judgment, APSB had on 22 December 2021, filed the notice of discontinuance in the Court of Appeal at Putrajaya and had withdrawn the Erinford Injunction at the Kuala Lumpur High Court.

On 29 December 2023, the Company announced that APSB and CSCE had, on 29 December 2023, entered into a supplementary settlement agreement (the “**2023 Supplementary Settlement Agreement**”) with CSCE to vary certain terms and conditions of the 2021 Settlement Agreement.

Pursuant to the 2023 Supplementary Settlement Agreement, both parties had mutually agreed that a sum of RM4,450,000 be the costs to rectify defects that were to be carried out by CSCE under the relevant defect liability period for The Astaka. As CSCE did not carry out such rectification works, CSCE agrees to waive and relinquish its entitlement to the sum of RM4,450,000. Accordingly, CSCE agrees that it is only entitled to the remaining balance of retention sum of RM4,706,644. In addition, CSCE also agreed to waive and relinquish its entitlement to claim for the discounted accrued interest amounting to RM6,800,000 of the 2021 Settlement Agreement.

As at 31 March 2024, APSB has fulfilled its repayment milestones to CSCE in accordance with the 2021 Settlement Agreement and the 2023 Supplementary Settlement Agreement and an amount of RM8,298,112 remains outstanding.

## 14 Borrowings

	Group	
	31 March 2024 (Unaudited) RM'000	31 December 2023 (Audited) RM'000
Amount repayable within one year or on demand:		
<i>Secured</i>		
Bank overdraft	11,440	11,911

Included in the bank overdraft is Affin Bank Berhad overdraft facility of RM12,000,000 (31 December 2023: RM12,000,000) for the working capital requirements of the Group, which is secured against a controlling shareholder's fixed deposit of RM12,000,000 (31 December 2023: RM12,000,000).

## 15 Subsequent events

There are no known subsequent events which led to material adjustments to this set of interim financial statements.

## 16 Other information

### 16.1 Review

The condensed interim consolidated statement of financial position of the Group as at 31 March 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three-month period ended 31 March 2024 and certain explanatory notes have not been audited or reviewed by the Company's auditors.

### 16.2 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

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

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

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

## 16.3 Review of performance of the Group

### Revenue

The decrease in revenue for first quarter ended 31 March 2024 ("1QFY2024") as compared to first quarter ended 31 March 2023 ("1QFY2023") was mainly due to a slight moderation in sales from The Astaka @ One Bukit Senyum ("The Astaka"). Notwithstanding, there continues to be some momentum in the property market from the Johor Bahru–Singapore Rapid Transit System ("RTS") project which is slated for completion by 2026. Further, no revenue has been recognised from The Aliva @ Mount Austin ("The Aliva") as it is still in its early stages of development.

### Cost of Sales and Gross Profit

The decrease in cost of sales was in line with the decrease in revenue.

Excluding the reversal of foreseeable loss on development properties, the Group would have recorded a gross loss of approximately RM0.21 million in 1QFY2024 as compared to a gross profit of RM1.65 million in 1QFY2023.

### Other Income

The decrease in other income in 1QFY2024 as compared to 1QFY2023 was mainly due to absence of the reversal of the provision for SPF Contribution and forfeiture of payment to purchaser.

### Finance Income

The decrease in finance income in 1QFY2024 as compared to 1QFY2023 was mainly due to the absence of adjustment to accrued interest which amounted to approximately RM0.64 million for payments made to the nominated sub-contractors.

### Expenses

The increase in selling and distribution expenses in 1QFY2024 as compared to 1QFY2023 was mainly due to sales and marketing expenses incurred in relation to the sales agent commission and organising of events and roadshows for selling and promoting The Astaka, Bukit Pelali @ Pengerang ("BPP") and The Aliva.

The increase in administrative expenses in 1QFY2024 as compared to 1QFY2023 was mainly due to the following:

- i. depreciation of PPE of RM0.11 million (1QFY2023: RM0.10 million);
- ii. manpower costs of RM1.80 million (1QFY2023: RM1.59 million);
- iii. office expenses of RM0.34 million (1QFY2023: RM0.14 million);
- iv. professional fee of RM0.63 million (1QFY2023: RM0.55 million); and
- v. absence of a reversal of over-provision of liquidated ascertained damages ("LAD") (1QFY2023: reversal of RM0.36 million as the time frame which purchasers could claim the LAD had lapsed in 1QFY2023)

However, the increase in administrative expenses was partially offset by a decrease in:

- i. lower maintenance fee and sinking fund of RM0.20 million due to units sold (1QFY2023: RM0.23 million); and
- ii. lower quit rent and assessment fee of RM0.61 million due to units sold (1QFY2023: RM0.87 million)

Other expenses decreased in 1QFY2024 as compared to 1QFY2023 mainly due to absence of waiver of late payment interest charged to purchaser.

In 1QFY2024, the Group's finance costs relate mainly to (i) bank overdraft interest which amounted to approximately RM0.19 million; and (ii) loan interest amounted approximately RM0.05 million for the acquisition of The Aliva's land.

No income tax was recorded due to the Group recognised a net loss in 1QFY2024.

As a result of the abovementioned, the Group recognised a net loss after tax of RM3.88 million in 1QFY2024 as compared to a net profit after tax of RM0.12 million in 1QFY2023.

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

PPE decreased by approximately RM0.06 million from RM0.46 million as at 31 December 2023 to RM0.40 million as at 31 March 2024, which was mainly due to the depreciation charged during the financial period, and was partially offset by additions of new PPE comprising of newly acquired office equipment and furniture in 1QFY2024.

Development properties decreased by approximately RM6.73 million from RM245.17 million as at 31 December 2023 to RM238.44 million as at 31 March 2024, due to the sale of completed properties for The Astaka and BPP during the financial period.

Trade and other receivables decreased by approximately RM3.54 million from RM9.25 million as at 31 December 2023 to RM5.71 million as at 31 March 2024 which was mainly due to an increase in collections received from purchasers.

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

Cash and cash equivalents decreased by approximately RM6.87 million from RM16.49 million as at 31 December 2023 to RM9.62 million as at 31 March 2024 which was mainly due to payments made to trade and other payables and repayment of loans to DMR Holdings Sdn Bhd ("**DMR Holdings**") during the financial period, and partially offset by sales collection from purchasers.

Trade and other payables decreased by approximately RM10.08 million from RM109.24 million as at 31 December 2023 to RM99.16 million as at 31 March 2024, which was mainly due to the payment made to the contractors and consultants including those with settlement agreements with the Group and the proposed payment plans with the Group during the financial period.

Amount due to related parties decreased by approximately RM2.66 million from RM69.63 million as at 31 December 2023 to RM66.97 million as at 31 March 2024, which was mainly due to repayment of loans owed to DMR Holdings.

The current lease liabilities decreased by approximately RM91,000 from RM234,000 as at 31 December 2023 to RM143,000 as at 31 March 2024. This was mainly due to the repayment of lease liabilities during the financial period.

The borrowings as at 31 March 2024 was in relation to the drawdown of bank overdraft to finance the Group's property development projects and working capital.

The Group recorded a decrease of net current assets from RM81.98 million as at 31 December 2023 to RM78.15 million at 31 March 2024.

#### **Consolidated statement of cash flows**

The Group recorded a net cash flow used in operating activities of approximately RM3.35 million in 1QFY2024, primarily due to the net loss recognised and repayments made to trade and other payables during the financial period. However, this was partially offset by a decrease in development properties arising from sales of the property units in relation to the Group's existing property development project and collections received from purchasers.

Net cash flow used in investing activities of approximately RM17,000 in 1QFY2024 was mainly due to the acquisition of PPE of RM52,000. The aforesaid was partially offset by the interest received from the fixed deposit placements with financial institution of approximately RM35,000.

Net cash flow used in financing activities of approximately RM3.04 million in 1QFY2024 was mainly due to the repayment made to affiliated corporations of approximately RM3.00 million, interest paid of approximately RM0.25 million and the repayment of lease liabilities of approximately RM0.03 million. The aforesaid was partially offset by the advances from affiliated corporations of RM0.24 million.

Included in the year-to-date (“YTD”) March 2024 cash and bank balances is an amount of approximately RM4.84 million (YTD March 2023: RM819,000) of which the bank accounts are maintained in accordance with Housing Development (Housing Development Account) Regulation 1991 in Malaysia. These accounts, which consist of monies received from purchasers, are for the payments of property development expenditure incurred. The surplus monies, if any, will be released to the respective subsidiaries upon the completion of the property development properties and after all property development expenditure have been fully settled.

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

The Group’s financial results for 1QFY2024 were in line with the profit guidance released on 2 May 2024.

#### **16.5 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.**

##### **Johor: Benefiting from infrastructure projects and other government initiatives**

Singapore and Malaysia are in talks to create a special economic zone (“SEZ”) in Johor to strengthen bilateral relations. When implemented, the move will bolster economic connectivity with an enhanced flow of goods and human capital between the two countries.

Some of the initiatives being mentioned include special tax incentives, regulatory flexibility, investment grants and subsidies, and so on. In addition to that, both countries are also exploring passport-free travel which will be rolled out via a QR code - based clearance system at the respective land checkpoints.<sup>1</sup>

Further bolstering the flow of people is the ongoing Rapid Transit System (“RTS”) Link Project which is a railway shuttle link between Johor Bahru and Singapore. This alternate means of transportation will alleviate the congestion at the immigration checkpoints of the Johor-Singapore Causeway and the Second Link and have a capacity of 10,000 passengers per hour per direction which is slated to be completed by end-2026.<sup>2</sup>

To facilitate the dispersion of people from the upcoming Bukit Chagar RTS station, a potential Johor Light Rail Transit (“LRT”) Project is being considered as part of the transportation master plan. Additionally, the Kuala Lumpur-Singapore High-Speed Rail (“HSR”) is another megaproject beneficial to Johor which is currently being reviewed for a potential revival after its termination in 2021.<sup>3</sup>

Other related projects such as the Gemas-Johor Bahru Electrified Double Track Project (“EDTP”)<sup>4</sup> and the expansion project of the North-South Expressway in the Johor territory<sup>5</sup> will encourage better connectivity within Malaysia and promotes ease of travel for residents from the north to enter Johor.

In combination, these projects will trigger significant economic multipliers for many industries including manufacturing, tourism, retail, and real estate.

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<sup>1</sup> <https://www.aseanbriefing.com/news/singapore-and-malaysia-plan-joint-special-economic-zone-in-johor-state/>

<sup>2</sup> <https://www.mymrt.com.my/projects/rt-link/>

<sup>3</sup> <https://www.channelnewsasia.com/asia/johor-singapore-malaysia-sez-rt-s-hsr-lrt-transport-economy-4162461>

<sup>4</sup> <https://www.nst.com.my/business/2023/09/952708/gemas-jb-electrified-double-tracks-complete-2025>

<sup>5</sup> <https://www.nst.com.my/news/nation/2024/02/1015030/work-expand-stretch-plus-expressway-johor-start-june>



## **Johor Real Estate Market**

Increased economic activities will translate to a larger and wealthier population. Naturally, this will drive property values located within the vicinity of the proposed economic zone as well as the points of connectivity at the various train station projects.

In the past two years, Johor has witnessed stronger property sales due to the host of projects and policies being rolled out.

According to data from the National Property Information Centre (“**NAPIC**”)’s Property Market Report 2023, Johor’s unsold property units have fallen by around 20% from 5,258 as of end-2022 to 4,228 as of end-2023. Johor also reported the highest property price growth among all the states in Malaysia. Citing the 2023 Malaysian House Price Index, annual home price grew by 6.2% year-on-year in Johor which far outperformed Penang, the second best-performing state at 3.8% growth.<sup>6</sup>

## **Astaka set to benefit from macro trends**

The Group’s property development projects are located in Johor. As a result, the Group is benefitting from the positive trends stated. Its two key developments, The Astaka and The Aliva sit on strategic landbanks within close proximity to the upcoming Bukit Chagar RTS station.

Since the commercial launch of The Aliva in December 2023, the Group has achieved a strong take-up rate of 70% and has in April 2024, commenced construction works of the project which is slated to be completed in the fourth quarter of 2026. Additionally, the Group and its partner are also working out the blueprint for the third and final phase of One Bukit Senyum which encompasses 7.65 acres of land.

Driven by a vibrant property market in Johor, barring any unforeseen circumstances, these projects are intended to provide a steady stream of revenue for the Group.

## **16.6 Dividend information**

**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 1QFY2024.

**(b) (i) Amount per share (RM’sen)**

Not applicable.

**(ii) Previous corresponding period (RM’sen)**

Not applicable. No dividend has been declared or recommended for the previous corresponding period.

**(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.

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<sup>6</sup> <https://www.nst.com.my/property/2024/04/1035581/propertyguru-country-manager-johor-seeing-shift-highest-property-overhang>



- (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.

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

There is no dividend declared or recommended for the current reporting period as the Group intends to conserve cash as working capital for the Company, to repay existing creditors and to fund the project pipelines of the Group.

#### **16.7 Interested person transactions (“IPTs”)**

The Group had obtained the approval from its shareholders on 26 April 2024 for the renewal of general mandate for recurring IPTs (the **“Recurring IPTs General Mandate”**). Please refer to the Company’s circular to its shareholders dated 11 April 2024 for further details on the Recurring IPTs General Mandate.

Information on the IPTs entered into between the Group and the Interested Persons for the three months ended 31 March 2024 are set out below:

<b>Name of interested person</b>	<b>Nature of relationship</b>	<b>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)</b>	<b>Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</b>
BPPSB	An associate of Dato’ Malek	Not applicable	RM Nil <sup>(1)</sup>

#### **Notes:**

- (1) APSB had seconded certain employees who do not have any active roles or job responsibilities in APSB to BPPSB to meet BPPSB’s operational requirements. The amount incurred for the three months financial period ended 31 March 2024 is RM134,218 (approximately S\$38,359).

#### **16.8 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 has received undertakings from all its Directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalyst Rules.

#### **16.9 Negative confirmation pursuant to Catalyst Rule 705(5)**

On behalf of the Board, we, the undersigned, hereby confirm that, to the best of our knowledge that nothing has come to the attention of the Board which may render the unaudited condensed interim financial statements for the three months ended 31 March 2024 to be false or misleading in any material aspect.

#### **17.0 Disclosure on Acquisitions and Realisation of Shares pursuant to Catalyst Rule 706(A)**

Not applicable. There were no acquisition or realisation of shares by the Company during the financial period ended 31 March 2024 which requires disclosure pursuant to Rule 706A of the Catalyst Rules.

On behalf of the Board of Directors

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

**Khong Chung Lun**  
**Executive Director and Chief Executive**  
**Officer**

By Order of the Board

Khong Chung Lun  
Executive Director and Chief Executive Officer

9 May 2024

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This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Ms Audrey Mok (Telephone: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

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