ASTAKA HOLDINGS

ASTAKA HOLDINGS LIMITED

ABOVE ALL

2017 ANNUAL REPORT

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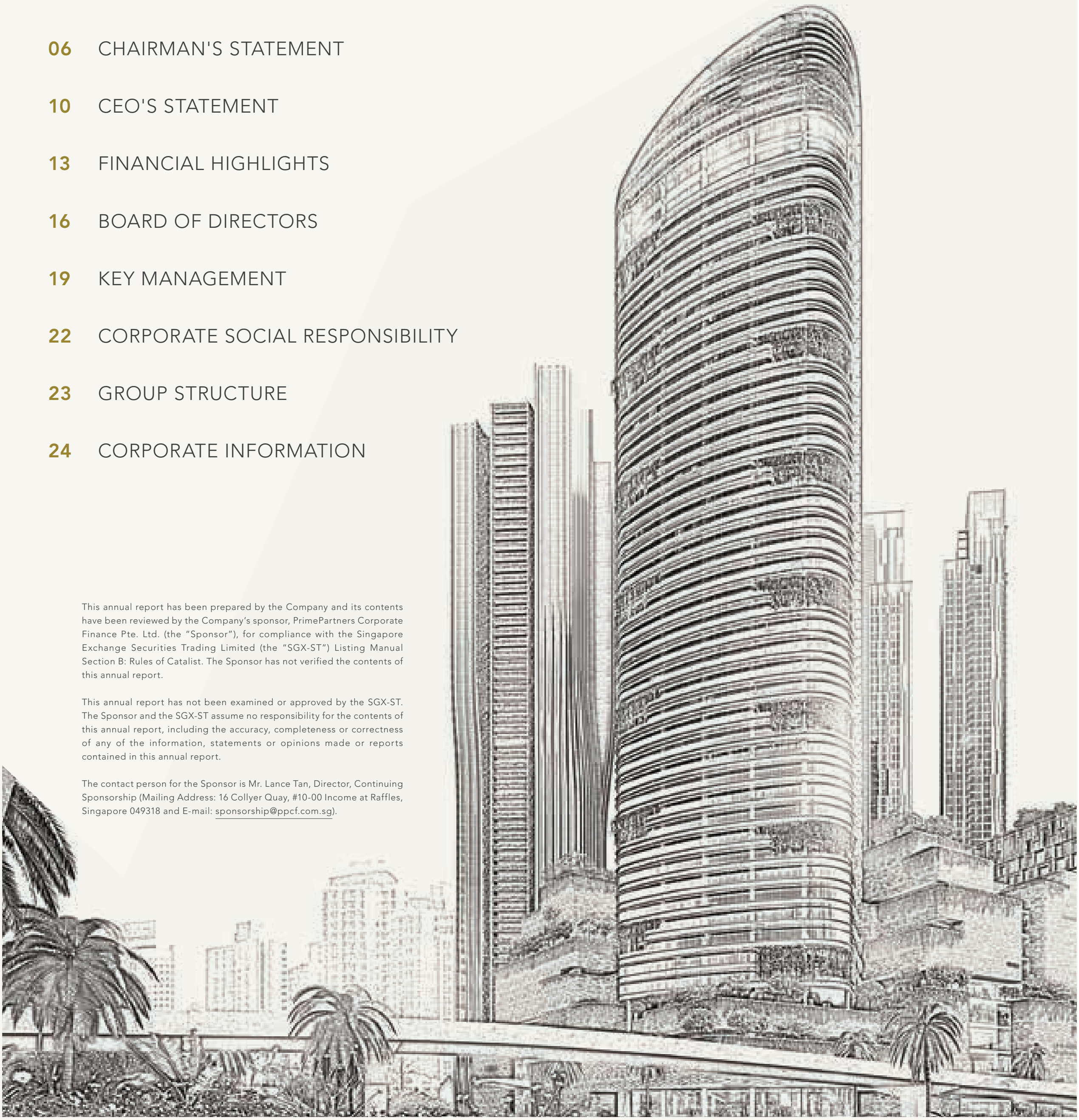


CORPORATE PROFILE

Listed on the Singapore Exchange (SGX:42S), Astaka Holdings Limited ("Astaka") is a leading integrated property developer based in the Iskandar region of Johor, Malaysia.

Astaka is the result of a reverse takeover in November 2015 of E-2 Capital Holdings Limited by Astaka Padu Limited.

Astaka's founder saw the potential of Johor Bahru, and set out with a vision to transform the city. Leveraging on the management's track record and decades of experience, Astaka secured prime land in the heart of the city, now home to Group's flagship development, One Bukit Senyum.

The iconic One Bukit Senyum will transform the skyline of Johor Bahru with its elegance and modernity. It will be Johor Bahru's new central business district when completed in 2021.

The award-winning development includes The Astaka @ One Bukit Senyum, Southeast Asia's two tallest residential towers, a five-star hotel, branded residences, serviced apartments, a shopping mall, an office tower, and the headquarters of Johor Bahru's City Council, Menara MBJB.

One Bukit Senyum has a total gross floor area of 6.6 million square feet and a gross development value of up to RM5.3 billion.

Astaka's second project is Bukit Pelali at Pengerang, a 363-acre strata township comprising of residential units, shop offices, a clubhouse, hotel, private hospital, mart, school, mosque, food and beverage hub and petrol station. With an estimated GDV of RM2.3 billion, the project is located five kilometres away from the Pengerang Integrated Petroleum Complex in southern Johor.

Astaka will selectively explore investment opportunities and potential real estate acquisitions, particularly high-profile or strategically-located land banks, to increase its portfolio of iconic projects across the region.

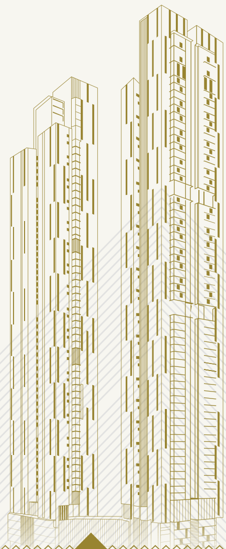
One Bukit Senyum

Set to become the ultimate energy of sophistication, One Bukit Senyum is poised as a new benchmark for modern living experiences in Johor Bahru, perfectly blending meticulously crafted architecture, innovative designs, a clear sense of discerned luxury living, have it all here.

- *11.85 acres of freehold land*
- *Gross development value of RM5.3 billion*
- *Components: The Astaka, Menara MPJB, five-star hotel, branded residences and serviced apartments, luxury shopping mall and Grade-A office building*

MILESTONES

Twin icons prevailing through time, The Astaka @ One Bukit Senyum is the symbol of bold innovation, lifestyle trends, tied into excellent and opulent living.



YEARS

1993

Astaka Padu Sdn Bhd was founded by Dato' Daing A Malek Bin Daing A Rahaman.

2003

Astaka Padu Sdn Bhd makes its foray into property development through applications to develop

2 PLOTS OF LAND IN ISKANDAR.

2004

Tebrau Junction Sdn Bhd was incorporated by Astaka Padu Sdn Bhd & Malpakat.

2012

Acquired land and commenced implementation plan for One Bukit Senyum. Engaged GDP Architects to develop The Astaka @ One Bukit Senyum.

Dato' Zamani Bin Kasim appointed CEO of Astaka Padu Sdn Bhd.

2013

Grand launch and construction of The Astaka @ One Bukit Senyum, named tallest residential twin towers in Southeast Asia.

Engaged Penta-Ocean (Malaysia) Sdn Bhd for sub-structure works for The Astaka @ One Bukit Senyum.

2014

Astaka Padu Sdn Bhd undertook a restructuring exercise; Astaka Padu Limited became the holding company of Astaka Padu Sdn Bhd.

Completed sub-structure work for The Astaka @ One Bukit Senyum ahead of schedule.

Engaged China State Construction Engineering (M) Sdn Bhd for super-structure works for The Astaka @ One Bukit Senyum.

2015

Renamed Astaka Holdings Limited following listing on Singapore Exchange via the reverse takeover of E2-Capital Holdings Limited.

Change of Board members, Dato' Zamani Bin Kasim appointed as Astaka Holding's new Executive Director and Chief Executive Officer.

The Astaka @ One Bukit Senyum awarded:

- Best Condo Development (Malaysia) by South East Asia Property Awards (Malaysia) 2015
- Best Luxury Condo Development (South Malaysia) by South East Asia Property Awards (Malaysia) 2015

Completed construction of a three-storey mosque at Johor Bahru Police Headquarters for the local community.

2016

28 November 2016 – Secured RM308 million agreement to develop Menara MBJB

3 October 2016 – Entered into joint venture to develop Bukit Pelali at Pengerang

28 August 2016 – Unveiled masterplan for One Bukit Senyum officiated by Sultan of Johor

2 August 2016 – Signed MOU for the construction, development and sale of Menara MBJB

2017

26 July 2017 – One Bukit Senyum conferred node status

11 July 2017 – Announcement on adoption of FRS 115

6 June 2017 – Topping Off for The Astaka

21 May 2017 – Grand Launch of Bukit Pelali at Pengerang by Sultan of Johor

8 May 2017 – Awarded construction contract for Menara MBJB to JBB Kimlun

30 April 2017 – The Astaka achieved three million man-hours without a lost-time injury

17 April 2017 – Unveiled showrooms of Bukit Pelali at Pengerang

CHAIRMAN'S STATEMENT

Our considerable achievements this year underscore our ability to execute iconic and strategic projects.

MR. NEO GIM KIONG
Non-Executive Chairman and Independent Director

Dear Shareholders,

On behalf of the Board of Directors (the "Board"), it gives me great pleasure to present to you the scorecard for the financial year ended 30 June 2017 ("FY2017").

It has been a highly significant reporting period in which many major milestones were achieved. I am pleased to inform you that we recorded our maiden net profit since the completion of our reverse takeover ("RTO") of E2-Capital Holdings Limited in November 2015.

We commenced the second phase of development of our flagship project, One Bukit Senyum in Johor Bahru, and held the Topping-Off Ceremony of Southeast Asia's tallest residential towers, The Astaka. We also expanded our property portfolio in May 2017 with the launch of Bukit Pelali at Pengerang, a 363-acre integrated township.

FINANCIAL PERFORMANCE

For FY2017, we recorded a net profit of RM29.0 million, a sharp reversal from a restated loss of RM66.4 million a year ago ("FY2016"). This turnaround reflects the Board's decision to adopt the Singapore Financial Reporting Standards 115 ("FRS 115") as announced on 11 July 2017. The FRS 115 is a comprehensive framework that determines whether, how much and when revenue is recognised and provides guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets.

Under the new framework, our projects generated RM309.6 million revenue in FY2017, up 16.9% from a restated RM264.9 million in FY2016. This increase is attributable to the progress sales and percentage of completion for our developments; revenue was previously only recognised upon project completion and transfer of ownership to buyers.

DEVELOPMENT PROJECTS

Following shareholders' approval at an extraordinary general meeting held on 16 December 2016, we have embarked on the development of Bukit Pelali at Pengerang. The site of this planned integrated township is adjacent to the Pengerang Integrated Petroleum Complex ("PIPC"), which is expected to bring more than 70,000 workers to the region.

All of us at Astaka were deeply honoured to have His Royal Highness, Sultan of Johor, Sultan Ibrahim Ibni Almarhum Sultan Iskandar officiate the grand launch and opening of the Bukit Pelali sales gallery on 21 May 2017. The project has an estimated GDV of RM2.3 billion and will be developed over the next eight to ten years.

We are pleased to announce that 50% of Phase 1A of the project was sold prior to the opening, underscoring its strategic location and the uniqueness of its product offering. We will unveil the rest of the project in phases and look forward to its completion.

We have also made progress on our flagship One Bukit Senyum project. The 11.85-acre development, slated to be Johor Bahru's new administrative and commercial hub, was granted node status by Malaysia's Ministry of Finance and Iskandar Regional Development Authority. The node status confers Phase 2 of One Bukit Senyum full income-tax exemption on proceeds from the sale and income derived from the leasing of all non-residential buildings.

As shareholders are aware, we signed a formal sale and purchase agreement to develop and sell to MBJB a 15-storey Grade A office tower for RM308.0 million. Construction of Menara MBJB commenced in May 2017 and is scheduled for completion by end-2019, upon which approximately 800 MBJB staff will be relocated to the new premises.

OUTLOOK

Our track record is underpinned by two critical factors. The first of these is our ability to identify promising projects which have the potential to become iconic developments unique to their respective locations. Another factor in the success of our projects is Johor's strategic location. It's proximity to Singapore means that we will see new infrastructure spring up in the coming months, including the High Speed Rail, the Rapid Transit System – which connects Singapore's Woodlands district to Johor Bahru – and PIPC in south-eastern Johor.

Our considerable achievements this year underscore our ability to execute iconic and strategic projects. None of this would have been possible without our management team, which is led by Chief Executive Officer Dato' Zamani bin Kasim. Their extensive capabilities will play a key role in unlocking the full potential of our various projects.

On behalf of the Board, I would like to extend my appreciation to our staff, partners, stakeholders and shareholders for their support and dedication.

Thank you.

Mr. Neo Gim Kiong
Non-Executive Chairman
28 September 2017

Bukit Pelali @ Pengerang

The Bukit Pelali township is set against the lush backdrop of a well-known hill that shares the same name. Everything your lifestyle needs is right here in this township close to your heart with touches of life, nature, comfort and convenience.

- *363-acre land parcel*
- *Gross development value of RM2.3 billion*
- *Components: 3,884 residential units, shop offices, clubhouse, hotel, private hospital, school, mart, mosque, food and beverage hub and petrol station*


BUKIT PELALI

CEO'S STATEMENT

We have achieved many milestones, strengthened our position as a leading integrated property developer based in Iskandar, and delivered a healthy set of results including a net profit of RM29.0 million.

DATO' ZAMANI BIN KASIM
Executive Director and Chief Executive Officer

DEAR SHAREHOLDERS,

The financial year ended 30 June 2017 ("FY2017") has been highly significant for Astaka Holdings Limited ("Astaka" or the "Group"). We have achieved many milestones, strengthened our position as a leading integrated property developer based in Iskandar, and delivered a healthy set of results including a net profit of RM29.0 million – first positive bottom line performance since our public listing in November 2015.

Building on the success of our flagship One Bukit Senyum development in Johor Bahru, we moved rapidly in the financial year under review to commence the development of our second major project – Bukit Pelali at Pengerang, a 363-acre township located in Southern Johor. Both projects have a combined gross development value ("GDV") of approximately RM7.6 billion.

BUSINESS REVIEW

Johor is at an inflexion point and brimming with the potential to become a robust economic region in Southeast Asia with more investments into infrastructure projects and mega developments. It's location at the southern tip of peninsular Malaysia adjoining Singapore places the state with a special advantage.

The proposed Johor Bahru-Singapore Rapid Transit System ("RTS"), extension of the Singapore Mass Rapid System Thomson line to Johor Bahru and the Kuala Lumpur – Singapore High-Speed Rail ("HSR") offer unprecedented changes to the infrastructure landscape and connectivity to Johor. These changes are expected to spur long-term demand for properties in the state, and would augur well for Astaka's future prospects.

For FY2017, the Group generated RM309.6 million revenue, up 16.9% from RM264.9 million a year ago ("FY2016"). The increase in revenue was propelled by the progress sales of our key projects in Johor, which included maiden revenue contributions from Menara MBJB, and Bukit Pelali at Pengerang. FY2018 will mark the first full year revenue contribution from these two projects.

We turned in a net profit of RM29.0 million for FY2017, compared to a restated loss of RM66.4 million in FY2016, mainly due to the absence of the one-off non-operating losses of RM98.7 million incurred in FY2016 in relation to the Group's reverse takeover completed in November 2015.

The net profit significantly improved Astaka's earnings per share to 1.52 sen for FY2017 from a loss per share of 3.79 sen in FY2016, representing an increase of 5.31 sen. Net asset value per share increased to 11.9 sen as at 30 June 2017 compared to 10.3 sen as at 30 June 2016.

The Group generated a net cash inflow from operating activities of RM61.1 million, arising from the progress of construction of One Bukit Senyum. Net cash generated from investing activities amounted to RM1.0 million in FY2017. Net cash outflow from financing activities came to RM83.7 million in FY2017, largely due to repayment of a term loan. There was no further drawdown of banking facilities during the year.

We ended the financial year with cash and cash equivalents of RM27.2 million.

ONE BUKIT SENYUM

Since we unveiled the masterplan for One Bukit Senyum in August 2016 at a ceremony officiated by His Majesty the Sultan of Johor, we have made progress on many fronts. Approval has been obtained for a tunnel to connect One Bukit Senyum to Johor Bahru's Customs directly. It will only take a five-minute drive via the tunnel. Near the CIQ, the future Johor Bahru to Singapore RTS and HSR will further enhance infrastructure for inter-causeway connectivity. Also, there will also be a private pick-up from the future RTS.

This flagship development was conferred the prestigious node status by Malaysia's Ministry of Finance and Iskandar Regional Development Authority this year. This means that Phase 2 of the project will enjoy full income-tax exemption on proceeds from the sale and income derived from the leasing of all non-residential buildings.

This underscores the strategic significance of One Bukit Senyum as well as the underlying potential of the project.

THE ASTAKA

On 6 June 2017, we held the Topping-Off Ceremony for The Astaka, our award-winning residences situated in One Bukit Senyum with a GDV of over RM1.3 billion. The event to mark the completion of the building structure was graced by the Honourable Menteri Besar (Chief Minister) of Johor, Dato' Mohamed Khaled Nordin. The Astaka now stands at 1,020 feet above sea level and is Southeast Asia's tallest residential towers. Remarkably, it is also among the top 10 tallest buildings in Malaysia.

CEO'S STATEMENT

With 438 residential units with completion slated in middle 2018, The Astaka will redefine luxury living upon completion. Having achieved 70% sales of The Astaka to date and percentage completion reached 75%, we will be ramping up on our sales and marketing with roadshows locally and overseas.

We are proud to have also achieved three million man-hours without lost-time injury in relation to the construction of The Astaka. Safety for our staff remains a key focus for us, and we will continue to ensure rigorous measures are put in place to ensure a safe and healthy workplace.

MENARA MBJB

On 28 November 2016, we signed a RM308.0 million sale and purchase agreement with Johor Bahru City Council, Majlis Bandara Johor Bahru ("MBJB"), for the design, construction and delivery of its new headquarters. Conceptualised by world-renowned architects Skidmore, Owings & Merril, and inspired by traditional Malay architecture and Islamic architectural motifs, Menara MBJB, will be a monument of public service.

As at 30 June 2017, the percentage of completion of Menara MPJB has reached 6%.

With Menara MBJB housing over 800 staff when completed in 2019, it will be the new administrative centre of the city. No doubt, the monument will attract local and international corporations to this location.

BUKIT PELALI AT PENGERANG

On 21 May 2017, we were honoured to have His Majesty, the Sultan of Johor, officiate the Grand Launch and the opening of our sales gallery of our second development, Bukit Pelali at Pengerang. Expected to be completed by 2023, the project will have an estimated GDV of RM2.3 billion and will be the first strata township in the vicinity. It will comprise 3,884 residential units including 1,598 units under the Johor Affordable Housing Scheme – shop offices, a clubhouse, hotel, private hospital, school, mart, mosque, food and beverage hub and petrol station.

Located five kilometres away from the Pengerang Integrated Petroleum Complex, one of Southeast Asia's largest oil and gas hubs which are expected to attract up to US$7 billion in investments and require over 70,000 workers – a good number of whom will be attracted to our residential development.

As testament of Bukit Pelali's strategic location, we have secured 70% in sales of Phase 1A – which comprises 243 terraces which has reached 30% completion and 19 shop offices at 74% completion that will be completed by 2018. The project has recorded a revenue of RM29.0 million this financial year and we are confident of healthy take-up rate of Bukit Pelali units.

OUTLOOK

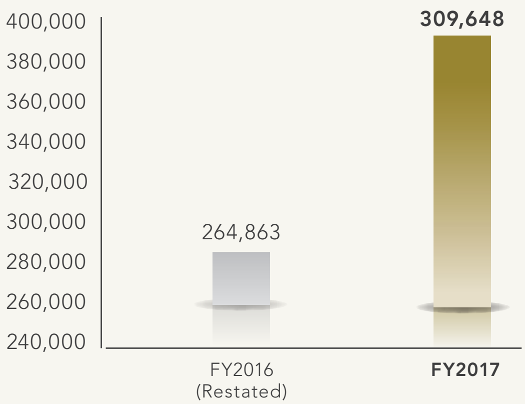
We have an extremely busy year ahead of us with Bukit Pelali and One Bukit Senyum, given the scale of the projects and development plans. We have to have our utmost concentration on these current projects, to deliver the highest quality to buyers.

On behalf of the Board, I would like to extend my gratitude to our shareholders for your loyalty and support. I would like to express my sincere appreciation to our business associates and customers. Last but not least, I would like to thank the Group's management team and staff for all their hard work.

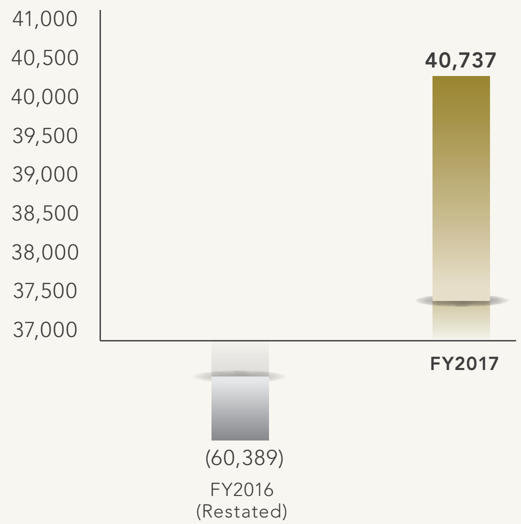
DATO' ZAMANI BIN KASIM
Executive Director and
Chief Executive Officer
28 September 2017

FINANCIAL HIGHLIGHTS

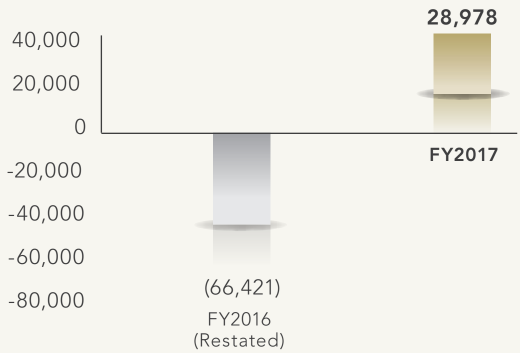
REVENUE
(RM'000)



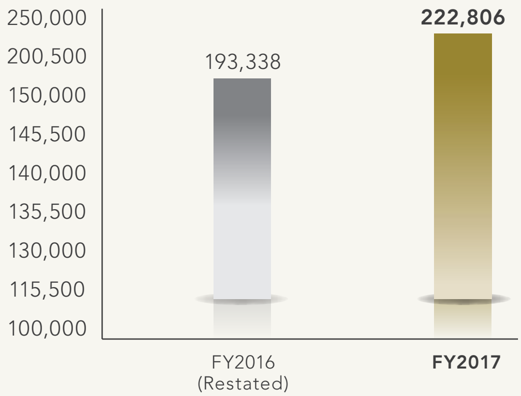
PROFIT/(LOSS) BEFORE TAX
(RM'000)



NET PROFIT
(RM'000)

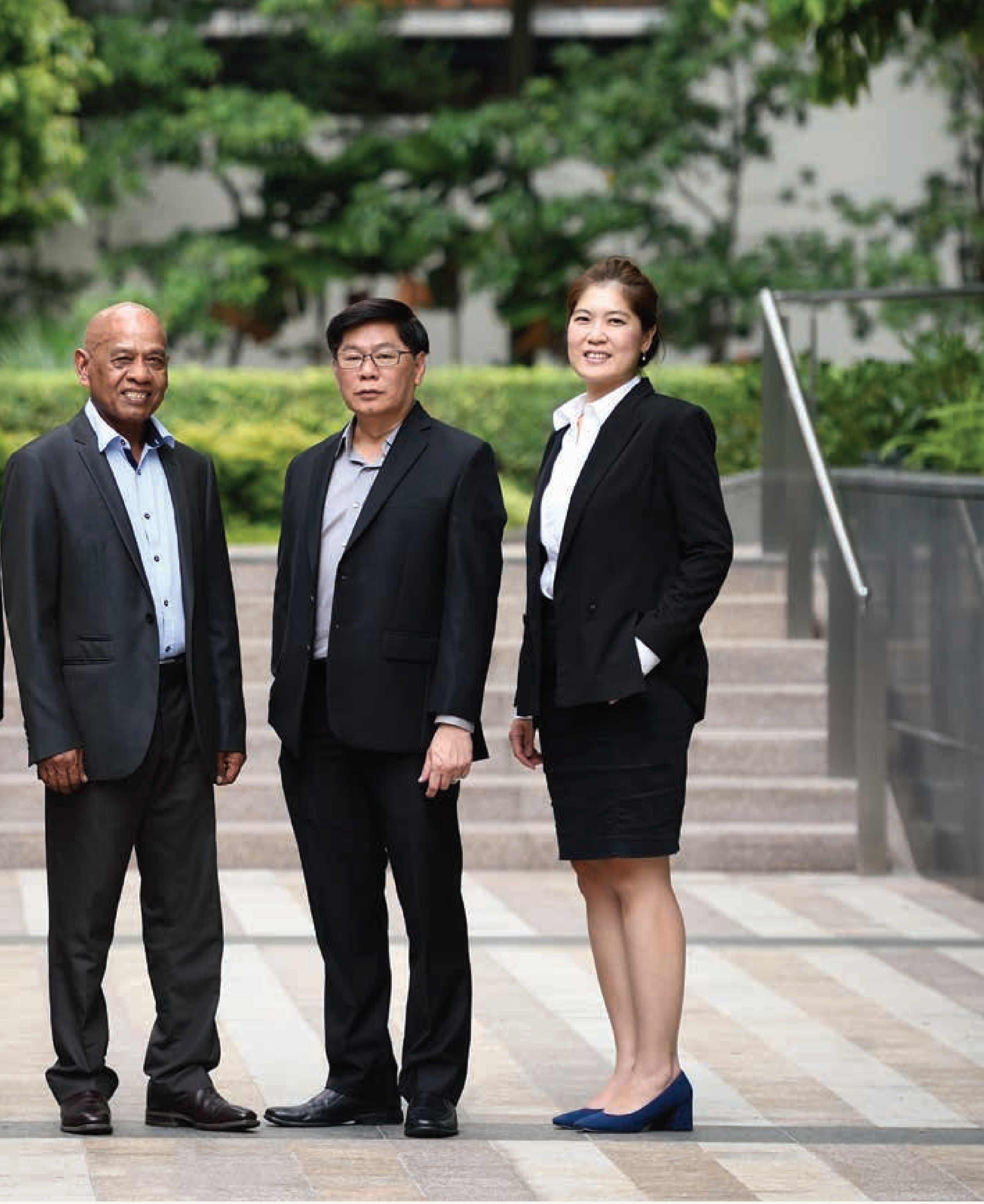


TOTAL EQUITY
(RM'000)



BOARD OF DIRECTORS & KEY MANAGEMENT

(left to right) Ms. Daeng Hamizah Binti Abd Aziz; Mr. Lee Gee Aik; Mr. Neo Gim Kiong; Dato' Zamani Bin Kasim; Mr. San Meng Chee; Ms. Lee Shih Yi



BOARD OF DIRECTORS

"The Board remains committed to delivering sustainable value to shareholders while upholding the highest standards of accountability, transparency and integrity."

MR. NEO GIM KIONG
Non-Executive Chairman
and Independent Director

Mr. Neo Gim Kiong was appointed to the Board as Non-Executive Chairman and Independent Director on 19 November 2015 and re-elected on 26 October 2016. Mr. Neo is presently the Executive Director and Chief Executive Officer of Sen Yue Holdings Ltd. Mr Neo is the Founding Director of Bizmen Corporation Pte Ltd and Dollar Tree Inc Pte Ltd, both of which are business advisory firms incorporated in Singapore in 2004. Prior to 2004, he was with the banking sector overseeing a portfolio of corporate clientele from 1994 to 2001. He joined Jackspeed Corporation Limited in 2001, and as the Executive Director, spearheaded the listing of the group in 2003 on the Mainboard of Singapore Exchange. Mr. Neo is also an Independent Director of Ban Leong Technologies Limited, International Press Softcom Ltd and Trek 2000 International Limited. Mr Neo holds a Bachelor of Science (Honours) Degree in Mathematics from the National University of Singapore.

DATO' ZAMANI BIN KASIM
Executive Director
and Chief Executive Officer

Dato' Zamani Bin Kasim was appointed to the Board as Executive Director and Chief Executive Officer on 19 November 2015 and re-elected on 26 October 2016. Dato' Zamani has more than 35 years' experience in property development. He began his career with C.H. Williams, Talhar & Wong as a valuation assistant, and later joined Agro Bank Malaysia (formerly known as Bank Pertanian Malaysia) as a planning and development officer for four years, overseeing the construction of the headquarters of Agro Bank Malaysia. Thereafter, Dato' Zamani joined Koperasi Belia Nasional Bhd as an Assistant General Manager and oversaw it's various residential, commercial and industrial property development projects. In June 1997. He joined Azrahi Project Management Sdn Bhd as its Project Director. A notable project was the implementation up to the handing over of Seremban Hilton, a 345-room 5-star hotel, to Hilton International for business operations. Dato' Zamani's experience includes property development in the African region, from 2004 to 2006 as Regional Head for Africa with Seloga Holdings Bhd, a company listed on the Second Board of Bursa Malaysia. He was appointed Senior General Manager of UEM Land Bhd from 2006 to 2010 and oversaw its Puteri Harbour projects. In recognition of his contributions to the Puteri Harbour project, Dato' Zamani was awarded Best Executive Award for UEM Group in 2009. During his service there, Puteri Harbour was awarded The Best Masterplan by FIABCI and came in 2nd at the FIABCI Pre D'Excellence in 2009. Dato' Zamani graduated from Universiti Sains, Malaysia with a Bachelor of Science (Housing, Building and Planning) degree with honours.

BOARD OF DIRECTORS

MR. LEE GEE AIK
Independent Director

Mr. Lee Gee Aik was re-designated as Independent Director of the Board on 19 November 2015 and re-elected on 26 October 2016. Prior to this, he was the Executive Vice Chairman from 29 January 2014. Mr. Lee is a practicing accountant and is an Independent Director of three other Singapore-listed companies, namely Anchun International Holdings Limited, SHS Holdings Limited and Uni-Asia Holdings Limited. Mr. Lee started his career as an auditor in one of the Big Four accounting firms in 1979 and was subsequently seconded to their USA Executive Office from 1986 to 1988, specialising in the professional development and research work in audit methodologies and financial reporting. Mr. Lee qualified as a Chartered Certified Accountant with The Association of Chartered Certified Accountants, United Kingdom in 1984. He holds a Master degree in Business Administration from Henley Management College, United Kingdom. He is currently a Fellow with The Association of Chartered Certified Accountants, United Kingdom and The Institute of Certified Public Accountants of Singapore. He has been appointed by the Minister of Health to serve as Lay Person member of the Complaints Panel of the Singapore Pharmacy Council.

MR. SAN MENG CHEE
Independent Director

Mr. San Meng Chee was appointed as Independent Director of the Board on 19 November 2015 and re-elected on 26 October 2016. Mr. San is currently the Chief Financial Officer ("CFO") of Mencast Holdings Ltd, responsible for its corporate finance activities, investor relations and all aspects of the treasury, financial and accounting functions. Mr. San has more than 20 years of experience in accounting, financial and corporate matters. He has held senior financial positions in listed companies and served as CFO of New Toyo International Holdings Ltd from May 2015 to February 2017. Prior to that, he was the CFO of Superior Multi-Packaging Limited from September 2006 to August 2013. Mr. San is also currently an Independent Director of Forise International Limited, which is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. He holds a Bachelor of Business degree in Accountancy from the Edith Cowan University, Western Australia and is a fellow member of CPA Australia.

KEY MANAGEMENT

KEY MANAGEMENT

DAENG HAMIZAH BINTI ABD AZIZ
Chief Operating Officer

Ms. Daeng Hamizah Binti Abd Aziz was appointed as Chief Operating Officer of the Group on 1 October 2016. She oversees the daily operations of the Group, liaises with government authorities, plans strategic activities and ensures effectiveness and efficiency of the operational processors.

Daeng Hamizah first joined the Group in June 2012 as a Project Executive and held various positions including Special Assistant to the Chief Executive Officer where she oversaw several departments, assisted in fundraising activities and acquisition of development projects. Daeng Hamizah also played an instrumental role in the reverse takeover of E2-Capital Holdings Limited in November 2015.

Daeng Hamizah began her professional career as an Assistant Quantity Surveyor. Subsequently, she joined JB Bergabung Sdn Bhd as a Project Executive. She is presently a Director of Equapro Sdn Bhd and holds a Bachelors Degree in Surveying (with Honours) from The Robert Gordon University of Scotland in 2011.

LEE SHIH YI
Chief Financial Officer

Ms. Lee Shih Yi was appointed to the Group in November 2016 as the Chief Financial Officer. Ms. Lee plays a strategic role in the Group and oversees all finance and investor relations matters.

Ms. Lee has extensive experience in group financial reporting, strategic business planning, corporate finance, corporate governance, tax strategies as well as treasury and risk management. She has held many senior roles in various conglomerates and public listed companies in Singapore and Malaysia.

Ms. Lee holds a Master of Business from Charles Sturt University, Australia and a Bachelor of Commerce (Accounting) from the University of Adelaide, Australia. She is a Certified Practicing Accountant of the Certified Practicing Accountants Australia and a Chartered Accountant of the Malaysian Institute of Accountants.

The Astaka

Rising 65 and 70 storeys and reaching 1,000 feet above sea level, these superbly designed ultra luxurious residences are Southeast Asia's tallest residential towers and the top 10 tallest buildings in Malaysia, which destined to crown the master plan.

Menara MBJB is an innovative work of architecture and design, blending cultural motifs with futuristic elements, into an iconic monument that reflects the future of public service excellence in Malaysia.

CORPORATE SOCIAL RESPONSIBILITY

Our communities are important to us. Astaka's founder set out with a vision to transform Johor into a dynamic and economic region. We firmly believe this can be achieved and sustained by supporting the people around us.

Astaka's corporate social responsibility ("CSR") programme is shaped to have a scalable and lasting impact based on the needs of our stakeholders. This includes reviewing our health, safety and environmental policies, and social impact in relation to the Group's operations. On 30 April 2017, we accomplished three million man-hours without lost-time injury in relation to the construction of The Astaka @ One Bukit Senyum ("The Astaka"). We will continue to ensure rigorous measures are in place to ensure occupational health and safety.

This year, we pledged our support to various sectors including entrepreneurship, sports and charity. We donated funds to community associations, non-governmental organisations, public institutions including schools and suraus.

As a homegrown Johor-based developer, our vision involves transforming the state into a world-class metropolis while retaining the richness of its heritage and culture. The Group has pledged its support to Yayasan Warisan Johor, an organisation focused on identifying historical sites within the state for preservation.

We are also a proud donor of the Tunku Laksamana Johor Cancer Foundation which will be establishing a cancer treatment centre in Johor. The Tunku Laksamana Cancer Foundation was founded in honour of Almarhum Tunku Abdul Jalil Ibni Sultan Ibrahim and aims to provide public awareness, relief and care for cancer patients.

Our other beneficiaries this year include Persatuan Usahawan Maju Malaysia, PIBG Sekolah Menengah Sains Sultan Mohamad Jiwa, B.B., Persatuan Hoki Daerah Johor Bahru, Pusat Khidmat Masyarakat DUN Kemelah and Kelab Sukan Kebajikan Dan Rekreasi JKSNJ.

We will continue to allocate funds and resources for CSR programmes that will have a long-term positive impacts for the community.

Astaka Chief Operating Chief Officer Ms. Daeng Hamizah Binti Abd Aziz presents a donation to the Johor Hockey Association in the presence of Tunku Panglima to Johor Tunku Abdul Rahman Hassanal Jeffri ibni Sultan Ibrahim Ismail

GROUP STRUCTURE

Astaka Holdings Limited
Singapore Incorporated,
(Listed in SGX Catalist)

99.99%

ASTAKA PADU LIMITED
(BVI incorporated)

100%

ASTAKA PADU SDN BHD
(Malaysia Incorporated)

51%

BUKIT PELALI PROPERTIES SDN BHD
(Malaysia Incorporated)

100%

BUKIT PELALI HEALTHCARE SDN BHD
(Malaysia Incorporated)

"Slated to be the upcoming administrative and commerical hub, One Bukit Senyum is tipped to play a key role in Johor's transformation into a burgeoning metropolis of Malaysia."

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive:
Dato' Zamani bin Kasim
(Executive Director and Chief Executive Officer)

Non-Executive:
Neo Gim Kiong
(Non-Executive Chairman and Independent Director)

San Meng Chee
(Independent Director)

Lee Gee Aik
(Independent Director)

AUDIT COMMITTEE

Lee Gee Aik (Chairman)
Neo Gim Kiong
San Meng Chee

NOMINATING COMMITTEE

Neo Gim Kiong (Chairman)
Lee Gee Aik
San Meng Chee

REMUNERATION COMMITTEE

San Meng Chee (Chairman)
Neo Gim Kiong
Lee Gee Aik

COMPANY SECRETARY

Cheng Lisa

REGISTERED OFFICE

38 Beach Road
#29-11 South Beach Tower
Singapore 189767
Tel: +65 6808 1600
Fax: +65 6808 1616

BUSINESS OFFICE

No. 22, Jalan Padi Emas 1/4
UDA Business Centre
81200 Johor Bahru
Johor, Malaysia
Tel: +607 231 5457
Fax:+607 244 3427

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

AUDITORS

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Audit Partner-in-charge
Teo Han Jo
since financial year 30 June 2017

FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board") of Astaka Holdings Limited (the "Company" and together with its subsidiaries, the "Group") are committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximization of long-term shareholder value.

This report sets out the Company's corporate governance framework and practices for the financial year ended 30 June 2017 ("FY2017") with reference to the Code of Corporate Governance 2012 (the "Code"). The Board is pleased to report the compliance with the principles of the Code except where otherwise stated and explained.

BOARD MATTERS

The Board's Conduct of Affairs

The Board provides strategic guidance, oversees the key activities for the Group and ensures that there are adequate financial and human resources to achieve its objectives and long-term success of the business.

Roles and Duties of the Board

The Board's principal functions include providing entrepreneurial leadership and approving strategic business plans, annual budget plan, major acquisition and disposal of assets and businesses, and the financial results of the Group. It also establishes a framework of prudent and effective controls appropriate to the nature and size of the Group's operations which enable risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets and sets corporate values and standards (including ethical standards) for the Group to ensure that the obligation to shareholders and other stakeholders are met. In addition, the Board reviews the Group's corporate policies and financial performance.

The Board is responsible for long-term succession plan for the Company and will also consider sustainability issues, including environmental and social factors, as part of the strategy formulation for the Group.

The Directors have the obligation to act in good faith and in the best interests of the Company.

Delegation of Authority to the Board Committees

The Board has established a number of committees to assist the Board in discharging its responsibilities efficiently and effectively. These committees include the Audit Committee ("AC"), the Remuneration Committee ("RC") and the Nominating Committee ("NC") (collectively the "Board Committees"). Each of the Board Committee's functions, roles and authorities are clearly set out in their respective terms of reference.

Meetings of the Board and Board Committees

The Board conducts regularly scheduled meetings on a quarterly basis to coincide with the announcement of the Group's quarterly and full-year financial results and to keep the Board updated on business activities and the overall business environment in which the Group operates. Additional meetings are convened as and when circumstances dictate. The Company's Constitution allows meetings to be conducted by way of telephone conferencing or any other electronic means of communication. The number of Board and Board Committee meetings held in FY2017 and the attendance of each Director are set out as follows:

Name of Director		**Board**	**Audit Committee**	**Remuneration Committee**	**Nominating Committee**
No. of meetings held in FY2017		6	5	1	1
		Meetings Attended			
Mr Neo Gim Kiong	Non-Executive Chairman and Independent Director	6	5	1	1
Mr Lee Gee Aik	Independent Director	6	5	1	1
Mr San Meng Chee	Independent Director	6	5	1	1
Dato' Zamani Bin Kasim	Executive Director and Chief Executive Officer ("CEO")	6	Not Applicable	Not Applicable	Not Applicable

Matters Reserved for the Board's Decision

The Company has established approval limits for operating and capital expenditure, procurement of goods and services as well as operational and financial authorization on daily and ad hoc operation decision-making. In addition to matters that specifically require the Board's approval, such as the review and approval of periodic and full-year financial results announcement and annual audited financial statements, major acquisitions and realizations, issue of shares, interested person transactions, appointment of new Directors, dividend distributions and other returns to shareholders, the Board approves transactions exceeding certain designated threshold limits while delegating authority for transactions below those limits to the Board Committees and Management so as to optimize operation efficiency.

Appointment and Training for Directors

Orientations would be organized for new Director(s), when appointed, that include briefing by Management on the Group's structure, business strategies and operations. The Company will provide newly appointed Director(s) with a formal letter setting out their duties and obligations. There were no new Directors appointed for FY2017. First time directors of a listed company will receive training in areas such as accounting, legal and the industries which the Group operates in.

The Company recognizes the importance of appropriate training for the Directors, apart from the initial orientation. The Directors are updated on amendments/requirements of the Listing Manual of the SGX-ST, Section B: Rules of Catalist (the "Catalist Rules") and other statutory and regulatory requirements from time to time, to enable them to discharge their duties effectively. Continuing training particularly on relevant new laws, regulations and changing commercial risks (including update on the real estate development in Malaysia) will be provided to the Directors from time to time. For FY2017, AC members were briefed on developments and/or changes in the accounting standards by the external auditors of the Company.

The Directors are also updated on the business activities and strategic directions of the Group through meetings and site visits where possible.

Board Composition and Guidance

Composition of the Board

The Board comprises one (1) Executive Director and three (3) Independent Directors (including the Chairman of the Board). As the Independent Directors make up 75% of the Board, no individual or small group of individuals dominate the Board's decision making. The requirement of the Code that at least one-third of the Board comprise Independent Directors is satisfied.

Independence of Directors

The Independent Directors have confirmed that they do not have any relationship with the Company or related companies, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interest of the Company.

The Board considers an Independent Director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment of the Company's affairs with a view to the best interests of the Company.

The Board has taken into account the assessment of the NC on whether a Director is independent in character and judgment and whether there are relationships or circumstances which are likely to affect or could appear to affect the Director's judgment. In assessing the independence of each Director, the NC had examined different relationships identified by the Code that might impair the Directors' independence and objectivity. The NC had reviewed and determined that the Directors are independent.

There are no Independent Directors whom have served beyond nine (9) years since the date of their appointments.

Size, Composition and Competency of the Board

The NC, taking into account the nature of operations of the Group, reviews the size and composition of the Board from time to time, to ensure that the size of the Board is conducive for effective discussion and decision-making with an appropriate number of Independent Directors. The NC seeks to maintain an appropriate balance of expertise and attributes among the Directors, including relevant core competencies in areas such as accounting and finance, business and management, strategic planning and real estate related industry knowledge, familiar with regulatory and compliance requirements and knowledge of risk management.

The diversity of the Directors' experience allows for the useful exchange of ideas and views taking into account the scope and nature of the operations of the Group, the Board considers its current size to be adequate for effective decision-making.

The current Board composition provides a diversity of skills, experience, knowledge and ethnicity to the Company as follows:

	Number of Directors	**Proportion of Board**
Core Competencies		
– Accounting or finance	3	75%
– Business management	3	75%
– Legal or corporate governance	3	75%
– Relevant industry knowledge or experience	1	25%
– Strategic planning experience	3	75%

The Board carries out a Board performance evaluation annually. The Directors are requested to complete a Board evaluation questionnaire designed to seek their view on various aspects of the Board performance. The results were thereafter compiled and submitted by the Company Secretary to the NC Chairman, in consultation with the NC, to access if the current size of the Board, combined experience, skills, knowledge and expertise of the Directors provide effective decision-making and leadership to the Company and to understand the range of expertise that is lacking by the Board, if any. The NC is of the view that the current Board comprises persons who as a group provide capabilities required for the Board to be effective and the Board collectively has professional expertise in finance, accounting, business management, corporate governance and real estate development.

Check and Balance Provided by Independent and/or Non-Executive Directors

Independent and/or Non-Executive Directors constructively challenge and help develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of the Company's performance.

The Independent and/or Non-Executive Directors communicate with each other without the presence of Management as and when the need arises. The Company also benefits from Management's ready access to its Directors for guidance and exchange of views at the Board and Board Committee meetings or informal meetings.

Key information of the Directors is set out on pages 16 to 18 of this annual report.

Chairman and Chief Executive Officer

Clear Division of Responsibilities and Authorities

Mr Neo Gim Kiong is the Non-Executive Chairman of the Board, and Dato' Zamani Bin Kasim is the Executive Director and CEO of the Company. Mr Neo and Dato' Zamani are not related to each other. There is a clear division of roles and responsibilities between the Non-Executive Chairman and the CEO to ensure an appropriate balance of power and authority, thus no individual represents a considerable concentration of power.

The CEO is responsible for charting and reviewing corporate directions and strategies, which cover areas of marketing and strategic alliances and providing the Company and/or the Group with strong leadership and vision while the Non-Executive Chairman is responsible for providing leadership to the Board and for enhancing the effectiveness of the Board, Board Committees and individual director.

In addition, the Chairman ensures that Board meetings are held as and when necessary, sets the meeting agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues. He also ensures that any information and materials to be discussed at Board meetings are circulated on a timely basis to Directors so as to enable them to be updated and prepared, thereby enhancing the effectiveness of the Non-Executive Directors and the Board as a whole. He engages and promotes constructive engagement among the Directors and engages with Management regularly. The Chairman assumes the lead role in promoting high standards of corporate governance.

Board Membership

Composition of the Nominating Committee

The NC is chaired by Mr Neo Gim Kiong with Mr Lee Gee Aik and Mr San Meng Chee as members, all of whom are independent. The NC Chairman is not associated with any substantial shareholders or officers of the Company.

Roles and Responsibilities of the Nominating Committee

The NC carries out its duties in accordance with the written terms of reference of the NC, which includes:

(i) to make recommendations to the Board on the appointment and re-appointment of Directors;

(ii) to regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;

(iii) to determine the process for the search, nomination, selection and appointment of new board members and assess nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he is independent. Important issues to be considered as part of the process for the selection, appointment and re-appointment of Directors include the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an independent Director;

(iv) to review and make recommendations to Board on matters relating to the succession plans for Directors, in particular, the Chairman and Chief Executive Officer;

(v) to develop a process for the evaluation of the performance of the Board, its Board Committees and Directors;

(vi) to determine how the Board's performance may be evaluated and propose objective performance criteria;

(vii) to assess the effectiveness of the Board as a whole and the Board Committees and to assess the contribution by the Chairman and each individual Director to the effectiveness of the Board and Board Committees;

(viii) to review training and professional development programmes for the Board;

(ix) to determine, on an annual basis, if a Director is independent;

(x) to recommend Directors who are retiring by rotation or are newly appointed to be put forward for re-election;

(xi) to review and determine whether the Director is able to and has been adequately carrying out his duties as a Director of the Company, taking into consideration, inter alia, the Director's number of listed company board representations and other principal commitments; and

(xii) such other duties or functions as may be delegated by the Board or required by regulatory authorities.

Commitments of Directors

The NC assesses each Director's competencies, commitment, contribution and performance, as well as independence on an annual basis or when necessary to decide whether a Director is able to, and has been adequately carrying out his duties as a Director.

The NC has adopted internal guidelines to address competing time commitments of Directors who serve on multiple boards by setting a maximum number of listed company board representations of not more than 6.

Having assessed the capacity of the Directors based on factors such as the expected and/or competing time commitments of Directors, the size and composition of the Board and the nature and scope of the Group's operations and size, the Board is of the view that this number would allow Directors to have increased exposure to different Boards and broaden their experience and knowledge in relation to Board matters, hence ultimately benefitting the Company.

The NC will review whether a Director is able to and has adequately carried out his duties as a director of the Company from time to time, in particular, where a Director has multiple board representations and/or other principal commitments. Although some of the Board members have multiple board representations and hold other principal commitments, the NC, having reviewed each Director's other listed company directorships and/or principal commitments, where applicable, as well as each Director's attendance and contributions to the Board, is satisfied that sufficient time and attention was given by the Directors to the Company to adequately discharge their responsibilities for the financial year in review. Holistically, the contributions by the Directors during the meetings and attendance at such meetings should also be taken into consideration. The NC would continue to review from time to time the board representations of each Director to ensure that the Directors continue to meet the demands of the Company and/or Group and are able to discharge their duties adequately.

Process for the Selection, Appointment and Re-appointment of Directors

The NC would evaluate the needs of the Board to determine the relevant competencies required. The Company has in place a search and nomination process for the appointment of new Directors. Potential candidates are sourced from the Board's and Management's network of contacts and are identified based on the needs and the relevant expertise required by the Company. The Company may appoint professional search firms and recruitment consultants to assist in the selection and evaluation process if the appointment requires a specific skill set or industry specialization. The NC, having assessed each candidate based on the essential and desirable competencies for a particular appointment, will nominate the most suitable candidate for appointment to the Board.

As at the date of this report, the Company does not have any alternate Directors.

All Directors are subjected to the Regulation in the Constitution whereby one-third (1/3) of the Directors are required to retire by rotation and be nominated for re-election by the shareholders at the Annual General Meeting (the "AGM"). Accordingly, the Directors are to submit themselves for re-nomination and re-election at regular intervals and at least once every three (3) years. In addition, any Director appointed during the year, shall hold office until the next AGM.

In considering the nomination for re-appointment, the NC took into account the composition of the Board, and the competency, performance and contribution of the Directors with reference to their attendance, preparedness and participation in the Board and Board Committees as well as the time and effort accorded to the Company's business and affairs. Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval. To ensure the independence of the Director's appointment, re-appointment and retirement, each member of the NC abstains from voting on any resolution and making any recommendations and/or participating in respect of matters of which he has an interest in.

For FY2017, the NC had recommended to the Board that Mr Neo Gim Kiong and Mr San Meng Chee be nominated for re-election at the forthcoming AGM. Mr Neo Gim Kiong will, upon re-election as a Director of the Company, remain as the Non-Executive Chairman and Independent Director of the Company, Chairman of the NC and a member of the AC and the RC. Mr San Meng Chee will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the RC and a member of the AC and the NC. In making the recommendations, the NC had considered the Directors' overall contribution and performance. The respective Director has abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of their re-election as a Director. Mr Neo Gim Kiong and Mr San Meng Chee will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

A record of the NC members' attendance at the NC meetings during FY2017 is set out on page 27 of this annual report. Key information of the Directors is set out on pages 16 to 18 of this annual report.

Board Performance

Assessment of the Effectiveness of the Board and Board Committees

The Board and NC strive to ensure that the Directors on the Board possess the experience, knowledge and skills critical to the Company's business so as to enable the Board to make sound and well-considered strategic decisions. The NC assesses the independence of each Director according to the guidance given under the Code. The NC also reviews the Directors' attendance, preparedness, participation and candour in the meetings.

The performance evaluation was conducted for the Board as a whole and each of the Board Committees (namely the AC, NC and RC) in FY2017 for assessing the contribution by the Chairman and each of the Board Committees' members to the effectiveness of the Board. This evaluation exercise reviews the effectiveness of the Board as a whole and of its Board Committees and provides an opportunity to obtain constructive feedback from each Director and Board Committee member on whether procedures and processes had allowed him to discharge his duties effectively. They were also encouraged to propose changes which may be made to enhance the effectiveness of the Board and Board Committees.

In evaluating the Board's and its Board Committees' performance, the NC considers a set of quantitative and qualitative performance criteria that has been approved by the Board. The performance criteria for the Board evaluation includes:–

(i) Board size and composition;

(ii) Board information;

(iii) Board process and accountability;

(iv) Board committee performance in relation to discharging their responsibilities set out in the respective terms of reference; and

(v) Standards of conduct.

The NC has assessed the performance of the Board as a whole and the Board Committees based on the above quantitative and qualitative performance criteria approved by the Board.

The following director's performance criterions were assessed by the NC during the annual Board performance evaluation:

(i) Interactive skills;

(ii) Knowledge including professional expertise, specialist or functional contribution and regional expertise;

(iii) Duties including attendance at meetings, meeting preparation, participation and performance of specific assignments; and

(iv) Conduct including maintenance of independence, disclosure of related party transactions and compliance with Company policies.

The performance evaluation for FY2017 was conducted by having all Directors complete a questionnaire, which included questions on the Board and Board Committees' composition and effectiveness as well as process and contribution, timeliness of Board information and accountability. The NC discussed the results of the performance evaluation and tabled the appropriate improvements to be taken up with the Chairman of the Board and of each Board Committee. No external facilitator had been engaged by the Board for this purpose.

The NC is of the view that the performance of the Board as a whole and the Board Committees were satisfactory and had met the respective performance objectives as set out.

Access to Information

Provision of Information to the Board

Prior to each Board meeting and when the need arises, the Board is provided with adequate information in a timely manner, thus allowing them to deliberate on issues which require consideration. Management also provides the Board with periodic management reports pertaining to the operational and financial performance as well as through informal discussions on the Company to enable the Board to be fully cognizant of the decisions and actions of Management. Directors are entitled to request from Management and be provided with additional information as needed to make informed decisions to discharge their duties and responsibilities.

Board's Access to Management and the Company Secretary

The Directors have separate and independent access to Management and the Company Secretary at all times. They also have unrestricted access to the Company's records and information. The Company Secretary administers, attends and prepares minutes of all Board and Board Committees meetings for circulation and approval. The appointment and the removal of the Company Secretary rests with the Board as a whole.

Roles and Responsibilities of the Company Secretary

The Company Secretary is responsible for, amongst other things, ensuring that Board procedures are observed and that applicable rules and regulations are complied with. Under the direction of the Chairman, the Company Secretary is also responsible for ensuring good information flows within the Board and Board Committees, and between Management and Non-Executive Directors, as well as advising the Board on all governance matters. The Company Secretary and/or her representative attended all Board and Board Committees' meetings held in FY2017.

Board's Access to Independent Professional Advice

Procedures are in place for the Directors and Board Committees, where necessary, to seek independent professional advice in the furtherance of their duties and on matters affecting the Company, at the Company's expense.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Composition of the Remuneration Committee

The RC was established with written terms of reference, which sets out the role and authority delegated to it by the Board. The RC comprises Mr San Meng Chee who is the Chairman of the RC, Mr Neo Gim Kiong and Mr Lee Gee Aik.

All the members of the RC (including the RC Chairman) are Independent Directors, free from any business or other relationship which may materially interfere with the exercise of their independent judgement. This is to minimize the risk of any potential conflict of interest. No Director is involved in deciding his own remuneration.

A record of the RC members' attendance at the RC meetings during FY2017 is set out on page 27 of this annual report.

Remuneration Committee

The RC was established to review and recommend to the Board:

(i) a general framework of remuneration for the Board members and key management personnel; and

(ii) the specific remuneration package and terms of employment for each Executive Director, key management personnel of the Group and employees related to Directors or, controlling shareholders of the Company;

(iii) whether the Executive Director(s) and key management personnel should be eligible for benefits under any long term incentive schemes which may be set up from time to time and to do all acts necessary in connection therewith;

(iv) the Company's share option scheme (which was implemented on 23 December 2008) and any other share option scheme or share plan established from time to time for the Directors and key management personnel; and

(v) Directors' fees and relevant remuneration packages for Non-Executive Directors, which are subject to shareholders' approval at the AGM.

The RC considers the compensation and commitments of each Director, if any. This would entail, in the event of early termination, the review of contract of service, if any, with a view to be fair and not overly generous.

Remuneration Committee's Access to Advice on Remuneration Matters

The RC has access to professional advice regarding compensation matters, if required. No remuneration experts have been appointed to advise on remuneration matters for FY2017.

Level and Mix of Remuneration

Policy in determining the Remuneration of Executive Directors and Key Management Personnel

The RC makes recommendations on an appropriate framework of remuneration taking into account employment conditions within the industry and the Company's performance to ensure that the package is competitive and sufficient to attract, retain and motivate the Executive Director(s) and key management personnel, if any, so as to align their interests with those of shareholders and promote long-term success of the Company. The remuneration of the Executive Director and key management personnel are determined based on the performance of the ongoing operations and corporate actions of the Company and/or Group. The RC has reviewed and is satisfied that the performance for Dato Zamani Bin Kasim, Ms Lee Shih Yi and Daeng Hamizah bt Aziz were satisfied and met for FY2017.

The Company currently does not have any contractual provisions allowing the Company to reclaim incentives from Executive Directors and key management personnel in exceptional cases of wrong doings. The Board is of the view that as the Group pays management bonus based on the performance of the Group/Company (and not on possible future results) and the results that have actually delivered by its Executive Director and key management personnel, "clawback" provisions in the service agreements may not be relevant or appropriate.

Policy in determining the Remuneration of Independent and/or Non-Executive Directors

In setting remuneration packages of Independent and/or Non-Executive Directors, effort and time spent, and responsibilities of the Independent and/or Non-Executive Directors are taken into account. No retirement benefit schemes are in place for the Independent and/or Non-Executive Directors. No Director decides his own remuneration. Directors' fees are recommended by the RC and are submitted for endorsement by the Board. Directors' fees to be paid to Independent and/or Non-Executive Directors are subject to the approval of shareholders at the AGM.

The RC has reviewed and is satisfied that the performance conditions as abovementioned were met for FY2017.

Disclosure on Remuneration

(A) Remuneration of Directors

A breakdown, showing the level and mix of each Director's remuneration for FY2017 is as follows:

Remuneration Band & Name of Director	Directors' fees (%)	Base/ Fixed Salary (%)	Variable or Performance Related Income/ Bonuses (%)	Benefits in Kind (%)	Total (%)
S$250,000 to below S$500,000					
Dato' Zamani bin Kasim	–	86	14	–	100
Below S$250,000					
Mr Neo Gim Kiong	100	–	–	–	100
Mr Lee Gee Aik	100	–	–	–	100
Mr San Meng Chee	100	–	–	–	100

(B) Remuneration of key management personnel

Remuneration Band & Name of Key Management Personnel	Base/ Fixed Salary (%)	Variable or Performance Related Income/ Bonuses (%)	Benefits in Kind (%)	Share Option (%)	Total (%)
Below S$250,000					
Ms. Lee Shih Yi[1]	92	8	–	–	100
Ms. Daeng Hamizah bt Aziz[2]	82	18	–	–	100
Mr. Yap Koon Loong[3]	100	–	–	–	100

Notes:

1. Ms. Lee Shih Yi was appointed as Chief Financial Officer of the Company on 1 November 2016
2. Ms. Daeng Hamizah bt Aziz was re-designated from Special Assistant to CEO to Chief Operating Officer of the Company on 1 October 2016.
3. Mr. Yap Koon Loong resigned as Finance Director of the Company on 26 October 2016.

(C) Remuneration of Immediate Family Member of Directors or the Chief Executive Officer

For FY2017, there was no employee who is an immediate family member of the Directors or the CEO and whose remuneration exceeded S$50,000.

The Board, taking into consideration the competitive business environment, decided not to disclose the exact details of the remuneration of each individual Director and key management personnel. The Company is of the view that providing full details of the remuneration of each individual Director and key management personnel is not in the best interests of the Company and may adversely affect talent attraction and retention. The Company has, however, disclosed the remuneration of the Directors in bands of S$250,000.

The Company only had three key management personnel during FY2017. The annual aggregate remuneration paid to the top three key management personnel (who are not Directors or the CEO of the Company) is approximately S$318,200 for FY2017.

Share Option Scheme

The Company has implemented a share option scheme (the "Scheme") on 23 December 2008. Details of the Scheme were set out in the Offer Document of the Company dated 16 January 2009. The Scheme is administered by the RC.

The Scheme, which forms an integral component of the Company's compensation plan, is designed to reward and retain eligible participants whose services are vital to the well-being and success of the Group. It provides eligible participants with an opportunity to participate in the equity of the Company and serves to motivate and retain employees.

The Scheme allows for participation by full-time employees and Non-executive Directors of the Company as well as subsidiaries and associated companies (including controlling shareholders).

The total number of new shares over which options may be granted pursuant to the Scheme, when added to the number of shares issued and issuable under such other share-based incentive plans (where applicable) of the Company, shall not exceed 15% of the issued share capital of the Company on the date preceding the grant of the options.

The options that are granted under the Scheme may have exercise prices that are, at the RC's discretion, set at a price (the "Market Price") equal to the average of the last dealt prices for the shares on SGX-ST immediately preceding the relevant date of grant of option; or at a discount to the Market Price (subject to a maximum discount of 20%). Options which are fixed at the Market Price shall be exercised after the 1st anniversary of the date of grant of that option while options exercisable at a discount to the Market Price shall only be exercised after the 2nd anniversary from the date of grant of the options.

The Scheme shall continue in operation for a maximum duration of 10 years and may be continued for any further period thereafter with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

During FY2017 and since the commencement of the Scheme, no share options were granted by the Company.

There were no termination, retirement and post-employment benefits given to Directors, the CEO and the top key management personnel.

ACCOUNTABILITY AND AUDIT

Accountability

Accountability on Information Provided to Investors

It is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. This responsibility extends to the quarterly and full-year financial results announcements and other price-sensitive public reports, and reports to regulators (if required).

The Board has taken adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules.

Management Accounts and Information Provided to Directors

Management currently provides the Board with management accounts and such explanation and information of the Company's performance and position on quarterly basis, upon request, or as and when deemed necessary.

Prior to the release of quarterly and full year results to the public, Management presents the Company's financial performance together with notes explaining in detail the operations and the prospects of the Company to the AC, who will review and recommend the same to the Board for approval and for the release of the results.

These enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects.

Risk Management and Internal Controls

Risk Management and Monitoring

The Board recognizes the importance of maintaining a sound system of risk management and internal controls to safeguard shareholders' interests and the assets of the Company and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board acknowledges that no cost effective risk management and internal control system will preclude all errors and irregularities. Any system of internal controls is designed to mitigate rather than eliminate risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss, occurrence of errors, poor judgement in decision making, fraud or other irregularities. The Board reviews all significant control policies and procedures and highlights all significant matters to Management.

The Board of Directors and the AC have reviewed the adequacy of the Company's internal controls addressing its financial¸ operational, compliance and information technology risks, relying on reports from the external auditor and internal auditors. Any significant internal control weaknesses and non-compliances that are highlighted during the audit together with recommendations by the external auditors and internal auditors are reported to the AC. The AC will follow up on the actions taken by Management in response to the recommendations made.

Internal Audit

The AC is responsible for the appointment, removal, evaluation and compensation of the accounting or auditing firm or corporation that the internal audit function of the Company is outsourced to.

The Group's internal audit function is outsourced to an independent audit firm, Ernst & Young Advisory Pte Ltd, who report functionally to the AC. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC, to effectively discharge its responsibilities.

The internal auditors had during the course of their audit performed tests over operating effectiveness of certain controls and made some observations on internal controls and proposed recommendations to assist Management in reducing risks and improving operational efficiency and effectiveness in the areas reviewed. Action plans to address these observations have been put in place.

The AC assesses the adequacy and effectiveness of the internal audit function annually. The AC is satisfied that the internal audit function is adequately qualified (given, inter alia, its adherence to standards set by internationally recognized professional bodies) and resourced and has the appropriate standing within the Group.

Assurance from the CEO and Chief Financial Officer

The Board has received assurance from the CEO and Chief Financial Officer that:

(i) the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(ii) the Company's risk management and internal control systems are effective.

The Board and the AC's Assessment on the Adequacy and Effectiveness of Internal Controls

Based on the internal controls established and maintained by the Company, reviews carried out by Management and the Board Committees, the work performed by the internal auditors and external auditors, and taking into consideration the abovementioned internal control procedures which were recommended by the internal auditors, has been further strengthened as well as the action plans have been put in place by Management in relation thereto, which the Board with the concurrence of the AC, is of the opinion that the risk management and internal control systems of the Group are adequate and effective to address the financial, operational, compliance and information technology risks as of 30 June 2017.

Audit Committee

Composition of the Audit Committee

The AC was established with written terms of reference, setting out the role and authority delegated to it by the Board.

The Audit Committee comprises three (3) independent Directors namely, Mr Lee Gee Aik, Mr Neo Gim Kiong and Mr San Meng Chee. All of the members of the AC are independent. The AC is chaired by Mr Lee Gee Aik, who has relevant experience sitting on the audit committees of other listed companies.

All AC members have many years' experience in senior management position in commercial, financial and industrial sectors. The Board is of the view that the AC members, having relevant accounting and relevant financial management expertise and experience, are appropriately qualified to discharge their responsibilities. None of the AC members were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the external audit firm.

Authorities, and Roles and Responsibilities of the Audit Committee

The Board recognizes the importance of good corporate governance and the offering of a high standard of accountability to the Shareholders. The AC is authorized by the Board to investigate all matters within its term of reference. The AC has full access to, and the co-operation of Management, as well as full discretion to invite any Director to attend its meetings, and is provided with reasonable resources for it to discharge its functions properly.

The AC carries out its duties in accordance with the written terms of reference of the AC, which includes:

(i) review with the external auditors, the scope and results of the external audit, evaluation of the accounting controls, audit reports and any matters which the external auditors wish to discuss;

(ii) review with the internal auditors, their audit plan and reports, the adequacy of the internal audit procedures and their evaluation of the adequacy and effectiveness of the overall internal control systems, including financial, operational, compliance and informational technology controls and risk management systems;

(iii) review and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls, which addresses the Group's financial, operational, compliance and information technology risks and risk management systems, and any other matters requiring the Board's attention;

(iv) evaluate the Group's system of internal controls with the internal auditors and assess the effectiveness and adequacy of internal accounting and financial control procedures;

(v) review the Company's whistle-blowing policy and to ensure that arrangements are in place for concerns about possible improprieties in financial reporting or other matters to be raised and investigated, and for appropriate follow-up action to be taken;

(vi) conduct annual reviews of the cost effectiveness of the audit, the independence and objectivity of the external auditors, including the volume of non-audit services provided by the external auditors, to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors before recommending their re-appointment to the Board;

(vii) make recommendations to the Board on proposals to shareholders on the appointment, re-appointment, resignation and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

(viii) review interested person transactions and to report its findings to the Board; and

(ix) review the quarterly and full year financial statements of the Company and the Group prior to submission to the Board for approval and the dissemination of the results announcements to shareholders and SGX-ST.

The AC met with the internal auditors and external auditors without the presence of Management in respect of FY2017 audit to review matters that might be raised privately and also review the independence of the external auditor annually.

The Company confirms that it complies with Rules 712 and 715 of the Catalist Rules in engaging KPMG LLP, an auditing firm registered with the Accounting and Corporate Regulatory Authority, as the external auditors of the Company and its significant subsidiaries for consolidation purposes.

AUDIT AND NON-AUDIT FEES

The AC has reviewed the fees for the non-audit services provided to the Company by the external auditors. The AC has recommended to the Board the re-appointment of KPMG LLP as external auditors of the Company at the forthcoming AGM. The aggregate amount of fees paid by the Company to the external auditor, KPMG LLP, amounted to S$127,500 for audit services and S$1,875 for non-audit services for its role for examination of housing development accounts.. The nature of these non-audit services rendered to the Company and their related fees for FY2017 are as follows:

	S$	%
Audit Fees	127,500	98.6
Non-Audit Fees:–		
– for examination of housing development accounts	1,875	1.4
Total	**129,375**	**100**

Having reviewed all non-audit services provided by the external auditors, the AC is satisfied that the nature and extent of such services would not affect the independence and objectivity of the external auditors for reasons as aforementioned.

During FY2017, the AC reviewed the quarterly and full-year financial statements prior to submission to the Board for approval; the annual audit plan of the external auditor and the results of the audit performed by them; interested person transactions; effectiveness and adequacy of the Company's risk management and internal controls systems; audit and non-audit services rendered by the external auditors and the re-appointment of external auditors and their remuneration. The AC members had been briefed by the external auditors, KPMG LLP, on any changes to accounting standards and issues which have a direct impact on financial statements as part of their audit.

In the review of financial statements for FY2017, the AC discussed with Management, CFO and the External Auditors the significant accounting policies, judgements and estimates applied by Management in preparing the annual financial statements. The AC focused particularly on:

- Significant adjustments resulting from the audit, particularly adjustments arising from early adoption of Singapore Financial Reporting Standards 115 ("FRS 115");
- The appropriateness of the going concern assumption in the preparation of the financial statements; and
- Significant deficiencies in internal controls over financial reporting matters (if any) that came to the external auditors' attention during their audit together with their recommendations.

In addition, significant matters that were discussed with Management and the External Auditors have been included as Key Audit Matters ("KAMs") in the audit report for FY2017 in pages 52 to 57 of the Annual Report.

In assessing each KAM, the AC took into consideration the approach and methodology applied in the revenue recognition for sales of development properties and valuation of development properties, as well as the reasonableness of the estimates and key assumptions used. The AC concluded that Management's accounting treatment and estimates in each of the KAMs were appropriate.

Following the review and discussions, the AC then recommended to the Board for approval of the audited annual financial statements.

A record of the AC members' attendance at the AC meetings during FY2017 is set out on page 27 of this annual report.

Whistle-blowing Policy

The Company is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Company undertakes to investigate complaints of suspected fraud in an objective manner, and has put in place a whistle-blowing policy which provides employees and any other person with well-defined and accessible channels, including direct access to the Chairman of the AC or Company Secretary, to raise concerns about possible irregularities in matters of financial reporting or other matters in confidence (the "Whistle-blowing Policy"). The Whistle-blowing Policy defines the processes clearly to ensure independent investigation of such matters and permits whistle blowers to report directly via the following:–

(i) by email to (i) Chairman of AC (lga@galee.com.sg) or (ii) Company Secretary (lisa.cheng@tmf-group.com); and

(ii) by surface mail for the attention of the Chairman of AC or the Company Secretary at the following address: 38 Beach Road, #29-11 South Beach Tower, Singapore 189767

The Whistle-blowing Policy is intended to encourage the reporting of such matters in good faith, with confidence that employees and any other person making such reports will be treated fairly and, as far as possible, be protected from possible reprisal. The AC is in charge of overseeing the function and handling of matters being reported through the whistle-blowing system.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

The Company recognizes the importance of treating all shareholders fairly and equitably, as well as the responsibility to facilitate the exercise of shareholders' rights. All registered shareholders are given the opportunity to participate in and vote at general meetings. Shareholders are informed of shareholders' meetings through notices published in major newspaper(s) and via the SGXNet. Notices of general meetings are issued with the annual report or relevant circulars and sent to shareholders within the prescribed time frame.

Communication with Shareholders

The Company adopts an open and non-discriminatory communication program to promote regular, effective and fair communication with shareholders.

The Company has engaged the services of a public and investor relations firm and communicates with its investors on a regular basis. The Company does not has an investor relations policy.

The Company is committed to keeping shareholders apprised of the Company's performance and prospects. In line with its continuous disclosure obligations pursuant to the Catalist Rules, the Board's policy is that all shareholders should be informed of all major developments that impact the Company on an equitable and timely basis. Such information will be disseminated through SGXNet.

Financial results of the Group are announced in a timely manner. The results announcements contain detailed disclosures as required by the SGX-ST and voluntary disclosures are made as and when appropriate to enhance the level of transparency to shareholders.

The Company does not have a fixed dividend policy. The Board will consider various factors, such as the Company's and/or Group's earnings, general financial position, capital expenditure requirements, cash flow, general business environment, development plans and other factors that may be deemed appropriate, to determine whether dividends would be paid for the financial year.

The Board has not declared or recommended any dividend for FY2017, as the Company is at the growing phase and is conserving its fund for expansion to strengthen its growth and profitability.

Conduct of Shareholder Meetings

Shareholders' Participation and Proxies

The AGM is a principal forum for dialogue and interaction with all Shareholders. The Company's forthcoming AGM will be held on 30 October 2017, notice of which is set out on pages 116 to 119 of this annual report. The Company encourages active participation from the shareholders at its AGMs. To facilitate voting by the shareholders, the Regulations allow the Shareholders to vote by proxies. Proxy forms can be sent to the Company by mail. Each distinct issue will be tabled for shareholders' approval via separate resolutions at AGMs. The Chairmen of the AC, the RC and the NC as well as the external auditors will be present and available to assist the Board in addressing any queries from the shareholders.

Minutes of Annual General Meetings

The Company Secretary prepares minutes of general meetings which are available to shareholders present upon request.

Voting

All resolutions are to put to vote by poll, and the results of the AGM will be announced via SGXNet after the conclusion of the general meeting.

INTERESTED PERSON TRANSACTIONS ("IPTS")

The Company adopts a set of procedures governing all IPTS to ensure that they are carried out on arms' length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. The AC reviews the rationale and terms of the Group's IPTS to ensure that they are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. When a potential conflict of interest occurs, the Director concerned will be excluded from discussions and refrain from exercising any influence over other members of the Board.

The IPTS in FY2017 are as follows:–

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' Zamani bin Kasim ("**Dato Zamani**")[(1)] – Sale of 1 shoplot under Phase 1A of Bukit Pelali	RM818,000[(3)]	–
Abd Aziz bin Daing Rahman ("**Aziz**")[(2)] – Sale of 2 shoplots under Phase 1A of Bukit Pelali	RM1,654,600[(3)]	–
Daing Abd Rahim bin Daing A Rahman ("**Rahim**")[(2)] - Sale of 1 shoplot under Phase 1A of Bukit Pelali	RM818,000[(3)]	–
Dato' Zamani bin Kasim ("**Dato Zamani**")[(1)], Zaim Zarkasha bin Kasim[(4)] and Zhafir Zarkasha bin Kasim[(4)] – Sale of 1 Terrace House (18x60) Phase 1A of Bukit Pelali	RM628,600[(3)]	–
Interest payable to Company's controlling shareholder, Dato' Daing A Malek Bin Daing A Rahaman and associates for loan from related parties	RM634,255	–

Notes:

(1) Dato' Zamani is the Executive Director and Chief Executive Officer of the Company.

(2) Aziz and Rahim are directors of the Company's subsidiary, Astaka Padu Sdn Bhd, and brothers of the Company's controlling shareholder, Dato' Daing A Malek Bin Daing A Rahaman.

(3) Gross selling price before any discounts or rebates. For further details, please refer to the Company's announcement dated 21 February 2017 and 12 June 2017.

(4) Joint name purchasers, Zaim Zarkasha bin Kasim and Zhafir Zarkasha bin Kasim are the sons of Dato Zamani.

Save for the abovementioned, there were no interested persons transactions of S$100,000 or more entered into during FY2017.

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

DEALING IN SECURITIES

In line with Rule 1204(19) of the Catalist Rules, the Company has adopted an internal code of best practice with respect to dealing in securities by the Company, the Directors and its officers. The Company, the Directors, Management and officers of the Company who have access to price-sensitive, financial or confidential information are not permitted to deal in the Company's shares during the period commencing two (2) weeks before the announcement of the Company's quarterly financial results and one (1) month before the announcement of the Company's full-year financial results and ending on the date of the announcement of the relevant financial results, or when they are in possession of unpublished price-sensitive information of the Company. In addition, the Company, the Directors and its officers are expected to observe insider trading laws at all times even when dealing in securities within permitted trading periods. The Company, Directors and officers of the Company should not deal in the Company's shares on short-term considerations.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company or its subsidiaries that involved the interests of the Directors, CEO or controlling Shareholders which are still subsisting as at the end of FY2017, or if not then subsisting, entered into since the end of the previous financial year.

NON-SPONSOR FEES

During the year, the Company paid S$37,000 non-sponsor fees to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd..

USE OF PROCEEDS

	Before Re-allocation			After Re-allocation			
	(A)	(B)		(C)	(D)	(E)	
	Amount Allocated	Amount Utilised	Balance	Amount Reallocated	Revised Amount Allocated	Amount Utilised after Allocated	Revised Balance
			((A)-(B))		((A)+(C))		((D)-(E))
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Repayment of amounts due to interested persons	9,070	–	9,070	(9,070)	–	–	–
Repayment of bank facilities	1,653	1,653	–	–	1,653	1,653	–
Repayment of amount due to Malpakat	6,088	6,088	–	–	6,088	6,088	–
General working capital of the Group	19,849	19,849	–	9,070	28,919	28,919(1)	–
Total	**36,660**	**27,590**	**9,070**	**–**	**36,660**	**36,660**	**–**

The above utilisations are in accordance with the intended use as stated in the re-allocation of the proceeds as stated in the table above.

As of the date of this report, the Company had fully utilised its net proceeds from the Compliance Placement.

Note:

(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, repayment of bridging loan of S$6.08 million used for payment to main contractors for progressive works carried out for Phase 1 of OBS and S$9.07 million used for payment to main contractors for progressive works carried out for Phase 1 of OBS.

DIRECTORS' STATEMENT

Year ended 30 June 2017

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 30 June 2017.

In our opinion:

(a) the financial statements set out on pages 58 to 113 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Mr Neo Gim Kiong
Dato Zamani Bin Kasim
Mr Lee Gee Aik
Mr San Meng Chee

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), no directors who held office at the end of the financial year had interests in shares, debentures and share options in the Company, or of related corporations, either at the beginning or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

There were no changes in any of the directors' interests in the Company between the end of the financial year and 21 July 2017.

During the financial year, the Company has in the normal course of business entered into transactions with the directors and/or their affiliated companies, being related parties and parties in which some of the directors are deemed to have an interest, with the directors having disclosed their interests in such transactions pursuant to Section 156 of the Companies Act, Chapter 50. Such transactions disclosed in note 25 to the financial statements were carried out on normal commercial terms and in the normal course of business of the Company.

DIRECTORS' STATEMENT

Year ended 30 June 2017

Share options

During the financial year, there were:

(i) no options granted by the Group to any person to take up unissued shares in the Group; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Group.

As at the end of the financial year, there were no unissued shares of the Group under option.

Audit Committee

The members of the Audit Committee during the year and at the date of this statement are:

1. Mr Lee Gee Aik (Chairman)
2. Mr Neo Gim Kiong
3. Mr San Meng Chee

All members of the Audit Committee were independent non-executive directors of the Company.

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held 5 meetings since the last directors' statement. In performing its function, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;

- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and

- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2017 before their submission to the Board of Directors.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Auditors

On 18 April 2017, the Company received a notice from PricewaterhouseCoopers LLP ("PwC") in relation to its resignation as the auditors of the Company with effect from 17 April 2017.

Following the resignation of PwC, the Company convened an extraordinary general meeting on 25 May 2017, at which the shareholders approved the appointment of KPMG LLP as the auditors of the Company and to hold office until conclusion of the forthcoming annual general meeting of the Company. The auditors, KPMG LLP, have indicated their willingness to accept appointment.

On behalf of the Board of Directors

Dato Zamani Bin Kasim
Director

Mr Neo Gim Kiong
Director

28 September 2017

INDEPENDENT AUDITORS' REPORT

Members of the Company
Astaka Holdings Limited and its subsidiaries

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Astaka Holdings Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 58 to 113.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the financial statements*" section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – comparative information

We draw attention to Note 2.5 to the financial statements which indicates that the comparative information presented as at and for the years ended 30 June 2016 and 2015 has been restated and the Group has elected to early adopt FRS 115 *Revenue from Contracts with Customers* with a date of initial application of 1 July 2016 and has made retrospective adjustments to the comparative information in the accompanying financial statements. Consequently, the comparative information in the accompanying financial statements has been restated. Our opinion is not modified in respect of this matter.

Other matter relating to comparative information

The financial statements of the Group as at and for the year ended 30 June 2016, excluding the restatement and retrospective adjustments described in Note 2.5 to the financial statements, were audited by another auditor who expressed an unmodified opinion on those financial statements on 4 October 2016.

Members of the Company
Astaka Holdings Limited and its subsidiaries

As part of our audit of the financial statements as at and for the year ended 30 June 2017, we also audited the restatement and retrospective adjustments described in Note 2.5 to the financial statements that were applied to restate the comparative information presented as at and for the year ended 30 June 2016 and the statement of financial position as at 1 July 2015.

We were not engaged to audit, review, or apply any procedures to the comparative information presented as at and for the year ended 30 June 2016 and the statement of financial position as at 1 July 2015, other than with respect to the restatement and retrospective adjustments described in Note 2.5 to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on comparative information. However, in our opinion, the restatement and retrospective adjustments described in Note 2.5 to the financial statements are appropriate and have been properly applied.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition for sales of development properties

(Refer to Note 3.9 and Note 6 to the financial statements)

RISK:

The Group enters into contracts with customers to deliver specified building units to the customers based on the plans and specifications as set out in the contracts. In accordance with FRS 115 *Revenue from Contracts with Customers*, the analysis of whether the contracts comprise one or more performance obligations, determining whether the performance obligations are satisfied over time and the method used to measure progress for revenue recognition where performance obligations are satisfied over time represent areas requiring critical judgement and estimates by the Group.

There is a broad range of possible outcomes resulting from these judgements that could lead to different revenue and profit being reported in the financial statements.

OUR RESPONSE:

We evaluated the Group's processes over revenue recognition for sales of development properties and assessed the basis for the identification of performance obligations. We also read the sales and purchase agreements of development properties and discussed each of the developments with management to obtain an understanding of the specific terms to identify performance obligations. Also, we assessed whether the criteria are met for recognising revenue over time and the point of revenue recognition.

We assessed the appropriateness of methods and amounts used to measure the progress of the construction of specified building units by reference to construction costs incurred to date compared to the estimated total construction costs where the performance obligation is satisfied over time.

We assessed the adequacy of the estimated total construction costs by comparing them with the actual costs incurred to-date and discussed with management on the progress of the projects, taking into consideration of any significant deviation in design plans or potential delay, which may require revision in the estimated total construction costs. For the works that have been contracted to third parties, we agreed to the contracts. For construction costs incurred to date, we have tested the significant items of cost components by comparing the supporting documents pertaining to the claims from main contractors to ascertain the existence and accuracy of the costs of work done.

OUR FINDINGS:

We found the basis and result for the identification of performance obligations and the assessment of whether the identified performance obligations are satisfied over time by the Group to be appropriate. We also found the point of revenue recognition applied by the Group to be consistent with the revenue recognition criteria set out.

We found the method used to recognise revenue from the delivery of specified building units to be consistent with the transfer of control of the goods or services to the customers.

We found the estimated total construction costs and costs of work performed to date to be supported.

Valuation of development properties

(Refer to Note 3.6 and Note 6 to the financial statements)

RISK:

The Group has residential and commercial development properties held for sale in its core market, Malaysia. Development properties are stated at the lower of their cost and their net realisable values. Net realisable value represents the estimated future selling price, less estimated costs of completion and selling expenses.

The estimation of future selling prices is dependent on the Group's expectation of the market development in Malaysia. There is therefore a risk that the estimated net realisable value exceeds the future actual selling prices, resulting in losses when these properties are sold.

For land to be developed management has assessed the net realisable value of the proposed development, based on valuation obtained from an independent external valuer. Significant judgement and estimates are involved in determining the appropriate valuation methods and assumptions applied in the valuation. In particular, the net realisable value of the proposed development is highly dependent on the development plans of the Group, which increases the risk of error or potential management bias.

OUR RESPONSE:

We assessed the reasonableness of the Group's estimated selling prices of the development properties of on-going projects by comparing them with recent transacted selling prices of the development properties. We also assessed the adequacy of the estimated total construction costs of on-going projects by comparing them with the actual costs incurred to-date and discussed with management on the progress of the on-going projects, taking into consideration of any significant deviation in design plans or potential delay, which may require revision in the estimated total construction costs.

We also evaluated the independence, objectivity and competency of the independent external valuer. We considered the valuation methodologies used and assessed the reasonableness of the key assumptions used by the independent external valuer, which included a comparison of the discount rates, and price per square metre, against historical rates and available market data, taking into consideration comparable and market factors.

OUR FINDINGS:

We found the Group's assumptions used in the estimated selling prices are within the market's expectation and estimated construction costs to complete the on-going projects to be supported.

We are satisfied with the competency, capability and objectivity of the external valuer. The valuer is a member of generally-recognised professional bodies for valuers. The valuation methodologies used by the valuer are in line with generally accepted market practices and comparable to methods used for similar property types. The key assumptions used in the valuations were found to be reasonable, and where available, consistent with current market data.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the Corporate profile, Milestones, Chairman's statement, CEO's statement, Financial highlights, Board of directors, Key management, Corporate social responsibility, Group structure, Corporate information, Financial contents, Corporate governance report, Shareholding statistics and Directors' statement, prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Teo Han Jo.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
28 September 2017

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2017

	Note	Group			Company	
		2017	2016	2015	**2017**	2016
		RM	RM	RM	**RM**	RM
			Restated*	Restated*		
Assets						
Property, plant and equipment	4	**2,500,932**	3,137,320	1,323,730	**–**	–
Investment in subsidiaries	5	**–**	–	–	**1,229,000,000**	1,229,000,000
Deferred tax assets	14	**77,172**	–	3,515,000	**–**	–
Non-current assets		**2,578,104**	3,137,320	4,838,730	**1,229,000,000**	1,229,000,000
Development properties	6	**507,061,737**	282,424,962	184,048,007	**–**	–
Trade and other receivables	7	**128,515,208**	111,856,484	52,497,425	**200,244**	214,427
Amount due from related parties	8	**–**	–	–	**112,100,104**	92,512,701
Cash and cash equivalents	9	**27,151,167**	50,308,184	3,158,492	**9,684,770**	32,788,438
Current assets		**662,728,112**	444,589,630	239,703,924	**121,985,118**	125,515,566
Total assets		**665,306,216**	447,726,950	244,542,654	**1,350,985,118**	1,354,515,566
Equity						
Share capital	10	**259,383,777**	259,383,777	30,769,111	**1,455,078,944**	1,455,078,944
Merger reserve	11	**(10,769,090)**	(10,769,090)	(10,769,090)	**–**	–
Capital reserve	12	**–**	–	–	**1,419,389**	1,419,389
Accumulated losses		**(26,892,318)**	(55,285,039)	11,135,660	**(109,240,163)**	(105,470,253)
Equity attributable to owners of the Company		**221,722,369**	193,329,648	31,135,681	**1,347,258,170**	1,351,028,080
Non-controlling interests		**1,083,303**	8,208	–	**–**	–
Total equity		**222,805,672**	193,337,856	31,135,681	**1,347,258,170**	1,351,028,080
Liabilities						
Loans and borrowings	13	**21,124,183**	87,936,989	53,104,398	**–**	–
Deferred tax liabilities	14	**–**	20,000	–	**–**	–
Non-current liabilities		**21,124,183**	87,956,989	53,104,398	**–**	–
Trade and other payables	15	**336,782,142**	79,627,892	75,692,198	**609,690**	521,076
Amount due to related parties	8	**38,765,355**	28,510,194	21,534,068	**3,117,258**	2,966,410
Loans and borrowings	13	**33,717,726**	55,902,520	63,054,192	**–**	–
Current tax liabilities		**12,111,138**	2,391,499	22,117	**–**	–
Current liabilities		**421,376,361**	166,432,105	160,302,575	**3,726,948**	3,487,486
Total liabilities		**442,500,544**	254,389,094	213,406,973	**3,726,948**	3,487,486
Total equity and liabilities		**665,306,216**	447,726,950	244,542,654	**1,350,985,118**	1,354,515,566

* See Note 2.5

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2017

	Note	**2017** **RM**	2016 RM Restated*
Revenue	16	**309,647,902**	264,863,169
Cost of sales	17	**(253,903,215)**	(213,761,291)
Gross profit		**55,744,687**	51,101,878
Other income	18	**273,963**	98,416
Selling and distribution expenses		**(3,169,099)**	(729,458)
Administrative expenses		**(12,881,553)**	(8,983,013)
Others expenses		**(2,177,215)**	(99,617,407)
Results from operating activities		**37,790,783**	(58,129,584)
Finance income	19	**2,964,160**	395,969
Finance costs	19	**(18,416)**	(2,655,759)
Net finance income/(costs)	19	**2,945,744**	(2,259,790)
Profit/(Loss) before tax	20	**40,736,527**	(60,389,374)
Tax expense	21	**(11,758,711)**	(6,026,472)
Profit/(Loss) and total comprehensive income for the year		**28,977,816**	(66,415,846)
Profit/(Loss) and total comprehensive income attributable to:			
Owners of the Company		**28,392,721**	(66,420,699)
Non-controlling interests		**585,095**	4,853
Profit/(Loss) and total comprehensive income for the year		**28,977,816**	(66,415,846)
Earnings per share			
Basic and diluted earnings/(loss) per share (RM cents per share)	22	**1.52**	(3.79)

* See Note 2.5

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2017

	Note	Attributable to owners of the Company					
		Share capital RM	Merger reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
The Group							
At 1 July 2015, as previously stated		30,769,111	(10,769,090)	(276,367)	19,723,654	–	19,723,654
Prior year adjustment	2.5	–	–	11,412,027	11,412,027	–	11,412,027
At 1 July 2015, as restated		30,769,111	(10,769,090)	11,135,660	31,135,681	–	31,135,681
Loss and total comprehensive income for the year							
Loss and total comprehensive income for the year, as previously stated		–	–	(110,973,894)	(110,973,894)	(744)	(110,974,638)
Impact of change in accounting policy	2.5	–	–	44,553,195	44,553,195	5,597	44,558,792
Loss and total comprehensive income for the year, as restated		–	–	(66,420,699)	(66,420,699)	4,853	(66,415,846)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Issue of placement shares	10	130,620,410	–	–	130,620,410	–	130,620,410
Shares issue expenses	10	(2,788,402)	–	–	(2,788,402)	–	(2,788,402)
Shares issued for reverse acquisition	10	73,421,319	–	–	73,421,319	3,355	73,424,674
Shares issued to Arranger	10	27,361,339	–	–	27,361,339	–	27,361,339
Total contributions by and distributions to owners		228,614,666	–	–	228,614,666	3,355	228,618,021
At 30 June 2016, as restated		**259,383,777**	**(10,769,090)**	**(55,285,039)**	**193,329,648**	**8,208**	**193,337,856**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2017

	Attributable to owners of the Company					
	Share capital RM	Merger reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
The Group						
At 1 July 2016	259,383,777	(10,769,090)	(55,285,039)	193,329,648	8,208	193,337,856
Profit and total comprehensive income for the year	–	–	28,392,721	28,392,721	585,095	28,977,816
Changes in ownership interests in subsidiary						
Incorporation of subsidiary with non-controlling interests	–	–	–	–	490,000	490,000
Total changes in ownership interests in subsidiary	–	–	–	–	490,000	490,000
At 30 June 2017	259,383,777	(10,769,090)	(26,892,318)	221,722,369	1,083,303	222,805,672

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2017

	Note	**2017 RM**	2016 RM Restated*
Cash flows from operating activities			
Profit/(Loss) for the year		**28,977,816**	(66,415,846)
Adjustments for:			
Depreciation of property, plant and equipment		**1,361,597**	1,131,795
Property, plant and equipment written off		**12,678**	128
Acquisition costs arising from reverse acquisition	27	**–**	63,624,699
Shares issued to Arranger	27	**–**	27,361,339
Interest expense		**18,416**	7,470
Interest income		**(1,239,287)**	(395,969)
Tax expense		**11,758,711**	6,026,472
		40,889,931	31,340,088
Changes in:			
Development properties		**(218,185,267)**	(174,361,029)
Trade and other receivables		**(16,658,724)**	32,862,880
Trade and other payables		**257,154,250**	(3,083,293)
Cash generated from/(used in) operations		**63,200,190**	(113,241,354)
Tax paid		**(2,136,244)**	(122,090)
Net cash from/(used in) operating activities		**61,063,946**	(113,363,444)
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(260,887)**	(2,840,511)
Interest received		**1,239,287**	395,969
Net cash received from reverse acquisition	27	**–**	9,027,023
Net cash from investing activities		**978,400**	6,582,481
Cash flows from financing activities			
Incorporation of subsidiary with non-controlling interests		**490,000**	–
Balances with related parties		**9,736,537**	3,976,126
Balances with a shareholder		**518,624**	3,000,000
Proceeds from issuance of shares	10	**–**	130,620,410
Shares issue expenses	10	**–**	(2,788,402)
Proceeds from draw down of term loans		**19,919,766**	90,992,106
Repayment of term loans		**(107,798,861)**	(67,960,913)
Repayment of finance lease liabilities		**(109,640)**	(60,007)
Interest paid		**(6,469,924)**	(8,453,396)
Net cash (used in)/from financing activities		**(83,713,498)**	149,325,924
Net (decrease)/increase in cash and cash equivalents		**(21,671,152)**	42,544,961
Cash and cash equivalents at 1 July		**34,335,857**	(8,209,104)
Cash and cash equivalents at 30 June	9	**12,664,705**	34,335,857

* See Note 2.5

Significant non-cash transactions

During the financial year, the Group purchased property, plant and equipment amounting to RM737,887 (2016: RM2,945,513), of which RM477,000 (2016: RM105,002) was acquired under finance lease arrangements.

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 September 2017 .

1 DOMICILE AND ACTIVITIES

Astaka Holdings Limited ('the Company') is incorporated in the Republic of Singapore. The address of the Company's registered office is 38 Beach Road, #29-11 South Beach Tower, Singapore 189767.

The financial statements of the Company as at and for the year ended 30 June 2017 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in equity-accounted investees.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (continued)

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 3.9 – Revenue recognition

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 5 – Impairment of investment in subsidiaries
Note 6 – Estimation of allowance for foreseeable losses for development properties
Note 21 – Estimation of current and deferred taxation

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 26 – financial instruments.

2 BASIS OF PREPARATION (CONTINUED)

2.5 Adoption of new accounting standards and prior year adjustment

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in the financial statements.

Early adoption of FRS 115 *Revenue from Contracts with Customers*

The Group has early adopted FRS 115 *Revenue from Contracts with Customers* with a date of initial application of 1 July 2016. As a result, the Group has changed its accounting policies for revenue recognition as detailed below.

Sale of development properties

The Group previously recognised revenue from sale and cost of sales of development properties upon the completion of the construction of the development properties and the risks and rewards of ownership have been transferred to the buyer through either the transfer of legal title or on equitable interest in a property.

Under FRS 115, the Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group recognises revenue from property development over time if the Group's performance does not create an asset with alternative use to the Group and it has an enforceable right to payment for performance completed to date. The Group measures the progress towards complete satisfaction of the performance obligation based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the construction costs incurred to date to the estimated total construction costs).

Contract costs

The Group previously capitalised commission costs paid to sales agents to secure sale contract for development properties as prepayments included in trade and other receivables. Under FRS 115, the Group reclassified these commission costs to development properties as incremental costs of obtaining a contract with a customer and if they are expected to be recovered. Subsequent to initial measurement, contract costs are recognised to profit or loss using the same measure of progress as the related contract revenue.

Prior year adjustment

The deferred tax liabilities arising from the gain on disposal of land were recognised in the financial statements in prior years although the Group has no obligation to settle this tax liability. The abovementioned deferred tax liabilities were derecognised in the financial statements by way of prior year adjustment.

2 BASIS OF PREPARATION (CONTINUED)

2.5 Adoption of new accounting standards and prior year adjustment (continued)

The following tables summarise the impacts of adopting FRS 115 and prior year adjustment on the Group's financial statements.

Consolidated statement of financial position

	As at 1 July 2015			
	As previously stated RM	Effects of FRS 115 RM	Prior year adjustment RM	As restated RM
Assets				
Deferred tax assets	–	–	3,515,000	3,515,000
Development properties	300,182,207	(116,134,200)	–	184,048,007
Trade and other receivables	71,001,064	(18,503,639)	–	52,497,425
Others	4,482,222	–	–	4,482,222
Total assets	375,665,493	(134,637,839)	3,515,000	244,542,654
Liabilities				
Deferred tax liabilities	7,897,027	–	(7,897,027)	–
Trade and other payables	210,330,037	(134,637,839)	–	75,692,198
Others	137,714,775	–	–	137,714,775
Total liabilities	355,941,839	(134,637,839)	(7,897,027)	213,406,973
Equity				
Accumulated losses	(276,367)	–	11,412,027	11,135,660
Others	20,000,021	–	–	20,000,021
Total equity	19,723,654	–	11,412,027	31,135,681

2 BASIS OF PREPARATION (CONTINUED)

2.5 Adoption of new accounting standards and prior year adjustment (continued)

	As at 30 June 2016			
	As previously stated RM	Effects of FRS 115 RM	Prior year adjustment RM	As restated RM
Assets				
Development properties	483,811,083	(201,386,121)	–	282,424,962
Trade and other receivables	66,904,610	44,951,874	–	111,856,484
Others	53,445,504	–	–	53,445,504
Total assets	604,161,197	(156,434,247)	–	447,726,950
Liabilities				
Deferred tax liabilities	2,734,955	8,697,072	(11,412,027)	20,000
Trade and other payables	287,164,017	(207,536,125)	–	79,627,892
Current tax liabilities	4,545,485	(2,153,986)	–	2,391,499
Others	172,349,703	–	–	172,349,703
Total liabilities	466,794,160	(200,993,039)	(11,412,027)	254,389,094
Equity				
Accumulated losses	(111,250,261)	44,553,195	11,412,027	(55,285,039)
Non-controlling interests	2,611	5,597	–	8,208
Others	248,614,687	–	–	248,614,687
Total equity	137,367,037	44,558,792	11,412,027	193,337,856

2 BASIS OF PREPARATION (CONTINUED)

2.5 Adoption of new accounting standards and prior year adjustment (continued)

Consolidated statement of comprehensive income
Year ended 30 June 2016

	As previously stated RM	Effects of FRS 115 RM	As restated RM
Revenue	–	264,863,169	264,863,169
Cost of sales	–	(213,761,291)	(213,761,291)
Tax credit/(expense)	516,614	(6,543,086)	(6,026,472)
Others	(111,491,252)	–	(111,491,252)
Loss and total comprehensive income for the year	(110,974,638)	44,558,792	(66,415,846)
Loss and total comprehensive income attributable to:			
Owners of the Company	(110,973,894)	44,553,195	(66,420,699)
Non-controlling interests	(744)	5,597	4,853
Loss and total comprehensive income for the year	(110,974,638)	44,558,792	(66,415,846)
Earnings per share			
Basic and diluted loss per share (RM cents per share)	(6.33)	2.54	(3.79)

2 BASIS OF PREPARATION (CONTINUED)

2.5 Adoption of new accounting standards and prior year adjustment (continued)

Consolidated statement of cash flows
Year ended 30 June 2016

	As previously stated RM	Effects of FRS 115 RM	As restated RM
Cash flows from operating activities			
Loss for the year	(110,974,638)	44,558,792	(66,415,846)
Adjustments for:			
Tax (credit)/expense	(516,614)	6,543,086	6,026,472
Unrealised foreign exchange loss	1,898,919	(1,898,919)	–
Others	91,729,462	–	91,729,462
	(17,862,871)	49,202,959	31,340,088
Changes in:			
Development properties	(175,182,950)	821,921	(174,361,029)
Trade and other receivables	11,888,393	20,974,487	32,862,880
Trade and other payables	69,814,993	(72,898,286)	(3,083,293)
Balances with related parties	3,976,126	(3,976,126)	–
Balances with a shareholder	3,000,000	(3,000,000)	–
Cash used in operations	(104,366,309)	(8,875,045)	(113,241,354)
Tax paid	(122,090)	–	(122,090)
Net cash used in operating activities	(104,488,399)	(8,875,045)	(113,363,444)
Net cash from investing activities	6,582,481	–	6,582,481
Net cash from financing activities			
Balances with related parties	–	3,976,126	3,976,126
Balances with a shareholder	–	3,000,000	3,000,000
Others	142,349,798	–	142,349,798
Net cash from financing activities	142,349,798	6,976,126	149,325,924
Net increase in cash and cash equivalents	44,443,880	(1,898,919)	42,544,961
Cash and cash equivalents at 1 July 2015	(8,209,104)	–	(8,209,104)
Effects of exchange rate fluctuations on cash held	(1,898,919)	1,898,919	–
Cash and cash equivalents at 30 June 2016	34,335,857	–	34,335,857

3 SIGNIFICANT ACCOUNTING POLICIES

The Group adopted new or revised financial reporting standards and interpretations which became effective during the year. The initial adoption of these standards and interpretations did not have a material impact on the financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in Note 2.5, which addresses the early adoption of FRS 115 *Revenue from Contracts with Customers*.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combinations* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity in interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(i) Business combinations (continued)

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(vi) Subsidiaries in the separate financial statements

Investment in subsidiaries is stated in the Company's statement of financial position at cost less accumulated impairment losses. The initial cost of the investment in Astaka Group is based on the fair value of the ordinary shares issued by the Company upon the completion of reverse acquisition.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Ringgit Malaysia at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Ringgit Malaysia at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the end of the reporting period.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the loans and receivables category.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables (excluding prepayments) and amount due from related parties.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, trade and other payables and amount due to related parties.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use; and
- capitalised borrowing costs.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised within other income/other operating expenses in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Assets under construction are not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Renovations	–	2 years
Computers	–	2.5 years
Equipment and fittings	–	2 to 5 years
Motor vehicles	–	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an associate, is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Impairment (continued)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than development properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU group (groups of CGUs) on a *pro rata* basis.

An impairment loss in respect of assets recognised in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.6 Development properties

(i) Properties in the course of development (unsold units)/Properties for development

Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities.

Borrowing costs that are directly attributable to the acquisition and development of the development properties are capitalised as part of development properties during the period of development.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The write-downs to net realisable value are presented as allowance for foreseeable losses.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Development properties (continued)

(ii) Contract costs

Commission costs are capitalised if they are incurred to obtain a contract with a customer that the Group would not have incurred if the contract had not been obtained, and the costs are expected to be recoverable.

Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered.

(iii) Subsequent measurement

Subsequent to initial measurement, contract costs are recognised to profit or loss using the same measure of progress as the related contract revenue.

The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of the contract costs exceeds:

- the remaining amount of consideration that the Group expects to receive for the sold units; less
- the estimated costs of completion that have not been recognised as expenses.

An impairment loss is reversed if the conditions no longer exist or have improved.

(iv) Sold units

The amount represents the gross unbilled amount expected to be collected from customers for work performed to date. The aggregated costs incurred together with attributable profits and net of progress billings are presented as development properties in the statement of financial position. If progress billings exceed costs incurred plus recognised profits, the balance is presented in trade and other payables. Customer advance in excess of progress billings are presented in trade and other payables.

3.7 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Employee benefits (continued)

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.8 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.9 Revenue

Revenue comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue are presented, net of goods and service tax, rebates and discounts.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(i) Sale of development properties

Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions.

For development properties whereby the Group has an enforceable right to payment for performance completed to date, revenue is recognised based on the percentage of completion of construction. The percentage of completion is measured by reference to the construction costs incurred to date to the estimated total construction costs. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

For development properties whereby the Group has no enforceable right to payment until legal title has passed to the customer, revenue is recognised when the legal title has been transferred to the customer.

The revenue is measured at the transaction price agreed under the contract. Progress billings to the customer are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. When the period between the recognition of revenue and payment by the customer exceeds one year, an adjustment is made to the transaction price for the time value of money.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Revenue (continued)

(i) Sale of development properties (continued)

Critical judgements in identifying performance obligations and measuring progress

Under the terms of the contract, the Group contracted with the customer to deliver a specified building unit to the customer in accordance with the plans and specifications set out in the contract. The contract includes the specified building unit and an undivided share in the land and the common property. The analysis of whether the contract comprises one or more performance obligations, the method used to measure progress for revenue recognition and the amounts to be included as fulfilment cost for calculating the percentage of completion present areas requiring critical judgement by the Group.

3.10 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as ‘other income’ on a systematic basis in the same periods in which the expenses are recognised.

Grants that compensate the Group for expenditures incurred for the development expenditures are recognised initially as deduction against the carrying amount of the development properties. Subsequent to initial measurement, these grants are amortised in profit or loss as deduction against cost of sales using the same measure of progress as the related contract revenue.

3.11 Leases

When the Group is lessee of a finance lease

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Leases (continued)

When the Group is lessee of an operating lease

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

3.12 Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.13 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Tax (continued)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.14 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.15 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Segment reporting (continued)

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

3.16 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2016 and earlier application is permitted; however, the Group has not early applied the following new or amended standards in preparing these financial statements.

For those new standards and amendment to the standards that are expected to have an effect on the financial statements of the Group and the Company in future financial periods, the finance team is tasked to assess the transition options and the potential impact on its financial statements, and to implement these standards. The Group does not plan to adopt these standards early.

These new standards include, among others, FRS 109 *Financial Instruments* which is mandatory for adoption by the Group on 1 July 2018 and FRS 116 Leases which is mandatory for adoption by the Group on 1 July 2019.

FRS 109 *Financial Instruments*

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If the Group does not restate comparative information, the cumulative effect is recorded in its opening equity as at 1 July 2018.

Potential impact on the financial statements

Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.

The Group is evaluating the approach to adopt in respect of recording expected impairment losses on its trade and other receivables. The Group is currently gathering data to quantify the potential impact arising from adoption.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 New standards and interpretations not adopted (continued)

FRS 109 *Financial Instruments* (continued)

Potential impact on the financial statements (continued)

The Group plans to adopt the standard when it becomes effective for the Group on 1 July 2018 without restating comparative information; and is gathering data to quantify the potential impact arising from the adoption.

FRS 116 *Leases*

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use ("ROU") assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

Potential impact on the financial statements

The Group has performed a preliminary high-level assessment of the new standard on its existing operating lease arrangements as a lessee. Based on the preliminary assessment, the Group expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. As at 30 June 2017, the operating lease commitments on an undiscounted basis amount to RM133,900 (Note 24). Assuming no additional new operating leases in future years until the effective date, the Group expects the amount of ROU asset and lease liability to be lower due to discounting and as the lease terms run down. The Group plans to adopt the standard when it becomes effective for the Group on 1 July 2019.

Convergence with International Financial Reporting Standards ("IFRS")

In addition, the Accounting Standards Council ("ASC") announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange ("SGX") will apply a new financial reporting framework identical to the International Financial Reporting Standards (referred to as SG-IFRS in these financial statements) for the financial year ending 31 December 2018 onwards.

The Group plans to adopt the standard when it becomes effective for the Group on 1 July 2018. The Group will perform a detailed analysis of the standard, including the transition options and practical expedients in for the financial year ending 30 June 2018.

4 PROPERTY, PLANT AND EQUIPMENT

	Renovations RM	Computers RM	Equipment and fittings RM	Motor vehicles RM	Assets under construction RM	Total RM
Group						
2017						
Cost						
At 1 July 2015	176,286	114,106	143,606	1,400,771	80,000	1,914,769
Additions	2,613,691	22,584	130,298	125,250	53,690	2,945,513
Reclassification	53,690	–	80,000	–	(133,690)	–
Write off	–	(1,949)	–	–	–	(1,949)
At 30 June 2016	2,843,667	134,741	353,904	1,526,021	–	4,858,333
Additions	12,000	105,399	71,780	548,708	–	737,887
Write off	(13,936)	(25,629)	(36,284)	–	–	(75,849)
At 30 June 2017	2,841,731	214,511	389,400	2,074,729	–	5,520,371
Accumulated depreciation						
At 1 July 2015	165,138	56,676	80,630	288,595	–	591,039
Depreciation charge	745,584	43,920	62,137	280,154	–	1,131,795
Write off	–	(1,821)	–	–	–	(1,821)
At 30 June 2016	910,722	98,775	142,767	568,749	–	1,721,013
Depreciation charge	899,297	41,905	77,609	342,786	–	1,361,597
Write off	(13,936)	(25,617)	(23,618)	–	–	(63,171)
At 30 June 2017	1,796,083	115,063	196,758	911,535	–	3,019,439
Carrying amount						
At 1 July 2015	11,148	57,430	62,976	1,112,176	80,000	1,323,730
At 30 June 2016	1,932,945	35,966	211,137	957,272	–	3,137,320
At 30 June 2017	1,045,648	99,448	192,642	1,163,194	–	2,500,932

The carrying amount of motor vehicles held by the Group under finance leases amounted to RM805,454 (2016: RM420,664).

5 INVESTMENT IN SUBSIDIARIES

	Company 2017 RM	Company 2016 RM
Equity investment, at cost		
At beginning of the year	1,229,000,000	–
Additions	–	1,311,074,539
Impairment	–	(82,074,539)
At end of the year	1,229,000,000	1,229,000,000

5 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The additions made to investment in subsidiaries during the previous financial year comprised:

(i) 1,567,749,160 ordinary shares in the Company issued to the previous shareholders of Astaka Group at S$0.2679 per share;

(ii) 29,861,888 ordinary shares in the Company issued to the advisor for the reverse acquisition ("Arranger") at S$0.2679 per share; and

(iii) Subscription of 4,199,850 ordinary shares by the Company in Astaka Padu Limited for an aggregate subscription price of S$1,000,000 (RM3,049,200) in cash.

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group 2017 %	2016 %
Held by the Company				
Astaka Padu Limited[1,3]	Investment holding	British Virgin Islands	**99.99**	99.99
Held by Astaka Padu Limited				
Astaka Padu Sdn Bhd[2,3]	Property development	Malaysia	**99.99**	99.99
Held by Astaka Padu Sdn Bhd				
Bukit Pelali Properties Sdn Bhd[2]	Property development	Malaysia	**50.99**	–
Held by Bukit Pelali Properties Sdn Bhd				
Bukit Pelali Healthcare Sdn Bhd[2]	Dormant	Malaysia	**50.99**	–

1 Not required to be audited by law in the country of incorporation

2 Audited by KPMG, Malaysia

3 Acquired as part of the reverse acquisition in the previous financial year (Note 27)

Impairment of investment in subsidiaries

The Company assesses at the end of each reporting date whether there is objective evidence that the investment in subsidiaries is impaired and recognises an impairment charge when such evidence exists.

The cost of investment in subsidiaries amounting to RM1,311,074,539 held by the Company as at 30 June 2016 represented the fair value of consideration paid by the Company to acquire the Astaka Group via issuance of shares in the Company.

5 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Impairment of investment in subsidiaries (continued)

Management assessed the recoverable amount of the investment in subsidiaries based on the fair value of the development projects undertaken by the Group using the market comparison approach, where sale price of comparable properties under the development projects in close proximity are adjusted for differences in key attributes such as property size.

Based on the assessment, the recoverable amount of the investment in subsidiaries was determined to be RM1,229,000,000, which was below the carrying amount of RM1,311,074,539. Accordingly, management recognised an impairment loss of RM82,074,539 in the financial statements for the year ended 30 June 2016.

Management is of the view that the allowance for impairment loss recorded is adequate and no further impairment is required for the investment in subsidiaries as at 30 June 2017 and 2016.

6 DEVELOPMENT PROPERTIES

	Group	
	2017	2016
	RM	RM
		Restated
Properties in the course of development		
Unsold units		
– aggregate costs incurred	**277,418,018**	129,143,131
– government grant	**(29,299,909)**	(30,070,959)
	248,118,109	99,072,172
Contract costs		
– capitalised commission	**7,741,717**	18,862,726
– fulfilment cost	**19,459,145**	10,569,814
– government grant	**(13,522,630)**	(33,429,819)
	13,678,232	(3,997,279)
Sold units		
– cost	**467,664,506**	213,761,291
– attributable profit	**106,846,565**	51,101,878
	574,511,071	264,863,169
Less: Progress billings	**(438,577,911)**	(198,730,008)
	135,933,160	66,133,161
Total properties in the course of development	**397,729,501**	161,208,054
Properties for development representing mainly land, at cost	**109,332,236**	121,216,908
Total	**507,061,737**	282,424,962
Borrowing costs capitalised during the year	**6,451,508**	8,445,926

6 DEVELOPMENT PROPERTIES (CONTINUED)

Securities

Certain development properties of the Group have been charged to the banks as collateral for term loan facilities provided to the Group as disclosed in Note 13.

Properties in the course of development and properties for development

(i) Unsold units

The amount relates primarily to cost attributable to the unsold units. Borrowing costs of the Group have been capitalised at rates ranging from 4.0% to 10.2% (2016: 10.2%) per annum.

(ii) Capitalised government grant

Government grant of RM84,430,000 (Note 7) represented grant to be receivable from the Government of Malaysia in relation to the reimbursement of the construction costs incurred on The Astaka @ One Bukit Senyum development project of the Group. The Group has therefore capitalised them by deducting against the carrying amount of development properties.

Capitalised government grant are amortised when the related revenue is recognised. In 2017, an amount of RM20,678,239 (2016: RM20,929,222) of the capitalised government grant was amortised to profit or loss included as deduction against cost of sales.

(iii) Capitalised commission

Management expects the incremental commission fees paid to property agents as a result of securing sale contracts to be recoverable. The Group has therefore capitalised the commission fees amounting to RM31,232,730 (2016: RM30,672,009) as at 30 June 2017.

Capitalised commission fees are amortised when the related revenue is recognised. In 2017, an amount of RM11,681,730 (2016: RM11,809,283) of the capitalised commission fees was amortised to profit or loss included as cost of sales and no impairment was recorded.

(iv) Fulfilment cost

Costs that are attributable to the sold units amounting to RM505,240,099 (2016: RM233,451,044) are capitalised as fulfilment cost as at 30 June 2017.

These costs are expected to be recoverable and are amortised to profit or loss as cost of sales when the related revenue are recognised. In 2017, RM262,899,724 (2016: RM222,881,230) was amortised and no impairment was recorded.

6 DEVELOPMENT PROPERTIES (CONTINUED)

Securities (continued)

Properties in the course of development and properties for development (continued)

(v) Sold units

The amount represents the unbilled amount for work completed to date. The amount is transferred to receivable when the right to bill becomes unconditional. This typically occurs when the construction milestones are achieved.

Significant changes in the balance during the year are as follows:

	Contract assets		
	Cost RM	Attributable profit RM	Cumulative progress billing RM
Group			
2017			
At beginning of the year	**213,761,291**	**51,101,878**	**(198,730,008)**
Revenue recognised during the year	**253,903,215**	**55,744,687**	**–**
Progress billings issued during the year	**–**	**–**	**(239,847,903)**
At end of the year	**467,664,506**	**106,846,565**	**(438,577,911)**
2016			
At beginning of the year	–	–	(132,061,451)
Revenue recognised during the year	213,761,291	51,101,878	–
Progress billings issued during the year	–	–	(66,668,557)
At end of the year	213,761,291	51,101,878	(198,730,008)

Estimation of allowance for foreseeable losses for development properties

The Group assesses at every reporting date whether any allowance for foreseeable losses is required. The allowance for foreseeable losses is estimated after taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. As at the reporting date, no allowance for foreseeable losses is recognised.

7 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
		Restated		
Trade receivables from:				
– third parties	**36,334,706**	23,207,519	**–**	–
– a director	**613,729**	408,225	**–**	–
– a shareholder	**17,540**	–	**–**	–
– key management personnel	**1,656,089**	408,225	**–**	–
	38,622,064	24,023,969	**–**	–
Other receivables	**84,952,504**	84,672,424	**–**	–
Deposits	**280,364**	945,869	**–**	–
Advanced payments	**4,349,000**	1,870,000	**–**	–
Prepayments	**311,276**	344,222	**200,244**	214,427
	128,515,208	111,856,484	**200,244**	214,427

Included in the Group's other receivables are Government grants receivable from the Government of Malaysia of RM84,430,000 (2016: RM84,430,000) in relation to the reimbursement of the construction costs incurred on The Astaka @ One Bukit Senyum development project of the Group.

The ageing of trade receivables at the reporting date was:

	Group	
	2017	2016
	RM	RM
Not past due	**21,847,351**	11,918,802
Past due 1 to 30 days	**3,491,616**	2,215,500
Past due 31 to 60 days	**3,466,011**	4,204,628
Past due 61 to 90 days	**5,908,212**	3,537,465
Past due more than 91 days	**3,908,874**	2,147,574
	38,622,064	24,023,969

As at the reporting date, the Group believes that no allowance for impairment loss is necessary in respect of trade receivables based on the Group's historical experience in the collection of these trade receivables.

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers, which are widely distributed and covers a broad range of end markets.

8 AMOUNT DUE FROM/(TO) RELATED PARTIES

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Amounts due from:				
– subsidiaries	**–**	–	**112,100,104**	92,512,701
	–	–	**112,100,104**	92,512,701
Amounts due to:				
– affiliated corporations	**(19,723,892)**	(9,987,355)	**–**	–
– a controlling shareholder	**(19,041,463)**	(18,522,839)	**–**	–
– subsidiaries	**–**	–	**(3,117,258)**	(2,966,410)
	(38,765,355)	(28,510,194)	**(3,117,258)**	(2,966,410)

Amounts due from/(to) subsidiaries are non-trade, unsecured, interest-free and are repayable on demand.

Amounts due from affiliated corporations and a controlling shareholder are non-trade, unsecured, bears interest at rate of 4% (2016: interest-free) per annum and are repayable on demand.

Affiliated corporations are defined as those companies in which a controlling shareholder of the Company is a director of these companies.

9 CASH AND CASH EQUIVALENTS

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Cash and bank balances	**27,151,167**	50,308,184	**9,684,770**	32,788,438

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

	Group	
	2017	2016
	RM	RM
Cash and bank balances (as above)	**27,151,167**	50,308,184
Less: Bank overdrafts	**(14,486,462)**	(15,972,327)
Cash and cash equivalents per consolidated statement of cash flows	**12,664,705**	34,335,857

Included in cash and bank balances is an amount of RM2,691,166 (2016: RM205,638) 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 payment of property development expenditure incurred. The surplus monies, if any, will be released to the respective subsidiaries upon the completion of the property development projects and after all property development expenditure have been fully settled.

10 SHARE CAPITAL

	No. of ordinary shares issued	Amount of share capital	
	Company	Group	Company
		RM	RM
2017			
At beginning and end of the year	**1,869,434,303**	**259,383,777**	**1,455,078,944**
2016			
At beginning of the year	280,000,000	30,769,111	4,899,747
Share consolidation	(186,666,745)	–	–
Capital reduction	–	–	(5,462,422)
Shares issued for reverse acquisition (Note 27)	1,567,749,160	73,421,319	1,280,664,000
Shares issued to Arranger (Note 27)	29,861,888	27,361,339	27,361,339
Issue of placement shares	178,490,000	130,620,410	130,620,410
Shares issues expenses	–	(2,788,402)	(2,788,402)
Effects of change in functional currency	–	–	19,784,272
At end of the year	1,869,434,303	259,383,777	1,455,078,944

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

The Group's share capital amount differs from that of the Company as a result of reverse acquisition accounting as described in Note 27.

Share consolidation

On 18 November 2015, the shares in the Company were consolidated on the basis of one shares for every three shares held by the shareholders ("Share Consolidation"). The number of consolidated shares to which shareholders are entitled arising from the Share Consolidation were rounded down to the nearest whole consolidated share, and any fractions of Consolidated Shares arising from the Share Consolidation were disregarded.

Capital reduction

The Company undertook on 6 May 2015, a capital reduction exercise which involved the distribution of capital of HKD$9,800,000 (RM5,462,422) representing approximately HKD$0.035 for each share held before the completion of the reverse acquisition, in cash. The capital reduction exercise did not result in any change in the number of shares of the Company.

10 SHARE CAPITAL (CONTINUED)

Placement shares

On 19 November 2015, the Company issued 178,490,000 ordinary shares ("placement shares") at S$0.24 (RM0.73) each, for cash.

Capital management

The Group's primary objective in capital management is to maintain a strong capital base so as to maintain investor, creditor and market confidence, to continue to maintain the future development and growth of the business.

The Group monitors capital using a net debt equity ratio, which is adjusted net debt divided by total equity. For this purpose, adjusted net debt is defined as total loans and borrowings less cash and cash equivalents. Total equity includes equity attributable to owners of the Company and non-controlling interests.

	Group	
	2017	2016
	RM	RM
Loans and borrowings (including hire purchase liabilities)	**54,841,909**	143,839,509
Less: Cash and cash equivalents	**(27,151,167)**	(50,308,184)
Net debts	**27,690,742**	93,531,325
Total equity	**222,805,672**	193,337,856
Net debt ratio	**0.12**	0.48

No changes were made to the above objectives, policies and processes during the year ended 30 June 2017 and 2016.

The Group is not subject to externally imposed capital requirements.

11 MERGER RESERVE

In 2014, Astaka Padu Limited ("APL") acquired the entire share capital of Astaka Padu Sdn Bhd ("APSB") through a share-for-share swap by issuing 80 ordinary shares amounting to RM20,000,000 to the shareholders of APSB. The acquisition of APSB by APL had been accounted for as a capital reorganisation as both APL and APSB were under common control of the same controlling shareholders.

The share capital of the Group issued for the purpose of the capital reorganisation in 2014 amounting to RM30,769,090 was measured based on deemed cost of acquiring APSB, being the existing carrying values of the net assets acquired. The resulting differences are recognised separately as a merger reserve.

12 CAPITAL RESERVE

	Company	
	2017	2016
	RM	RM
At beginning of the year	**1,419,389**	1,054,451
Effects of change in functional currency	–	364,938
At end of the year	**1,419,389**	1,419,389

Capital reserve represents the issue of shares to the Arranger of the Company during the listing of the Company in 2009 and the listing expenses borne by the shareholders were deemed to be capital contributions by the shareholders and were recognised as a component of equity in capital reserve.

13 LOANS AND BORROWINGS

	Group	
	2017	2016
	RM	RM
Non-current liabilities		
Secured		
Term loans	**20,641,576**	87,733,634
Finance lease liabilities	**482,607**	203,355
	21,124,183	87,936,989
Current liabilities		
Secured		
Term loans	**19,062,144**	39,849,181
Bank overdrafts	**14,486,462**	15,972,327
Finance lease liabilities	**169,120**	81,012
	33,717,726	55,902,520
Total loans and borrowings	**54,841,909**	143,839,509

13 LOANS AND BORROWINGS (CONTINUED)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate %	Year of maturity	Carrying amount RM
Group				
2017				
Secured				
Term loan I	**RM**	**10.6%**	**2019**	**2,437,377**
Term loan II	**RM**	**10.6%**	**2017**	**–**
Term loan III	**RM**	**10.6%**	**2020**	**8,274,004**
Term loan IV	**RM**	**10.6%**	**2019**	**14,761,396**
Term loan V	**RM**	**10.6%**	**2019**	**14,230,943**
Finance lease liabilities	**RM**	**2.41 to 2.96%**	**2019 to 2022**	**651,727**
				40,355,447
2016				
Secured				
Term loan I	RM	10.6%	2019	9,481,781
Term loan II	RM	10.6%	2017	4,449,107
Term loan III	RM	10.6%	2020	17,497,928
Term loan IV	RM	10.6%	2019	58,301,882
Term loan V	RM	10.6%	2019	37,852,117
Finance lease liabilities	RM	2.49% to 2.67%	2019 to 2021	284,367
				127,867,182

Security

Included in the term loan and bank overdraft is a AL Murabahah credit facility from Maybank Islamic Berhad of RM270,770,000 (2016: RM270,770,000) for the purpose of the construction of the Group's development properties. It is secured against a legal charge over the land and building to be erected on the land in Bukit Senyum under PTO 216346 I-ISD520590, Mukim Plentong, District of Johor Bahru of up to the outstanding borrowing amount and a controlling shareholder's fixed deposit of RMNil (2016: RM20,000,000). The term loan is jointly and severally guaranteed by the controlling shareholder of the Company, a director of the Company and the directors of Astaka Padu Sdn Bhd.

Included in the bank overdraft as at 30 June 2017 is a Affin Bank Berhad overdraft facility of RM10,000,000 (2016: RM10,000,000) for the working capital requirements of the Group. The bank overdraft facility is secured against a controlling shareholder's fixed deposit of RM10,000,000 (2016: RM10,000,000).

13 LOANS AND BORROWINGS (CONTINUED)

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments RM	Interest RM	Present value of minimum lease payments RM
Group			
2017			
Within one year	**169,120**	**29,371**	**198,491**
Between two to five years	**482,607**	**48,229**	**530,836**
	651,727	**77,600**	**729,327**
2016			
Within one year	81,012	10,272	91,284
Between two to five years	203,355	26,777	230,132
	284,367	37,049	321,416

14 DEFERRED TAX LIABILITIES

Movements in the deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year are as follows:

	At 1 July 2015 RM Restated	Recognised in profit or loss (Note 21) RM Restated	At 30 June 2016 RM Restated	Recognised in profit or loss (Note 21) RM	At 30 June 2017 RM
Group					
Deferred tax assets					
Property, plant and equipment	–	–	–	44,412	**44,412**
Development properties	6,516,806	(6,516,806)	–	–	**–**
Other payables and accrued expenses	–	–	–	32,760	**32,760**
Unutilised tax losses	4,097,000	(4,097,000)	–	–	**–**
	10,613,806	(10,613,806)	–	77,172	**77,172**
Deferred tax liabilities					
Property, plant and equipment	(11,764)	(8,236)	(20,000)	20,000	**–**
Trade and other receivables	(7,087,042)	7,087,042	–	–	**–**
	(7,098,806)	7,078,806	(20,000)	20,000	**–**

14 DEFERRED TAX LIABILITIES (CONTINUED)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same authority. The amounts, determined after appropriate offsetting, are shown in statement of financial position as follows:

	Group	
	2017	2016
	RM	RM
	Restated	
Deferred tax assets	**77,172**	–
Deferred tax liabilities	**–**	(20,000)
	77,172	(20,000)

15 TRADE AND OTHER PAYABLES

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
	Restated			
Trade payables	**263,219,820**	63,631,513	**–**	–
Other payables	**23,102,776**	7,066,593	**609,690**	521,076
Accrued expenses	**50,459,546**	8,929,786	**–**	–
	336,782,142	79,627,892	**609,690**	521,076

Included in the Group's trade payables is an amount of RM34,652,800 (2016: RM34,652,800) due to the Johor State Government for acquisition of development land.

Included in the Group's other payables are deposits received from the purchasers of the property development totalling RM1,071,237 (2016: RMNil).

Included in the Group's accrued expenses are accrued land costs and accrued reimbursement costs borne by the Group on behalf of the purchasers of the property development amounting to RM30,943,036 (2016: RMNil) and RM16,558,429 (2016: RM7,643,895), respectively.

16 REVENUE

	Group	
	2017	2016
	RM	RM
		Restated
Revenue from sale of development properties	**309,647,902**	264,863,169

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	Group	
	2017	2016
	RM	RM
Aggregate amount of the transaction price allocated to sale of development properties for contracts that are partially unsatisfied as at the reporting date	**506,928,854**	423,060,525

The Group expects the full transaction price allocated to the unsatisfied contracts as at the reporting date to be recognised as revenue over the next 1 to 3 years (2016: 2 years).

17 COST OF SALES

	Group	
	2017	2016
	RM	RM
		Restated
Fulfilment cost for sale of development properties	**262,899,724**	222,881,230
Amortisation of capitalised commission	**11,681,730**	11,809,283
	274,581,454	234,690,513
Less: Amortisation of capitalised government grants	**(20,678,239)**	(20,929,222)
	253,903,215	213,761,291

18 OTHER INCOME

	Group	
	2017	2016
	RM	RM
Advertisement sponsorship	**240,000**	22,641
Forfeiture of booking fee	**–**	12,500
Government grants	**1,531**	13,991
Others	**32,432**	49,284
	273,963	98,416

19 NET FINANCE INCOME

	Note	Group	
	Note	**2017**	2016
		RM	RM
Finance income			
Foreign exchange gain		**1,724,873**	–
Interest income		**1,239,287**	395,969
		2,964,160	395,969
Finance costs			
Foreign exchange loss		**–**	(2,648,289)
Interest expense on:			
– bank borrowings		**(5,817,253)**	(8,445,926)
– advances from a shareholder of the Company		**(518,624)**	–
– advances from affiliated corporations		**(115,631)**	–
– finance lease liabilities		**(18,416)**	(7,470)
		(6,469,924)	(11,101,685)
Less: Capitalised in development properties	6	**6,451,508**	8,445,926
		(18,416)	(2,655,759)
Net finance income/(costs)		**2,945,744**	(2,259,790)

20 PROFIT/(LOSS) FOR THE YEAR

The following items have been included in arriving at profit/(loss) for the year:

	Note	Group 2017 RM	Group 2016 RM
Acquisition costs arising from reverse acquisition	27	**–**	63,624,699
Audit fees paid to:			
– auditors of the Company		**249,384**	149,080
– other member firms of the auditors of the Company		**152,000**	50,000
Non audit fees paid to:			
– auditors of the Company		**–**	1,449,058
– other member firms of the auditors of the Company		**6,000**	35,850
Depreciation of property, plant and equipment		**1,361,597**	1,131,795
Employee benefits expenses (see below)		**5,649,079**	4,314,831
Operating lease expense		**295,910**	173,148
Professional fees in connection with the reverse acquisition		**–**	7,712,978
Property, plant and equipment written off		**12,678**	128
Shares issued to Arranger	27	**–**	27,361,339
Employee benefits expense			
Wages and salaries (including directors' fees)		**5,332,763**	4,018,234
Employer's contribution to defined contribution plans including Central Provident Fund		**237,648**	260,822
Other benefits		**78,668**	35,775
		5,649,079	4,314,831

21 TAX EXPENSE/(CREDIT)

	Note	Group 2017 RM	Group 2016 RM Restated
Current tax expense			
Current year		**11,855,883**	2,369,568
Adjustment for prior years		**–**	121,904
		11,855,883	2,491,472
Deferred tax expense			
Current year		**(97,172)**	5,480,867
Adjustment for prior years		**–**	(1,945,867)
	14	**(97,172)**	3,535,000
Tax expense		**11,758,711**	6,026,472
Reconciliation of effective tax rate			
Profit/(Loss) before tax		**40,736,527**	(60,389,374)
Tax using the Malaysia tax rate of 24% (2016: 24%)		**9,776,766**	(14,493,450)
Effect of different tax rates in foreign jurisdiction		**263,894**	7,247,852
Non-deductible expenses		**1,752,772**	18,296,849
Non-taxable income		**(34,721)**	(3,200,816)
Adjustment for prior years		**–**	(1,823,963)
		11,758,711	6,026,472

Estimation of current and deferred taxation

Judgement is required in determining the deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the provision for income tax and deferred income tax provisions in the period in which such determination is made.

22 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

22 EARNINGS/(LOSS) PER SHARE (CONTINUED)

(a) Basic earnings/(loss) per share (continued)

Due to the early adoption of FRS 115 by the Group, the losses per share for the year ended 30 June 2016 has been retrospectively restated to reflect the results of the Group after incorporating the effects of early adoption of FRS 115.

	Group	
	2017	2016 Restated
Profit/(Loss) attributable to owners of the Company (RM)	**28,392,721**	(66,420,699)
Weighted average number of ordinary shares outstanding for basic earnings/loss per share (in units)	**1,869,434,303**	1,753,211,338
Basic earnings/(loss) per share (RM cents per share)	**1.52**	(3.79)

(b) Diluted earnings/(loss) per share

The basic earnings/(loss) per share for the year ended 30 June 2017 and 2016 is the same as the respective diluted earnings/(loss) per share, as there were no potential dilutive ordinary shares in existence during the year ended 30 June 2017 and 2016.

23 SEGMENT 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.

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.

24 COMMITMENTS

Operating lease commitments – where the Group is a lessee

The Group leases office spaces from other related parties (Note 25) under non-cancellable operating lease agreements. The leases typically run for an initial period of one to two years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

	Group	
	2017 RM	2016 RM
Not later than 1 year	**133,900**	246,000
Between 1 and 5 years	**–**	65,500
	133,900	311,500

25 RELATED PARTY TRANSACTIONS

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

	Group	
	2017	2016
	RM	RM
Affiliated corporations		
Rental expenses	**262,610**	160,580
Interest expenses	**115,631**	–
Land costs payable	**756,138**	–
A controlling shareholder of the Company		
Interest expenses	**518,624**	–
Progress billings issued	**1,609,290**	–
Late payment interest income	**17,540**	–

The controlling shareholder of the Company is Dato' Daing A Malek Bin Daing A Rahman.

Key management personnel remuneration

	Group	
	2017	2016
	RM	RM
Short-term employee benefits	**2,861,218**	2,845,897
Post-employment benefits (Employer's contribution to defined contribution plans)	**136,548**	118,142
	2,997,766	2,964,039

In addition to the related party information disclosed elsewhere in the financial statements, in the financial year ended 30 June 2017,

(a) a director and certain key management personnel had entered into sale and purchase agreements with the Group to purchase a few units of development properties with sale values amounting to RM1,446,600 and RM1,996,625 (2016: RMNil and RMNil) respectively. Revenue from the sales will be recognised by the Group progressively based on the percentage of completion of the development properties;

(b) progress billings of RM1,145,493 and RM5,001,511 (2016: RM714,394 and RM715,394) were issued to a director and certain key management personnel respectively for the development properties sold; and

(c) late payment interest of RM4,026 and RM55,091 (2016: RMNil and RMNil) were charged on a director and certain key management personnel respectively for the development properties sold.

26 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

The Group's trade receivables represent progress billings for uncompleted development properties. However, the ownership and rights to the development properties sold revert to the Company in the event of default. Trade receivables are monitored on an ongoing basis. Generally, the Group does not require collateral in respect of its financial assets.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the reporting date.

Cash are placed with regulated banks and financial institutions.

26 FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents and credit facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following are the contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

			Cash flows	
	Carrying amounts RM	Contractual cash flows RM	Within 1 year RM	After 1 year but within 5 years RM
Group				
2017				
Trade and other payables	**336,782,142**	**336,782,142**	**336,782,142**	**–**
Amounts due to related parties	**38,765,355**	**38,765,355**	**38,765,355**	**–**
Loans and borrowings	**54,841,909**	**59,531,711**	**37,482,850**	**22,048,861**
	430,389,406	**435,079,208**	**413,030,347**	**22,048,861**
2016				
Trade and other payables	79,627,892	79,627,892	79,627,892	–
Amounts due to related parties	28,510,194	28,510,194	28,510,194	–
Loans and borrowings	143,839,509	167,916,372	68,545,679	99,370,693
	251,977,595	276,054,458	176,683,765	99,370,693
Company				
2017				
Trade and other payables	**609,690**	**609,690**	**609,690**	**–**
Amounts due to related parties	**3,117,258**	**3,117,258**	**3,117,258**	**–**
	3,726,948	**3,726,948**	**3,726,948**	**–**
2016				
Trade and other payables	521,076	521,076	521,076	–
Amounts due to related parties	2,966,410	2,966,410	2,966,410	–
	3,487,486	3,487,486	3,487,486	–

26 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group is not exposed to fair value interest rate risk.

The Group's exposure to cash flow interest rate risks arises mainly from variable rate borrowings. The Group manages its interest rate exposure by monitoring movements in interest rates and actively reviewing its borrowings.

The movement of the interest rate for the loan and borrowing does not have any impact on the profit/(loss) before tax for the year as the entire interest expense is capitalised into development properties during the financial year.

The Group's interest bearing assets are primarily bank balances. The interest rates on these bank balances are monitored closely to ensure that they are maintained at favourable rates. The Group considers the risk of significant changes to interest rates on bank balances to be unlikely.

Foreign currency risk

The Group is exposed to foreign currency risk on cash and cash equivalents held by the Group denominated in Singapore Dollars ("SGD") and Hong Kong Dollars ("HKD") that are denominated other than the functional currency of the Group entities, Ringgit Malaysia ("RM").

The Group's exposure to foreign currency risk based on notional amounts is as follows:

	SGD RM	HKD RM	Total RM
Group			
2017			
Cash and cash equivalents	**1,777,072**	**7,910,665**	**9,687,737**
2016			
Cash and cash equivalents	25,371,785	7,422,053	32,793,838

26 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Sensitivity analysis

A 5% strengthening of the following major currencies against RM at the reporting dates held by the Group would increase/decrease profit/(loss) before tax by the amounts shown below. Similarly, a 5% weakening would have the equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date and assumes that all other variables, in particular interest rates, remain constant.

	Group Profit/(Loss) before tax	
	2017 **RM**	2016 RM
SGD	**88,854**	1,268,589
HKD	**395,533**	371,103
	484,387	1,639,692

Apart from these SGD and HKD denominated cash and cash equivalents, the Group is not exposed to significant foreign currency risk on monetary assets and liabilities that are denominated in a currency other than the functional currencies of the entities within the Group.

26 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values

The accounting classification of financial assets and liabilities amounts shown in the statements of financial position, are as follows. Fair value information for financial assets and financial liabilities not measured at fair value has not been presented if the carrying amount is a reasonable approximation of fair value.

	Note	Loans and receivables RM	Liabilities at amortised cost RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group								
2017								
Financial assets not measured at fair value								
Trade and other receivables*	7	123,854,932	–	123,854,932				
Cash and cash equivalents	9	27,151,167	–	27,151,167				
		151,006,099	–	151,006,099				
Financial liabilities not measured at fair value								
Trade and other payables	15	–	336,782,142	336,782,142				
Amount due to related parties	8	–	38,765,355	38,765,355				
Loans and borrowings	13	–	54,841,909	54,841,909	–	57,289,564	–	57,289,564
		–	430,389,406	430,389,406				
2016								
Financial assets not measured at fair value								
Trade and other receivables*	7	109,642,262	–	109,642,262				
Cash and cash equivalents	9	50,308,184	–	50,308,184				
		159,950,446	–	159,950,446				
Financial liabilities not measured at fair value								
Trade and other payables	15	–	79,627,892	79,627,892				
Amount due to related parties	8	–	28,510,194	28,510,194				
Loans and borrowings	13	–	143,839,509	143,839,509	–	150,594,907	–	150,594,907
		–	251,977,595	251,977,595				

* Excludes advanced payments and prepayments

26 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (continued)

	Note	Loans and receivables RM	Liabilities at amortised cost RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Company								
2017								
Financial assets not measured at fair value								
Amount due from related parties	8	**112,100,104**	**–**	**112,100,104**				
Cash and cash equivalents	9	**9,684,770**	**–**	**9,684,770**				
		121,784,874	**–**	**121,784,874**				
Financial liabilities not measured at fair value								
Trade and other payables	15	**–**	**609,690**	**609,690**				
Amount due to related parties	8	**–**	**3,117,258**	**3,117,258**				
		–	**3,726,948**	**3,726,948**				
2016								
Financial assets not measured at fair value								
Amount due from related parties	8	92,512,701	–	92,512,701				
Cash and cash equivalents	9	32,788,438	–	32,788,438				
		125,301,139	–	125,301,139				
Financial liabilities not measured at fair value								
Trade and other payables	15	–	521,076	521,076				
Amount due to related parties	8	–	2,966,410	2,966,410				
		–	3,487,486	3,487,486				

26 FINANCIAL INSTRUMENTS (CONTINUED)

Valuation techniques and significant unobservable inputs.

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments not measures at fair value

Type	Valuation techniques	Significant unobservable inputs
Group		
Loans and borrowings	Discounted cash flows	Discount rate

27 SIGNIFICANT EVENTS

2017

Joint venture

On 3 October 2016, Astaka Padu Sdn Bhd ("APSB") entered into a joint venture agreement (the "JV Agreement") with a related party, Saling Syabas Sdn Bhd ("SSSB"), where a controlling shareholder of the Company is also a controlling shareholder of SSSB.

The said JV Agreement is entered to undertake a proposed property development project on certain parcels of land located in Kota Tinggi, Johor, Malaysia, owned by SSSB (the "Bukit Pelali Land").

Pursuant to the terms of the JV Agreement, APSB and SSSB have incorporated a 51:49 joint venture company with RM1 million issued and paid-up share capital in Malaysia, namely, Bukit Pelali Properties Sdn Bhd (the "JV Co") on 3 October 2016, to undertake a development project on the Bukit Pelali Land (the "JV Co Incorporation").

Following the JV Co Incorporation, the JV Co has entered into a conditional joint development agreement and a side letter with SSSB on 3 October 2016 (together, the "Development Agreement") under which SSSB has granted the JV Co a sole and exclusive right to develop the Bukit Pelali Land (the "Bukit Pelali Project") for a consideration of not exceeding RM165,000,0000 and the absolute right and authority to look for prospective purchasers of the properties offered for sale in the Bukit Pelali Project.

27 SIGNIFICANT EVENTS (CONTINUED)

2016

Reverse acquisition

On 19 November 2015, the Company completed its acquisition of 99.99% of the share capital of Astaka Padu Limited and its subsidiary (collectively, "the Astaka Group") ("reverse acquisition") via the issuance of 1,567,749,160 new ordinary shares in the Company to the shareholders of the Astaka Group.

On the same day, the participation in Astaka Padu Limited by the Company took the form of Astaka Padu Limited issuing 4,199,850 ordinary shares to the Company for an aggregate subscription price of S$1,000,000 (RM3,049,200), such that the Company holds 99.99% of Astaka Padu Limited.

The reverse acquisition 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 in the transaction) is regarded as the accounting acquiree. In addition, the consolidated financial statements represent a continuation of the financial position, performance and cashflows 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 statement of financial position of the Group at their pre-acquisition carrying amounts;

(b) the assets and liabilities of the Company are recognised and measured in the consolidated statement of financial position 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 reverse acquisition;

(d) the amount recognised as issued equity interests in the consolidated financial statements is determined by adding to the issued equity of the Astaka Group immediately before the reverse acquisition. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issues) reflect the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the Company to effect the reverse acquisition; and

(e) the consolidated statement of comprehensive income for the financial year ended 30 June 2016 reflected the full year results of the Astaka Group together with the post-acquisition results of the Company;

27 SIGNIFICANT EVENTS (CONTINUED)

2016 (continued)

Reverse acquisition (continued)

The consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity of the Group for the year ended 30 June 2016 refers to the Group which includes the results of the Astaka Group from 1 July 2015 to 30 June 2016 and the post-acquisition results of the Company from reverse acquisition date to 30 June 2016.

The consolidated statement of position of the Group as at 30 June 2016 refers to the consolidated statement of financial position of the Astaka Group and the Company as at 30 June 2016.

As the Astaka Group is regarded as the accounting acquirer, and the Company (being the legal parent in the transaction) is regarded as the accounting acquiree of the reverse acquisition. 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 Combination.

In the consolidated financial statements, the consideration of the acquisition was measured at RM73,424,674, which was the fair value of the entire issued equity of the Company prior to the completion of the reverse acquisition on 19 November 2015.

The identifiable assets of the Company were as follows:

	2016 RM
Cash and cash equivalents	9,027,023
Trade and other receivables	7,791,939
Trade and other payables	(7,018,987)
Total identifiable net assets	9,799,975

The difference between the purchase consideration and identifiable assets of the Company, amounting to RM63,624,699, has been recognised in the consolidated statement of comprehensive income as acquisition costs arising from the reverse acquisition incurred by the Astaka Group in accordance with FRS 102.

In addition, 29,861,888 shares issued at S$0.2679 per share to the Arranger amounting to RM27,361,339, has been recognised in the consolidated statement of comprehensive income in accordance with FRS 102.

28 COMPARATIVE INFORMATION

The comparative figures for the financial year ended 30 June 2016 were audited by another auditor who expressed an unmodified opinion on those financial statements on 4 October 2016.

Early adoption of new accounting standards

The Group early adopted FRS 115 Revenue from Contracts with Customers with a date of initial application of 1 July 2016. As a result, the Group has changed its accounting policies for revenue recognition. The details and quantitative impact of the changes in accounting policies are disclosed in Note 2.5.

Prior year adjustment

The deferred tax liabilities arising from the gain on disposal of land were recognised in the financial statements in prior years although the Group has no obligation to settle this tax liability. The abovementioned deferred tax liabilities were derecognised in the financial statements by way of prior year adjustment. The details and quantitative impact of the prior year adjustment are disclosed in Note 2.5.

SHAREHOLDING STATISTICS

As at 20 September 2017

Class of shares	:	Ordinary shares
Issued and fully paid-up capital	:	S$477,554,589.08
Number of shares issued	:	1,869,434,303
Number of subsidary holdings	:	NIL

The Company does not hold any treasury shares.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	95	42.22	3,135	0.00
100 – 1,000	19	8.45	8,728	0.00
1,001 – 10,000	50	22.22	243,863	0.02
10,001 – 1,000,000	47	20.89	4,909,269	0.26
1,000,001 and above	14	6.22	1,864,269,308	99.72
Total	**225**	**100.00**	**1,869,434,303**	**100.00**

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Horizon Sea Limited	1,244,062,150	66.55	–	–
Dato' Daing A Malek bin Daing A Rahaman[1]	–	–	1,244,062,150	66.55

Note:

1 Dato' Daing A Malek bin Daing A Rahaman is deemed interested in the shares held by Horizon Sea Limited by virtue of him being the sole shareholder of Horizon Sea Limited.

SHAREHOLDING STATISTICS

As at 20 September 2017

TWENTY LARGEST SHAREHOLDERS AS AT 20 SEPTEMBER 2017

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	HORIZON SEA LIMITED	1,244,062,150	66.55
2	PHILLIP SECURITIES PTE LTD	211,619,620	11.32
3	ACE POINT HOLDINGS LIMITED	93,281,075	4.99
4	GLORYBASE HOLDINGS LIMITED	93,281,075	4.99
5	RHB SECURITIES SINGAPORE PTE LTD	63,856,898	3.42
6	LUXUS HOLDINGS LIMITED	55,968,645	2.99
7	CIMB SECURITIES (SINGAPORE) PTE LTD	51,475,298	2.75
8	HSBC (SINGAPORE) NOMINEES PTE LTD	23,511,666	1.26
9	CLASSIC LINK INVESTMENTS LIMITED	18,656,215	1.00
10	NG SAY PIYU	3,783,666	0.20
11	HANIFAH BINTE MOHAMED HOSNAN	1,235,000	0.07
12	RYAISHA FILDA BINTE ROSLAN	1,235,000	0.07
13	ZHAO JING	1,212,000	0.06
14	MA ZHEN	1,091,000	0.06
15	CITIBANK NOMINEES SINGAPORE PTE LTD	940,600	0.05
16	TAN SIEW BOOY	564,000	0.03
17	DBS NOMINEES PTE LTD	455,099	0.02
18	UOB KAY HIAN PTE LTD	448,900	0.02
19	YU KAM YUEN LINCOLN	226,666	0.01
20	HUM TEE SUNG	206,000	0.01
	Total:	**1,867,110,573**	**99.87**

Percentage of Shareholding in Public's Hands

Based on the information available to the Company as at 20 September 2017, approximately 23.47% of the issued ordinary shares of the Company were held by the public. Accordingly, the Company has complied with Rule 723 of the Catalist Rules.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "Meeting") of **ASTAKA HOLDINGS LIMITED** (the "Company") will be held at Enterprise Room Level 4, Raffles City Convention Centre, Fairmont Singapore, 80 Bras Basah Road, Singapore 189560 on Monday, 30 October 2017 at 11.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2017 together with the Auditors' Report thereon.

   (Resolution 1)

2. To re-elect the following Directors retiring pursuant to Regulation 89 of the Company's Constitution:

   Mr Neo Gim Kiong **(Resolution 2)**
   Mr San Meng Chee **(Resolution 3)**

   Mr Neo Gim Kiong will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered Independent for the purpose of Rule 704(7) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited ("Catalist Rules"). Mr Neo will also continue to be Chairman of the Nominating Committee and a member of the Remuneration Committee. There are no relationships (including immediate family relationships) between Mr. Neo and the other Directors, the Company and its 10% shareholders.

   Mr San Meng Chee will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered Independent for the purpose of Rule 704(7) of the Catalist Rules. Mr San will also continue to be Chairman of the Remuneration Committee and a member of the Nominating Committee. There are no relationships (including immediate family relationships) between Mr. San and the other Directors, the Company and its 10% shareholders.

4. To approve the payment of Directors' fees of SGD220,000 for the financial year ending 30 June 2018, to be paid quarterly in arrears (FY2017: SGD220,000).

   (Resolution 4)

5. To re-appoint KPMG LLP as the Company's Auditors and to authorise the Directors of the Company to fix their remuneration.

   (Resolution 5)

6. To transact any other ordinary business which may be transacted at the Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to allot and issue shares**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Catalist Rules, authority be given to the Directors of the Company to issue shares ("Shares") whether by way of rights, bonus or otherwise, and/or make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be allotted and issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and (notwithstanding the authority conferred in this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force, provided that:

(a) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to all shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(i) new Shares arising from the conversion or exercise of convertible securities;

(ii) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(d) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (i)]

(Resolution 6)

8. **Authority to allot and issue shares under the Astaka Share Option Scheme**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be authorised and empowered to grant options in accordance with the provisions of the Astaka Share Option Scheme (the "Scheme") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (ii)]

(Resolution 7)

By Order of the Board

Cheng Lisa
Secretary
Singapore, 13 October 2017

Explanatory Notes on Ordinary Resolutions to be passed:

(i) The Ordinary Resolution 6 proposed in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

(ii) The Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted or to be granted under the Scheme. The aggregate number of shares which may be issued pursuant to the Scheme which the Company may have in place shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

Notes:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Chapter 50.

3. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

4. The instrument appointing a proxy must be deposited at the registered office of the Company at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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ASTAKA HOLDINGS LIMITED
(Incorporated in Singapore)
(Company Registration No: 200814792H)

PROXY FORM
(Please see notes overleaf before completing this Form)

IMPORTANT:

SRS Investors

1. For investors who holds the Company's shares under the Supplementary Retirement Scheme ("SRS Investors") may attend and cash his/her vote(s) at the annual general meeting ("Meeting") in person. SRS Investors who are unable to attend the Meeting but would like to vote, may inform their SRS approved nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the SRS Investors shall be excluded from attending the Meeting.
2. This proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purpose if used or purported to be used by them.

Personal Data Privacy

3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Company's Notice of Annual General Meeting.

*I/We,____________________(Name) ____________________(NRIC/Passport Number)

of ____(Address)

being a member/members of Astaka Holdings Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Enterprise Room Level 4, Raffles City Convention Centre, Fairmont Singapore, 80 Bras Basah Road, Singapore 189560 on Monday, 30 October 2017 at 11.00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Directors' Statement and Audited Financial Statements together with the Auditors' Report for the financial year ended 30 June 2017.		
2	Re-election of Mr Neo Gim Kiong as a Director of the Company.		
3	Re-election of Mr San Meng Chee as a Director of the Company.		
4	Approval of Directors' fees amounting to SGD220,000 for the financial year ending 30 June 2018, to be paid quarterly in arrears.		
5	Re-appointment of KPMG LLP as Auditors of the Company.		
6	Authority to allot and issue shares.		
7	Authority to allot and issue shares under the Astaka Share Option Scheme.		

* *Delete where inapplicable*

Dated this________day of______________2017

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)/
or Common Seal of Corporate Shareholder

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81F of the Securities and Futures Act, Cap 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. (a) A member who is not a relevant intermediary (as defined in Section 181(6) of the Companies Act, Cap. 50) is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the AGM. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.

   (b) A member who is a relevant intermediary (as defined in Section 181(6) of the Companies Act, Cap. 50) who is either:

      i. a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

      ii. a capital markets services licence holder which provides custodial services for securities and holds shares in that capacity; and

      iii. Central Provident Fund ("CPF") Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.

   is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to the shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767 not less than forty eight (48) hours before the time appointed for the Meeting.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 October 2017.

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ASTAKA HOLDINGS

ASTAKA HOLDINGS LIMITED

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Singapore 189767

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81200 Johor Bahru, Johor, Malaysia.

THE ASTAKA SALES GALLERY
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80200 Johor Bahru, Johor, Malaysia.

BUKIT PELALI SALES GALLERY
Bukit Pelali @ Pengerang, Jalan Murai, Bukit Pelali,
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