
RESPONSE TO SGX-ST QUERIES

The Board of Directors (the “**Board**” or the “**Board of Directors**”) of Astaka Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the recent cessation and appointment announcements made by the Company in the last 12 months (the “**Announcements**”). The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) had on 3 March 2020 raised certain queries in relation to the Announcements, and the Company would like to address the queries as follows:

Question 1

Is the sponsor aware of any concerns which shareholders and the Exchange should be made aware of? Apart from the ‘board renewal’ reason, are there any disagreements within the board / key management in which the sponsor is aware of?

Sponsor’s response:

The Sponsor had conducted interviews with each of the parties in relation to their appointments or cessations, and had attended all board meetings since its appointment as the Sponsor in November 2019. Based on the interviews conducted and the board meetings attended by the Sponsor, the Sponsor is not aware of (a) any concerns which shareholders and the Exchange should be made aware of; and (b) any disagreements within the board or key management. The reasons for the cessations are set out in their respective cessation announcements.

Question 2

Subsequent to the Company’s announcement on change in composition in the Board on 13 November 2019,

- (i) Mr. Neo Gim Kiong (Non-Executive Chairman and Independent Director) retired with effect from 5 February 2020 (appointed since 19 November 2015);
- (ii) Mr. San Meng Chee (Independent Director) retired with effect from 5 February 2020 (appointed since 19 November 2015);
- (iii) Ms Lee Shih Yi (CFO) resigned to pursue other career opportunities with effect from 29 February 2020 (appointed since 1 November 2016);
- (iv) Dato’ Zamani Bin Kasim (Executive Director and Chief Executive Officer) resigned as part of his retirement plans and will remain as ED to guide his successor in the interim period, with effect from 2 March 2020 (appointed since 19 November 2015).

Also noted recent appointments of IDs and FC.

Mr Khong Chung Lun, age 32, started at Astaka Padu Sdn Bhd since May 2015 till present, was newly appointed as ED of the listco in November 2019. He is now promoted to CEO.

(a) How long will the interim transition period of Dato' Zamani be where he will remain as ED?

Company's response:

There is no immediate intention for Dato' Zamani Bin Kasim ("**Dato' Zamani**") to step off the board of the Company, and no time frame was set to ensure a longer and smoother handover process and to ensure there is sufficient time for Mr. Khong Chung Lun ("**Mr. Khong**") to ease into his new position while Dato' Zamani is on hand to provide advice during the transition. Dato' Zamani had relinquished his position as Chief Executive Officer as part of succession planning in consideration of his age and his retirement plans (to continue to be involved in day to day affairs with delegation of responsibilities as the Chief Executive Officer to Mr. Khong in order to ensure smooth transition).

(b) Please elaborate on the NC's basis for approving Mr. Khong as the CEO of the listco. Please explain the relevance of his experience vis-à-vis the running of Astaka.

Company's response:

Prior to joining the Group, Mr. Khong held a senior position in Country Garden Real Estate Sdn. Bhd. (a company engaged in property development in Johor, Malaysia) as its Business Development Manager from June 2012 to May 2015. He has extensive knowledge in mergers and acquisitions, business development as well as sales and marketing in the property development industry. He has also been a non-executive director of Damansara Realty (Pahang) Sdn Bhd, another property development company in Malaysia since 2016.

Mr. Khong joined the Group as General Manager in May 2015, and has been working under the leadership of Dato' Zamani since then. He has been heavily involved in the Group's operations, especially during the projects' pre-construction stage, which covers, but not limited to, business development and investment, project planning and development as well as sales and marketing activities.

More specifically, Mr. Khong was involved in the following activities/events of the Group:

- (i) Participated in the Reverse Take Over ("**RTO**") exercise in November 2015;
- (ii) Restructured the sales and marketing plan for The Astaka;
- (iii) Assisted in securing the transaction for Menara MBBJ in 2016;
- (iv) Led the negotiations and execution of Joint Development Agreement between Astaka Padu Sdn Bhd and Saling Syabas Sdn Bhd;
- (v) Project planning for Phase 1A, Phase 1B and Phase 2AB for Bukit Pelali Project; and
- (vi) Led the sales and marketing activities for Phase 1A, Phase 1B and Phase 2AB for Bukit Pelali Project.

As part of the management team of the Group, the Company's Board is familiar with Mr. Khong. He had joined the Group prior to the completion of the RTO in November 2015 and was often invited to join the Company's board meetings, presenting and reporting to the Board on the assignments that are under his care.

Furthermore, he has led a competent operation and support team which have proven themselves over the last five (5) years.

In view of the above, the NC is of the opinion that Mr. Khong is fit for the position as the Chief Executive Officer of the Group, and has approved the promotion of Mr. Khong as the Chief Executive Officer.

(c) The current board comprises the following:

- (i) Mr. Khong Chung Lun (Executive Director and CEO) appointed since November 2019**
- (ii) Mr. Lee Gee Aik (Independent Director) appointed since 2015**
- (iii) Dato' Sri Mohd Mokhtar Bin Mohd Shariff (Independent Director) appointed since 13 November 2019**
- (iv) Mr. Lai Kuan Loong, Victor (Independent Director) appointed since 13 November 2019**
- (v) Dato' Zamani Bin Kasim (Interim ED)**

Can the NC explain if the current board composition justifies the efficacy of the board?

Company's response:

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

Core Competencies	Number of Directors	Proportion of Board	
		Present	Prior to Board renewal
Accounting or Finance	3	60%	57%
Business Management	4	80%	86%
Legal or Corporate Governance	4	80%	71%
Relevant industry knowledge or experience	2	40%	29%
Strategic planning experience	5	100%	86%

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.

(d) Can the Sponsor provide its assessment to (c) above as well?

Sponsor's response:

The Sponsor is of the view that, based on the core competencies of the Board, the Board has sufficient expertise. The Sponsor has further considered the following:

- (i) Dato' Zamani and Mr. Lee Gee Aik have been directors of the Company since their appointment in 2015, and are familiar with the affairs of the Group. Their continual involvement in the Company also allows for continuity of legacy issues even after the retirement of two independent directors, Mr. Neo Gim Kiong and Mr. San Meng Chee; and
- (ii) While Mr. Khong Chung Lun, Dato' Sri Mohd Mokhtar Bin Mohd Shariff and Mr. Lai Kuan Loong Victor are newly appointed as directors in November 2019, each of them brings on board their extensive expertise and experience in various areas, including property development, legal and corporate services respectively.

BY ORDER OF THE BOARD

Khong Chung Lun
Executive Director and Chief Executive Officer

4 March 2020

This announcement has been prepared by the Company and reviewed by the sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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