
UPDATE ON RESUMPTION OF BUSINESS ACTIVITIES AND PROFIT GUIDANCE

The Board of Directors (the “**Board**” or the “**Directors**”) of Astaka Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to provide an update in relation to the COVID-19 pandemic.

Impact of COVID-19 and Resumption of Business Operations

The Group has resumed operations and its staff have returned to their workplaces since 4 May 2020, following the partial lifting of the Movement Control Order (“**MCO**”) imposed since 18 March 2020 by the Malaysian Federal Government on non-essential business operations. Due to the MCO, the Group’s offices, sales galleries and construction sites had been closed since 18 March 2020.

In response to the business disruptions caused by COVID-19, the Group has implemented several measures to ensure the health and safety of its staff and mitigate the impact to its financial performance:

1. The Group’s staff will return to work on a rotational basis, with each staff member working two to three days a week at their respective workplaces and the rest of the week from home; and
2. Social distancing measures, temperature screenings and wearing of face masks are enforced at the respective workplaces.

The Group continues to engage with its creditors and financial institutions with regard to the settlement of outstanding debts, working capital and future strategic options to unlock the value of its assets. It has also resumed marketing efforts of its flagship project at One Bukit Senyum in Johor Bahru and its township project, Bukit Pelali at Pengerang.

Financial Performance of the Group

In light of the weak sentiment surrounding the Malaysian residential property sector and the disruption caused by the COVID-19 pandemic, the Group expects to continue to report a net loss for the three months ended 31 March 2020 (“**3QFY2020**”) and the nine months ended 31 March 2020 (“**9MFY2020**”).

The Company is still in the midst of finalising its financial results for 3QFY2020 and 9MFY2020 (the “**Results**”). Further details on the Group’s financial performance will be made available in the Results, which will be announced on or before 15 May 2020.

Further to the announcement dated 3 April 2020 on the release of an independent fact-finding report conducted by Ernst & Young Advisory Pte Ltd (“**E&Y**”), the Group has accepted the internal control observations and recommendations made by E&Y and is currently working to rectify the internal control weaknesses identified.

The Group will continue to closely monitor the COVID-19 situation and provide updates on material developments as and when they arise.

BY ORDER OF THE BOARD

Khong Chung Lun
Executive Director and Chief Executive Officer
6 May 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 Catalyst.

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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