
UPDATE ON PROGRESS OF SUBMISSION OF REVISED RESUMPTION OF TRADING PROPOSAL (JUNE 2021)

The board of directors (the “**Board**” or “**Directors**”) of Astaka Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 20 January 2021 (the “**Announcement**”) in relation to the receipt of the no objection letter (the “**Letter**”) from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for an extension of time to 31 December 2021 to submit a revised resumption of trading proposal (“**Revised Resumption Proposal**”) and the Company’s business update announcements dated 29 January 2021, 26 February 2021, 30 March 2021, 29 April 2021 and 27 May 2021. In compliance with the requirements set out in the Letter, the Board wishes to provide a monthly update on the Company’s operations and progress in meeting key milestones for its submission of a Revised Resumption Proposal to the SGX-ST.

1. BUSINESS UPDATES

The Board refers to the Company’s announcement dated 31 May 2021 in relation to the nationwide “total lockdown” imposed by the Malaysian government since 1 June 2021 (“**NRP Phase 1**”).

The Malaysian government has recently announced the National Recovery Plan (“**NRP**”), a four-phase Covid-19 exit strategy beginning with NRP Phase 1. To enter phase two of the NRP where additional economic sectors would be allowed to reopen, average daily Covid-19 cases should fall below 4,000, intensive care unit bed usage should return to moderate levels, and 10 percent of Malaysia’s population should have been fully vaccinated against Covid-19.

The Group’s business premises and sales galleries in Malaysia have been closed since 1 June 2021, and will continue to remain close until phase 2 of the NRP, subject to any further directives from the Malaysian government. All employees within the Group will continue to work from home.

It is expected that the Group’s sales performance will continue to be impacted by the Covid-19 pandemic, and the Group’s cash flow will remain tight. While the Group had initially envisaged a time period of approximately up to four (4) to six (6) months from end December 2020 for the Group to obtain bank financing facilities for working capital purposes, this process has been impeded by the resurgence of Covid-19 cases in Malaysia since late January this year. Given the uncertainties arising from the Covid-19 pandemic, the commercial banks have tightened the lending requirements on the commercial loans, including increased collateralisation requirements and loan covenants.

Pursuant to the loan agreement entered into between Astaka Padu Sdn Bhd (“**APSB**”), and DMR Holdings Sdn Bhd (“**DMR**”), an associate of the Controlling Shareholder of the Company, Dato’ Daing A Malek Bin Daing A Rahman, dated 17 June 2020 and the supplemental loan agreement dated 3 November 2020 (collectively known as the “**DMR Loan Agreements**”), APSB has drawn down RM27.7 million of the loan, with RM32.3 million available for further drawdown as at 28 June 2021. Please refer to the circular issued by the Company on 9 October 2020 for more details on the DMR Loan Agreements.

Looking ahead, while uncertainties remain due to the ongoing Covid-19 situation, the Group expects the property market to slowly recover in the fourth quarter this year or first quarter of 2022 with the Covid-19 vaccination programme gaining more traction in Malaysia. With disciplined cash flow management, the Group will continue its efforts in digital marketing to sell its completed properties and work with the commercial banks to secure bank financing facilities. The Group is in midst of

formulating its business strategic plans to stay competitive amid the challenging business environment, and is actively looking for land bank at strategic locations to ride on the post-pandemic recovery in Malaysia.

2. UPDATES ON THE LEGAL PROCEEDINGS WITH ALIRAN ASIA SDN BHD

The Board refers to the Company's announcements dated 25 June 2021 ("**25 June Announcements**") in relation to the updates on the legal proceedings between APSB and Aliran Asia Sdn Bhd ("**Aliran**").

Save as disclosed in the 25 June Announcements, there are no material updates to the legal proceedings with Aliran.

3. UPDATES ON THE LEGAL PROCEEDINGS WITH CHINA STATE CONSTRUCTION ENGINEERING (M) SDN BHD ("CSCE")

The Board refers to the Company's announcements dated 27 November 2020, 7 December 2020 and 25 January 2021, 17 February 2021 and 28 April 2021 in relation to, *inter alia*, the (i) Writ of Summons and Statement of Claim served on APSB in the High Court of Malaya at Johor Bahru ("**JB Court**") on 25 January 2021 (the "**JB Matter**"); and (ii) Originating Summons served on CSCE in the Kuala Lumpur High Court ("**KL Court**") and the notice of application filed in relation thereto, seeking for, *inter alia*, an interim injunction to prevent CSCE from commencing and/or proceeding with adjudication proceedings against APSB pursuant to CIPAA until disposal of the Originating Summons ("**Notice of Application**") on 25 January 2021 (the "**KL Matter**").

3.1. JB MATTER – STAY OF PROCEEDINGS

As mentioned by the Company in its announcement dated 17 February 2021, APSB had, on 16 February 2021 filed for a stay of proceedings pending referral to arbitration pursuant to Section 10 of the Arbitration Act 2005 in relation to CSCE's Writ of Summons and Statement of Claim ("**Stay of Proceedings**"). The Board wishes to update that the hearing in relation to the Stay of Proceedings has been rescheduled from 27 June 2021 to 26 July 2021 by the JB Court.

3.2. KL MATTER – ORIGINATING SUMMONS AND NOTICE OF APPLICATION

The Board wishes to update that the hearing of the Originating Summons and Notice of Application fixed on 3 June 2021 has been rescheduled to 26 July 2021 by the KL Court.

The Company will make further announcement(s) to update shareholders as and when there are material developments with regard to the Company's operations and the Revised Resumption Proposal.

By Order of the Board

Khong Chung Lun
Executive Director and Chief Executive Officer

29 June 2021

This announcement has been prepared by the Company and reviewed by the Company's 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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