
UPDATE ON THE REVISED TRADING RESUMPTION PROPOSAL AND APPLICATION FOR EXTENSION OF TIME TO SUBMIT THE UPDATED TRADING RESUMPTION PROPOSAL

The board of directors (the “**Board**” or “**Directors**”) of Astaka Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement dated 30 December 2021 (the “**Announcement**”), in relation to, *inter alia*, the Company’s submission of the revised resumption proposal (the “**Revised Resumption Proposal**”) to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 29 December 2021.

Unless otherwise defined, all capitalised terms shall bear the same meanings as ascribed to them in the Announcement.

1. UPDATE ON REVISED RESUMPTION PROPOSAL

To the best knowledge of the Company, the Revised Resumption Proposal (which was submitted to the SGX-ST on 29 December 2021) has mainly addressed the factors initially raised by the SGX-ST in its letter dated 12 December 2020 (the “**Outcome Letter**”) for not approving the Company’s initial application to lift the voluntary trading suspension (the “**Voluntary Suspension**”), namely, the full and final settlement of all disputes between China State Construction Engineering (M) Sdn Bhd and Astaka Padu Sdn. Bhd. which was subsequently announced by the Company on 30 November 2021. Further details of the Outcome Letter are set out in the Company’s announcement dated 14 December 2020.

2. WITHDRAWAL OF THE REVISED RESUMPTION PROPOSAL AND APPLICATION FOR EXTENSION OF TIME TO SUBMIT THE UPDATED TRADING RESUMPTION PROPOSAL

The Board wishes to update shareholders of the Company (the “**Shareholders**”) that following consultation with its sponsor, Novus Corporate Finance Pte. Ltd. (the “**Sponsor**”), the Company had on 18 July 2022, through its Sponsor, withdrawn the Revised Resumption Proposal and has, through its Sponsor, made an application to the SGX-ST for an extension of time of up to 30 September 2023 (the “**Extension of Time**”) to submit to the SGX-ST an updated trading resumption proposal to further demonstrate its ability to continue operating as a going concern with a view to lift the Voluntary Suspension (the “**Updated Trading Resumption Proposal**”).

Accordingly, the Board has considered, amongst others, the following for the application of the Extension of Time:

- 2.1 The Company notes that the unaudited condensed interim consolidated financial statements of the Group for the three months period ended 31 March 2022 (“**3M2022**”), which was announced on 28 April 2022, showed an improvement of the Group’s financial performance and position, compared to the corresponding period in 2021 (“**3M2021**”). In particular, the Group recognised a net profit of approximately RM10.0 million in 3M2022, as compared to a net loss of approximately RM6.3 million in 3M2021. In addition, the Group had recorded an increase of net current assets

from approximately RM75.5 million as at 31 December 2021 to approximately RM85.1 million as at 31 March 2022.

- 2.2 The Group's financial performance was adversely affected in FY2021 due to the Covid-19 situation in Malaysia which had led to, among others, the various movement control orders implemented by the Malaysia government since March 2020, the nationwide "total lockdown" imposed by the Malaysian government since June 2021 and the introduction of the four-phase National Recovery Plan where the Group was only able to resume its operations in full in October 2021.

Following the full reopening of all economic sectors in Malaysia in October 2021 and the lifting of the border control in Malaysia since November 2021, the Group has been stepping up on its marketing efforts to seize the opportunities in the property market in Johor, Malaysia through (a) the launch of new show units and organising of live unboxing and festive events to sustain market awareness and promote property units, and (b) various sales packages and promotions, including special rebates and discounts to sell its property units to capture the demand in view of the positive market sentiment in the property market.

In tandem with the recovering economic climate, the Malaysian authorities have opened its international borders on 1 April 2022, and the Group has encountered more prospective foreign home seekers (in particular, Singaporeans) who participated in the Group's roadshows for the property units of the Group's 2 main property development projects, namely, The Astaka @ One Bukit Senyum and Bukit Pelali @ Pengerang. In addition, the Group has seen a surge of enquiries for its property units from the prospective local home seekers.

Accordingly, the Board and the management of the Company (the "**Management**") is hopeful that in tandem with the recovering economic climate, the demand for the Group's property units will improve over the next 6 to 12 months and will be beneficial to the Group's property development business, including but not limited to, the joint venture with Straits Perkasa Services Sdn. Bhd. in relation to the development of a parcel of land on Mukim Tebrau, Tempat Taman Setia Indah, Daerah Johor Bahru, Negeri Johor (the "**SPSS Project**"), as the Group will be able to expand its property development portfolio and increase its revenue. Further details of the SPSS Project are set out in the Company's announcement dated 20 April 2022.

- 2.3 In view of the foregoing, the Board is of the view that the Extension of Time would allow the Group more time to execute its business plans and sell its property units over the next few months, and the Group would be able to sustain its improved financial performance for FY2022 to further demonstrate to the SGX-ST that its' business is able to generate operating cashflow to support its ongoing working capital needs. Accordingly, the Company's application to the SGX-ST to lift the Voluntary Suspension would be further enhanced and strengthened.

In addition, the Extension of Time would provide sufficient time for the Management to demonstrate meaningful progress in the business operations so as to, amongst others, adequately address any perceived issues pertaining to the business viability and going concern of the Group after the lifting of the Voluntary Suspension which would form an essential part of the Updated Resumption Proposal to be submitted to the SGX-ST by 30 September 2023.

3. FURTHER ANNOUNCEMENT(S)

The Board and the Management will, in discussion with the Sponsor, work towards the submission of the Updated Trading Resumption Proposal in a timely manner. The Company will also make further announcement(s) to update its Shareholders on the outcome of the application for the Extension of Time in due course.

By Order of the Board

Khong Chung Lun

Executive Director and Chief Executive Officer

18 July 2022

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.

The contact person for the Sponsor is Mr Andrew Leo, Chief Executive Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.
