
UPDATE ON PROGRESS OF SUBMISSION OF REVISED RESUMPTION OF TRADING PROPOSAL (JANUARY 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**”). 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 Group’s business premises and sales galleries in Malaysia have been closed since 13 January 2021, and will be closed for the extended period to 4 February 2021 following the Movement Control Order (“**MCO**”) imposed by the Malaysian government to curb the spread of Covid-19.

As mentioned in the Company’s announcement dated 13 January 2021, the Group expects the vacant possession delivery process for Phases 1B, and 2A & 2B of Bukit Pelali at Pengerang (“**BPP**”) developed by Bukit Pelali Properties Sdn Bhd, an indirectly owned subsidiary of the Company, to be slower than expected with the implementation of the MCO. In response to the slope slippage at BPP development site caused by heavy rainfall in late December 2020 and early this month, the Group is studying the existing flood mitigation measures implemented at BPP. Additional flood mitigation measures may be implemented, if necessary, to better prepare for and respond to flood emergencies and protect the township against extreme rainfall.

Given the closures of international borders and possibility of further extension of the current Covid-19 containment measures in Malaysia, it is expected that the sale of the development properties of the Group will continue to be slow, and the Group’s cash flow will remain tight. The Group is currently in discussion with several commercial banks in Malaysia to obtain bank financing facilities and is actively sourcing for alternative financing options.

Meanwhile, pursuant to the loan agreement entered into between Astaka Padu Sdn Bhd (“**APSB**”), a subsidiary of the Company, 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**”), DMR has granted an unsecured loan in the principal amount of not exceeding RM60 million to APSB for working capital purposes. Please refer to the circular issued by the Company on 9 October 2020 for more details on the DMR Loan Agreements. As at 28 January 2021, APSB has drawn down RM13.7 million of the loan under the DMR Loan Agreements, with RM46.3 million available for drawdown.

Notwithstanding the challenging market environment, the Group will continue its digital marketing efforts to sell its completed properties to free up the capital while exploring strategic alliances to develop Phase 3 of One Bukit Senyum which spans approximately 7.65 acres.

2. UPDATE ON LEGAL PROCEEDINGS

2.1. Notices of Adjudication from Aliran Asia Sdn Bhd (“Aliran”)

The Company refers to the previous announcements dated 19 December 2019, 23 December 2019, 17 March 2020, 28 July 2020 and 17 December 2020 in relation to (i) the Payment Claim from Aliran dated 12 December 2019; (ii) the Notice of Adjudication dated 11 March 2020 from Messrs Gan Partnership (“GP”) (being the lawyers representing Aliran) (“**First Notice of Adjudication**”); (iii) the Additional Claim from Aliran dated 22 July 2020; and (iv) a Notice of Adjudication dated 2 December 2020 (“**Second Notice of Adjudication**”). As mentioned in the announcement dated 17 December 2020, the matter with Aliran is now a subject of an adjudication process.

In respect of the First Notice of Adjudication, APSB had on 27 January 2021 served a written adjudication response through Mah-Kamariyah & Philip Koh (“MKP”) (being the lawyers representing APSB) following the receipt of the adjudication claim from Aliran on 6 January 2021. APSB will continue to work with MKP on the adjudication proceedings.

In respect of the Second Notice of Adjudication, APSB was notified through a letter of appointment dated 13 January 2021 that Mr. Wong Cheong Ming has been appointed by the Director of the Asia International Arbitration Centre as the adjudicator in respect of the Second Notice of Adjudication with effect from 13 January 2021. APSB has noted the Second Notice of Adjudication and will serve a written adjudication response via MKP upon receipt of the adjudication claim from Aliran.

2.2. Payment Claim from China State Construction Engineering (M) Sdn Bhd (“CSCE”)

There are no material developments on the legal proceedings between APSB and CSCE save as disclosed in the previous announcements dated 27 November 2020, 7 December 2020 and 25 January 2021. The Company will continue to work with its Malaysian legal advisers to formulate the next course of action.

The Company will make further announcement(s) to update shareholders as and when there are material developments with regards 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 January 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 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.

The contact person for the Sponsor is Mr Andrew Leo, Chief Executive Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.
