
UPDATE ON BUSINESS OPERATIONS FOLLOWING THE MOVEMENT CONTROL ORDER BY THE GOVERNMENT OF MALAYSIA

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 to the Company’s shareholders (“**Shareholders**”) on the Group’s business operations following the resurgence in the number of COVID-19 infections in Malaysia and the flood situation in the state of Johor, Malaysia.

Movement Control Order Imposed by the Government of Malaysia

The Malaysian government has, on 11 January 2021, reinstated the Movement Control Order in the states of Johor, Melaka, Penang, Selangor and Sabah as well as the federal territories of Kuala Lumpur, Putrajaya and Labuan for a two-week period commencing from 13 January 2021 to 26 January 2021 (the “**Movement Control Order**”) to curb the spread of COVID-19. The measures under the Movement Control Order include the closure of non-essential service sectors, and ban of interstate and inter-district travels.

In compliance with the Movement Control Order, the Group’s business premises and sales galleries in Malaysia will be closed starting 13 January 2021. The Company will resume its operations in full as soon as the Movement Control Order expires, subject to any further directives from the Malaysian government.

Flood Situation in Johor

The state of Johor has experienced bad weather with continuous heavy rains since late December last year. Several districts were badly hit by floods, including Pengerang where Bukit Pelali at Pengerang developed by Bukit Pelali Properties Sdn Bhd (“**BPP**”), a 51% indirectly owned subsidiary of the Company, is located. The recent heavy rainfall has affected the business operations of BPP and has caused a slope slippage at the development site of BPP on 11 January 2021.

All employees and residents at Bukit Pelali at Pengerang are safe from the hazards caused by the continuous heavy rain. Some cleanup and repair works are expected to be conducted after the wet weather is over, subject to the lifting of the Movement Control Order. At present, this incident is not expected to have any material financial impact to the Group for the current financial year ending 30 June 2021.

Business Outlook

BPP had on 10 December 2020 and 17 November 2020 received the certificates of completion and compliance for Phases 1B and 2A & 2B, respectively, comprising 247 terrace houses and 81 shop offices. While BPP is in the process of delivering vacant possession (“**VP**”) of the properties to the purchasers, the Group expects the VP delivery process to be slower than expected with the implementation of the Movement Control Order.

While the sale of the development properties of the Group will continue to be impacted until there is clarity on the COVID-19 situation and re-opening of international borders, the Group remains focused

on exploring strategic alliances to develop Phase 3 of One Bukit Senyum which spans approximately 7.65 acres and work towards the lifting of the Company's share trading suspension on the SGX-ST.

The Board will continue to monitor the evolving situation of the COVID-19 pandemic and the flood situation in Malaysia, and will update Shareholders should there be any material impact on the Group's financial results for the current financial year ending 30 June 2021.

BY ORDER OF THE BOARD

Khong Chung Lun
Executive Director and Chief Executive Officer
13 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 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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