
UPDATE ON LEGAL PROCEEDINGS WITH ALIRAN ASIA SDN BHD

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Astaka Holdings Limited (the “**Company**”) refers to the Company’s announcements dated 19 December 2019, 23 December 2019, 17 March 2020, 28 July 2020, 17 December 2020, 28 April 2021, 24 May 2021 and 2 June 2021 (collectively, the “**Aliran Announcements**”) in relation to (i) the payment claim from Aliran Asia Sdn Bhd (“**Aliran**”) dated 12 December 2019 and the notice of adjudication dated 11 March 2020 (the “**First Notice of Adjudication**”); (ii) the adjudication decision dated 7 May 2021 in relation to the First Notice of Adjudication (“**First Claim Adjudication Decision**”); (iii) the additional payment claim dated 22 July 2020 (“**Additional Claim**”) from Aliran and the notice of adjudication dated 2 December 2020 (“**Second Notice of Adjudication**”); and (iv) the adjudication decision dated 20 April 2021 in relation to the Second Notice of Adjudication (the “**Additional Claim Adjudication Decision**”).

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Aliran Announcements.

2. UPDATES ON THE PROPOSED SETTLEMENT

- 2.1 The Board wishes to announce that Astaka Padu Sdn Bhd (“**APSB**”) has been engaging with Aliran on a settlement plan in respect of the payment of the First Claim Adjudication Decision and the Additional Claim Adjudication Decision since 8 June 2021. However, the parties have not been able to agree on a settlement plan.
- 2.2 On 16 June 2021, APSB’s lawyers, Mah-Kamariyah & Philip Koh (“**MKP**”) was informed by Aliran’s lawyers, Messrs Gan Partnership (“**GP**”) that GP had been instructed by Aliran to apply to the High Court to enforce the First Claim Adjudication Decision and the Additional Claim Adjudication Decision against APSB.
- 2.3 After careful deliberation by the management of APSB and taking into consideration the outcome of the design, supply and installation of luminaries works relating to exterior façade lighting under the Letter of Award (the “**Project**”) among others, the quality of work, as well as relevant legal advice from MKP and other professionals, APSB has decided to resist the enforcement of the First Claim Adjudication Decision and the Additional Claim Adjudication Decision.
- 2.4 The management of APSB held the view that the entire contract sum charged by Aliran for the Project is manifestly excessive, particularly in light of the quality of work delivered by Aliran. However, these factors were not adequately considered in the First Claim Adjudication Decision and the Additional Claim Adjudication Decision against APSB. On the advice of MKP, APSB has issued a letter of demand dated 24 June 2021 to Aliran, through GP, to counter claim for such excess in the amount of RM4,538,150.41 in relation to the Project, to be paid by Aliran to APSB or MKP (as APSB’s lawyers) within seven (7) days of the date of the letter of demand, failing which APSB will proceed with arbitration proceedings.
- 2.5 The Company will make further announcements to update its shareholders when there are material updates in respect of the matter, as and when necessary.

3. GENERAL

Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Khong Chung Lun
Executive Director and Chief Executive Officer

25 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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