
UPDATE ON LEGAL PROCEEDINGS

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Astaka Holdings Limited (the “**Company**”) refers to the Company’s announcements dated 27 November 2020, 7 December 2020 and 25 January 2021 (collectively, the “**Announcements**”) in relation to, *inter alia*, the (i) Writ of Summons and Statement of Claim served on the Company’s subsidiary, Astaka Padu Sdn Bhd (“**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 China State Construction Engineering (M) Sdn Bhd (“**CSCE**”) in the Kuala Lumpur High Court (“**KL Court**”) and the notice of application filed seeking for, *inter alia*, an interim injunction to prevent CSCE from commencing and/or proceeding with adjudication proceedings against APSB pursuant to CIPAA until the disposal of the Originating Summons (“**Notice of Application**”), on 25 January 2021 (the “**KL Matter**”).

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

2. JB MATTER – STAY OF PROCEEDINGS AND STATEMENT OF DEFENCE

2.1 The Board wishes to announce that following the case management session held on 3 February 2021, the Registrar of the JB Court had directed APSB to file its Statement of Defence in relation to the JB Matter (“**Statement of Defence**”) by 17 February 2021 and for CSCE to file its reply by 3 March 2021. The JB Matter is fixed for further case management by way of e-review on 3 March 2021.

2.2 Additionally, APSB had, on 16 February 2021 filed a stay of proceedings pending referral to arbitration pursuant to Section 10 of the Arbitration Act 2005 (“**Stay of Proceedings**”) in relation to CSCE’s Writ of Summons and Statement of Claim for the following reasons:

- (a) the disputes and/or differences referred to in the Statement of Claim arises from the contract where there is an arbitration clause which compel the parties to refer to arbitration;
- (b) it is clear that by virtue of Clause 34.5 of the formal construction contract based on the Perasatuan Akitik Malaysia (PAM 2006 with quantities) form of contract, the Plaintiff and Defendant have decided and agreed on the dispute resolution mechanism to determine any disputes between the parties;
- (c) it is expressly clear that all disputes and/or differences shall be referred to arbitration; and
- (d) the Settlement Agreement expressly incorporates the dispute resolution clause by way of reference and as such parties are bound to refer to arbitration.

2.3 APSB had, on 17 February 2021 filed its Statement of Defence in response to CSCE’s Statement of Claim and also set out its counterclaim for the following:

- (a) the sum of RM67,328,000 or such other sums as assessed by the JB Court for damages for the losses incurred by APSB as a result of the delays caused by CSCE to the progress of the works;
- (b) a declaration that the loan agreement dated 12 April 2017 and the Settlement Agreement dated 1 October 2019 are unenforceable in law;
- (c) interest;

(d) cost; and

(e) such further and other relief as deemed appropriate by the JB Court.

3. KL MATTER – CASE MANAGEMENT

3.1 The Board wishes to update that following the Originating Summons filed in the KL Court on 25 January 2021, APSB's Malaysian legal counsel had, on 4 February 2021, served the KL Court cause papers on CSCE at its registered address. CSCE is represented by Messrs Raja, Daryl & Loh.

3.2 On 8 February 2021, APSB and CSCE had attended a case management session in relation to the KL Matter before the Registrar of the KL Court, which issued the following directions:

(a) CSCE shall file its affidavit in reply by 1 March 2021;

(b) APSB shall file its affidavit in reply by 22 March 2021;

(c) CSCE and APSB shall simultaneously exchange their respective written submissions by 23 April 2021;

(d) CSCE and APSB shall simultaneously exchange their respective submissions in reply by 30 April 2021; and

(e) the hearing of the Originating Summons and Notice of Application is fixed on 7 May 2021 at 2.30pm by way of Skype.

4. GENERAL

The Company will make further announcements to update its shareholders when there are material updates in respect of the foregoing matters, as and when necessary. 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

17 February 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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