
**RECEIPT OF PAYMENT CLAIM IN RELATION TO THE
SETTLEMENT AGREEMENT WITH CHINA STATE CONSTRUCTION
ENGINEERING (M) 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 5 September 2019, 6 September 2019, 11 September 2019, 2 October 2019, 9 April 2020, and 2 July 2020 (collectively, the “**Announcements**”), in relation to the settlement agreement entered into between the Company’s subsidiary, Astaka Padu Sdn Bhd (“**APSB**”) and China State Construction Engineering (M) Sdn Bhd (“**CSCE**”) on 1 October 2019 (the “**Settlement Agreement**”).

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

2. RECEIPT OF PAYMENT CLAIM

The Board wishes to announce that APSB has on 25 November 2020, received a payment claim from Raja, Darryl & Loh (being lawyers representing CSCE) for amounts owing by APSB to CSCE (the “**Payment Claim**”).

Under the Payment Claim, (a) CSCE is claiming against APSB for the sum of RM50,878,046.41 and interest thereon (being RM5,824,944.96 calculated as at 25 November 2020), pursuant to Section 5 of the Construction Industry Payment and Adjudication Act 2012; and (b) CSCE’s cause of action is based on breach of the terms of payment contained in the Settlement Agreement which is to provide for the payment of works done under the Contract. In addition, CSCE will claim for costs against APSB in the adjudication proceedings and/or other legal proceedings. CSCE also reserves its rights against APSB to make further and other claims arising from the Settlement Agreement against APSB.

The amounts claimed under the Payment Claim (being an aggregate of RM56,702,991.37 calculated as at 25 November 2020) constitute approximately 61.0% of the Group’s latest announced unaudited consolidated net assets attributable to owners of the Company of RM92.9 million as at 30 September 2020 (“**Net Assets**”). For avoidance of doubt, the Net Assets as at 30 September 2020 had taken into account the principal sum and interest owing to CSCE under the Settlement Agreement. The Directors are of the view that the aggregate amount claimed (and the ancillary claims) under the Payment Claim, if enforced in full, will have a material impact on the financial position of the Group for the financial year ended 30 June 2021.

3. NEXT STEPS

The Group has appointed Sanjay Mohan Advocates & Solicitors (“**Sanjay Mohan**”) as its Malaysian legal advisers to advise APSB on the Payment Claim and next steps. Having received preliminary advice from Sanjay Mohan, APSB intends to defend the Payment Claim.

The Company will make further announcements to update its shareholders when there are material updates as may be necessary or appropriate. 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.



ASTAKA HOLDINGS LIMITED

(Company Registration No: 200814792H)

(Incorporated in the Republic of Singapore)

By Order of the Board

Khong Chung Lun
Executive Director and Chief Executive Officer

27 November 2020

This announcement has been prepared by the Company and reviewed by the 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.

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