
UPDATE TO NOTICE OF ADJUDICATION

1. INTRODUCTION

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 announcements dated 19 December 2019, 23 December 2019 and 17 March 2020 (collectively, the “**Announcements**”), in relation to Astaka Padu Sdn Bhd’s (“**APSB**”) receipt of (i) the Payment Claim from Aliran Asia Sdn Bhd (“**Aliran**”) dated 12 December 2019 on 15 December 2019; and (ii) the Notice of Adjudication dated 11 March 2020 from Messrs Gan Partnership (“**GP**”) (being the lawyers representing Aliran) on 16 March 2020.

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

2. STATUS OF ADJUDICATION

The Board wishes to announce that following receipt of the Notice of Adjudication, adjudication proceedings between APSB and Aliran have yet to commence, pending the appointment of an adjudicator by the Director of Asian International Arbitration Centre (the “**AIAC**”) (“**Director of AIAC**”).

On 21 July 2020, GP had served a notice of adjudication (the “**Notice**”) to the Director of AIAC to register adjudication proceedings in respect of the Payment Claim (the “**Adjudication Registration**”). On 22 July 2020, the AIAC acknowledged receipt of the Notice, stating that the Adjudication Registration will only take effect on the appointment of a new Director of AIAC and until further notice.

On 23 July 2020, GP sent a letter to the AIAC, requesting for the Director of AIAC to appoint an adjudicator in respect of the Payment Claim (“**Appointment**”). On 24 July 2020, the AIAC clarified that due to the recent demise of the Director of AIAC on 8 March 2020, a new Director of AIAC has yet to be appointed by the Malaysian government and that pending such appointment by the Malaysian government, no Appointment shall also be made.

3. ADDITIONAL CLAIM FOR RETENTION SUM

APSB had on 26 July 2020, received an additional payment claim dated 22 July 2020 from Aliran in relation to the Letter of Award (the “**Additional Claim**”), being (i) the retention sum of RM129,717.50 claimed by Aliran from APSB after the issuance of the certificate of practical completion dated 19 June 2019; and (ii) financial charges calculated at 10% per annum from the due date of payment claimed by Aliran from APSB (collectively, the “**Additional Sums**”). Following receipt of the Additional Claim, the total certified amount claimed by Aliran from APSB under the Letter of Award is RM3,327,856.07 (the “**Total Claimed Sums**”).

If Aliran does not receive payment of the Additional Sums or a response in writing by APSB within 10 working days of receipt of the Additional Claim, Aliran shall proceed to initiate adjudication proceedings against APSB. In connection with the Additional Claim, APSB had also received a letter from Aliran dated 23 July 2020 (the “**Letter**”), providing notice to APSB to pay the Total Claimed Sums within 14 days of receipt of the Letter, failing which, Aliran would exercise their right to suspend the execution of rectification works to APSB until payment is made.

In view of the Adjudication Registration in respect of the Payment Claim, the Company understands that in the event that Aliran proceeds to initiate adjudication proceedings against APSB in relation to the Additional Claim, both claims may be consolidated and heard together.

4. GENERAL

The Total Claimed Sums of RM3,327,856.07 constitutes approximately 3.5% of the Group's latest announced unaudited net assets of RM94,349,592 as at 31 March 2020. The Board is of the view that the Total Claimed Sums (and the ancillary claims under the Notice of Adjudication), if enforced in full, will not have a material impact on the financial position of the Group for the financial year ending 30 June 2021.

The Company is seeking legal advice on the matter and will make further announcements to update its shareholders when there are material updates as may be necessary or appropriate.

BY ORDER OF THE BOARD

Khong Chung Lun
Executive Director and Chief Executive Officer

28 July 2020

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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