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## UPDATE ON LEGAL PROCEEDINGS WITH ALIRAN ASIA SDN. BHD.

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### 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 and 28 April 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 additional payment claim dated 22 July 2020 (“**Additional Claim**”) from Aliran and the notice of adjudication dated 2 December 2020 (the “**Second Notice of Adjudication**”); and (iii) the adjudication decision dated 20 April 2021 in relation to the Second Notice of Adjudication (the “**Additional Claim Adjudication Decision**”).

### 2. UPDATES ON THE LEGAL PROCEEDINGS WITH ALIRAN

2.1. Unless otherwise defined, all capitalised terms in this section shall bear the same meanings as ascribed to them in the Aliran Announcements. The Board wishes to announce that it has, on 21 May 2021, received the adjudication decision dated 7 May 2021 in relation to the First Notice of Adjudication (“**First Claim Adjudication Decision**”).

2.2. The salient points of the First Claim Adjudication Decision are set out below:

- (i) Aliran’s claim of RM3,198,138.57 was allowed subject to deductions of (a) RM100,000.00 being partial payments made by APSB on 22 January 2020 and 16 February 2020, and (b) RM85,427.96 being sales and service tax (“**SST**”) wrongfully charged on Aliran’s invoices as SST is not applicable in the construction industry, such that the adjudicated sum allowed was RM3,012,710.61 (“**Adjudicated Amount**”);
- (ii) APSB’s claim for set off for defective works was disallowed;
- (iii) Aliran’s claim of interest was allowed on the Adjudicated Amount from the respective due dates of the payments, being 13 May 2019, 22 May 2019 and 22 August 2019 until settlement in full of the Adjudicated Amount is made by APSB, calculated based on the Maybank Base Lending Rate plus 1.00%; and
- (iv) APSB shall pay to Aliran the costs of adjudication amounting to an aggregate of RM78,791.61 and any sums paid by Aliran on behalf of APSB.

2.3 APSB has noted that there are errors contained in the First Claim Adjudication Decision. The particulars of the errors are set out below:

- (i) the SST wrongfully charged as referred to in Paragraph 2.2(i) above should be in the sum of **RM185,427.96** instead of RM85,427.96; and
- (ii) the due dates of the payments as referred to in Paragraph 2.2(iii) above should be 13 May 2019, 22 May 2019 and **27 August 2019** instead.

Accordingly, it is APSB’s view that the Adjudicated Amount should be **RM2,912,710.61**. Mah-Kamariyah & Philip Koh (“**MKP**”) (being the lawyers representing APSB) are in the midst of seeking the necessary clarification and revision from the Adjudicator. The Company will make further announcement(s) in respect of this matter as and when APSB receives updates from MKP and/or the Adjudicator.

- 2.4 Having consulted MKP, and subject to the clarifications from the Adjudicator as mentioned in Paragraph 2.3 above, APSB intends to put forward a settlement proposal in respect of the First Claim Adjudication Decision and the Additional Claim Adjudication Decision for Aliran's consideration. 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

24 May 2021

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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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