

PROVISION OF SHAREHOLDERS’ LOAN TO JOINT VENTURE COMPANY

The board of directors (the “**Board**” or “**Directors**”) of Astaka Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) would like to announce that the Company’s 99.99%-owned indirect subsidiary, Astaka Padu Sdn. Bhd. (“**APSB**”), has with Seaview Holdings Sdn. Bhd. (“**SHSB**” and together with APSB, collectively the “**JV Partners**”), entered into a shareholders’ loan agreement with the Company’s 50.99%-owned indirect subsidiary, Astaka Capital Sdn. Bhd. (“**ACSB**” or the “**JV Co**”) on 3 September 2024 (the “**Shareholders’ Loan Agreement**”).

1. BACKGROUND OF ACSB

As announced by the Company on 31 May 2023 (the “**JV Announcement**”), ACSB is a joint venture company, incorporated by APSB and SHSB on 31 May 2023 to jointly undertake the property and real estate development in Malaysia (the “**Joint Venture**”), with APSB and SHSB holding 51% and 49% shareholding interests in ACSB respectively.

Pursuant to the joint venture agreement entered between APSB and SHSB on 31 May 2023, ACSB may obtain financing for its business from the JV Partners in proportion to their respective shareholding percentages in ACSB, should ACSB be unable to secure external borrowings from third parties.

Kindly refer to the JV Announcement for more details of the Joint Venture.

2. PROVISION OF THE SHAREHOLDERS’ LOAN

Under the terms of the Shareholders’ Loan Agreement, the JV Partners have agreed to make available to the JV Co an interest-free loan facility in aggregate principal amount of up to RM60 million (the “**Shareholders’ Loan**”).

The Shareholders’ Loan is to be drawn by ACSB from the JV Partners, in accordance with the JV Partners’ respective shareholding percentages in the JV Co as follows:

Party	Shareholding Interest in ACSB	Shareholders’ Loan
APSB	51%	RM30,600,000.00
SHSB	49%	RM29,400,000.00
Total	100%	RM60,000,000.00

3. PRINCIPAL TERMS OF THE SHAREHOLDERS’ LOAN

3.1 Subject to the terms and conditions contained in the Shareholders’ Loan Agreement, the JV Co may, during the tenure of the Shareholders’ Loan Agreement, call for a drawdown of the Shareholders’ Loan or any part thereof (the “**Drawdown Amount**”) by giving the JV Partners a notice in writing in the form set out in Schedule 1 of the Shareholders’ Loan Agreement (the “**Drawdown Request**”) within a minimum of three (3) business days prior to the intended date of funding (the “**Drawing Date**”).

- 3.2 The JV Co may give any number of Drawdown Requests to the JV Partners, provided always that the amount of each drawing when aggregated with all previous amounts of the Drawdown Amount under the Shareholders' Loan shall not exceed RM60 million.
- 3.3 No interest shall be chargeable and/or payable on any principal amount outstanding for the time being of the Shareholders' Loan.
- 3.4 The Shareholders' Loan shall be repaid by ACSB to APSB and SHSB in cash and/or in kind as may be mutually agreed between ACSB with APSB and SHSB respectively within one (1) year from the Drawing Date (the "**Repayment Term**"), with an automatic extension of additional one year period upon the expiry of the Repayment Term, and on each successive anniversary date thereafter. Following each such automatic extension pursuant to the Shareholders' Loan, references to the Repayment Term shall also be extended accordingly and the maturity date for the repayment of the Shareholders' Loan shall be construed as the last day of each relevant extension.

4. **RATIONALE AND BENEFITS OF THE SHAREHOLDERS' LOAN**

Pursuant to the JV Announcement, ACSB was incorporated as a joint venture between APSB and SHSB to jointly undertake the development of the final phase of the One Bukit Senyum ("**OBS**") development, designated as OBS3, which spans 7.65 acres. OBS3 is envisioned as a mixed-use development that will feature residential towers, a prestigious hotel, branded residences, serviced apartments and an entertainment hub which shall be developed in sub-phases.

In the commencement of its first sub-phase of OBS3, the Company, had on 12 July 2024, announced that APSB, ACSB, Kii Amber Sdn. Bhd. ("**KIASB**") and SHSB (each a "**Party**", and collectively, the "**Parties**"), have entered into a legally binding term sheet ("**Term Sheet**") for (i) the proposed sale and purchase of an identified parcel of land measuring approximately 1.662 acres in area ("**Project Land**") (to be subdivided from a master freehold land currently held under H.S.(D) 571006, PTD 233330, Mukim Plentong, District of Johor Bahru, State of Johor, Malaysia ("**Master Land**") for the development of OBS3 ("**Proposed Acquisition**"), and (ii) proposed joint venture between ACSB and KIASB ("**JVCo of ACSB & KIASB**") for the development of a residential serviced apartment ("**OBS Phase 3A**"). The provisions of the Term Sheet are intended to be used as basis for the Parties to enter into definitive agreements at a later date.

ACSB had, pursuant to the Term Sheet, incorporated Astaka Kimlun Sdn Bhd ("**AKSB**") on 30 July 2024, as a wholly-owned subsidiary of ACSB, prior to execution of a subscription and shareholders' agreement ("**SSA**") with KIASB.

In view thereof, part of the Shareholders' Loan will be used to fund the preliminary costs associated with the development of OBS Phase 3A via AKSB and a loan agreement shall be executed between ACSB and AKSB ("**AKSB Loan Agreement**") for a loan facility of up to RM10,000,000.

The remaining Shareholders' Loan may be drawn down to provide necessary funding to ACSB in connection with the Joint Venture activities, including but not limited to the ongoing working capital requirements as well as future sub-phases developments of the OBS3 project.

The Company will make the necessary further announcements on the OBS Phase 3A and OBS3 development project, as and when there are any material developments.

5. THE SHAREHOLDERS' LOAN AS AN INTERESTED PERSON TRANSACTION

5.1 Chapter 9 of the Catalist Rules

Chapter 9 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be entities at risk, with the listed company's interested persons.

Under Chapter 9 of the Catalist Rules, where a listed company or any of its subsidiaries or any of its associated companies, which is an entity at risk, proposes to enter into transactions with the listed company's interested persons, the listed company is required to seek shareholders' approval if the value of the transaction (either in itself or aggregated with the value of other transactions with the same interested person during the same financial year) is equal to or exceeds 5% of the Group's latest audited net tangible assets ("**NTA**").

For the avoidance of doubt, the requirement for shareholders' approval does not apply to any transaction below S\$100,000.

However, Rule 916(3) of the Catalist Rules states that the shareholders' approval is not required in relation to the provision of a loan to a joint venture if:

- (i) the loan is extended by all joint venture partners in proportion to their equity and on the same terms;
- (ii) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture; and
- (iii) the issuer confirms by an announcement that its audit committee is of the view that:
 - (a) the provision of the Shareholders' Loan is not prejudicial to the interest of the issuer and its minority shareholders; and
 - (b) the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms and conditions are not prejudicial to the interests of the issuer and its minority shareholders

(collectively, the "**Exception Conditions**").

5.2 Details of the Interested Person

Dato' Dr. Daing A Malek bin Daing A Rahaman ("**Dato' Malek**"), being controlling shareholder of the Company, holds:

- (i) a deemed interest of 66.55% of shares in the Company by virtue of his 100% shareholding interest in Horizon Sea Limited, which holds 1,244,062,150 shares in the capital of the Company and a direct shareholding interest of 0.20% of shares in the Company by virtue of his holding of 3,665,000 shares in the capital of the Company, resulting in a total interest of approximately 66.75% of the share capital of the Company; and
- (ii) an indirect shareholding interest of 49% in ACSB by virtue of his 100% shareholding interest in DMR Holdings Sdn Bhd ("**DMR Holdings**") (which in turn holds 100% shareholding interest in SHSB).

Accordingly, ACSB is an associate of Dato' Malek, and is deemed to be an interested person for the purposes of Chapter 9 of the Catalist Rules. Therefore, the provision of the Shareholders' Loan constitutes as an "Interested Person Transaction" within the meaning of Chapter 9 of the Catalist Rules.

5.3 Details of Interested Person Transactions with the Same Interested Person for the Current Financial Period

For the current financial period beginning 1 January 2024 and up to the date of this announcement, the aggregate value of transactions entered into with Dato' Malek and his associates (excluding the Shareholders' Loan) are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) ⁽¹⁾
ACSB	An associate of Dato' Malek	RM627,300 ⁽²⁾	-
Bukit Pelali Property Sdn Bhd ("BPPSB")	An associate of Dato' Malek	RM10,200,000 ⁽³⁾	RM332,991 ⁽⁴⁾
Dato Malek	Controlling Shareholder	-	RM Nil ⁽⁵⁾
SHSB	An associate of Dato' Malek	-(²)	-
Saling Syabas Sdn Bhd ("SSSB") ⁽⁶⁾	An associate of Dato' Malek	-	-

Notes:

- (1) The Group had obtained the approval from its shareholders on 26 April 2024 for the renewal of general mandate for recurring interested person transactions with Dato' Malek and his associates.
- (2) Pursuant to Rule 909(1) of the Catalist Rules, in the case of a partly-owned subsidiary or associated company, the value of the transaction is an issuer's effective interest in that Transaction. Pursuant to Rule 909(2) of the Catalist Rules, in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees to be given by the entity at risk.

Pursuant to the Term Sheet (as defined in paragraph 4 above), subject to the execution of the definitive agreements to be entered by the respective Parties, the value of the Proposed Acquisition as an interested person transaction based on the Company's shareholding proportions in the JVCo of ACSB & KIASB, as well as the financing principles of the Term Sheet, is RM31,365,000, being 51% of the Project Land price of RM61,500,000 ("**Price**"). Upon execution of the Term Sheet, a total sum of RM1,230,000, being 2% of the Price ("**Earnest Deposit**") was payable by ACSB and KIASB (in accordance with their Shareholding Proportions) to SHSB.

Accordingly, the Earnest Deposit payable by ACSB was RM627,300. Further, as shareholders of ACSB, each APSB and SHSB shall contribute RM319,923 and RM307,377 for the Earnest Deposit payable by ACSB, based on their respective shareholding proportions in ACSB. APSB had on 12 July 2024, paid on behalf of ACSB, the full amount of RM627,300 to SHSB (as beneficial owner of the Master Land). SHSB had on 29 July

2024, reimbursed (via ACSB) a sum of RM307,377 to APSB, based on SHSB's 49% shareholding proportions in ACSB. As ACSB and SHSB are each associate of Dato' Malek, the Earnest Deposit payable by APSB to SHSB of RM319,923 (approximately S\$96,171) and amount paid on behalf of ACSB by APSB to SHSB of RM627,300 (approximately S\$188,571) constitute an "Interested Person Transaction" under Chapter 9 of the Catalist Rule. As the definitive agreements to be entered by the respective Parties have yet to be executed as at date of this announcement, the value at risk is equivalent to the Earnest Deposit paid by APSB, on behalf of ACSB, of RM627,300 upon execution of the Term Sheet. The Company will seek any shareholder's approval as necessary for the entry into the definitive agreements.

- (3) On 20 May 2024, APSB and SSSB had entered into a shareholders' loan agreement with the Company's 50.99% owned indirect subsidiary, BPPSB (the "**2024 BPPSB Shareholders' Loan**"), to extend an unsecured and interest-free loan to BPPSB for an aggregate sum of RM20.0 million for the purposes of ongoing working capital requirements as well as the future developments in the joint venture, and shall only be drawn as and when required.

The 2024 BPPSB Shareholders' Loan shall be repaid by BPPSB to APSB and SSSB in cash and/or in kind as may be mutually agreed between BPPSB with APSB and SSSB respectively within one year from the drawing date (the "**Repayment Term of 2024 BPPSB Shareholders' Loan**"), with an automatic extension of additional one year period upon the expiry of the Repayment Term of 2024 BPPSB Shareholders' Loan, and on each successive anniversary date thereafter and the maturity date for the repayment of the 2024 BPPSB Shareholders' Loan shall be construed as the last day of each relevant extension.

Pursuant to Rule 909(2) of the Catalist Rules, in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees to be given by the entity at risk. Accordingly, the value of the 2024 BPPSB Shareholders' Loan as an interested person transaction is RM10.2 million, being the proportion of the loan to be extended by APSB to BPPSB under the 2024 BPPSB Shareholders' Loan (which is in proportion with APSB's equity stake in BPPSB).

Pursuant to Rule 916(3) of the Catalist Rules, shareholders' approval is not required for the provision of a loan to a joint venture with an interested person as the 2024 BPPSB Shareholders' Loan is extended by APSB and SSSB to BPPSB in proportion to their equity and on the same terms.

- (4) APSB had seconded certain employees who do not have any active roles or job responsibilities in APSB to BPPSB to meet BPPSB's operational requirements. The amount incurred for the current financial period beginning 1 January 2024 and up to the date of this announcement is RM332,991 (approximately S\$100,100).
- (5) This comprises the rental payable by BPPSB to Dato' Malek, for the rental of lands by BPPSB for the lease period from 1 April 2024 to 31 March 2026. The amount incurred is RM325,464 (approximately S\$97,837).
- (6) There were amounts payable by BPPSB to SSSB up to the date of this announcement for the sole and exclusive right to develop the Bukit Pelali land for an aggregate consideration not exceeding RM165,000,000, which was approved by the Company's shareholders at the extraordinary general meeting on 16 December 2016. Please refer to the Company's circular to its shareholders dated 29 November 2016 for further details. The amount incurred for the current financial period beginning 1 January 2024 and up to the date of this announcement of RM470,398 (approximately S\$141,405).

5.4 Value of Interested Person Transaction

The Shareholders' Loan, being transactions between APSB (being a 99.99%-owned indirect subsidiary of the Company that is not listed on the SGX-ST or an approved exchange and thus an "Entity at Risk" under Chapter 9 of the Catalist Rules) and ACSB (an "Associate" of Dato' Malek under Chapter 9 of the Catalist Rules), constitute an "Interested Person Transaction" under Chapter 9 of the Catalist Rules.

Under Rule 909(3) of the Catalist Rules, in the case of the lending of funds to an interested person, the value of the transaction is the interest payable on the loan and the value of the loan. The value of the interested person transaction in relation to the Shareholders' Loan, is approximately RM30.60 million (equivalent to approximately S\$9.20 million), and represents approximately 36.90% of the latest audited NTA of the Group as at 31 December 2023 of approximately RM82.92 million.

As the value of the Shareholders' Loan exceeds 5.0% of the latest audited net tangible assets of the Group, the Shareholders' Loan, pursuant to Rule 906 of the Catalist Rules, would be subject to approval by Shareholders who are deemed independent for the purposes of the Shareholders' Loan, unless it falls within the exception under Rule 916(3) of the Catalist Rules as elaborated in paragraph 5.1 above. As the Shareholders' Loan falls within the exception under Rule 916(3) of the Catalist Rules, no approval from shareholders is required.

As at the date of this announcement, the current total of all interested person transactions with Dato' Malek and his associates during the same financial year from 1 January 2024 (being the start of the current financial year ending 31 December 2024) to the date of this announcement is RM41.43 million (including the Shareholders' Loan but excluding transactions of a value less than S\$100,000), which represents approximately 49.96% of the latest audited NTA of the Group as at 31 December 2023 of approximately RM82.92 million. The current total of all interested person transactions from 1 January 2024 to the date of this announcement (including the Shareholders' Loan but excluding transactions of value less than S\$100,000) is RM42.07million.

Save for interested person transactions with Dato' Malek and his associates, as well as Mr. Victor Lai Kuan Loong, the Non-Executive Chairman and Independent Director of the Company, as announced by the Company on 12 August 2024, the Company does not have any other interested person transactions.

6. AUDIT COMMITTEE STATEMENT

Based on the terms and conditions of the Shareholders' Loan Agreement and taking into account, amongst others, the loan is extended by all joint venture partners in proportion to their equity and on the same terms, including repayment terms and SHSB does not have an existing equity interest in the JV Co prior to the participation of APSB in the JV Co, the Audit Committee of the Company is of the view that:

- (a) the provision of the Shareholders' Loan is not prejudicial to the interest of the Company and its minority shareholders; and
- (b) the risks and rewards for the Joint Venture are in proportion to the equity of each JV Partner and that the terms and conditions relating to the Shareholders' Loan are not prejudicial to the interests of the Company and its minority shareholders.

With this and as disclosed in this announcement, the Audit Committee also confirms that the Exception Conditions have been met and accordingly, shareholders' approval is not required for the Shareholders' Loan.

7. FINANCIAL IMPACT

The contribution by the Company through APSB to the Shareholders' Loan will be funded by the Group's internal cash resources, external borrowings from third party (including banks and other financial institutions), as well as existing loan facilities extended by the Company's controlling shareholder and/or its associates, including but not limited to the unsecured loan facility of up to RM60,000,000 extended by DMR Holdings (an associate of Dato' Malek, through his 100% shareholding interest in DMR Holdings) to ACSB ("**DMR ACSB Loan Agreement**")¹. The Shareholders' Loan is anticipated to be drawn down gradually in tandem with the progress of the OBS3 development.

The Company's financing of Shareholders' Loan is not expected to have a material impact on the net tangible assets and earnings per share of the Company for financial year ending 31 December 2024.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed, none of the Directors nor the controlling shareholder(s) of the Company has any interest, direct or indirect, in the Shareholders' Loan, other than through their respective shareholdings (if any) in the Company.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The Shareholders' Loan Agreement is available for inspection during normal business hours at the Company's registered office at 133 Cecil Street, #14-01, Keck Seng Tower, Singapore 069535 for three (3) months from the date of this announcement.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Shareholders' Loan.

The Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

¹ The Company had obtained the approval from its shareholders on 25 August 2023 for the entry into the DMR ACSB Loan Agreement as interested person transactions under Chapter 9 of the Catalyst Rules. Please refer to the Company's circular to Shareholders dated 10 August 2023 for further details. For avoidance of doubt, the Company has yet to commence any drawdown on the DMR ACSB Loan Agreement as at date of this announcement.

By Order of the Board

Khong Chung Lun
Executive Director and Chief Executive Officer

3 September 2024

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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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