
PROPOSED DISPOSAL OF LAND AT ONE BUKIT SENYUM

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**” or “**Directors**”) of Astaka Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s subsidiary, Astaka Padu Sdn. Bhd. (the “**Vendor**” or “**APSB**”), a 99.99% owned indirect subsidiary of the Company has on 14 January 2022 entered into a conditional sale and purchase agreement (the “**SPA**”) with Seaview Holdings Sdn. Bhd. (the “**Purchaser**”) for the proposed sale of the Vendor’s property known as One Bukit Senyum, a parcel of freehold land held under H.S.(D) 571006, PTD 233330, Mukim of Plentong, District of Johor Bahru, State of Johor, Malaysia (the “**Land**”) (the “**Proposed Disposal**”).
- 1.2 The Vendor is a company incorporated in Malaysia, and is 100% owned by Astaka Padu Limited which is in turn 99.99% owned by the Company. The Vendor is principally engaged in property development in Johor, Malaysia. The Vendor has been involved in two (2) main projects, comprising development projects located at (a) One Bukit Senyum which includes, among others, a mixed development comprising twin towers of service apartments (The Astaka @ One Bukit Senyum) which was completed in June 2018, and the headquarters of Johor Bahru’s City Council, Menara Majlis Bandaraya Johor Bahru which was completed and handed over in December 2019 and January 2020 respectively, as well as (b) Bukit Pelali at Pengerang, a 363-acre strata township located in southern Johor (the “**Bukit Pelali Project**”) (through a 51.0% owned joint venture company of the Vendor) where the initial phases of the Bukit Pelali Project, comprising phases 1A, 1B and 2A2B which include, among others, residential units and shop units, were completed in October 2019, December 2020 and November 2020 respectively.
- 1.3 The Proposed Disposal constitutes:
- (a) an interested person transaction under Chapter 9 of the Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Ltd.; and
 - (b) a major transaction under Chapter 10 of the Catalyst Rules.
- 1.4 Accordingly, the Proposed Disposal is subject to:
- (a) the approval of the shareholders of the Company who are deemed independent under the Catalyst Rules (the “**Independent Shareholders**”) for the Proposed Disposal, being an interested party transaction under Chapter 9 of the Catalyst Rules; and
 - (b) the approval of the shareholders of the Company (the “**Shareholders**”) for the Proposed Disposal, being a major transaction to be undertaken by the Company under Chapter 10 of the Catalyst Rules.
- 1.5 The Company intends to convene an extraordinary general meeting (“**EGM**”) to seek the approval of the Shareholders for the Proposed Disposal.

2. SALE CONSIDERATION

- 2.1 The sale consideration for the Land is RM116,000,000 (the “**Consideration**”). The Consideration was arrived at on an arm’s length and a “willing-buyer willing-seller” basis, after taking into account the rationale for the Proposed Disposal and the market value (the “**Market Value**”) of the Land as ascribed by an independent valuer, Knight Frank Malaysia Sdn. Bhd. (the “**Valuer**”) who was commissioned by the Vendor at the Vendor’s own costs and expenses to carry out an independent valuation of the market value of the Land as at the valuation date of 29 October 2021.
- 2.2 Pursuant to the terms of the SPA, the Consideration will be payable by the Purchaser to the Vendor in cash as follows:
- (a) upon the execution of the SPA, the Purchaser shall pay a sum of RM11,600,000 in cash, equivalent to 10% of the Consideration (the “**Deposit**”), to the Vendor;
 - (b) the remaining balance of 90% of the Consideration, being RM104,400,000 (the “**Balance**”), shall be paid by the Purchaser in cash via 6 tranches in a fixed sum of RM17,400,000 each (the “**Instalment Tranche**”) with (i) the first Instalment Tranche being the date on which the Conditions Precedent (as defined herein) have been obtained and fulfilled (the “**Unconditional Date**”), (ii) the subsequent Instalment Tranches being due in 3-month intervals after the Unconditional Date, (iii) and the final Instalment Tranche being due on a date falling 15 months from the Unconditional Date (the “**Final Instalment Tranche Date**” and each a “**Instalment Payment Date**”), on or before the Final Instalment Tranche Date or such other date as may be agreed upon between the parties, in the following manner:
 - (i) the Purchaser may, subject to the prior consent and agreement of the Vendor, opt to pay and settle the Instalment Tranche by way of a set-off of each cash payment of an Instalment Tranche against an equal amount of loans and/or advances extended to the Vendor by the Purchaser and/or its related parties and persons connected with them (the “**Purchaser’s Related Parties**”), which in aggregate amounting to RM123,800,000 (the “**Related Party Advances**”) as at the date of the SPA, by issuing a set-off notice to the Vendor on or before the respective Instalment Payment Dates. In such event, the Purchaser shall, simultaneously with the delivery of the set-off notice, deliver to the Vendor a deed of release and discharge duly executed by the relevant Purchaser’s Related Parties releasing the Vendor in full from its repayment obligation under the Related Party Advances in respect of an amount equivalent to the Instalment Tranche set-off under the set-off notice (the “**Deed of Release and Discharge**”). Following the receipt by the Vendor of the set-off notice and the Deed of Release and Discharge, an amount of the Related Party Advances which is equivalent to the relevant Instalment Tranche shall be deemed repaid and settled by the Vendor on the date of the set-off notice and any Instalment Tranche which has been satisfied by way of set-off against the Related Party Advances shall deemed to have been paid by the Purchaser to the Vendor entirely in cash; or
 - (ii) the Purchaser may, at its sole and absolute discretion, opt to pay and settle the Instalment Tranche entirely in cash without involving any set-off arrangement against the Related Party Advances referred to in paragraph 2.2(b)(i) above, on or before the respective Instalment Payment Dates; and
 - (c) in the event the Purchaser fails to pay the Instalment Tranche on or before the respective Instalment Payment Dates in accordance with the payment schedule stated above, the Purchaser shall pay to the Vendor interest at the rate of 8% per annum on

the Instalment Tranche or any part thereof remaining unpaid, calculated on a daily basis, from the day next following the relevant Instalment Payment Date until the date of actual payment of the Instalment Tranche.

2.3 It is intended that the proceeds from the Proposed Disposal shall be utilised for the following purposes:

- (a) as working capital of the Group;
- (b) to repay existing creditors, including China State Construction Engineering (M) Sdn Bhd (“**CSCE**”) and reduce the loans and/or advances from Dato’ Daing A Malek Bin Daing A Rahaman (“**Dato’ Malek**”) and his associates as well as the corresponding interest payable (if any); and/or
- (c) to fund other project pipelines of the Group.

3. INFORMATION ON THE LAND AND THE PURCHASER

3.1 The Land

The Land is a parcel of freehold land held under H.S.(D) 571006, PTD 233330, Mukim of Plentong, District of Johor Bahru, State of Johor, measuring approximately 7.65 acres in area. The Land was earmarked for the next development phase of One Bukit Senyum, which will comprise three (3) sub-phases, being the development of (a) an office tower, (b) an entertainment hub, and (c) a five-star hotel, serviced apartments and residences.

3.2 Valuation of the Land

The Vendor has commissioned the Valuer to conduct an independent valuation of the Land as at 29 October 2021. Based on the valuation report dated 8 December 2021 issued by the Valuer (the “**Valuation Report**”), the valuation of the Land was carried out based on the “Comparison Approach” which considers the sales of similar or substitute properties and related market data and, in general, compares the Land with sales of similar properties that have been transacted in the open market. The valuation of the Land has been undertaken in accordance with the Malaysian Valuation Standards published by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia and other established valuation manuals and standards such as the International Valuation Standards (IVS) and the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual (where applicable).

3.3 The Purchaser

The Purchaser is a company incorporated and existing in Malaysia on 8 October 2013 and has an issued and paid-up share capital of RM20,000,000 comprising 20,000,000 ordinary shares. The principal activities of the Purchaser are to purchase, hire or acquire for the purpose of investment in any real or personal property.

Pursuant to the undertaking agreement dated 6 May 2015 entered into between Dato’ Malek (being the interested person in respect of the Proposed Disposal, as further illustrated in paragraph 6.1 of this announcement) and the Company, Dato’ Malek had undertaken to the Company that for as long as Dato’ Malek or any of his associates is a director or controlling shareholder of any company within the Group and in the event that Dato’ Malek or any of his associates acquire(s) any property in the Iskandar region of Johor, Malaysia (“**Iskandar**”), and wishes to appoint and/or engage a party to develop the projects in Iskandar (the “**Iskandar Projects**”), Dato’ Malek shall and shall procure that his associates shall, first offer in writing,

the opportunity to develop the Iskandar Projects to the Company (the “**Development Offer**”), and failing such acceptance shall be deemed to be declined by the Company. Upon the rejection of the Development Offer by the Company, Dato’ Malek or his associates would be free to appoint and/or engage such other party to develop the Iskandar Projects. Accordingly, any future development of the Land would also be subject to the Development Offer in view that it is located within the Iskandar region.

4. RATIONALE FOR THE PROPOSED DISPOSAL

The Board is of the view that the Proposed Disposal would provide an avenue to raise funds at this prevailing time to realise the value of the Land and generate cash inflow to (a) provide the Group with the necessary working capital to better manage its payment obligations to its existing creditors, including CSCE, and fund other project pipelines, and/or (b) reduce the loans and/or advances from Dato’ Malek and its associates as well as the corresponding interest expenses to strengthen the Group’s financial position.

5. SALIENT TERMS OF THE PROPOSED DISPOSAL

5.1 Conditions Precedent

The obligations of the Vendor and the Purchaser as set out in the SPA shall be conditional upon the following conditions precedent (the “**Conditions Precedent**”), having been fulfilled or waived:

- (a) the Vendor having obtained the approval of the Independent Shareholders at the EGM for the Proposed Disposal in favour of the Purchaser in accordance with the terms and conditions of the SPA, as an interested person transaction under Chapter 9 of the Catalist Rules; and
- (b) the Vendor having obtained the approval of the Shareholders at the EGM for the Proposed Disposal in favour of the Purchaser in accordance with the terms and conditions of the SPA, as a major transaction under Chapter 10 of the Catalist Rules

by the business day falling 3 months from the date of the SPA, or such later date as the parties may mutually agree upon in writing (the “**Cut-Off Date**”).

5.2 Conditions of sale and purchase

The Land is sold:

- (a) on an “as is where is” basis, with the Vendor making no representation or warranty of any kind either expressed or implied as to the description, quality, conditions, measurements, area, suitability or fitness for purpose of vacant possession of the Land;
- (b) free from any registered encumbrances;
- (c) with vacant possession;
- (d) subject to all restrictions in interest and conditions of title, whether express or implied, affecting the Land; and
- (e) subject to the existing category of land use affecting the Land.

5.3 Land sold on an “as is where is” basis

The Purchaser hereby agrees and covenants that it has prior to the date of the SPA taken at its own expense all necessary steps to ascertain for itself the state and condition of the Land which is sold hereunder on an “as is where is” basis and the Land is accordingly deemed to have been fully surveyed and inspected by the Purchaser and the Purchaser shall:

- (a) be deemed to have accepted the Land in the state and condition existing as at the date of the SPA;
- (b) accept the state and condition of the Land in the state and condition existing as at the date upon which the vacant possession of the Land is (i) deemed delivered free from all registered encumbrances and claims whatsoever; or (ii) delivered pursuant to Clause 12.2 of the SPA at any time prior to completion (being the day on which the obligations of the Purchaser in respect of the Consideration is duly completed in accordance with the payment schedule set out in paragraph 2.2 above) (“**Completion**”), provided that such state and condition has not changed in any material respect by virtue of any negligent act or omission of the Vendor; and
- (c) without prejudice to sub-paragraph (a) above, not be entitled to rescind the SPA or make any claim for compensation or damages or reduction of the Consideration in consequence of any:
 - (1) mis-description of the total area or other measurements of the Land;
 - (2) mis-description of the quality, condition, state, suitability or fitness for purpose of vacant possession of the Land; or
 - (3) change in the condition or state of the Land, provided that such change is not caused by any negligent act or omission of the Vendor,

and the Purchaser shall raise no requisition, inquiry or objection in relation thereto.

5.4 Right to terminate

If at any time prior to or on the expiry of the Cut-Off Date, the Conditions Precedent shall have not been obtained or fulfilled, then either party shall be entitled to terminate the SPA by giving a notice of termination to that effect to the other party, whereupon the Vendor shall refund the Deposit, free of interest, to the Purchaser and thereafter, the parties shall not have any further rights under the SPA except in respect of:

- (a) any obligation under the SPA which is expressed to apply after the termination of the SPA; and
- (b) any rights or obligations which have accrued in respect of any breach of any of the provisions of the SPA to either party prior to such termination.

5.5 Completion of sale and purchase of the Land

Subject to the full payment and satisfaction of the Consideration by the Purchaser in accordance with the paragraph 2.2 above, the Vendor shall, on the business day falling 15 months from the Unconditional Date, or such other date as may be agreed upon between the parties upon which Completion is to take place, release the transfer documents (including the transfer instrument, the original issue document of title for the Land, quit rent and assessment receipts in respect of Land for the current year, and all other documents necessary to enable the registration of the memorandum of transfer to be effected) (the “**Transfer Documents**”) to the Purchaser or the Vendor’s solicitors for the purpose of registration at the land registry.

For avoidance of doubt, the original land title deed(s) will remain registered with the Vendor, up till the receipt of full payment and satisfaction of the Consideration by the Purchaser.

5.6 Provision of assistance and granting of power of attorney

The Vendor agrees it shall render all assistance to the Purchaser by executing all applications/submission to the relevant authorities for obtaining the requisite licences, development order or planning approval (*Kebenaran Merancang*) and building plan for the proposed development project to be undertaken by the Purchaser pending Completion, provided always that the Purchaser shall fully indemnify the Vendor from and against any costs and expenses and liabilities thereby incurred in respect thereof.

The Vendor shall, within 14 days upon its receipt of a written request by the Purchaser, grant a limited power of attorney in favour of the Purchaser or its nominee in such form as may be mutually agreed upon by the parties, which allows the Purchaser or its nominee to apply and/or submit to the relevant authorities for obtaining the requisite licences, development order or planning approval (*Kebenaran Merancang*) and building plan for the proposed development project to be undertaken by the Purchaser pending Completion, provided always that the Purchaser shall fully indemnify the Vendor from and against any costs and expenses and liabilities thereby incurred in respect thereof.

5.7 Termination and breach

(a) Vendor’s right to terminate

If the Purchaser defaults in the satisfaction of the Consideration in accordance with the provisions of the SPA or the Purchaser otherwise fails, neglects or refuses to perform or comply with any of its obligations under the SPA, the Vendor will be entitled to terminate the SPA by notice in writing to the Purchaser if the Purchaser fails within 14 days of receipt of a notice from the Vendor to remedy the breach or the matter.

(b) Purchaser’s right to terminate

The Purchaser will be entitled to, at any time after any such default arises, give notice to the Vendor terminating the SPA if –

- (i) the Vendor fails, neglects or refuses to complete the sale in accordance with the provisions of the SPA; or
- (ii) the Vendor fails, neglects or refuses to perform or comply with any of its obligations under the SPA,

and the Vendor fails within 14 days of receipt of a notice from the Purchaser to remedy the breach or the matter.

(c) **Consequences of termination by the Vendor**

Following the giving of a notice stating that the Vendor wishes to terminate the SPA and specifying the clause under which, and the facts that entitle the Vendor to issue, the notice (the “**Notice of Termination**”) and if the Vendor elects not to pursue specific performance to compel the Purchaser to complete the sale of the Land:

(i) the Purchaser shall, within 14 days after its receipt of the Notice of Termination:

1. return to the Vendor all documents, if any, delivered to it by or on behalf of the Vendor;
2. return or cause to be returned to the Vendor or the Vendor’s solicitors (the “**Solicitors**”) the Transfer Documents which are as that date in its possession with the Vendor’s interest intact, provided that in the event that the memorandum of transfer has as at that date been stamped for ad valorem stamp duty in the full amount, the Purchaser or the Solicitors shall be entitled to forward the duly stamped memorandum of transfer to the Collector of Stamp Duty for cancellation and for a refund of the ad valorem stamp duty so paid by the Purchaser and thereafter to forward the memorandum of transfer to the Vendor or the Solicitors for cancellation; and
3. re-deliver to the Vendor vacant possession of the Land, if the same has been delivered to the Purchaser, in the same state and condition as at the date of delivery thereof, and remove and withdraw all caveats or other encumbrances entered or caused to be entered by the Purchaser over the Land; and

(ii) the Vendor shall, in exchange for the performance by the Purchaser of its obligations under sub-paragraph (i) above:

1. return to the Purchaser all documents, if any, delivered to it by or on behalf of the Purchaser;
2. if applicable, return all moneys received by it as part of the Balance as at that date, to the Purchaser; and
3. the Deposit will be absolutely forfeited in favour of the Vendor as agreed liquidated damages.

(d) **Consequences of termination by the Purchaser**

Following the giving of a Notice of Termination by the Purchaser, and if the Purchaser elects not to pursue specific performance to compel the Vendor to complete the sale of the Land:

(i) the Vendor shall, within 14 days after its receipt of the Notice of Termination:

1. return to the Purchaser all documents, if any, delivered to it by or on behalf of the Purchaser;
2. if applicable, return all moneys received by it as part of the Consideration as at that date, to the Purchaser; and

3. pay an additional sum equivalent to 10% of the Consideration as agreed liquidated damages to the Purchaser; and
- (ii) the Purchaser shall, in exchange for the performance by the Vendor of its obligations under sub-paragraph (i) above:
1. return to the Vendor all documents, if any, delivered to it by or on behalf of the Vendor;
 2. return or cause to be returned to the Vendor or the Solicitors the Transfer Documents which are as that date in their possession with the Vendor's interest intact, provided that in the event that the memorandum of transfer has as at that date been stamped for ad valorem stamp duty in the full amount, the Purchaser or the Solicitors shall be entitled to forward the duly stamped memorandum of transfer to the Collector of Stamp Duty for cancellation and for a refund of the ad valorem stamp duty so paid by the Purchaser and thereafter to forward the memorandum of transfer to the Vendor or the Solicitors for cancellation; and
 3. re-deliver to the Vendor vacant possession of the Land, if the same has been delivered to the Purchaser, in the same state and condition as at the date of delivery thereof, and remove and withdraw all caveats or other encumbrances entered or caused to be entered by the Purchaser over the Land.

6. THE PROPOSED DISPOSAL AS AN INTERESTED PERSON TRANSACTION

6.1 As at the date of this announcement, Dato' Malek:

- (a) has:
- (i) a deemed interest of 66.55% in the Company by virtue of his 100% shareholding interest in Horizon Sea Ltd., which holds 1,244,062,150 shares in the Company; and
 - (ii) a direct shareholding of 0.20% in the Company by virtue of his holding of 3,665,000 fully-paid ordinary shares in the Company; and
- (b) is the indirect sole owner of the Purchaser by virtue of his 100% shareholding interest in DMR Holdings Sdn Bhd ("**DMR Holdings**"), which in turn holds 100% shareholding interest in the Purchaser.

As the Purchaser is an associate (as defined under Chapter 9 of the Catalist Rules) of Dato' Malek, who is a controlling shareholder of the Company, both Dato' Malek and the Purchaser are interested persons in respect of the Proposed Disposal, as defined under Rule 904(4) of the Catalist Rules. Accordingly, the Proposed Disposal constitutes an "interested person transaction" within the meaning of Chapter 9 of the Catalist Rules.

Pursuant to Rule 906(1)(a), an issuer must obtain approval from the Independent Shareholders (the "**Independent Shareholders' Approval**") for an interested person transaction of a value equal to, or more than, 5% of the Group's latest audited net tangible asset ("**NTA**") value for the most recently completed financial year. As the Consideration of RM116,000,000 represents 122.3% of the Group's latest audited NTA of RM94,811,733 as at 30 June 2020, the Proposed

Disposal is subject to Independent Shareholders' Approval pursuant to Rule 906(1)(a) of the Catalist Rules.

Pursuant to Rule 921(4)(b)(ii) of the Catalist Rules, the opinion from an independent financial adviser is not required for the Proposed Disposal as:

- (a) the consideration for the Proposed Disposal is in cash;
- (b) an independent professional valuation has been obtained for the Proposed Disposal; and
- (c) the valuation of the Land is disclosed in this announcement and the summary property valuation report of the Land would also be included in the circular to be despatched to the Shareholders in due course.

Instead, an opinion from the audit committee of the Company in the form required in Rule 917(4)(a) of the Catalist Rules is and would be disclosed in this announcement and the EGM circular respectively.

7. THE PROPOSED DISPOSAL AS A MAJOR TRANSACTION

7.1 The relative figures computed on the bases pursuant to Rules 1006 (a) to (d) of the Catalist Rules concerning the Proposed Disposal, based on the Group's latest announced unaudited condensed interim consolidated financial statements for the financial period ended 30 September 2021, are set out as follows:

Rule 1006	Basis	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value.	154.7% ⁽¹⁾
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profit.	Not applicable ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	23.2% ⁽³⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁴⁾
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable ⁽⁵⁾

Notes:

- (1) Pursuant to Rule 1003(2) of the Catalist Rules, the value was based on the Land's Market Value of RM116,000,000 *vis-à-vis* the net asset value of the Group of RM74,970,224 as at 30 September 2021.
- (2) Not applicable as the Land is vacant and does not generate any income or revenue.
- (3) Based on the Consideration of RM116,000,000 (equivalent to approximately S\$37,696,607 based on an exchange rate of S\$1:RM3.0772 as at 30 September 2021) and the Company's market capitalisation of approximately S\$162,640,784 (rounded up to the nearest hundred). The Company's market capitalisation is determined by multiplying 1,869,434,303 issued shares of the Company (excluding treasury shares) by the volume weighted average price of approximately S\$0.087 per share of the Company on 24 June 2019, being the full market day immediately preceding the signing of the SPA and prior to the suspension of the Company's trading.
- (4) There will be no issuance of consideration shares in relation to the Proposed Disposal.
- (5) The Land is not a mineral, oil, or gas asset.

As the relative figure under Rule 1006(a) of the Catalist Rules exceeds 50%, the Proposed Disposal will constitute a "major transaction" within the meaning of Chapter 10 of the Catalist Rules. Accordingly, pursuant to Rule 1014 of the Catalist Rules, the Proposed Disposal is conditional upon the approval of shareholders in a general meeting.

8. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

8.1 Illustrative nature of financial effects

The financial effects set out below are purely for illustrative purposes only and do not necessarily reflect the actual results and financial performance and position of the Group after the Proposed Disposal. No representation is made as to the financial position and/or results of the Company after the completion of the Proposed Disposal. The financial effects of the Proposed Disposal on the Group set out below were prepared based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2020 ("FY2020")⁽¹⁾ and subject to the following main assumptions:

- (a) for the purposes of computing the NTA per share of the Group after the Proposed Disposal, it is assumed that the Proposed Disposal had been completed on 30 June 2020 (being the end of the most recently audited financial year ended 30 June 2020); and
- (b) for the purposes of computing the loss per share ("LPS") of the Group after the Proposed Disposal, it is assumed that the Proposed Disposal had been completed on 1 July 2019 (being the beginning of the most recently audited financial year ended 30 June 2020).

Note:

- (1) As announced on 13 July 2021, the Company has changed its financial year end from 30 June to 31 December. Following the change of the financial year end, the audited financial statements for the financial period ended 31 December 2021 will cover a period of 18 months from 1 July 2020 to 31 December 2021.

8.2 NTA

	Before the Proposed Disposal	After the Proposed Disposal
NTA (RM)	94,811,733	97,138,437
Number of shares	1,869,434,303	1,869,434,303
NTA per ordinary share (RM cents)	5.07	5.20

8.3 LPS

	Before the Proposed Disposal	After the Proposed Disposal
Net loss attributable to shareholders (RM)	20,753,493	18,426,789
Weighted average no. of ordinary shares – Basic	1,869,434,303	1,869,434,303
Losses per share (RM cents) - Basic	1.11	0.99

8.4 Gain on disposal

As disclosed above, the Consideration is RM116,000,000, and based on the latest unaudited condensed interim consolidated financial statements of the Group for the financial period ended 30 September 2021, the net book value of the Land as at 30 September 2021 is approximately RM115,400,000 (the “**Net Book Value**”). Accordingly, it is expected that the Proposed Disposal will result in an estimated net gain of approximately RM600,000, being the excess of the Consideration over the Net Book Value of the Land.

9. CIRCULAR AND EGM

- 9.1 A circular to the Shareholders setting out information on, among others, the Proposed Disposal and the notice of EGM will be despatched in due course.

10. AUDIT COMMITTEE STATEMENT

- 10.1 Having reviewed and considered the terms and rationale of the Proposed Disposal, the Audit Committee of the Company is of the view that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

11. OTHER INTERESTED PERSON TRANSACTIONS FOR THE CURRENT FINANCIAL YEAR

- 11.1 Pursuant to Rule 917(5) of the Catalist Rules, for the current financial year beginning 1 January 2022 up to the date of this announcement, the interested person transactions, excluding the Proposed Disposal, entered into by the Group, and between the Group and Dato’ Malek and/or his associates, excluding the Proposed Disposal, are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions (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)
Dato' Malek	Controlling Shareholder	RM126,304 ⁽¹⁾⁽³⁾	Not applicable
DMR Holdings	An associate of Dato' Malek	RM198,532 ⁽²⁾⁽³⁾	Not applicable

Notes:

- (1) Dato' Malek had extended unsecured loans in aggregate principal outstanding amount of RM52,322,839 to the subsidiary of the Company, APSB, comprising of (i) a loan in principal outstanding amount of RM22,322,839 at a fixed interest rate of 4% per annum extended in FY2017, repayable on demand; and (ii) a loan in principal outstanding amount of RM30,000,000 pursuant to the loan agreement dated 14 February 2020 entered into between Dato' Malek and APSB (as supplemented by the supplemental letter agreement dated 3 November 2020) ("**DM Loan Agreement**") at a fixed interest rate of 8% per annum, repayable within one year (unless automatically extended) or on demand. Please refer to the Company's circular to Shareholders dated 9 October 2020 for further details on the DM Loan Agreement.
- (2) DMR Holdings (an associate of Dato' Malek) had extended unsecured loans in aggregate principal outstanding amount of RM64,700,000 to APSB, comprising of (i) RM60,000,000 (as supplemented by the supplemental letter agreement dated 3 November 2020) ("**DMR Loan Agreement**") at a fixed interest rate of 8% per annum, repayable within one year (unless automatically extended) or on demand, and (ii) RM4,700,000 in respect of the additional loan facility of up to RM8,000,000 obtained by APSB on 8 December 2021, with RM3,300,000 available for further drawdown as at the date of this announcement, at a fixed interest rate of 8% per annum, repayable within one year (unless automatically extended) or on demand. Please refer to the Company's circular to Shareholders dated 9 October 2020 for further details on the DMR Loan Agreement.
- (3) The interest expenses due to Dato' Malek and DMR Holdings amounted to an aggregate of RM324,836 (or equivalent to approximately S\$104,884 based on the exchange rate of S\$1:RM3.0971 as at 12 January 2022) for the current financial year beginning 1 January 2022 and up to the date of this announcement.

12. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

- 12.1 Save as disclosed in this announcement, none of the Directors (other than in his/her capacity as Director or shareholder of the Company) nor (as far as the Directors are aware) controlling Shareholders (other than their respective shareholdings in the Company, if any) has any interest, direct or indirect, in the Proposed Disposal.

13. ABSTENTION FROM VOTING

- 13.1 Pursuant to Rule 919 of the Catalist Rules, Dato' Malek, being a controlling shareholder of the Company and the sole indirect shareholder of the Purchaser will abstain, and has undertaken that his associates will abstain, from voting at the EGM in respect to the ordinary resolutions relating to the Proposed Disposal, and will not accept nominations as proxy or otherwise for voting at the EGM in respect of the said ordinary resolutions unless the Independent Shareholders appointing them as proxies give specific instructions in the relevant proxy form as to how their votes are to be cast for the ordinary resolutions.

14. DIRECTORS' SERVICE CONTRACTS

- 14.1 No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Disposal.

15. DIRECTORS' RESPONSIBILITY STATEMENT

- 15.1 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 Proposed Disposal, 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.

16. DOCUMENTS AVAILABLE FOR INSPECTION

- 16.1 Copies of the following documents are available for inspection during normal office 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:

- (a) the SPA; and
- (b) the Valuation Report.

In light of the prevailing safe distancing measures due to the COVID-19 situation, please contact the Company at robin.yoo@a8ile.com prior to making any visits to arrange for a suitable time slot for the inspection.

By Order of the Board

Khong Chung Lun
Executive Director and Chief Executive Officer

14 January 2022

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 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.

The contact person for the Sponsor is Mr Andrew Leo, Chief Executive Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.
