

CIRCULAR DATED 10 AUGUST 2023

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

The purpose of this Circular is to provide information to shareholders of Astaka Holdings Limited (“**Company**”) (“**Shareholders**”) in relation to, and to seek Shareholders’ approval for, the Proposed Ratification Transactions, the Proposed Adoption of the IPT General Mandate, the Entry into the DMR BPP Loan Agreement and the Entry into the DMR ACSB Loan Agreement (each as defined herein) to be tabled at the extraordinary general meeting of the Company (“**EGM**”) to be held on 25 August 2023. This Circular has been made available on SGXNet.

If you have sold all your shares in the capital of the Company, please forward this Circular, the enclosed Notice of EGM and the enclosed Proxy Form immediately to the purchaser or to the stockbroker, bank or agent through whom the sale was effected for onward transmission to the purchaser.

This Circular 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 Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular.

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.



ASTAKA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200814792H)

**CIRCULAR TO SHAREHOLDERS
in relation to**

- (1) THE PROPOSED RATIFICATION OF THE BPP PAYMENT ON BEHALF
- (2) THE PROPOSED RATIFICATION OF THE BPP CONTRA ARRANGEMENT
- (3) THE PROPOSED RATIFICATION OF THE BPP ADVANCES
- (4) THE PROPOSED RATIFICATION OF THE BPP LOANS
- (5) THE PROPOSED RATIFICATION OF THE BPP SHAREHOLDERS’ LOAN
- (6) THE PROPOSED RATIFICATION OF THE DM UNSECURED LOAN
- (7) THE PROPOSED RATIFICATION OF THE DMR LOAN FACILITY
- (8) THE PROPOSED RATIFICATION OF THE APSB RENTAL OF OFFICE PREMISES
- (9) THE PROPOSED RATIFICATION OF THE BPP SALE OF SHOPLOTS
- (10) THE PROPOSED ADOPTION OF THE IPT GENERAL MANDATE
- (11) THE ENTRY INTO THE DMR BPP LOAN AGREEMENT AS AN IPT
- (12) THE ENTRY INTO THE DMR ACSB LOAN AGREEMENT AS AN IPT

*Independent Financial Adviser to the Independent Directors
in relation to the above-mentioned interested person transactions*



W CAPITAL MARKETS PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201813207E)

Important Dates and Times:

Last date and time of lodgement of Proxy Form : 23 August 2023 at 11.00 a.m.
Date and time of EGM : 25 August 2023 at 11.00 a.m.
Place of EGM : 20 Collyer Quay,
#11-07 Singapore 049319

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

- “4 October 2016 Announcement”** : The Company’s announcement dated 4 October 2016 in relation to, *inter alia*, the incorporation of BPP as a joint venture company in Malaysia
- “ACSB”** : Astaka Capital Sdn. Bhd.
- “ACSB Event of Default”** : Has the meaning as ascribed under Section 5.3 of this Circular
- “ACSB Management Services”** : Has the meaning as ascribed under Section 4.3(b) of this Circular
- “ACSB Secondment”** : The secondment arrangement between APSB and ACSB, pursuant to which APSB shall second some of its employees to ACSB and APSB shall pay the seconded employees their actual salaries, statutory payments (such as CPF contributions), allowances, bonuses and other benefits (such as medical and life insurances) for performing the scope of services to ACSB, and ACSB shall reimburse APSB for such salaries, statutory payments (such as CPF contributions), allowances, bonuses and other benefits (such as medical and life insurances) paid to the seconded employees
- “ACSB SMS Services”** : Collectively, the ACSB Management Services and the ACSB Secondment
- “Aggregate IPTs”** : Refers to the aggregate of the BPP Payment on Behalf, the SSK Payment on Behalf, the BPP Contra Arrangement, the BPP Advances, the BPP Loans, the BPP Shareholders’ Loan, the DM Unsecured Loan, the DMR Loan Facility, the APSB Rental of Office Premises, the APSB Cleaning Services and the BPP Sale of Shoplots
- “AGM”** : The annual general meeting of the Company
- “Approving Authority”** : The approving authority set out in Section 4.5 of this Circular
- “APSB”** : Astaka Padu Sdn. Bhd.
- “APSB Cleaning Services”** : Has the meaning as ascribed under Section 3.11(a) of this Circular
- “APSB Expenses Payment by BPP”** : Has the meaning as ascribed under Section 3.2(a) of this Circular
- “APSB Expenses Payment by SSK”** : Has the meaning as ascribed under Section 3.3(a) of this Circular
- “APSB Rental of Office Premises”** : Has the meaning as ascribed under Section 3.10(a) of this Circular

DEFINITIONS

- “Associates”** : (a) in relation to any individual, including a director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Audit Committee”** : The audit committee of the Company for the time being
- “Aziz”** : Abd Aziz Bin Daing Rahman
- “Board” or “Board of Directors”** : The board of Directors of the Company as at the Latest Practicable Date
- “BPP”** : Bukit Pelali Properties Sdn. Bhd.
- “BPP Advances”** : Has the meaning as ascribed under Section 3.5(a) of this Circular
- “BPP Contra Arrangement”** : Has the meaning as ascribed under Section 3.4(a) of this Circular
- “BPP Contra Properties”** : Has the meaning as ascribed under Section 3.4(a) of this Circular
- “BPP Event of Default”** : Has the meaning as ascribed under Section 5.2 of this Circular
- “BPP Expenses Payment”** : Has the meaning as ascribed under Section 3.2(a) of this Circular
- “BPP JV Agreement”** : The joint venture agreement entered into between APSB and SSSB on 3 October 2016, further details of which can be found in the 4 October 2016 Announcement
- “BPP Loans”** : Has the meaning as ascribed under Section 3.6(a) of this Circular
- “BPP Management Services”** : Has the meaning as ascribed under Section 3.2(c) of this Circular
- “BPP Payment on Behalf”** : Has the meaning as ascribed under Section 3.2 of this Circular

DEFINITIONS

“BPP Rental of Land”	:	Has the meaning as ascribed under Section 4.3(d) of this Circular
“BPP Sale of Shoplots”	:	Has the meaning as ascribed under Section 3.12(a) of this Circular
“BPP Secondment”	:	Has the meaning as ascribed under Section 3.2(b) of this Circular
“BPP Shareholders’ Loan”	:	Has the meaning as ascribed under Section 3.7(a) of this Circular
“BPP Shoplots”	:	Has the meaning as ascribed under Section 3.12(a) of this Circular
“BPP SMS Services”	:	Collectively, the BPP Management Services and the BPP Secondment
“Bukit Pelali Project”	:	Has the meaning as ascribed under Section 3.4(a) of this Circular
“Bumi Lot Additional Discount”	:	Has the meaning as ascribed under Section 3.12(b) of this Circular
“Bumi Lot Discount”	:	Has the meaning as ascribed under Section 3.12(b) of this Circular
“Catalist”	:	The Catalist Board of the SGX-ST
“Catalist Rules”	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“CEO”	:	The chief executive officer of the Company
“Change of FYE”	:	Has the meaning as ascribed under Section 3.2(e) of this Circular
“Circular”	:	This circular to Shareholders dated 10 August 2023
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
“Company”	:	Astaka Holdings Limited
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over a company
“CSCE”	:	China State Construction Engineering (M) Sdn. Bhd.

DEFINITIONS

“CSCE Loan Agreement”	:	Has the meaning as ascribed under Section 3.5(b) of this Circular
“CPF”	:	Central Provident Fund
“CPF Investors”	:	Investors who hold Shares purchased using their contributions pursuant to the CPFIS
“CPFIS”	:	The Central Provident Fund Investment Scheme
“Dato’ Malek”	:	Dato’ Daing A Malek Bin Daing A Rahaman, being the Controlling Shareholder of the Company
“Deloitte Transfer Pricing Report”	:	The independent transfer pricing benchmarking report commissioned by the Company in 2021 and which was prepared by an external tax consultant, being Deloitte Tax Services Sdn. Bhd.
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“DM Loan Agreement”	:	Has the meaning as ascribed under Section 5.5(d) of this Circular
“DM March Supplementary Agreement”	:	Has the meaning as ascribed under Section 3.8(a) of this Circular
“DM Unsecured Loan”	:	Has the meaning as ascribed under Section 3.8(a) of this Circular
“DMR ACSB Conditions Precedent”	:	Has the meaning as ascribed under Section 5.3 of this Circular
“DMR ACSB Drawdown”	:	Has the meaning as ascribed under Section 5.3 of this Circular
“DMR ACSB Drawdown Request”	:	Has the meaning as ascribed under Section 5.3 of this Circular
“DMR ACSB Drawing Date”	:	Has the meaning as ascribed under Section 5.3 of this Circular
“DMR ACSB Interest”	:	Has the meaning as ascribed under Section 5.3 of this Circular
“DMR ACSB Loan”	:	Has the meaning as ascribed under Section 5.1(b) of this Circular
“DMR ACSB Loan Agreement”	:	Has the meaning as ascribed under Section 5.1(b) of this Circular
“DMR ACSB Loan Drawdown Basis”	:	Has the meaning as ascribed under Section 5.5(c) of this Circular
“DMR ACSB Outstanding Tranche”	:	Has the meaning as ascribed under Section 5.3 of this Circular
“DMR ACSB Repayment Notice”	:	Has the meaning as ascribed under Section 5.3 of this Circular
“DMR ACSB Repayment Period”	:	Has the meaning as ascribed under Section 5.3 of this Circular

DEFINITIONS

“DMR BPP Conditions Precedent”	:	Has the meaning as ascribed under Section 5.2 of this Circular
“DMR BPP Drawdown”	:	Has the meaning as ascribed under Section 5.2 of this Circular
“DMR BPP Drawdown Request”	:	Has the meaning as ascribed under Section 5.2 of this Circular
“DMR BPP Drawing Date”	:	Has the meaning as ascribed under Section 5.2 of this Circular
“DMR BPP Interest”	:	Has the meaning as ascribed under Section 5.2 of this Circular
“DMR BPP Loan”	:	Has the meaning as ascribed under Section 5.1(a) of this Circular
“DMR BPP Loan Agreement”	:	Has the meaning as ascribed under Section 5.1(a) of this Circular
“DMR BPP Loan Drawdown Basis”	:	Has the meaning as ascribed under Section 5.5(c) of this Circular
“DMR BPP Outstanding Tranche”	:	Has the meaning as ascribed under Section 5.2 of this Circular
“DMR BPP Repayment Notice”	:	Has the meaning as ascribed under Section 5.2 of this Circular
“DMR BPP Repayment Period”	:	Has the meaning as ascribed under Section 5.2 of this Circular
“DMR Holdings” or “Lender”	:	DMR Holdings Sdn Bhd, who is also the lender under the DMR BPP Loan and the DMR ACSB Loan
“DMR Loan Agreement”	:	The loan agreement entered into between APSB and DMR Holdings (as associate of Dato’ Malek) on 17 June 2020 (as set out in the Company’s announcement on the same date), pursuant to which DMR Holdings agreed to grant to APSB an unsecured loan in the principal amount not exceeding RM60,000,000 (as supplemented by the supplemental letter agreement dated 3 November 2020) with interest at the rate of 8% per annum payable on any principal amount outstanding for the time being but no interest shall be charged on any accrued interest
“DMR Loan Facility”	:	Has the meaning as ascribed under Section 3.9(a) of this Circular
“DMR March Supplementary Agreement”	:	Has the meaning as ascribed under Section 3.9(a) of this Circular
“Drawdown Bases”	:	Has the meaning as ascribed under Section 5.5(c) of this Circular
“Drawing Date”	:	Has the meaning as ascribed under Section 3.7(a) of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be convened and held on Friday, 25 August 2023 at 11.00 a.m., notice of which is set out on pages 100 to 104 of this Circular

DEFINITIONS

“Entity at Risk”	:	Has the meaning as ascribed under Section 2.5 of this Circular
“Entry into the DMR ACSB Loan Agreement”	:	Has the meaning as ascribed under Section 5.1(b) of this Circular
“Entry into the DMR BPP Loan Agreement”	:	Has the meaning as ascribed under Section 5.1(a) of this Circular
“Financial Controller”	:	The financial controller of the Group
“Firm”	:	Has the meaning as ascribed under Section 3.16(c) of this Circular
“Flood Land”	:	Has the meaning as ascribed under Section 4.3(d) of this Circular
“Flood Land Quotations”	:	Has the meaning as ascribed under Section 4.4(d) of this Circular
“FY2015”	:	Financial year ended 30 June 2015
“FY2016”	:	Financial year ended 30 June 2016
“FY2017”	:	Financial year ended 30 June 2017
“FY2018”	:	Financial year ended 30 June 2018
“FY2019”	:	Financial year ended 30 June 2019
“FY2020”	:	Financial year ended 30 June 2020
“FY2021”	:	Financial period ended 31 December 2021
“FY2022”	:	Financial year ended 31 December 2022
“FY2023”	:	Financial year ending 31 December 2023
“Group”	:	Company and its Subsidiaries
“Group Finance Team”	:	Has the meaning as ascribed under Section 3.1(c) of this Circular
“HC Duraclean”	:	HC Duraclean Sdn. Bhd.
“IFA” or “Independent Financial Adviser”	:	W Capital Markets Pte. Ltd., the independent financial adviser to the Independent Directors in relation to the Proposed Ratification Transactions, the Proposed Adoption of the IPT General Mandate, the Entry into the DMR BPP Loan Agreement and the Entry into the DMR ACSB Loan Agreement
“IFA Letter”	:	The letter dated 10 August 2023 from the IFA to the Independent Directors in relation to Proposed Ratification Transactions, the Proposed Adoption of the IPT General Mandate, the Entry into the DMR BPP Loan Agreement and the Entry into the DMR ACSB Loan Agreement, a copy of which is set out in the Appendix of this Circular

DEFINITIONS

“Independent Directors”	: The directors of the Company who are independent of the Proposed Ratification Transactions, the Proposed Adoption of the IPT General Mandate, the Entry into the DMR ACSB Loan Agreement and the Entry into the DMR BPP Loan Agreement, namely Mr. Lai Kuan Loong, Victor, Mr. Khong Chung Lun, Mr. Lee Gee Aik, Dato’ Sri Mohd Mokhtar Bin Mohd Shariff and Ir. Hj. Syarul Izam Bin Hj. Sarifudin
“Initial Property Valuation”	: Has the meaning as ascribed under Section 3.10(b) of this Circular
“Interested Person”	: (a) A director, chief executive officer or Controlling Shareholder of the Company; or (b) an Associate of any such director, chief executive officer or Controlling Shareholder of the Company
“Interested Person Transactions” or “IPTs”	: A transaction between an Entity at Risk and an Interested Person
“IPT General Mandate”	: The proposed Shareholders’ general mandate described in Section 4 of this Circular to be obtained by the Company at the EGM and on the terms set out in the Notice of EGM and pursuant to Chapter 9 of the Catalist Rules permitting companies within the Group, or any of them, to enter into the Mandated Transaction(s) as set out in Section 4.3 of this Circular, with the relevant Mandated Interested Person(s), provided that such transactions are on an arm’s length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders
“IPT Register”	: The register of IPTs
“JBB Builders”	: JBB Builders (M) Sdn. Bhd., being the main contractor for the Bukit Pelali Project
“Latest Practicable Date”	: 26 July 2023, being the latest practicable date prior to the issue of this Circular
“Loan Transactions”	: Has the meaning as ascribed under Section 5.4(a) of this Circular
“Mandated Interested Persons”	: Has the meaning as ascribed under Section 4.2 of this Circular
“Mandated Transactions”	: Interested Person Transactions conducted under the IPT General Mandate as set out in Section 4.3 of this Circular
“Master Supplemental Agreement”	: Has the meaning as ascribed under Section 3.1(c) of this Circular
“Notice of EGM”	: The notice of the EGM which is set out on pages 100 to 104 of this Circular
“NTA”	: Net tangible asset

DEFINITIONS

“Office Premises”	:	Has the meaning as ascribed under Section 3.10(a) of this Circular
“Office Premises Quotations”	:	Has the meaning as ascribed under Section 4.4(c) of this Circular
“Previous Management”	:	The management of the Company prior to appointment of Mr. Khong Chung Lun as an Executive Director of the Company in November 2019 and Ms. Ang Siew Peng as the financial controller of the Company in February 2020
“Proposed Adoption of the IPT General Mandate”	:	The IPT General Mandate to be approved by Shareholders at the EGM pursuant to Chapter 9 of the Catalist Rules to authorise either APSB, BPP and/or ACSB to enter into the Mandated Transactions with the Mandated Interested Persons
“Proposed Ratification of the APSB Rental of Office Premises”	:	Has the meaning as ascribed under Section 3.14(h) of this Circular
“Proposed Ratification of the BPP Advances”	:	Has the meaning as ascribed under Section 3.14(c) of this Circular
“Proposed Ratification of the BPP Contra Arrangement”	:	Has the meaning as ascribed under Section 3.14(b) of this Circular
“Proposed Ratification of the BPP Loans”	:	Has the meaning as ascribed under Section 3.14(d) of this Circular
“Proposed Ratification of the BPP Payment on Behalf”	:	Has the meaning as ascribed under Section 3.14(a) of this Circular
“Proposed Ratification of the BPP Sale of Shoplots”	:	Has the meaning as ascribed under Section 3.14(i) of this Circular
“Proposed Ratification of the BPP Shareholders’ Loan”	:	Has the meaning as ascribed under Section 3.14(e) of this Circular
“Proposed Ratification of the DM Unsecured Loan”	:	Has the meaning as ascribed under Section 3.14(f) of this Circular
“Proposed Ratification of the DMR Loan Facility”	:	Has the meaning as ascribed under Section 3.14(g) of this Circular
“Proposed Ratification Transactions”	:	Has the meaning as ascribed under Section 3.14 of this Circular

DEFINITIONS

“Proposed Resolutions”	: Means collectively: <ul style="list-style-type: none">(a) the Proposed Ratification of the BPP Payment on Behalf;(b) the Proposed Ratification of the BPP Contra Arrangement;(c) the Proposed Ratification of the BPP Advances;(d) the Proposed Ratification of the BPP Loans;(e) the Proposed Ratification of the BPP Shareholders’ Loan;(f) the Proposed Ratification of the DM Unsecured Loan;(g) the Proposed Ratification of the DMR Loan Facility;(h) the Proposed Ratification of the APSB Rental of Office Premises;(i) the Proposed Ratification of the BPP Sale of Shoplots;(j) the Proposed Adoption of the IPT General Mandate;(k) the Entry into the DMR BPP Loan Agreement as an IPT; and(l) the Entry into the DMR ACSB Loan Agreement as an IPT
“Proxy Form”	: The proxy form in respect of the EGM as attached to this Circular
“Questions Submission Cut-Off Date”	: Has the meaning as ascribed under Section 12.3 of this Circular
“Rahim”	: Daing Abd Rahim Bin Daing A Rahman
“Repayment Term”	: Has the meaning as ascribed under Section 3.7(a) of this Circular
“Sales Package”	: Has the meaning as ascribed under Section 3.4(b) of this Circular
“Seconded Employees”	: Has the meaning as ascribed under Section 3.2(b) of this Circular
“Securities Accounts”	: The securities account maintained with CDP, but not including the securities accounts maintained with a Depository Agent
“SFA”	: The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shares”	: The ordinary shares in the capital of the Company

DEFINITIONS

“Shareholders”	: The registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
“SHSB”	: Seaview Holdings Sdn. Bhd.
“Sponsor”	: Novus Corporate Finance Pte. Ltd.
“SRS”	: The Supplementary Retirement Scheme
“SRS Investors”	: Investors who hold Shares purchased using their contributions pursuant to the SRS
“SSK”	: Sharikat Sukma Kemajuan Dan Perusahaan Sdn. Bhd.
“SSK Payment on Behalf”	: Has the meaning as ascribed under Section 3.3(a) of this Circular
“SSSB”	: Saling Syabas Sdn. Bhd.
“SSSB Security”	: Has the meaning as ascribed under Section 3.5(b) of this Circular
“Subsidiaries”	: Companies which are for the time being subsidiaries of the Company as defined by Section 5 of the Companies Act and “Subsidiary” means each of them
“Substantial Shareholder”	: A person (including a corporation) who, in accordance with the Companies Act, has an interest (directly or indirectly) in not less than 5% of the total issued Shares
“Sukma”	: Sukma Consortium Sdn. Bhd.

Currencies, Units of Measurement and Others

“RM”	: Malaysian Ringgit, the lawful currency of Malaysia
“S\$”, “SGD” or “\$” and “cents”	: Singapore dollars and cents respectively
“%”	: Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA. The terms “**subsidiary**”, “**substantial shareholder**” and “**treasury shares**” shall have the meanings ascribed to them in Section 5, Section 81 and Section 76H of the Companies Act respectively.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise stated.

DEFINITIONS

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

ASTAKA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200814792H)

Directors

Mr. Lai Kuan Loong, Victor (Non-Executive Chairman and Independent Director)
Mr. Khong Chung Lun (Executive Director and Chief Executive Officer)
Mr. Lee Gee Aik (Non-Executive and Non-Independent Director)
Dato' Sri Mohd Mokhtar Bin Mohd Shariff (Non-Executive and Independent Director)
Ir. Hj. Syarul Izam Bin Hj. Sarifudin (Non-Executive and Non-Independent Director)

Registered Office

133 Cecil Street
#14-01 Keck Seng Tower
Singapore 069535

10 August 2023

To the Shareholders of Astaka Holdings Limited

Dear Sir / Madam,

- (1) **THE PROPOSED RATIFICATION OF THE BPP PAYMENT ON BEHALF**
- (2) **THE PROPOSED RATIFICATION OF THE BPP CONTRA ARRANGEMENT**
- (3) **THE PROPOSED RATIFICATION OF THE BPP ADVANCES**
- (4) **THE PROPOSED RATIFICATION OF THE BPP LOANS**
- (5) **THE PROPOSED RATIFICATION OF THE BPP SHAREHOLDERS' LOAN**
- (6) **THE PROPOSED RATIFICATION OF THE DM UNSECURED LOAN**
- (7) **THE PROPOSED RATIFICATION OF THE DMR LOAN FACILITY**
- (8) **THE PROPOSED RATIFICATION OF THE APSB RENTAL OF OFFICE PREMISES**
- (9) **THE PROPOSED RATIFICATION OF THE BPP SALE OF SHOPLOTS**
- (10) **THE PROPOSED ADOPTION OF THE IPT GENERAL MANDATE**
- (11) **THE ENTRY INTO THE DMR BPP LOAN AGREEMENT AS AN IPT**
- (12) **THE ENTRY INTO THE DMR ACSB LOAN AGREEMENT AS AN IPT**

1. INTRODUCTION

1.1 EGM

The Directors are convening an EGM to seek Shareholders' approval in relation to the following:

- (a) the Proposed Ratification of the BPP Payment on Behalf;
- (b) the Proposed Ratification of the BPP Contra Arrangement;
- (c) the Proposed Ratification of the BPP Advances;
- (d) the Proposed Ratification of the BPP Loans;
- (e) the Proposed Ratification of the BPP Shareholders' Loan;
- (f) the Proposed Ratification of the DM Unsecured Loan;
- (g) the Proposed Ratification of the DMR Loan Facility;
- (h) the Proposed Ratification of the APSB Rental of Office Premises;
- (i) the Proposed Ratification of the BPP Sale of Shoplots;

LETTER TO SHAREHOLDERS

- (j) the Proposed Adoption of the IPT General Mandate;
 - (k) the Entry into the DMR BPP Loan Agreement as an IPT; and
 - (l) the Entry into the DMR ACSB Loan Agreement as an IPT,
- (collectively, the “**Proposed Resolutions**”).

1.2 Circular to Shareholders

The purpose of this Circular is to provide Shareholders with information in respect of the matters set out in Section 1.1 above and to seek Shareholders’ approval at the EGM for each of the Proposed Resolutions as set out in the Notice of EGM on pages 100 to 104 of this Circular. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) nor for any other purpose.

1.3 Legal Adviser

Drew & Napier LLC is the legal adviser to the Company as to Singapore law in relation to the Proposed Resolutions.

The law office of Ikbal Salam & Associates is the legal adviser to the Company, solely in respect of Malaysian law for the Entry into the DMR BPP Loan Agreement and the Entry into the DMR ACSB Loan Agreement.

2. CHAPTER 9 OF THE CATALIST RULES

- 2.1 Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies (known as an “entity at risk”) enters into or proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies, to enter into transactions with them that may adversely affect the interests of the listed company or its shareholders.
- 2.2 Under Chapter 9 of the Catalist Rules, where there is a transaction between an interested person and an entity at risk, and the value of the transaction alone or in aggregation with other transactions conducted with the same interested person during the same financial year reaches or exceeds certain materiality thresholds (which are based on the listed company’s latest audited NTA), unless the transaction is excluded as described below, the listed company is required under Rule 905 of the Catalist Rules to make an immediate announcement for an interested person transaction of a value equal to, or exceeding:
- (a) 3% of the listed company’s latest audited consolidated NTA; or
 - (b) 3% of the listed company’s latest audited consolidated NTA, when aggregated with the values of all other transactions entered into with the same interested person (as construed under Chapter 9 of the Catalist Rules) during the same financial year.
- 2.3 The listed company is also required under Rule 906 of the Catalist Rules to make an immediate announcement and seek its shareholder’s approval for an interested person transaction of a value equal to, or exceeding:
- (a) 5% of the listed company’s latest audited consolidated NTA; or
 - (b) 5% of the listed company’s latest audited consolidated NTA, when aggregated with the values of all other transactions entered into with the same interested person (as construed under Chapter 9 of the Catalist Rules) during the same financial year.

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2.4 These requirements do not apply to transactions that are below S\$100,000 in value and such transactions are hence excluded from the ambit of Chapter 9 pursuant to Rules 905(3) and 906(2) of the Catalist Rules.

2.5 For the purposes of Chapter 9 of the Catalist Rules:

(a) an “**entity at risk**” means:

(i) the listed company;

(ii) a subsidiary of the listed company that is not listed on the SGX-ST or on an approved exchange; or

(iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company;

(b) an “**interested person**” means a director, chief executive officer or Controlling Shareholder of the listed company or an associate of any such director, chief executive officer or Controlling Shareholder;

(c) in interpreting the term “**same interested person**” for the purposes of aggregation in Rules 905, 906 and 907 of the Catalist Rules, the following applies:

(i) Transactions between (A) an entity at risk and a primary interested person; and (B) an entity at risk and an associate of that primary interested person, are deemed to be transactions between an entity at risk with the same interested person.

Transactions between (I) an entity at risk and a primary interested person; and (II) an entity at risk and another primary interested person, are deemed to be transactions between an entity at risk with the same interested person if the primary interested person is also an associate of the other primary interested person.

(ii) Transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person.

If an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested person and have audit committees whose members are completely different.

(d) an “**associate**” in relation to an interested person who is a director, chief executive officer or Controlling Shareholder, includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or Controlling Shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or the Controlling Shareholder/his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or the Controlling Shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30% or more, and, where a Controlling Shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more.

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- (e) an “**approved exchange**” means a stock exchange that has rules which safeguard the interest of shareholders against IPTs according to similar principles as Chapter 9 of the Catalist Rules;
- (f) an “**interested person transaction**” means a transaction between an entity at risk and an interested person; and
- (g) a “**transaction**” includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of goods and services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly.

3. THE PROPOSED RATIFICATION OF PAST IPTS

3.1 Background Information

- (a) The past practice as adopted by the Previous Management was to treat certain IPTs (including the Proposed Ratification Transactions), namely:
 - (i) the BPP Payment on Behalf (other than the BPP Management Services), BPP Contra Arrangement and BPP Advances, as inter-company transactions but not classified as IPTs pursuant to Chapter 9 of the Catalist Rules, given that the Company had always treated BPP as a subsidiary of the Company and hence did not consider BPP as an Associate of Dato’ Malek;
 - (ii) the BPP Management Services to BPP as inter-company transactions for which no fees were charged by APSB to BPP. Notwithstanding that APSB has since FY2021 charged BPP fees for the provision of BPP Management Services, the Company has continued to adopt the past practice of the Previous Management in treating the BPP Management Services to BPP as inter-company transactions and did not view the BPP Management Services as IPTs; and
 - (iii) the BPP Sale of Shoplots, SSK Payment on Behalf, DM Unsecured Loan, APSB Rental of Office Premises and APSB Cleaning Services, to be IPTs, given that Dato’ Malek (the Controlling Shareholder of the Company) was either a counter-party or held a controlling stake in both contracting parties for each of such transaction. However, the aggregate amount at risk for these transactions (including the DMR Loan Facility) for each of FY2016 to FY2023 (as at the Latest Practicable Date) did not cross the materiality threshold for the purposes of disclosure under Rule 905 of the Catalist Rules. Pursuant to Rule 907 of the Catalist Rules, the Company had disclosed in its annual report the value of each of the BPP Sale of Shoplots, DM Unsecured Loan, APSB Rental of Office Premises and APSB Cleaning Services in the relevant financial years where the value of each of the respective transactions was at least S\$100,000, except in FY2016, where the Company had inadvertently overlooked the disclosure of the SSK Payment on Behalf in its annual report, notwithstanding that the value of the SSK Payment on Behalf was more than S\$100,000.
- (b) The Company continued to adopt the past practice of the Previous Management and treated certain IPTs (including the Proposed Ratification Transactions), namely,
 - (i) the BPP Management Services, BPP Loans and BPP Shareholders’ Loan (which were entered into after the cessation of the Previous Management) to be inter-company transactions but not classified as IPTs pursuant to Chapter 9 of the Catalist Rules, given that the Company had always treated BPP as a subsidiary of the Company and hence did not consider BPP as an Associate of Dato’ Malek;

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- (ii) the DMR Loan Facility to be an IPT that is subject to Chapter 9 of the Catalist Rules, given that Dato' Malek held a controlling stake in DMR Holdings; and
 - (iii) however, the aggregate amount at risk for these transactions (including the BPP Sale of Shoplots, SSK Payment on Behalf, DM Unsecured Loan, APSB Rental of Office Premises and APSB Cleaning Services) for each of FY2016 to FY2023 (as at the Latest Practicable Date) did not cross the materiality threshold for the purposes of disclosure under Rule 905 of the Catalist Rules. Pursuant to Rule 907 of the Catalist Rules, the Company had disclosed the value of the DMR Loan Facility in its annual reports for FY2021 and FY2022.
- (c) The inadvertent oversight of the aforementioned IPTs was discovered when the Group was involved in the preparation and negotiation of the master supplemental agreement which was subsequently entered into among BPP, JBB Builders and APSB as announced on 22 June 2022 (the "**Master Supplemental Agreement**"). Prior to the announcement of the Master Supplemental Agreement, the Company had discussed with the Sponsor on the applicability of the Catalist Rules for the underlying transaction pursuant to the Master Supplemental Agreement. The Sponsor had clarified that the transfer and sale of The Astaka @ Bukit Senyum properties to JBB Builders for the repayment of the outstanding amount owed by BPP to JBB Builders under the Master Supplemental Agreement would be deemed to be an interested person transaction under Chapter 9 of the Catalist Rules, and the Company had thus concurrently sought further clarification on the interpretation and applicability of Chapter 9 of the Catalist Rules. Following the clarification with the Sponsor, the finance department of the Group (the "**Group Finance Team**") checked through the Group's financial records and discovered that there were other transactions undertaken with an interested person and his associates which may be deemed to be IPTs under Chapter 9 of the Catalist Rules. Such transactions may have required announcements and/or approval from the Shareholders at the prevailing point in time before undertaking those IPTs. The Group Finance Team had thus spent more time and effort to review the Group's financial records, including, but not limited to, tracing back the transactions undertaken by the Group which involved the Previous Management, and had discovered that certain transactions undertaken since the Previous Management (in particular, the transactions between APSB and BPP) were treated as inter-company transactions but not classified as IPTs and such treatment of the Group's transactions undertaken with the said interested person(s) and/or the associates of the interested person(s) were continued and were inevitably not appropriately considered as IPTs when the new Financial Controller took charge over the Group Finance Team on or around February 2020.
- (d) In view of the foregoing, as Chapter 9 of the Catalist Rules was genuinely misinterpreted, certain of the Proposed Ratification Transactions were not appropriately considered as IPTs by the Company and accordingly, such transactions have not been aggregated with the other IPTs undertaken with the same Interested Person(s) since the Previous Management. Accordingly, there was no disclosure being made on certain of the Proposed Ratification Transactions pursuant to Rules 905 and/or 907 of the Catalist Rules and no shareholders' approval was obtained for certain of the Proposed Ratification Transactions pursuant to Rule 906 of the Catalist Rules. The non-disclosures and/or non-compliance were unintentional and are an isolated event.
- (e) The Company had commenced the process of, *inter alia*, reviewing the financial records and identifying the IPTs, extracting the relevant figures of the IPTs and identifying the respective financial years for which the value of the IPTs had crossed the materiality thresholds pursuant to Rules 905 and 906 of the Catalist Rules upon being made aware that there may be inadvertent oversight of identifying certain of the Proposed Ratification Transactions as IPTs that require the requisite announcement and/or Shareholders' approval. In the midst of reviewing the past financial records to ensure that all the past IPTs are identified, the Company had also disclosed in its circular to Shareholders dated 20 September 2022 that the Company is evaluating and seeking legal advice on the categorisation of certain past and present transactions, some of which may constitute IPTs. In addition, upon being made

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aware of the requirement to ratify the Proposed Ratification Transactions, the Company had subsequently obtained quotes from the relevant professionals and appointed an independent financial adviser, internal auditors and lawyers to, *inter alia*, review and advise on the past IPTs as well as prepare the circular to the Shareholders to seek the approval of the Shareholders for, among others, the ratification of the Proposed Ratification Transactions.

- (f) Concurrently with working with the relevant professionals on the past and present IPTs, amid the Group's daily operations as well as the preparation of the Group's unaudited interim and full year financial statements and the annual report for FY2022, the Company had also been carrying out various corporate actions, including, but not limited to, entering into the Master Supplemental Agreement and the financial support agreement as announced on 20 September 2022 which required the preparation of the related circular to seek approval from the Shareholders, engaging in numerous discussions with the Directors and the Sponsor (as the case may be) as well as coordinating the relevant necessary information to be provided to the Directors to assist in their deliberations for the purposes of, *inter alia*, the Master Supplemental Agreement and financial support agreement, the extension of time to submit the updated trading resumption proposal, and entering into (i) a supplemental agreement as announced on 12 January 2023 to vary certain terms of the joint development agreement entered into between APSB and Straits Perkasa Services Sdn Bhd dated 19 April 2022; and (ii) the Loan Transactions.

Due also to the number of transactions involved, some of which were undertaken under the Previous Management in respect of certain IPTs (including the Proposed Ratification Transactions), although the oversight of the potential IPTs was discovered in the middle of FY2022, the Company had required additional time to gather, share and discuss the relevant information and documents with the relevant professionals as well as to prepare for the ratification of these IPTs, which the Company now intends to seek Shareholders' approval for.

- (g) The aforementioned IPTs were entered into with the following Interested Persons:

- (i) BPP, a 50.99%-owned indirect subsidiary of the Company.

As at the Latest Practicable Date, Dato' Malek, being the Controlling Shareholder of the Company has: (i) a deemed interest of 66.55% in the Company by virtue of his 100% shareholding interest in Horizon Sea Limited, which holds 1,244,062,150 Shares in the Company and a direct shareholding interest of 0.20% in the Company by virtue of his holding of 3,665,000 Shares in the Company; and (ii) an indirect shareholding interest in BPP by virtue of his 100% shareholding interest in SSSB, which in turn holds 49% shareholding interest in BPP.

Accordingly, BPP is considered an "Associate" of Dato' Malek and hence an "Interested Person" as defined under Rule 904(4) of the Catalist Rules.

- (ii) SSK

As at the Latest Practicable Date, Dato' Malek, being the Controlling Shareholder of the Company, is a director of SSK and has a direct interest of approximately 70% of the share capital of SSK. The principal activity of SSK is that of carrying on all or any of the business as dealers, suppliers, buyers, sellers, importers, exporters, commission agents and manufacturers of steel bar, metals, cement, minerals and articles of all kinds and otherwise deal in goods, merchandise, commodities, plant and machinery.

Accordingly, SSK is considered an "Associate" of Dato' Malek and hence an "Interested Person" as defined under Rule 904(4) of the Catalist Rules.

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(iii) Dato' Malek

As at the Latest Practicable Date, Dato' Malek, who has a deemed interest of 66.55% in the Company by virtue of his 100% shareholding interest in Horizon Sea Limited, which holds 1,244,062,150 Shares in the Company and a direct shareholding interest of 0.20% in the Company by virtue of his holding of 3,665,000 Shares in the Company, is a Controlling Shareholder of the Company.

Accordingly, Dato' Malek is an "Interested Person" as defined under Rule 904(4) of the Catalist Rules.

(iv) DMR Holdings

As at the Latest Practicable Date, Dato' Malek, being the Controlling Shareholder of the Company, is the sole shareholder of DMR Holdings. The principal activity of DMR Holdings is that of investment holding.

Accordingly, DMR Holdings is considered an "Associate" of Dato' Malek and hence an "Interested Person" as defined under Rule 904(4) of the Catalist Rules.

(v) Sukma

As at the Latest Practicable Date, Dato' Malek, being the Controlling Shareholder of the Company, is a director of Sukma and has a direct interest of approximately 70% of the share capital of Sukma. The principal activity of Sukma is that of trading and investment holding.

Accordingly, Sukma is considered an "Associate" of Dato' Malek and hence an "Interested Person" as defined under Rule 904(4) of the Catalist Rules.

(vi) HC Duraclean

As at the time of the provision of the APSB Cleaning Services, Dato' Malek, being the Controlling Shareholder of the Company, had an indirect shareholding interest of more than 30% in HC Duraclean by virtue of his 100% shareholding interest in SHSB, which in turn held 51% shareholding interests in Damansara Holdings Bhd., which in turn held 85.4% shareholding interest in HC Duraclean. The principal activity of HC Duraclean is that of wholesale and retail sale of professional care and cleaning products and machinery, and franchising of professional care and cleaning products.

Accordingly, HC Duraclean was considered an "Associate" of Dato' Malek and hence an "Interested Person" as defined under Rule 904(4) of the Catalist Rules at the time of the provision of the APSB Cleaning Services.

Following SHSB's disposal of its shareholding interests in Damansara Holdings Bhd. on 14 September 2021, Dato' Malek does not have any interest (whether direct or deemed) in HC Duraclean as at the Latest Practicable Date.

(vii) Aziz and Rahim

Each of Aziz and Rahim is a director of APSB (being a 99.99%-owned indirect subsidiary of the Company), as well as the brothers of Dato' Malek, being the Controlling Shareholder of the Company.

Accordingly, each of Aziz and Rahim is considered an "Interested Person" as defined under Rule 904(4) of the Catalist Rules.

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An overview of the aforementioned IPTs (excluding transactions below S\$100,000) is set out in the table below:

S/N	Description of Transaction	Interested Person	Status
1.	BPP Payment on Behalf (excluding BPP Expenses Payment)	BPP	Continuing
2.	BPP Expenses Payment	BPP	Ceased
3.	SSK Payment on Behalf	SSK	Ceased
4.	BPP Contra Arrangement	BPP	Ceased
5.	BPP Advances	BPP	Ceased
6.	BPP Loans	BPP	Ceased
7.	BPP Shareholders' Loan	BPP	Continuing
8.	DM Unsecured Loan	Dato' Malek	Ceased
9.	DMR Loan Facility	DMR Holdings	Continuing
10.	APSB Rental of Office Premises	Sukma	Continuing
11.	APSB Cleaning Services	HC Duraclean	Ceased
12.	BPP Sale of Shoplots	Aziz and Rahim	Ceased

For the avoidance of doubt, assuming that the Proposed Ratification Transactions are approved by the Shareholders at the EGM, to the extent that any of the Proposed Ratification Transactions is continuing, the Shareholders shall be taken to have approved the continued performance of such Proposed Ratification Transaction.

3.2 The BPP Payment on Behalf

For the purposes of this Circular, the term “**BPP Payment on Behalf**” shall mean the BPP Expenses Payment, the BPP Secondment, and the BPP Management Services collectively.

(a) **Background of the BPP Expenses Payment and the APSB Expenses Payment by BPP**

APSB paying expenses on behalf of BPP

BPP was incorporated as a joint venture vehicle on 3 October 2016 between APSB and SSSB to jointly undertake property and real estate development in Malaysia, with APSB and SSSB each holding approximately 51% and 49% shareholding interests in BPP respectively.

Given that APSB and BPP are both subsidiaries of the Group, for ease of the tracking of expenses that arose as a result of what was then considered to be inter-company transactions but not classified as IPTs pursuant to Chapter 9 of the Catalist Rules, it was agreed that APSB would be the billing party, or will make payment on behalf of BPP from time to time, in relation to certain expenses incurred by BPP with certain suppliers (the “**BPP Expenses Payment**”).

While there was no formal agreement entered into between APSB and BPP pertaining to the arrangements in relation to the BPP Expenses Payment, APSB would do the necessary computation and charge BPP for its share of the relevant expenses, based on headcount, cost split or on actual usage, with no mark-up as APSB did not perform any value-adding function in connection therewith.

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The BPP Expenses Payment in relation to:

- (i) transportation expenses, such as for petrol, diesel, toll fee, are billed to BPP based on actual usage. APSB had paid for the transportation expenses as such expenses were mainly incurred by the personnel of APSB (excluding the Seconded Employees) who had travelled to the property development sites of BPP for site visits. Accordingly, such personnel would submit the transportation claims to the relevant departments of APSB directly; and
- (ii) other expenses, such as advertisements are billed to BPP based on cost recovery agreed between the Company and BPP. APSB had paid such expenses, on behalf of BPP, directly to the advertisement vendor as APSB was also one of the parties which had purchased the advertisements.

No interest was paid by BPP to APSB in respect of the BPP Expenses Payment.

BPP paying expenses on behalf of APSB

On the other hand, since FY2019, BPP had also been paying for certain expenses on behalf of APSB (such payments, collectively the “**APSB Expenses Payment by BPP**”), amounting to RM398,353, RM4,609 and RM1,250 in FY2019, FY2021 and FY2022 respectively.

While there was no formal agreement entered into between APSB and BPP pertaining to the arrangements in relation to the APSB Expenses Payment by BPP, BPP would do the necessary computation and charge APSB for its share of the relevant expenses, based on headcount, cost split or on actual usage with no mark-up.

The APSB Expenses Payment by BPP, being a transaction between APSB (being a 99.99% 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 BPP (an “Associate” of Dato’ Malek under Chapter 9 of the Catalist Rules), constitutes an “Interested Person Transaction” under Chapter 9 of the Catalist Rules. Given that no interest was paid by APSB to BPP in respect of the APSB Expenses Payment by BPP, the value at risk to the Company in respect of each of the APSB Expenses Payment by BPP is zero, and (A) no announcement or ratification would be required under Rule 905 or Rule 906 of the Catalist Rules respectively; and (B) the value of the APSB Expenses Payment by BPP in respect of a financial year will not be aggregated with the value of the BPP Payment on Behalf in the same financial year.

(b) **Background of the BPP Secondment**

Since FY2017, APSB has been seconding some of its employees who do not have any active roles or job responsibilities in APSB to BPP (collectively, “**Seconded Employees**”). Pursuant to the secondment arrangement, APSB had paid such Seconded Employees their actual salaries, statutory payments (such as CPF contributions), allowances, bonuses and other benefits (such as medical and life insurances) for performing the scope of services to BPP. BPP would then reimburse APSB for such salaries, statutory payments (such as CPF contributions), allowances, bonuses and other benefits (such as medical and life insurances) paid to the Seconded Employees (the “**BPP Secondment**”). BPP is billed the actual costs incurred by APSB every month on an interest-free basis and based on the payroll summaries / contribution summaries prepared by APSB’s human resource department, with no mark-up applied to the actual costs incurred as APSB did not perform any value-adding function after taking into consideration that at the prevailing point in time, the Secondment Employees did not have any active roles or job responsibilities in APSB prior to the secondment to BPP.

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(c) **Background of the BPP Management Services**

Prior to FY2021, while there was no formal agreement entered into between APSB and BPP, APSB had managed and performed certain services and activities (similar to those provided pursuant to the BPP Management Services) for BPP without charging any fees, as APSB had treated the provision of such services as inter-company transactions but not classified as IPTs pursuant to Chapter 9 of the Catalist Rules, given that the Company had always treated BPP as a subsidiary of the Company and hence did not consider BPP as an Associate of Dato' Malek.

Since FY2021, pursuant to a management fee agreement dated 30 December 2021 entered into between APSB and BPP, APSB has agreed to manage and perform certain services and activities for BPP for management fees payable by BPP to APSB (the "**BPP Management Services**"), as set out below:

- (i) provision of human resources services, including handling the selection and recruitment process, promotion and appraisal, performance evaluation and payroll processing of the employees of BPP;
- (ii) provision of administrative services, including carrying out general administrative works, monitoring inventory of office supplies, sourcing, upkeeping and maintenance of office supplies and overseeing facilities services;
- (iii) provision of project management services, including providing management advice to BPP, reviewing and approving design proposal and project planning, monitoring daily business activities and project construction works, and supervision of project status and quality;
- (iv) provision of finance and accounting services, including the settlement of payment, preparation of and reviewing of financial accounts, liaising and coordinating with external parties on financial reporting, tax submission, compliance matters and assisting in other financial matters of BPP;
- (v) provision of corporate planning and communication services, including corporate strategic planning, business operations and management planning, and risk management and compliance of BPP; and
- (vi) provision of office premises, which APSB had in turn rented from Sukma (for further details, please see Section 3.10 below).

APSB had charged management fees to BPP on the basis set out below:

- (A) as APSB had merely incurred the costs in relation to the rental of office premises, auxiliary police services and office facilities and did not perform any value-adding functions in connection therewith, the shared costs were charged to BPP based on floor area or headcount (as the case may be) with no mark-up in accordance with the Deloitte Transfer Pricing Report; and
- (B) the human resources, administrative, project management, finance and accounting, corporate planning and communication services were based on estimated time spent or headcount with a pre-determined mark-up based on benchmarking results pursuant to the Deloitte Transfer Pricing Report¹.

¹ A mark-up margin of 7.45% was applied in respect of the management fees charged for the BPP Management Services rendered to BPP in FY2021 and FY2022, which was based on the median margin of comparable companies that are engaged in the provision of management and administrative support services as set out in the Deloitte Transfer Pricing Report, commissioned by the Company in 2021, and which accordingly should be regarded as an arm's length rate.

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(d) **Rationale for and Benefits of the BPP Payment on Behalf**

The BPP Payment on Behalf primarily allowed BPP to outsource its management and administrative functions, and to leverage and benefit from the cost savings as a result of economies of scale already enjoyed by the Group through the sharing of certain services and costs among the Company's other subsidiaries and associates and avoid incurring overlapping costs. This sharing of services also allowed BPP to be able to concentrate on its core business and operate smoothly.

The secondment of staff and the provision of management services by the Group's employees who are in a similar industry and familiar with BPP's operations resulted in operational efficacy and reduced overlapping costs.

In view of the foregoing, given that BPP is a subsidiary of APSB, the BPP Payment on Behalf had benefited the Group as a whole.

In addition, the management fees charged by APSB in respect of the BPP Management Services had been based on, among others, the benchmarking results pursuant to the Deloitte Transfer Pricing Report.

In view of the foregoing, and taking into account the opinion and advice of the IFA in the IFA Letter, the Audit Committee is of the view that the BPP Payment on Behalf was carried out on normal commercial terms and was not prejudicial to the interests of the Company and the minority Shareholders.

(e) **The BPP Payment on Behalf as an IPT**

The BPP Payment on Behalf, being a transaction 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 BPP (an "Associate" of Dato' Malek under Chapter 9 of the Catalist Rules), constitutes an "Interested Person Transaction" under Chapter 9 of the Catalist Rules.

As at the Latest Practicable Date, the values of the BPP Payment on Behalf for FY2017, FY2018, FY2019, FY2020, FY2021, FY2022 and FY2023 (as at the Latest Practicable Date) are as set out below:

Financial year	Value of the BPP Payment on Behalf (RM)	Last audited NTA of the Group as at the prior year (RM) ⁽¹⁾	Value of the BPP Payment on Behalf as a percentage against the audited NTA as at the prior year
FY2017	502,933	193,329,648	0.26%
FY2018	1,444,420	214,827,380	0.67%
FY2019	2,199,219	220,999,577	1.00%
FY2020	1,630,279	115,565,226	1.41%
FY2021 ⁽²⁾	5,422,283	94,811,733	5.72%
FY2022	3,630,978	71,936,711	5.05%
FY2023 (as at the Latest Practicable Date)	–	79,848,333	–

Notes:

- (1) Taking into account the adjustments that had an impact to the financial position of the Group as at 30 June 2016, 30 June 2017 and 30 June 2018 as disclosed in the FY2017 and FY2019 annual reports, as the case may be.
- (2) As a result of the change of the Company's financial year end from 30 June to 31 December as announced on 13 July 2021 (the "Change of FYE"), FY2021 (being the first financial year affected by the Change of FYE) covered an 18-month period from 1 July 2020 to 31 December 2021. Thereafter, the financial year of the Company would commence on 1 January and end on 31 December each year.

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Notwithstanding the value of the BPP Payment on Behalf in respect of FY2018 is above S\$100,000, the aggregate value of all IPTs entered into with the same interested person in respect of FY2018 is less than 3% of the last audited NTA of the Group as at the prior year. Accordingly, the Company will not be seeking the approval of Shareholders to ratify the BPP Payment on Behalf in respect of FY2018. Such figures disclosed in the table above in relation to the values of the BPP Payment on Behalf in respect of FY2018 are hence solely for information purposes.

3.3 The SSK Payment on Behalf

(a) Background of the SSK Payment on Behalf and the APSB Expenses Payment by SSK

As the office premises of each of APSB and SSK are located in the same building, APSB and SSK had agreed to be involved in the negotiations with the respective contractors and/or suppliers directly on the works to be done and costs related to the building and offices. Accordingly, it was mutually agreed that SSK would be the paying party or billing party for certain office and administrative expenses such as office building renovation expenses and secretarial fees on behalf of APSB (the “**APSB Expenses Payment by SSK**”) amounting to RM500,000 and RM600 in FY2016 and FY2022 respectively.

At the prevailing point in time, it was also agreed that APSB would be the billing party in the agreements entered into between certain contractors and service providers and SSK in relation to other office expenses such as office cleaning, maintenance, office equipment and renovation expenses, pursuant to which APSB paid for such expenses (the “**SSK Payment on Behalf**”).

While there is no formal agreement entered into between APSB and SSK pertaining to the aforementioned arrangements in relation to the SSK Payment on Behalf or the APSB Expenses Payment by SSK, there is no pre-determined mark-up and each of APSB and SSK would do the necessary computation and charge the other party for its share of the relevant expenses based on the actual costs incurred.

In particular, expenses such as renovation expenses, as well as other expenses such as office and administrative expenses, are billed by APSB to SSK based on cost split.

No interest was paid by SSK to APSB in respect of the SSK Payment on Behalf. The SSK Payment on Behalf has ceased since FY2020.

The APSB Expenses Payment by SSK, being a transaction between APSB (being a 99.99% 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 SSK (an “Associate” of Dato’ Malek under Chapter 9 of the Catalist Rules), constitutes an “Interested Person Transaction” under Chapter 9 of the Catalist Rules. Given that no interest was paid by APSB to SSK in respect of the APSB Expenses Payment by SSK, the value at risk to the Company in respect of the APSB Expenses Payment by SSK is zero, and (A) no announcement or ratification would be required under Rule 905 or Rule 906 of the Catalist Rules respectively; and (B) the value of the APSB Expenses Payment by SSK in respect of a financial year will not be aggregated with the value of the SSK Payment on Behalf in the same financial year.

(b) Rationale for and Benefits of the SSK Payment on Behalf

The SSK Payment on Behalf was entered into in consideration of the APSB Expenses Payment by SSK which allowed APSB to leverage and benefit from the economies of scale already enjoyed by SSK, through the sharing of certain services and costs among SSK and its related companies. This sharing of services also allowed APSB to be able to concentrate on its core business and operate smoothly. In addition, notwithstanding that APSB had made certain payments on behalf of SSK, the aggregate amount in relation to SSK Payment on Behalf of approximately RM0.46 million was lower than the aggregate amount in relation to the APSB Expenses Payment by SSK of approximately RM0.50 million.

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In relation to the APSB Expenses Payment by SSK, prior to the payment of the secretarial fees by APSB to SSK in FY2022, APSB had obtained quotations from other unrelated service providers for comparison to ensure that the commercial terms charged by SSK were comparable to those offered by the unrelated service providers.

(c) **The SSK Payment on Behalf as an IPT**

The SSK Payment on Behalf, being a transaction between APSB (being a 99.99% 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 SSK (an “Associate” of Dato’ Malek under Chapter 9 of the Catalist Rules), constitutes an “Interested Person Transaction” under Chapter 9 of the Catalist Rules.

The values of the SSK Payment on Behalf for FY2016, FY2017, FY2018 and FY2019, are as set out below:

Financial year	Value of the SSK Payment on Behalf (RM)	Last audited NTA of the Group as at the prior year (RM) ⁽¹⁾	Value of the SSK Payment on Behalf as a percentage against the audited NTA as at the prior year
FY2016	403,043	31,135,681 ⁽²⁾	1.29%
FY2017	39,726	193,329,648	0.02%
FY2018	12,643	214,827,380	0.01%
FY2019	3,794	220,999,577	0.00%

Notes:

- (1) Taking into account the adjustments that had an impact to the financial position of the Group as at 30 June 2015, 30 June 2016, 30 June 2017 and 30 June 2018 as disclosed in the FY2017 and FY2019 annual reports, as the case may be.
- (2) The Company was a result of the completion of the reverse takeover of E2-Capital Holdings Limited by Astaka Padu Limited on 19 November 2015. As a result of the reverse takeover, the comparative figures presented in the consolidated financial statements of the Group in respect of FY2015 are those of Astaka Padu Limited and its subsidiary as restated after making certain adjustments in the prior year, and such comparative figures were unaudited. In addition, also taking into account the adjustments to the financial position of the Group as at 30 June 2015 as disclosed in the FY2017 annual report. Accordingly, the percentage as set out in the last column of the table above was derived from the unaudited NTA as at 30 June 2015 and taking into account the adjustments as disclosed in the FY2017 annual report.

Notwithstanding the value of the SSK Payment on Behalf in respect of FY2016 is above S\$100,000, the aggregate value of all IPTs entered into with the same interested person in respect of FY2016 is less than 3% of the last audited NTA of the Group as at the prior year. On the other hand, the values of the SSK Payment on Behalf in respect of FY2017 to FY2019 are below S\$100,000 in value and hence excluded from the ambit of Chapter 9 pursuant to Rules 905(3) and 906(2) of the Catalist Rules. Accordingly, the Company will not be seeking the approval of Shareholders to ratify the SSK Payment on Behalf in respect of FY2016 to FY2019. Such figures disclosed in the table above in relation to the values of the SSK Payment on Behalf in respect of FY2016 to FY2019 are hence solely for information purposes.

3.4 The BPP Contra Arrangement

(a) **Background of the BPP Contra Arrangement**

In FY2019 and FY2020, APSB had sold and transferred its four (4) units of The Astaka @ Bukit Senyum properties (the “**BPP Contra Properties**”) as a contra arrangement for the settlement of amounts owed by BPP to JBB Builders (the “**BPP Contra Arrangement**”) pursuant to a letter of award granted by BPP to JBB Builders in connection with the development known as ‘Bukit Pelali @ Pengerang’ (the “**Bukit Pelali Project**”), pursuant to which, among others, BPP had appointed JBB Builders as the main contractor for the construction works relating to shop lots and electricity sub-stations in Phase 2A and Phase 2B of the Bukit Pelali Project, which had been completed in FY2020.

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(b) Rationale for and Benefits of the BPP Contra Arrangement

The BPP Contra Arrangement allowed the outstanding amount owing by BPP to JBB Builders to be settled without obtaining external financing for such repayment and without involving actual cash flows other than the legal fees and professional fees involved.

As the Group holds approximately 50.99% shareholding interest in BPP, if BPP were to obtain its own external financing to settle the outstanding amount owed to JBB Builders, the Company may also have had to utilise its working capital to repay such financing obtained, which may affect the cash flow and profitability for the Group. Accordingly, the BPP Contra Arrangement allows the Group to maximise the efficiency of its cash utilisation as it preserves cash for its future working capital requirements, funds its project pipelines and reduces the Group's liabilities.

In the event that the outstanding amount was not repaid to JBB Builders in a timely manner, it could have resulted in further legal action and additional costs for BPP, which may in turn have affected the Company and the financial performance of the Group.

In addition, the aggregate consideration for the BPP Contra Arrangement was above the aggregate book value of the BPP Contra Properties after taking into account, among others, the then-prevailing market conditions, the value and the net prices of the BPP Contra Properties based on the then-market selling prices which were the same as what would have been offered to third-party purchasers after taking into account the relevant rebate provided by AP SB on the respective sale and purchase agreement price in respect of the BPP Contra Properties (the "**Sales Package**"). For the avoidance of doubt, such Sales Package was also provided to other third-party purchasers. Accordingly, the BPP Contra Arrangement has resulted in a positive impact to the financial performance of the Group.

In view of the foregoing, and taking into account the opinion and advice of the IFA in the IFA Letter, the Audit Committee is of the view that the BPP Contra Arrangement was carried out on normal commercial terms and was not prejudicial to the interests of the Company and the minority Shareholders.

(c) The BPP Contra Arrangement as an IPT

Accordingly, the BPP Contra Arrangement, being a transaction between AP SB (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 BPP (an "Associate" of Dato' Malek under Chapter 9 of the Catalist Rules), constitutes an "Interested Person Transaction" under Chapter 9 of the Catalist Rules.

The values of the BPP Contra Arrangement for FY2019 and FY2020 are as set out below:

Financial year	Value of the BPP Contra Arrangement (RM)	Last audited NTA of the Group as at the prior year (RM) ⁽¹⁾	Value of the BPP Contra Arrangement as a percentage against the audited NTA as at the prior year
FY2019	8,287,671	220,999,577	3.75%
FY2020	2,924,608	115,565,226	2.53%

Note:

(1) Taking into account the adjustments that had an impact to the financial position of the Group as at 30 June 2018 as disclosed in the FY2019 annual report.

3.5 The BPP Advances

(a) Background of the BPP Advances

AP SB had extended certain loans and/or advances to BPP in FY2017, FY2019, FY2020 and FY2021 (collectively, the "**BPP Advances**") to support the business operations and construction needs for the Bukit Pelali Project, a development of BPP, which is a joint venture vehicle incorporated by AP SB and SSSB.

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In FY2019, APSB had drawn down on an overdraft facility (with interest at the rate of 7.4% per annum payable on any principal amount outstanding for the time being) granted to APSB by a commercial bank, and a sum of RM15,580,855.81 from such monies drawn down by APSB had been extended to BPP as interest-bearing advances for BPP's settlement of outstanding construction costs owed to JBB Builders. In FY2020, APSB had billed BPP a proportionate amount of the interest payable by APSB pursuant to the overdraft facility drawn down by APSB, based on the same interest payable by APSB to the commercial bank pursuant to the overdraft facility.

Save for the foregoing, the other loans and/or advances extended by APSB to BPP in FY2017, FY2020 and FY2021 were all interest-free.

Each of the BPP Advances did not have a fixed repayment date, was unsecured and was repayable on demand by APSB.

As at the Latest Practicable Date, there is no outstanding amount owing by BPP and payable to APSB under the BPP Advances as the BPP Advances have already been fully repaid.

(b) **Rationale for and Benefits of the BPP Advances**

APSB had extended the BPP Advances to support the business operations and construction needs for the Bukit Pelali Project, with the intention to strengthen the business operations of BPP by selling more of the property units. In the event that the BPP Advances had not been made to BPP to support its business operations and construction needs for the Bukit Pelali Project, BPP would have to seek financing from third-party lenders which may have imposed higher interest rates and may have required security from BPP and/or BPP's majority shareholder, being APSB. In this event, the Group may have incurred additional costs and risks and its financial performance may have been affected.

APSB and SSSB had entered into the BPP JV Agreement which provides, among others, that in the event that BPP requires financing for its business, BPP shall use all commercially reasonable efforts to obtain such financing on commercially reasonable terms in the following descending order of preference:

- (i) external borrowings from third parties, and to the extent any guarantee is required from each joint venture partner, it will be provided in proportion to their respective shareholding percentages;
- (ii) loans from each joint venture partner in proportion to their respective shareholding percentages; and
- (iii) capital injection by way of subscription for shares for cash in proportion to their respective shareholding percentages.

Notwithstanding the foregoing, APSB had agreed to unilaterally provide the BPP Advances after taking into consideration that SSSB had, at the prevailing point in time, already provided financial support to APSB during the same period in the form of providing certain land parcels owned by SSSB as security (the "**SSSB Security**") under the loan agreement (the "**CSCE Loan Agreement**") entered into between APSB and China State Construction Engineering (M) Sdn Bhd ("**CSCE**") in 2017 and for which no payments had been made by the Group to SSSB for the provision of the SSSB Security.

Taking into account the foregoing and the value of the land parcels (based on the independent valuation commissioned by the Company in 2016) provided as security by SSSB for the benefit of APSB under the CSCE Loan Agreement, the proportionate exposure of APSB to such financial support (as compared to SSSB) would have been significantly lower than the proportional amount of financial support that APSB should provide to BPP based on its shareholding percentage in BPP (i.e. significantly less than 50.99%).

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In view of the foregoing, and taking into account the opinion and advice of the IFA in the IFA Letter, the Audit Committee is of the view that the BPP Advances were carried out on normal commercial terms and were not prejudicial to the interests of the Company and the minority Shareholders.

(c) **The BPP Advances as an IPT**

The BPP Advances, 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 BPP (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 BPP Advances, being the amount at risk to the Company, in a financial year is the interest payable on the BPP Advances and the principal amount of the BPP Advances for the financial year.

Accordingly, the values of the BPP Advances for FY2017, FY2019, FY2020, and FY2021 are set out in the table below:

Financial year	Value of the BPP Advances (RM)	Last audited NTA of the Group as at the prior year (RM) ⁽¹⁾	Value of the BPP Advances as a percentage against the audited NTA as at the prior year
FY2017	11,108,889	193,329,648	5.75%
FY2019	43,592,439	220,999,577	19.73%
FY2020	13,092,014	115,565,226	11.33%
FY2021 ⁽²⁾	1,371,217	94,811,733	1.45%

Notes:

- (1) Taking into account the adjustments that had an impact to the financial position of the Group as at 30 June 2016 and 30 June 2018 as disclosed in the FY2017 and FY2019 annual reports, as the case may be.
- (2) As a result of the Change of FYE, FY2021 (being the first financial year affected by the Change of FYE) covered an 18-month period from 1 July 2020 to 31 December 2021. Thereafter, the financial year of the Company would commence on 1 January and end on 31 December each year.

3.6 The BPP Loans

(a) **Background of the BPP Loans**

APSB and BPP had entered into agreements on 16 March 2020, 1 September 2020 and 1 September 2021, pursuant to which APSB had agreed to extend unsecured loans to BPP (collectively, the “**BPP Loans**”) to support the operations and construction needs of the Bukit Pelali Project of BPP, with principal amounts of RM11,500,000, RM5,000,000 and RM10,000,000 respectively, with interest at the rate of 8% per annum payable on any principal amount outstanding for the time being, and repayable on demand with no fixed repayment date. No interest shall be charged on any accrued interest.

As at the Latest Practicable Date, there is no outstanding amount owing by BPP and payable to APSB under the BPP Loans as the BPP Loans have already been fully repaid.

(b) **Rationale for and Benefits of the BPP Loans**

APSB had extended the BPP Loans to support the business operations and construction needs for the Bukit Pelali Project of BPP, which is a joint venture vehicle incorporated by APSB and SSSB.

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The intention of the Group was to strengthen the business operations of BPP by selling more of the property units. In the event that the BPP Loans had not been made to BPP to support its business operations and construction needs for the Bukit Pelali Project, BPP would have to seek financing from third-party lenders which may have imposed higher interest rates and may have required security from BPP and/or BPP's majority shareholder, being APSB. In this event, the Group may have incurred additional costs and risks and its financial performance may have been affected.

APSB and SSSB had entered into the BPP JV Agreement which provides, among others, that in the event that BPP requires financing for its business, BPP shall use all commercially reasonable efforts to obtain such financing on commercially reasonable terms in the following descending order of preference:

- (i) external borrowings from third parties, and to the extent any guarantee is required from each joint venture partner, it will be provided in proportion to their respective shareholding percentages;
- (ii) loans from each joint venture partner in proportion to their respective shareholding percentages; and
- (iii) capital injection by way of subscription for shares for cash in proportion to their respective shareholding percentages.

Notwithstanding the foregoing, APSB had agreed to unilaterally provide the BPP Loans after taking into consideration that SSSB had, at the prevailing point in time, already provided financial support to APSB during the same period in the form of providing the SSSB Security under the CSCE Loan Agreement in 2017 and for which no payments had been made by the Group to SSSB for the provision of the SSSB Security.

Taking into account the foregoing and the value of the land parcels (based on the independent valuation commissioned by the Company in 2016) provided as security by SSSB for the benefit of APSB under the CSCE Loan Agreement, the proportionate exposure of APSB to such financial support (as compared to SSSB) would have been significantly lower than the proportional amount of financial support that APSB should provide to BPP based on its shareholding percentage in BPP (i.e. significantly less than 50.99%).

In addition, the BPP Loans were funded entirely from the loans granted under the DM Loan Agreement and DMR Loan Agreement and accordingly, APSB had charged the interest payable by BPP on the same basis, i.e. with interest at the rate of 8% per annum payable on any principal amount outstanding for the time being but with no interest being charged on any accrued interest. Such interest rate of 8% per annum was within the interest rate of a secured overdraft facility and a secured loan as well as an unsecured overdraft facility obtained by APSB.

In view of the foregoing, and taking into account the opinion and advice of the IFA in the IFA Letter, the Audit Committee is of the view that the BPP Loans were carried out on normal commercial terms and were not prejudicial to the interests of the Company and the minority Shareholders.

(c) **The BPP Loans as an IPT**

The BPP Loans, being transactions between APSB (being a 99.99% 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 BPP (an "Associate" of Dato' Malek under Chapter 9 of the Catalist Rules), constitute an "Interested Person Transaction" under Chapter 9 of the Catalist Rules.

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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 BPP Loans were granted to BPP pursuant to three (3) loan agreements entered into between APSB as the lender, and BPP as the borrower.

The value of the BPP Loans, being the amount at risk to the Company, in a financial year is the interest payable on the BPP Loans and the principal amount of the BPP Loans for the financial year.

The values of the BPP Loans for FY2020, FY2021 and FY2022 are set out in the table below:

Financial year	Value of the BPP Loans (RM)	Last audited NTA of the Group as at the prior year (RM)	Value of the BPP Loans as a percentage against the audited NTA as at the prior year
FY2020	11,642,879	115,565,226	10.07%
FY2021 ⁽¹⁾	16,919,851	94,811,733	17.85%
FY2022	761,574	71,936,711	1.06%

Note:

- (1) As a result of the Change of FYE, FY2021 (being the first financial year affected by the Change of FYE) covered an 18-month period from 1 July 2020 to 31 December 2021. Thereafter, the financial year of the Company would commence on 1 January and end on 31 December each year.

3.7 The BPP Shareholders' Loan

(a) **Background of the BPP Shareholders' Loan**

On 20 June 2022, both shareholders of BPP, being APSB and SSSB, had entered into an agreement to extend an unsecured and interest-free loan to BPP which amounted to an aggregate sum of RM80,000,000 for BPP's general working capital purposes and to reduce BPP's liabilities (the "**BPP Shareholders' Loan**"), in accordance with their respective shareholding proportions in BPP as set out below:

Shareholders of BPP	Shareholding Proportions (rounded up to the nearest whole number)	Amount of the BPP Shareholders' Loan to made available on 20 June 2022 (the "Drawing Date") (RM)
APSB	51%	40,800,000
SSSB	49%	39,200,000
Total	100%	80,000,000

The BPP Shareholders' Loan shall be repaid by BPP to APSB and SSSB in cash and/or in kind as may be mutually agreed between BPP with APSB and SSSB 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 BPP Shareholders' Loan, references to the Repayment Term shall also be extended accordingly and the maturity date for the repayment of the BPP Shareholders' Loan shall be construed as the last day of each relevant extension.

As at the Latest Practicable Date, the total outstanding amount owing by BPP and payable to APSB under the BPP Shareholders' Loan is RM40,800,000.

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(b) **Rationale for and Benefits of the BPP Shareholders' Loan**

The proceeds of the BPP Shareholders' Loan were intended to be used by BPP to meet its working capital needs and to facilitate its ongoing operations. In view that the BPP Shareholders' Loan was extended by both shareholders of BPP in accordance with their respective shareholding proportions in BPP and on the same terms, and taking into account the opinion and advice of the IFA in the IFA Letter, the Audit Committee is of the view that the BPP Shareholders' Loan was thus not prejudicial to the interests of the Company and its minority Shareholders.

Pursuant to Rule 916(3) of the Catalist Rules, an issuer is not required to obtain the approval of its shareholders in relation to the provision of a loan to a joint venture by all joint venture partners in proportion to their equity and on the same terms, if certain prescribed conditions are met, such as the issuer confirming by an announcement that its audit committee is of the view that the provision of the loan is not prejudicial to the interests of the issuer and its minority shareholders. Given however that no such announcement was made in relation to the BPP Shareholders' Loan at the relevant point in time, the Company is also seeking ratification of this IPT.

(c) **The BPP Shareholders' Loan as an IPT**

The BPP Shareholders' Loan, being a transaction between APSB (being a 99.99% 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 BPP (an "Associate" of Dato' Malek under Chapter 9 of the Catalist Rules), constitutes 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 BPP Shareholders' Loan, being the amount at risk to the Company, for FY2022 is set out in the table below:

Financial year	Value of the BPP Shareholders' Loan (RM)	Last audited NTA of the Group as at the prior year (RM)	Value of the BPP Shareholders' Loan as a percentage against the audited NTA as at the prior year
FY2022	40,795,920	71,936,711	56.71%

3.8 The DM Unsecured Loan

(a) **Background of the DM Unsecured Loan**

APSB and Dato' Malek had entered into an agreement on 30 November 2016, pursuant to which Dato' Malek had agreed to extend to APSB an unsecured loan of a principal amount of RM22,322,839.42 at a fixed interest rate of 4% per annum for APSB to cover its ongoing expenses and which is repayable on demand by Dato' Malek (collectively, the "**DM Unsecured Loan**").

The DM Unsecured Loan does not have a fixed repayment date and would be repayable on demand by Dato' Malek. On 29 March 2023, Dato' Malek and APSB had entered into a supplementary agreement (the "**DM March Supplementary Agreement**") pursuant to which Dato' Malek had, *inter alia*, agreed to not demand repayment for the amounts owing to him under the DM Unsecured Loan until the Group and the Company have the available resources to repay such amounts.

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As at the Latest Practicable Date, (i) there is no outstanding amount owing by APSB and payable to Dato' Malek under the DM Unsecured Loan as the DM Unsecured Loan has already been fully repaid, and (ii) the DM Unsecured Loan (as amended by the DM March Supplemental Agreement) has been terminated.

(b) **Rationale for and Benefits of the DM Unsecured Loan**

The Company was of the view that the terms of the DM Unsecured Loan offered by Dato' Malek to APSB were not less favourable than those offered by third-party financial institutions to the Company at the prevailing time, after taking into consideration (i) the ability and flexibility to tap the readily available funds at a lower fixed interest rate as compared to the higher interest rate of a secured overdraft facility offered by a third-party financial institution, (ii) no fixed repayment date, as well as (iii) without the need to provide any security, charge or mortgage over assets.

In view of the foregoing, and taking into account the opinion and advice of the IFA in the IFA Letter, the Audit Committee is of the view that the DM Unsecured Loan was carried out on normal commercial terms and was not prejudicial to the interests of the Company and the minority Shareholders.

(c) **The DM Unsecured Loan as an IPT**

The DM Unsecured Loan, being a transaction between APSB (being a 99.99% 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 Dato' Malek, constitutes an "Interested Person Transaction" under Chapter 9 of the Catalist Rules.

Under Rule 909(3) of the Catalist Rules, in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing.

The values of the DM Unsecured Loan for FY2017, FY2018, FY2019, FY2020, FY2021 and FY2022, being the amount at risk to the Company, such amount being the interest payable on the DM Unsecured Loan in respect of the respective financial year, are set out in the table below:

Financial year	Value of the DM Unsecured Loan (RM)	Last audited NTA of the Group as at the prior year (RM) ⁽¹⁾	Value of the DM Unsecured Loan as a percentage against the audited NTA as at the prior year
FY2017	518,572	193,329,648	0.27%
FY2018	892,824	214,827,380	0.42%
FY2019	892,824	220,999,577	0.40%
FY2020	894,054	115,565,226	0.77%
FY2021 ⁽²⁾	1,341,676	94,811,733	1.42%
FY2022	284,277	71,936,711	0.40%

Notes:

- (1) Taking into account the adjustments that had an impact to the financial position of the Group as at 30 June 2016, 30 June 2017 and 30 June 2018 as disclosed in the FY2017 and FY2019 annual reports, as the case may be.
- (2) As a result of the Change of FYE, FY2021 (being the first financial year affected by the Change of FYE) covered an 18-month period from 1 July 2020 to 31 December 2021. Thereafter, the financial year of the Company would commence on 1 January and end on 31 December each year.

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Notwithstanding the value of the DM Unsecured Loan in respect of FY2018 is above S\$100,000, the aggregate value of all IPTs entered into with the same interested person in respect of FY2018 is less than 3% of the last audited NTA of the Group as at the prior year. On the other hand, the value of the DM Unsecured Loan in respect of FY2022 is below S\$100,000 in value and hence excluded from the ambit of Chapter 9 pursuant to Rules 905(3) and 906(2) of the Catalyst Rules. Accordingly, the Company will not be seeking the approval of Shareholders to ratify the DM Unsecured Loan in respect of FY2018 and FY2022. Such figures disclosed in the table above in relation to the values of the DM Unsecured Loan in respect of FY2018 and FY2022 are hence solely for information purposes.

3.9 The DMR Loan Facility

(a) Background of the DMR Loan Facility

On 8 December 2021, APSB had obtained an unsecured loan facility of up to RM8,000,000 from DMR Holdings, an “Associate” of Dato’ Malek (the “**DMR Loan Facility**”), at a fixed interest rate of 8% per annum, for general corporate and working capital purposes.

The DMR Loan Facility was repayable within one (1) year (unless automatically extended) or on demand by DMR Holdings. On 29 March 2023, DMR Holdings and APSB had entered into a supplementary agreement (the “**DMR March Supplementary Agreement**”) pursuant to which DMR Holdings had, *inter alia*, agreed to not demand repayment for the amounts owing to DMR Holdings under the DMR Loan Facility until the Group and the Company have available resources to repay such amounts.

As at the Latest Practicable Date, the principal amount of DMR Loan Facility has been fully paid, and the total outstanding amount owing by APSB and payable to DMR Holdings under the DMR Loan Facility, which is in relation to the interest amount only, is RM91,041.08.

(b) Rationale for and Benefits of the DMR Loan Facility

The Company was of the view that the terms of the DMR Loan Facility offered by DMR Holdings to APSB were not less favourable than those offered by third-party financial institutions to the Company at the prevailing time, after taking into consideration (i) the ability and flexibility to tap the readily available funds at a competitive fixed interest rate to be used for the general corporate and working capital purposes as and when required, (ii) with no fixed repayment date, as well as (iii) without the need to provide any security, charge or mortgage over assets.

In this regard, the fixed interest rate of 8.0% per annum was:

- (i) higher than the nominal interest rate of a secured overdraft facility which the Group had, being a floating rate subject to fluctuation and which was secured against a fixed deposit; and
- (ii) at the same interest rate charged under the DM Loan Agreement and the DMR Loan Agreement (the entry into of which were approved by Shareholders at the EGM held on 28 October 2020). Similar to the loans obtained under the DM Loan Agreement and DMR Loan Agreement, the DMR Loan Facility is also unsecured and has no fixed repayment date.

Given further that the DMR Loan Facility is now no longer repayable on demand pursuant to the DMR March Supplementary Agreement, it is further beneficial to the Group as the flexibility to obtain funds, as and when required, will help the Group to manage its working capital needs and facilitate its ongoing operations.

In view of the foregoing, and taking into account the opinion and advice of the IFA in the IFA Letter, the Audit Committee is of the view that the DMR Loan Facility was carried out on normal commercial terms and was not prejudicial to the interests of the Company and the minority Shareholders.

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(c) The DMR Loan Facility as an IPT

The DMR Loan Facility, being a transaction between APSB (being a 99.99% 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 DMR Holdings (an “Associate” of Dato’ Malek under Chapter 9 of the Catalist Rules), constitutes an “Interested Person Transaction” under Chapter 9 of the Catalist Rules.

Under Rule 909(3) of the Catalist Rules, in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing.

The values of the DMR Loan Facility for FY2021, FY2022 and FY2023 (as at the Latest Practicable Date), being the amount at risk to the Company, such amount being the interest payable on the DMR Loan Facility in respect of the respective financial year, are set out in the table below:

Financial year	Value of the DMR Loan Facility (RM)	Last audited NTA of the Group as at the prior year (RM)	Value of the DMR Loan Facility as a percentage against the audited NTA as at the prior year
FY2021 ⁽¹⁾	12,404	94,811,733	0.01%
FY2022	457,927	71,936,711	0.64%
FY2023 (as at the Latest Practicable Date)	41,618	79,848,333	0.05%

Note:

(1) As a result of the Change of FYE, FY2021 (being the first financial year affected by the Change of FYE) covered an 18-month period from 1 July 2020 to 31 December 2021. Thereafter, the financial year of the Company would commence on 1 January and end on 31 December each year.

As the values of the DMR Loan Facility in respect of FY2021 and FY2023 are below S\$100,000 in value and hence excluded from the ambit of Chapter 9 pursuant to Rules 905(3) and 906(2) of the Catalist Rules, the Company will not be seeking the approval of Shareholders to ratify the DMR Loan Facility in respect of FY2021 and FY2023. Such figures disclosed in the table above in relation to the values of the DMR Loan Facility in respect of FY2021 and FY2023 are hence solely for information purposes.

3.10 The APSB Rental of Office Premises

(a) Background for the APSB Rental of Office Premises

Pursuant to the tenancy agreements entered into between APSB and Sukma, APSB had leased office premises (collectively, the “Office Premises”) from Sukma, an “Associate” of Dato’ Malek (the “APSB Rental of Office Premises”). Further details of the tenancy agreements are set out below:

S/N	Date of Tenancy Agreement	Address of the Office Premise	Duration of Tenancy	Rent per month (RM)
1.	1 April 2016	20-01 Jalan Padi Emas 1/4 UDA Business Centre	A period of three (3) years commencing from 1 April 2016 to 31 March 2019	3,500
2.	1 September 2018	16-02, 18-02, 20-02, 22 & 22-02 Jalan Padi Emas 1/4 UDA Business Centre	A period of three (3) years commencing from 1 September 2018 to 31 August 2021	17,000

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S/N	Date of Tenancy Agreement	Address of the Office Premise	Duration of Tenancy	Rent per month (RM)
3.	1 April 2019	20-01 Jalan Padi Emas 1/4 UDA Business Centre	A period of two (2) years and (5) months commencing from 1 April 2019 to 31 August 2021	3,500
4.	1 September 2021	16-02, 18-02, 20-01, 20-02, 22 & 22-02 Jalan Padi Emas 1/4 UDA Business Centre	A period of three (3) years commencing from 1 September 2021 to 31 August 2024	20,500

(b) **Rationale for and Benefits of the APSB Rental of Office Premises**

The APSB Rental of Office Premises is a commercially reasonable arrangement for the Group given that:

- (i) the terms and rates of the first tenancy agreement dated 1 April 2016 between APSB and Sukma were supported by a valuation carried out by a property valuer in September 2015 on the six (6) units that are the subject of the tenancy agreements as set out in the table above (the “**Initial Property Valuation**”), and hence APSB’s entry into the aforesaid tenancy agreement fell within the exception in Rule 916(1) of the Catalist Rules. The terms and rates offered by Sukma were commensurate with the prevailing market rental rates as supported by the Initial Property Valuation, and accordingly, the tenancy was on normal commercial terms and was not prejudicial to the interests of the Company and the minority Shareholders. Given (A) the foregoing, and (B) the value of the APSB Rental of Office Premises in respect of FY2016 is below S\$100,000 in value and hence excluded from the ambit of Chapter 9 pursuant to Rules 905(3) and 906(2) of the Catalist Rules, the Company will not be seeking the approval of Shareholders to ratify the APSB Rental of Office Premises in respect of FY2016. Such figure disclosed in the table below in relation to the value of the APSB Rental of Office Premises in respect of FY2016 is hence solely for information purposes;
- (ii) to ensure that the terms and rates of the tenancy offered to APSB were comparable to the market rental rates for comparable properties, reference was made to the Initial Property Valuation in relation to the tenancy agreements entered into in FY2016, FY2019 and FY2021, after taking into account the unlikelihood that APSB would be able to find similar office premises at the current or lower rent than what it was paying Sukma, considering the size of the office premises required by APSB which were not available within the close proximity of the current office location at the prevailing point in time. Even assuming that APSB was able to find similar office premises, APSB would also have had to incur additional expenditure to renovate the new office premises to fit its intended usage prior to occupancy and shift over to the new premises.

Notwithstanding that the Company had not obtained comparable quotes in FY2019 and FY2021 before entering into the respective tenancy agreements, it had considered the aforementioned relevant factors before entering into the tenancy agreements in FY2019 and FY2021 respectively. In addition, the Company had ensured that the terms and rates of the subsequent tenancy agreement entered into in FY2021 were competitive and comparable to similar properties in the vicinity based on the relevant enquiries made by the Company in the course of the exercise to prepare for the ratification of the Proposed Ratification Transactions; and

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- (iii) APSB had incurred expenditure to renovate the office premises to fit its current usage and occupation, and would have had to incur additional expenses to move to other office premises. As at the Latest Practicable Date, based on the relevant enquiries made by the Company and the relevant reports and reviews published by agents as obtained by the Company, it is unlikely that APSB will be able to find similar office premises at the current or lower rent than what it is paying Sukma. Assuming that APSB is able to find similar office premises, APSB will also have to incur additional expenditure to renovate the new office premises to fit its intended usage prior to occupancy and to shift over to the new premises.

In view of the foregoing, and taking into account the opinion and advice of the IFA in the IFA Letter, the Audit Committee is of the view that the APSB Rental of Office Premises was carried out on normal commercial terms and was not prejudicial to the interests of the Company and the minority Shareholders.

(c) **The APSB Rental of Office Premises as an IPT**

The APSB Rental of Office Premises, being a transaction between APSB (being a 99.99% 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 Sukma (an “Associate” of Dato’ Malek under Chapter 9 of the Catalist Rules), constitutes an “Interested Person Transaction” under Chapter 9 of the Catalist Rules.

The values of the APSB Rental of Office Premises for FY2016, FY2019 and FY2021 are as set out below:

Financial year	Value of the APSB Rental of Office Premises (RM)	Last audited NTA of the Group as at the prior year (RM) ⁽¹⁾	Value of the APSB Rental of Office Premises as a percentage against the audited NTA as at the prior year
FY2016	125,987	31,135,681 ⁽²⁾	0.40%
FY2019	737,926	220,999,577	0.33%
FY2021 ⁽³⁾	737,926	94,811,733	0.78%

Notes:

- (1) Taking into account the adjustments that had an impact to the financial position of the Group as at 30 June 2015 and 30 June 2018 as disclosed in the FY2017 and FY2019 annual reports, as the case may be.
- (2) The Company was a result of the completion of the reverse takeover of E2-Capital Holdings Limited by Astaka Padu Limited on 19 November 2015. As a result of the reverse takeover, the comparative figures presented in the consolidated financial statements of the Group in respect of FY2015 are those of Astaka Padu Limited and its subsidiary as restated after making certain adjustments in the prior year, and such comparative figures were unaudited. In addition, also taking into account the adjustments to the financial position of the Group as at 30 June 2015 as disclosed in the FY2017 annual report. Accordingly, the percentage as set out in the last column of the table above was derived from the unaudited NTA as at 30 June 2015 and taking into account the adjustments as disclosed in the FY2017 annual report.
- (3) As a result of the Change of FYE, FY2021 (being the first financial year affected by the Change of FYE) covered an 18-month period from 1 July 2020 to 31 December 2021. Thereafter, the financial year of the Company would commence on 1 January and end on 31 December each year.

As the value of the APSB Rental of Office Premises in respect of FY2016 is below S\$100,000 in value and hence excluded from the ambit of Chapter 9 pursuant to Rules 905(3) and 906(2) of the Catalist Rules, the Company will not be seeking the approval of Shareholders to ratify the APSB Rental of Office Premises in respect of FY2016. Such figure disclosed in the table above in relation to the value of the APSB Rental of Office Premises in respect of FY2016 is hence solely for information purposes.

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3.11 The APSB Cleaning Services

(a) Background for the APSB Cleaning Services

Pursuant to a letter of award dated 28 May 2018 granted by APSB to HC Duraclean, HC Duraclean had agreed to, for fees payable by ASPB to HC Duraclean, provide cleaning services to APSB for a one-year period from 20 June 2018 to 19 June 2019 (the “**APSB Cleaning Services**”). As at the Latest Practicable Date, the APSB Cleaning Services have ceased.

(b) Rationale for and Benefits of the APSB Cleaning Services

Prior to the entry into the APSB Cleaning Services, APSB had obtained quotations from five (5) other unrelated suppliers for comparison, and APSB had entered into the letter of award in relation to the APSB Cleaning Services as the terms offered by HC Duraclean to APSB were (i) not less favorable when compared to the external quotations obtained at the prevailing point of time and (ii) most competitive in terms of the fees.

(c) The APSB Cleaning Services as an IPT

The APSB Cleaning Services, being a transaction between APSB (being a 99.99% 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 HC Duraclean (an “Associate” of Dato’ Malek under Chapter 9 of the Catalist Rules at the relevant point in time), constituted an “Interested Person Transaction” under Chapter 9 of the Catalist Rules.

The value of the APSB Cleaning Services, being the amount at risk to the Company, for FY2018 is as set out below:

Financial year	Value of the APSB Cleaning Services (RM)	Last audited NTA of the Group as at the prior year (RM) ⁽¹⁾	Value of the APSB Cleaning Services as a percentage against the audited NTA as at the prior year
FY2018	491,951	214,827,380	0.23%

Note:

(1) Taking into account the adjustments that had an impact to the financial position of the Group as at 30 June 2017 as disclosed in the FY2019 annual report.

Notwithstanding the value of the APSB Cleaning Services in respect of FY2018 is above S\$100,000, the aggregate value of all IPTs entered into with the same interested person in respect of FY2018 is less than 3% of the last audited NTA of the Group as at the prior year. Accordingly, the Company will not be seeking the approval of Shareholders to ratify the APSB Cleaning Services in respect of FY2018. Such figures disclosed in the table above in relation to the values of the APSB Cleaning Services in respect of FY2018 are hence solely for information purposes.

3.12 The BPP Sale of Shoplots

(a) Background for the BPP Sale of Shoplots

Pursuant to the sale and purchase agreements entered into between, *inter alia*, BPP and Aziz on 16 February 2017, and BPP and Rahim on 19 February 2017, each of Aziz and Rahim had agreed to purchase, and BPP had agreed to sell, certain property units (the “**BPP Shoplots**”) in Bukit Pelali Project (the “**BPP Sale of Shoplots**”) to each of Aziz and Rahim.

Both Aziz and Rahim, who are the brothers of the Controlling Shareholder, Dato Malek, are also directors of APSB. Shareholders may refer to the announcement released by the Company on 21 February 2017 for further details.

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(b) **Rationale for and Benefits of the BPP Sale of Shoplots**

The BPP Shoplots, which were purchased by Aziz and Rahim, are Malay reserved lots. All purchasers of such Malay reserved lots were eligible for a discount of 15% off the sale price (the “**Bumi Lot Discount**”). An additional discount of 5% of the net sale price (being the sale price less the Bumi Lot Discount) was also extended to officers and employees of the Group (the “**Bumi Lot Additional Discount**”). As Aziz and Rahim are directors of APSB, they were entitled to the Bumi Lot Discount and the Bumi Lot Additional Discount in relation to their respective purchase of the BPP Shoplots.

Notwithstanding the Bumi Lot Discount and the Bumi Lot Additional Discount, the aggregate consideration for the BPP Sale of Shoplots paid by Aziz and Rahim was above the aggregate book value of the BPP Shoplots after taking into account, among others, the then-prevailing market conditions, the value and the net prices of the BPP Shoplots based on the then-market selling prices which were comparable to what a third-party purchaser who is eligible to purchase a Malay reserved lot would have had to pay for the Malay reserved lot after taking into account the Bumi Lot Discount.

In view of the foregoing, the Audit Committee at the relevant point in time had also reviewed and approved these transactions, and were satisfied that the terms of these transactions were on normal commercial terms and were not prejudicial to the interests of the Company and its minority Shareholders.

(c) **The BPP Sale of Shoplots as an IPT**

The BPP Sale of Shoplots, being a transaction between BPP (being a 50.99%-owned indirect subsidiary of the Company that was not listed on the SGX-ST or an approved exchange and thus an “Entity at Risk” under Chapter 9 of the Catalist Rules) and each of Aziz and Rahim (an “Associate” of Dato’ Malek under Chapter 9 of the Catalist Rules), constitutes an “Interested Person Transaction” under Chapter 9 of the Catalist Rules.

The value of the BPP Sale of Shoplots, being the amount at risk to the Company, for FY2017 is as set out below:

Financial year	Value of the BPP Sale of Shoplots (RM) ⁽¹⁾	Last audited NTA of the Group as at the prior year (RM) ⁽²⁾	Value of the BPP Sale of Shoplots as a percentage against the audited NTA as at the prior year
FY2017	1,260,779	193,329,648	0.65%

Notes:

- (1) Based on the selling price, before any discount extended under the respective sale and purchase agreements.
- (2) Taking into account the adjustments that had an impact to the financial position of the Group as at 30 June 2016 as disclosed in the FY2017 annual report.

3.13 The Aggregation of IPTs entered into with Dato’ Malek and his Associates

- (a) Rule 907 of the Catalist Rules requires the disclosure of the aggregate value of interested person transactions entered into in respect of the same financial year, and in respect of such disclosure, transactions less than S\$100,000 are to be excluded.
- (b) Rule 905(2) of the Catalist Rules provides that if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group’s latest audited net tangible assets, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.

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- (c) Rule 906(1) of the Catalist Rules provides that an issuer must obtain shareholders' approval if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 5% or more of the group's latest audited net tangible assets.
- (d) Rules 905(5) and 906(4) of the Catalist Rules provide that while transactions below S\$100,000 are not normally aggregated for the purposes of determining whether the relevant threshold has been met such that an issuer is required to make an announcement or seek shareholders' approval, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902 of the Catalist Rules.
- (e) The aggregate value of the IPTs² entered into with Dato' Malek and his Associates (collectively, the **"Aggregate IPTs"**) within the same financial year are set out below:

Financial year	Total value of Aggregate IPTs (RM)	Total value of the Aggregate IPTs as a percentage against the audited NTA ⁽¹⁾ as at prior year
FY2016	403,043 ⁽²⁾	1.29%
FY2017	13,391,173	6.93%
FY2018	2,829,195	1.32%
FY2019	55,710,079	25.21%
FY2020	30,183,834	26.12%
FY2021 ⁽³⁾	25,792,953	27.20%
FY2022	45,646,399	63.45%
FY2023 (as at the Latest Practicable Date)	–	–

Notes:

- (1) Taking into account the adjustments to the financial position of the Group as at 30 June 2015, 30 June 2016, 30 June 2017 and 30 June 2018 as disclosed in the FY2017 and FY2019 annual reports, as the case may be.
- (2) The Company was a result of the completion of the reverse takeover of E2-Capital Holdings Limited by Astaka Padu Limited on 19 November 2015. As a result of the reverse takeover, the comparative figures presented in the consolidated financial statements of the Group in respect of FY2015 are those of Astaka Padu Limited and its subsidiary as restated after making certain adjustments in the prior year, and such comparative figures were unaudited. In addition, also taking into account the adjustments to the financial position of the Group as at 30 June 2015 as disclosed in the FY2017 annual report. Accordingly, the percentage as set out in the last column of the table above was derived from the unaudited NTA as at 30 June 2015 and taking into account the adjustments as disclosed in the FY2017 annual report.
- (3) As a result of the Change of FYE, FY2021 (being the first financial year affected by the Change of FYE) covered an 18-month period from 1 July 2020 to 31 December 2021. Thereafter, the financial year of the Company would commence on 1 January and end on 31 December each year.
- (f) Given that the total value of the Aggregate IPTs for FY2017, FY2019, FY2020, FY2021 and FY2022 have each crossed the 5% threshold under Rule 906(1)(b) of the Catalist Rules, Shareholders' approval in respect of the relevant IPTs entered into in FY2017, FY2019, FY2020, FY2021 and FY2022 should have been obtained.

² Interested person transactions entered into whereby the value at risk is zero or is less than S\$100,000 have not been disclosed or aggregated for the purposes of calculating the materiality threshold of the interested person transactions entered into.

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- (g) As each of the total value of the Aggregate IPTs for FY2016 (being the SSK Payment on Behalf) and FY2018 (being the BPP Payment on Behalf, DM Unsecured Loan and the APSB Cleaning Services) has not crossed the 3% threshold under Rule 905(2) of the Catalyst Rules, no announcement on the Aggregate IPTs was required to be made at the relevant time, and the Company will not be seeking the approval of Shareholders to ratify the Aggregate IPTs in respect of FY2016 and FY2018. Such figures disclosed in the table above in relation to the values of the Aggregate IPTs in respect of FY2016 and FY2018 are hence solely for information purposes.

3.14 The Proposed Ratification Transactions

Accordingly, the Company now intends to ratify and seek Shareholders' approval for the following IPTs at the EGM:

- (a) the BPP Payment on Behalf for FY2017, FY2019, FY2020, FY2021 and FY2022 (the **"Proposed Ratification of the BPP Payment on Behalf"**);
- (b) the BPP Contra Arrangement for FY2019 and FY2020 (the **"Proposed Ratification of the BPP Contra Arrangement"**);
- (c) the BPP Advances for FY2017, FY2019, FY2020 and FY2021 (the **"Proposed Ratification of the BPP Advances"**);
- (d) the BPP Loans for FY2020, FY2021 and FY2022 (the **"Proposed Ratification of the BPP Loans"**);
- (e) the BPP Shareholders' Loan for FY2022 (the **"Proposed Ratification of the BPP Shareholders' Loan"**);
- (f) the DM Unsecured Loan for FY2017, FY2019, FY2020 and FY2021 (the **"Proposed Ratification of the DM Unsecured Loan"**);
- (g) the DMR Loan Facility for FY2022 (the **"Proposed Ratification of the DMR Loan Facility"**);
- (h) the APSB Rental of Office Premises for FY2019 and FY2021 (the **"Proposed Ratification of the APSB Rental of Office Premises"**); and
- (i) the BPP Sale of Shoplots for FY2017 (the **"Proposed Ratification of the BPP Sale of Shoplots"**),

(collectively, the **"Proposed Ratification Transactions"**).

3.15 Rationale for the Ratification of the Proposed Ratification Transactions

In the event any of the Proposed Ratification Transactions is not approved by the Shareholders at the EGM, the corresponding possible implications are:

Proposed Ratification Transaction	Possible Implications
BPP Payment on Behalf	<p>The respective payments on behalf have already been made by APSB on behalf of and charged to BPP, in respect of which, full payment had been made by BPP to APSB. Accordingly, it is not possible to sustain a claim for refund of the monies already paid by BPP to APSB.</p> <p>In view of the foregoing, the Company is seeking the Shareholders' approval for the Proposed Adoption of the IPT General Mandate which includes the BPP Secondment and BPP Management Services.</p>

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Proposed Ratification Transaction	Possible Implications
BPP Contra Arrangement	<p>The properties were sold and transferred by APSB to JBB Builders as a contra arrangement for the settlement of amounts owing by BPP to JBB Builders.</p> <p>If APSB were to renounce from such agreement, JBB Builders may (a) commence legal proceedings to enforce their rights against APSB and BPP and/or (b) demand for immediate repayment by BPP, which will have an adverse impact to the financials and operations of BPP, and accordingly, the Group.</p>
BPP Advances BPP Loans BPP Shareholders' Loan	<p>The advances/loans were given to BPP for the business operations and construction needs of BPP, BPP's general working capital purposes and to reduce BPP's liabilities, as well as to facilitate its ongoing operations.</p> <p><i><u>BPP Advances and BPP Loans</u></i></p> <p>As at the Latest Practicable Date, there is no outstanding amount owing by BPP and payable to APSB under the BPP Advances and BPP Loans as the BPP Advances and BPP Loans have already been fully repaid.</p> <p>The respective advances and loans pursuant to the BPP Advances and/or BPP Loans have already been made, in respect of which full repayment had been made by BPP to APSB. Accordingly, it is not possible to sustain a claim for refund of the monies already repaid by BPP to APSB.</p> <p><i><u>BPP Shareholders' Loan</u></i></p> <p>As at the Latest Practicable Date, the outstanding amount owing by BPP to APSB was approximately RM40.8 million. In the event that the Shareholders do not approve the ratification of the BPP Shareholders' Loan and APSB were to demand for BPP to repay the portion of the BPP Shareholders' Loan extended by APSB, BPP may not be able to make full repayment now after considering its current financial position and working capital needs, and in view of its intention to seek to expand its existing business operations. Having the immediate repayment pressure from APSB would result in BPP requiring financing from third-party lenders which may impose higher interest rates and require security from BPP and/or BPP's majority shareholder, being APSB or the Company. In this event, the Group may incur additional costs and risks and its financial performance may be affected.</p> <p>Given that the BPP Shareholders' Loan was extended by both shareholders of BPP, namely, APSB and SSSB, in accordance with their respective shareholding proportions in BPP and on the same terms, if APSB were to ask for repayment of the portion of the BPP Shareholders' Loans extended by APSB, SSSB may also ask for repayment of its portion of the BPP Shareholders' Loans, which may have an adverse impact on the financials and operations of the Group.</p>

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Proposed Ratification Transaction	Possible Implications
<p>DM Unsecured Loan DMR Loan Facility</p>	<p><u><i>DM Unsecured Loan</i></u></p> <p>The DM Unsecured Loans were extended to APSB based on terms which were not less favourable than those offered by third-party financial institutions at the prevailing time, as they gave APSB the ability and flexibility to tap the readily available funds at a lower fixed interest rate as compared to the higher interest rate of a secured overdraft facility offered by a third-party financial institution, with no fixed repayment date and without the need to provide any security, charge or mortgage over asset.</p> <p>As at the Latest Practicable Date, (i) there is no outstanding amount owing by APSB and payable to Dato' Malek under the DM Unsecured Loan as the DM Unsecured Loan has already been fully repaid, and (ii) the DM Unsecured Loan (as amended by the DM March Supplemental Agreement) has been terminated. In the event that the Shareholders do not approve the ratification of the DM Unsecured Loan, the Company will not be able to recover any of the monies which have been disbursed by and subsequently fully repaid to Dato' Malek.</p> <p><u><i>DMR Loan Facility</i></u></p> <p>The DMR Loan Facility was extended to APSB based on terms which were not less favourable than those offered by third-party financial institutions at the prevailing time, as they gave APSB the ability and flexibility to tap the readily available funds at a competitive fixed interest rate with no fixed repayment date and without the need to provide any security, charge or mortgage over assets.</p> <p>As at the Latest Practicable Date, the total outstanding amount, owing by APSB and payable to DMR Holdings under the DMR Loan Facility is RM91,041.08, being the interest amount only as the principal amount of the DMR Loan Facility has already been fully repaid. Accordingly, it is not possible to sustain a claim for refund of the monies already repaid by APSB to DMR Holdings. In the event that the Shareholders do not approve the ratification of the DMR Loan Facility, given that DMR Holdings has agreed to not demand repayment for the amounts owing to DMR Holdings under the DMR Loan Facility until the Group and the Company have available resources to repay such amounts, it would not be in the interests of the Group to voluntarily make repayment if the Group and the Company do not have available resources to repay such amounts. Furthermore, APSB may also be further negatively affected as it could lose the ability to access readily available funds for its general corporate and working capital when required quickly and easily, which will in turn have a negative impact on its ability to carry out its operations and its readiness to pursue growth opportunities.</p> <p>The Company is of the view that the aforementioned financial support from Dato' Malek and DMR Holdings is beneficial to the Group for the continued operations of the Group.</p>

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Proposed Ratification Transaction	Possible Implications
APSB Rental of Office Premises	<p>APSB will have to terminate the existing tenancy agreement entered into with Sukma and the rental deposit which APSB has paid will be forfeited. It is also impossible to sustain any claim for repayment of the rent paid to Sukma in the past as the office premises have been duly utilised and occupied by APSB.</p> <p>APSB had also incurred expenditure to renovate the office premises to fit its current usage and occupation. Additionally, it is also not likely that APSB will be able to find similar office premises at the current or lower rent than what it is paying Sukma. Assuming that APSB is able to find similar office premises, APSB will also have to incur additional expenditure to renovate the new office premises to fit its intended usage prior to occupancy and to shift over to the new premises.</p> <p>In view of the foregoing, the Company is seeking the Shareholders' approval for the Proposed Adoption of the IPT General Mandate which includes the APSB Rental of Office Premises.</p>
BPP Sale of Shoplots	<p>The transactions had been consummated and title to the respective shoplots were transferred to both Aziz and Rahim, being the purchasers of the BPP Shoplots.</p> <p>To unwind the transactions, the Company may have to, if entitled to do so, commence legal proceedings against the relevant interested persons and the purchasers of the BPP Shoplots may also bring an action against the Company for breach of contract and legal costs will be involved.</p> <p>In addition, the Board and Audit Committee had at the relevant point in time provided the confirmations required under Rule 912 of the Catalist Rules in the Company's announcement dated 21 February 2017.</p>

As mentioned in Section 3.1(g) of this Circular, assuming that the Proposed Ratification Transactions are approved by the Shareholders at the EGM, to the extent that any of the Proposed Ratification Transactions is continuing, the Shareholders shall be taken to have approved the continued performance of such Proposed Ratification Transaction.

3.16 Interim Remedial Actions taken by the Company

Upon discovery of the inadvertent oversight and the steps taken to ratify these IPTs as mentioned in Section 3.1 above, the Group has also taken the following interim remedial actions:

- (a) In respect of the BPP Advances, BPP Loans and the DM Unsecured Loan, APSB has either sought and obtained, or made full repayment of the outstanding amounts from BPP or to Dato' Malek (as the case may be) and such transactions have ceased as at the Latest Practicable Date. As at the Latest Practicable Date, APSB has also ceased making any payment on behalf of BPP and halted the provision of services to BPP pursuant to the BPP Secondment and the BPP Management Services, and provision of services pursuant to the BPP Secondment and the BPP Management Services will be resumed only after obtaining the Shareholders' approval for the IPT General Mandate.

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The APSB Rental of Office Premises, which tenancy period, still subsists as at the Latest Practicable Date pursuant to the latest tenancy agreement signed on 1 September 2021. Notwithstanding the foregoing, the Company has, pursuant to an understanding reached with Sukma in respect of the APSB Rental of Office Premises not made any payment for the rental since 1 January 2023. The Group has also not fully repaid the outstanding amount owing to DMR Holdings under the DMR Loan Facility.

For the other Proposed Ratification Transactions, for the reasons set out in Section 3.15 above and Section 4.1(a) below, the Board is of the view that it may either be highly prejudicial to the interests of the Group to terminate the IPTs or it would be impossible to sustain any claim for repayment for the payments already made by the Group to the respective Interested Persons for the services rendered by them and/or loans extended by the Group to them and *vice versa*.

- (b) The Group Finance Team (i) has taken the effort and time to check all the past financial records to ensure that no other IPTs have been incorrectly classified and/or omitted, and (ii) is of the view that other than this inadvertent oversight, the Company has generally adhered to the existing IPT procedures and policies in relation to the treatment of IPTs.
- (c) The Company has appointed a professional services firm (a “**Firm**”) to perform an internal audit of the internal controls on IPTs in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors as well as to recommend improvements in relation to the same. The results of such review have been finalised with the Company.
- (d) To ensure that the Financial Controller is well informed and aware of, among others, the fiduciary roles and responsibilities of a director of a listed company in Singapore and the obligations of a listed company in Singapore, the Financial Controller has registered, and will be undergoing the training programmes conducted by the Singapore Institute of Directors on a voluntary basis.
- (e) As at date of the report issued by the Firm, the Firm had provided recommendations to improve the Company’s internal procedures as follows:
 - (i) the Company should ensure that the inter-company transactions are being assessed for IPTs and proper disclosures of the IPTs are made pursuant to the Catalist Rules;
 - (ii) the IPT Register should be reviewed and updated to ensure that the IPTs are properly recorded, and adequately monitored with timely reporting to the Audit Committee;
 - (iii) the IPT form, for the purpose of applying for transactions with interested person(s), should be completed in accordance with the Company’s internal policy and procedure requirements; and
 - (iv) profile searches and declarations of the Directors should be obtained, properly recorded and documented.
- (f) The Company has considered the above recommendations, and has taken steps to adopt the proposed actions, including the following:
 - (i) Training sessions or workshops will be conducted by the Group Finance Team to educate employees on the internal guidelines and review procedures in respect of IPTs, including the importance of the aforementioned IPT form. The Group Finance Team will also collaborate across relevant departments on a monthly basis to identify all potential IPTs that should be included in the IPT Register. All inter-company transactions are by default considered and captured for review as IPTs on a monthly basis, and the IPTs will be reported to the Audit Committee on a quarterly basis.

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- (ii) IPT Register has been re-designed and includes, among others, the principal loan amount (if any), drawn down amount (if any), transaction amount, the value at risk of the transactions to the entity at risk identified, and whether such transaction has been approved by the Shareholders, so as to provide more information to assist the Audit Committee's assessment of the IPTs. The Financial Controller will also review the IPT Register at least on a quarterly basis to ensure that the IPTs are properly recorded and in compliance with the Company's guidelines and review procedures in respect of IPTs. The review includes the assessment of the information in the general ledger which includes all the inter-company transactions to ensure that there are no omission of IPTs in accordance with Chapter 9 of the Catalist Rules.
- (iii) The Financial Controller will conduct a periodic review of the Directors' existing directorships by conducting people profile searches against the Directors on a half-yearly basis, and will ensure that the declarations are provided by the Directors on a half-yearly basis.

The follow up review for the proposed actions will be included as part of the scope of the internal audit in the annual internal audit plan.

- (g) The Audit Committee was also informed about the past IPTs and will ensure that the internal audit plans include the review of the IPTs in future.
- (h) Moving forward, in relation to any new policies and procedures relating to IPTs that may be adopted, the Company will seek advice from the internal auditor on the best practices before implementation and the said policy will also be submitted to the Audit Committee and the Board for their respective reviews and endorsements. The internal auditor will also review future IPT transactions on a yearly basis and present their findings to the Audit Committee.
- (i) In addition, the Company will continue to disclose to the Audit Committee and the Board at the quarterly Board meetings as well as all Audit Committee meetings, all transactions with Interested Persons regardless of whether:
 - (i) the individual transaction is below the *de minimis* threshold of S\$100,000 as provided under Rules 905(3) and 906(2) of the Catalist Rules; or
 - (ii) the relevant thresholds under Chapter 9 of the Catalist Rules are met (requiring an immediate announcement or the approval of the Shareholders or otherwise).

This will allow both the Audit Committee and the Board to review and discuss such transactions with the management so that the appropriate action can be taken.

3.17 Confirmation by the Board

Taking into consideration the above-mentioned remedial actions, the Board also confirms and undertakes the following:

- (a) The non-disclosure and failure to seek the requisite Shareholders' approval for the Proposed Ratification Transactions is an isolated event and save as disclosed in this Circular, to best of the knowledge and belief of the Board as at the Latest Practicable Date, the Board is not aware of any other matters which warrant disclosure under the Catalist Rules and are not being disclosed to the public.
- (b) The Board undertakes that it will include the review of the adequacy and effectiveness of the IPT policy and procedures and random sampling of transactions to test if they have been correctly classified as IPTs, as part of the scope of the internal audit on an annual basis.
- (c) Accordingly, the Board is of the view that there had been no prejudice to the Shareholders as the Proposed Ratification Transactions had been undertaken with the objective of supporting the business and the operations of the Group, which are carried out in the interests of the Group.

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- (d) The Audit Committee and the Board are of the view that there is sufficient manpower and expertise in the Group Finance Team to handle the financial and compliance matters of the Group, having considered the experience and ability of the current Financial Controller in assuming the duties and responsibilities as a financial controller to carry out the overall financial and accounting functions as well as her ability to lead and train the Group Finance Team and to implement the changes to strengthen the internal controls of the Group as recommended by the Firm. In this regard, the Audit Committee and the Board are of the view that the overall reporting standard has improved significantly since the current Financial Controller took over from the Previous Management in February 2020, as the Financial Controller has conducted regular training sessions to update the Group Finance Team of the latest changes in laws, regulations and the accounting reporting standards and has been able to respond to enquiries of the Audit Committee expeditiously.
- (e) Taking into consideration the above remedial actions taken by the Company set out in Section 3.16 above, as well as the expertise and experience of the finance function of the Group, the Board is of the view that the remedial actions, in addition to the Group's internal controls after the implementation of the Firm's recommendations pursuant to its review, will be adequate and effective for the internal controls of the Group.

4. THE PROPOSED ADOPTION OF THE IPT GENERAL MANDATE

4.1 Rationale for and Benefit of the IPT General Mandate

- (a) As some of the Proposed Ratification Transactions are necessary for the Group's day-to-day operations and allow the Group to enjoy various economies of scale, it would therefore not be prudent to cease such transactions as such an action would be highly prejudicial to the interests of the Company, and will not be in the best interests of the Shareholders. Accordingly, the Group intends to continue with these IPTs on a recurrent basis. Additionally, the Group intends to enter into certain transactions with another Interested Person, namely, ACSB on a recurrent basis.
- (b) In relation to the Mandated Transactions, the Directors believe that such transactions are in the interest of the Group for the following reasons:
 - (i) in respect of the BPP SMS Services with BPP (which includes the BPP Secondment and BPP Management Services), these are the normal inter-company services provided to the Group's subsidiaries. In addition, the Board believes that the Group can benefit from the provision of BPP SMS Services to BPP as it allows the Group to utilise and leverage its existing resources and avoid overlapping costs as well as allows the Group to benefit from operational efficiency;
 - (ii) in respect of the ACSB SMS Services with ACSB (which includes the ACSB Secondment and ACSB Management Services), as ACSB is newly incorporated as a joint venture company to undertake the development project in Malaysia, it is envisaged that the Company will render and/or provide, among others, human resources services, administrative, project management services, finance and accounting services, corporate planning and communication services and provision of office premises. In view that these are the normal inter-company services provided to the Group's subsidiaries, the Group can benefit from the provision of the ACSB Management Services to ACSB as it allows the Group to utilise and leverage its existing resources and avoid overlapping costs as well as allows the Group to benefit from operational efficiency;
 - (iii) in respect of the APSB Rental of Office Premises with Sukma, the Board believes that it is beneficial to the Group as APSB is able to continue to rent the Office Premises at competitive rates and avoid any additional expenditure on renovation and/or refurbishing which the Group would have had incurred for new office premises; and

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- (iv) in respect of the BPP Rental of Land with Dato' Malek, considering that it is a requirement to have a land as part of the temporary flood mitigation plan to avoid any mud flood issues which was encountered by BPP previously, it is beneficial to the Group as there are no other similar land parcels for BPP's temporary flood mitigation plan located within close proximity to BPP's project development to avoid the mud flood issues.
- (c) Furthermore, the Mandated Transactions are expected to continue to accrue every year, and Shareholders' approval will have to be obtained each time the 5% threshold under Rule 906(1) of the Catalist Rules is met or exceeded. The Proposed Adoption of the IPT General Mandate will eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek Shareholders' approval for such transactions. This will substantially reduce the expenses associated with the convening of general meetings (including the engagement of external advisers and preparation of documents) on an ad-hoc basis, will improve administrative efficacy considerably and will allow manpower resources and time to be channelled towards attaining other business objectives available to the Company. It will also allow the Group to reduce overlapping costs to achieve greater growth.
- (d) Accordingly, the Company intends to seek Shareholders' approval for the Proposed Adoption of the IPT General Mandate pursuant to the requirements of Chapter 9 of the Catalist Rules to enter into, in the ordinary course of business, any of the Mandated Transactions with the relevant Mandated Interested Person, provided that such transactions are made on normal commercial terms, not prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the review procedures for such transactions. The IPT General Mandate if approved by the Shareholders, will be subject to annual renewal.

4.2 Classes of Interested Persons

The IPT General Mandate will apply to the Mandated Transactions that are carried out between (a) either APSB, BPP or ACSB³ (each of the persons in sub-section (a), being the entity at risk), and (b) BPP, ACSB, Sukma or Dato' Malek (each of the persons in sub-section (b), a "**Mandated Interested Person**" and collectively, the "**Mandated Interested Persons**").

4.3 Nature and Scope of the Mandated Transactions

The IPT General Mandate will apply to the following category of transactions (each a "**Mandated Transaction**" and collectively, the "**Mandated Transactions**"):

- (a) the BPP SMS Services with BPP, which includes the BPP Secondment and BPP Management Services;
- (b) the ACSB SMS Services with ACSB, which includes the ACSB Secondment and the management and performance of the following services and activities for ACSB by APSB:
 - (i) provision of human resources services, including handling the selection and recruitment process, promotion and appraisal, performance evaluation and payroll processing of the employees of ACSB;
 - (ii) provision of administrative services, including carrying out general administrative works, monitoring inventory of office supplies, sourcing, upkeeping and maintenance of office supplies and overseeing facilities services;

³ ACSB has been incorporated by APSB and SHSB in Malaysia on 31 May 2023. Please refer to the Company's announcement dated 31 May 2023 in relation to the incorporation of ACSB as a joint venture company between APSB and SHSB for more details about ACSB.

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- (iii) provision of project management services, including providing management advice to ACSB, reviewing and approving design proposal and project planning, monitoring daily business activities and project construction works, and supervision of project status and quality;
 - (iv) provision of finance and accounting services, including the settlement of payment, preparation of and reviewing of financial accounts, liaising and coordinating with external parties on financial reporting, tax submission, compliance matters and assisting in other financial matters of ACSB;
 - (v) provision of corporate planning and communication services, including corporate strategic planning, business operations and management planning, and risk management and compliance of ACSB; and
 - (vi) provision of office premises, which APSB had in turn rented from Sukma (for further details, please see Section 3.10 above),
- (collectively, the “**ACSB Management Services**”);
- (c) the APSB Rental of Office Premises with Sukma; and
 - (d) the lease of land parcels by BPP from Dato’ Malek, as part of BPP’s temporary flood mitigation plan (such land parcels, the “**Flood Land**”) in response to the mud flood incident which occurred in January 2018 (the “**BPP Rental of Land**”).

The IPT General Mandate and its renewal thereof will not cover any Mandated Transaction that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Catalist Rules would not apply to such transactions. However, while transactions below S\$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction having regard to the objective of Chapter 9 of the Catalist Rules and the economic and commercial substance of the interested person transaction, instead of legal form and technicality.

For the avoidance of doubt, there will be no purchase or sale of assets, undertakings or businesses covered under the scope of the IPT General Mandate. IPTs which do not come within the ambit of the IPT General Mandate (including any renewal thereof) will be subject to the requirements of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

4.4 Guidelines and Review Procedures

Having regard to the nature of the IPTs and the criteria in establishing the review procedures which are to ensure that such review procedures are adequate and/or commercially practicable in ensuring that the IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders, the guiding principle is that all IPTs with Interested Persons shall be conducted in accordance with the Group’s usual business practices and pricing policies, consistent with the usual profit margins, prices, fees or rates extended to or received by the Group for the same or substantially similar type of transactions between the Group and unrelated third parties, and the terms of the IPTs are (1) not more favourable to the Interested Persons compared to those extended to unrelated third parties, or (2) not less favourable to the Group than the terms offered by unrelated third parties.

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Additionally, the Group will also establish the following review procedures in respect of the following Mandated Transactions:

(a) **BPP SMS Services**

In respect of the BPP SMS Services, as a general principle, APSB will ensure that the terms offered by APSB to BPP are conducted on an arms' length basis in the following manner.

- (i) With regard to the BPP Secondment, the approval of any secondment of staff to BPP should be approved by the head of the human resources department or such other senior management personnel as designated by the Audit Committee (who must not have any interest, direct or indirect, in the BPP Secondment) after considering, *inter alia*, (A) the needs of the Group and its projects, (B) the availability of the staff, and (C) the expertise of the staff. In the event that the head of human resources department has any interest, direct or indirect, the CEO or the Financial Controller (or its equivalent person), shall approve such secondment. APSB will not provide any value-adding functions in connection thereof.

The fee for the secondment of staff will be based on the remuneration to be paid to the Seconded Employees which will be charged by APSB to BPP on a cost-recovery basis based on the actual salaries, statutory payments (such as CPF contributions), allowances, bonuses and other benefits (such as medical and life insurances) paid to the Seconded Employees. Similar to the existing arrangements as set out in Section 3.2(b) of this Circular, BPP will be billed the actual costs incurred by APSB every month on an interest-free basis based on the payroll summaries / contribution summaries prepared by APSB's human resource department with no pre-determined mark-up.

- (ii) With regard to the BPP Management Services in the form of human resources, administrative, project management, finance and accounting, corporate planning and communication services provided by APSB to BPP, the management fees to be charged will be based on estimated time spent or headcount with a mark-up margin applied. The management fee to be charged and/or mark-up margin to be applied shall be in accordance with the independent transfer pricing benchmarking which will be prepared by an external tax consultant to be commissioned by the Company in order to ensure that such rates charged are on arm's length basis. In the event that APSB obtains any services entirely from unrelated third parties and such services are shared with BPP, APSB will charge to BPP for its portion of the costs on a cost recovery basis without any mark-up.

(b) **ACSB SMS Services**

As announced by the Company on 31 May 2023, ACSB was incorporated as a joint venture company between the Company's subsidiary APSB and SHSB with APSB holding 51% shareholding interest in ACSB and SHSB holding the remaining 49% shareholding interest in ACSB. The principal activity of ACSB is that of property and real estate development in Malaysia.

As at the Latest Practicable Date, Dato' Malek, being the Controlling Shareholder of the Company, holds 100% shareholding interest in DMR Holdings, which in turn holds 100% shareholding interest in SHSB. Accordingly, ACSB is considered an "Associate" of Dato' Malek and hence an "Interested Person" as defined under Rule 904(4) of the Catalist Rules.

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In respect of the ACSB SMS Services, as a general principle, APSB will ensure that the terms offered by APSB to ACSB are conducted on an arms' length basis in the following manner:-

- (i) With regard to the ACSB Secondment, the approval of any secondment of staff to ACSB should be approved by the head of the human resources department or such other senior management personnel as designated by the Audit Committee (who must not have any interest, direct or indirect, in the ACSB Secondment) after considering, *inter alia*, (A) the needs of the Group and its projects, (B) the availability of the staff, and (C) the expertise of the staff. In the event that the head of human resources department has any interest, direct or indirect, the CEO or the Financial Controller (or its equivalent person), shall approve such secondment. APSB will not provide any value-adding functions in connection thereof.

The fee for the secondment of staff will be based on the remuneration to be paid to the seconded employees which will be charged by APSB to ACSB on a cost-recovery basis based on such salaries, statutory payments (such as CPF contributions), allowances, bonuses and other benefits (such as medical and life insurances) paid to the seconded employees. ACSB will be billed the actual costs incurred by APSB every month on an interest-free basis based on the payroll summaries / contribution summaries prepared by APSB's human resource department with no pre-determined mark-up.

- (ii) With regard to the ACSB Management Services in the form of human resources, administrative, project management, finance and accounting, corporate planning and communication services provided by APSB to ACSB, the management fees to be charged will be based on estimated time spent or headcount with a mark-up margin applied. The management fee to be charged and/or mark-up margin to be applied shall be in accordance with the independent transfer pricing benchmarking which will be prepared by an external tax consultant to be commissioned by the Company in order to ensure that such rates charged are on arm's length basis. In the event APSB obtains any services entirely from unrelated third parties and such services are shared with ACSB, APSB will charge to ACSB for its portion of the costs on a cost recovery basis without any mark-up.

(c) **APSB Rental of Office Premises**

In respect of the APSB Rental of Office Premises, prior to the entry into subsequent tenancy agreements in respect of the Office Premises, (i) the Group Finance Team will make relevant enquiries of comparable properties and obtain from commercial property websites (such as PropertyGuru) and/or the relevant reports and reviews published by property agents, the rents in respect of at least two (2) comparable properties in the vicinity (the "**Office Premises Quotations**"); and (ii) (A) an officer of the Group Finance Team, who has no direct or indirect interest in the transaction, as designated by the Audit Committee, will review the terms under the APSB Rental of Office Premises against the Office Premises Quotations, and seek the approval of the Approving Authority for the transaction, provided that the terms offered under the APSB Rental of Office Premises are no less favourable than those rents in respect of comparable properties in the vicinity (i.e. such terms are reasonable and competitive with comparable properties in the vicinity); and (B) in the event that the rents from at least two (2) comparable properties in the vicinity are not available for comparison, an executive Director or the Financial Controller, who has no direct or indirect interest in the transaction, as designated by the Audit Committee, will evaluate the benefits of and rationale for entering into the subsequent tenancy agreement(s) in respect of the Office Premises to determine whether the terms offered under the APSB Rental of Office Premises are fair and reasonable, and seek the approval of the Approving Authority accordingly.

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In relation to the foregoing, some of the factors to be taken into consideration would include, but not be limited to, (i) the prevailing market rental of comparable properties taking into account the tenure of the lease and the area of leased premise, (ii) any additional costs to be incurred such as renovation costs if the Group moves in, and (iii) the general market demand and economic conditions.

(d) **BPP Rental of Land**

In respect of the BPP Rental of Land, prior to the entry into subsequent tenancy agreements in respect of the Flood Land, (i) the Group Finance Team will make relevant enquiries and obtain from commercial property websites (such as PropertyGuru) and/or the relevant reports and reviews published by agents, the rents in respect of at least two (2) comparable properties in the vicinity (the “**Flood Land Quotations**”); and (ii) (A) an officer of the Group Finance Team, who has no direct or indirect interest in the transaction, as designated by the Audit Committee, will review the terms under the BPP Rental of Land against the Flood Land Quotations, and seek the approval of the Approving Authority for the transaction, provided that the terms offered under the Flood Land Quotations are no less favourable than those rents in respect of comparable properties in the vicinity (i.e. such terms are reasonable and competitive with comparable properties in the vicinity); and (B) in the event that the rents from at least two (2) comparable properties in the vicinity are not available for comparison, an executive Director or the Financial Controller, who has no direct or indirect interest in the transaction, as designated by the Audit Committee, will evaluate the benefits of and rationale for entering into the subsequent tenancy agreement(s) in respect of the Flood Land to determine whether the terms offered under the BPP Rental of Land are fair and reasonable, and seek the approval of the Approving Authority accordingly.

In relation to the foregoing, some of the factors to be taken into consideration would include, but not be limited to, (i) the prevailing market rental of comparable properties taking into account the tenure of the lease and the area of leased premises, (ii) any additional costs to be incurred if the Group utilises such land, and (iii) the general market demand and economic conditions.

4.5 Approval thresholds for the Mandated Transactions

The approval thresholds for each Mandated Transaction are as follows:

Value of Mandated Transaction	Approving Authority
Below 3.0% of the latest audited NTA of the Group	CEO and Financial Controller
Equal to or exceeds 3.0% of the latest audited NTA of the Group	CEO and Audit Committee

In the review of the Mandated Transactions, the Audit Committee may at its discretion obtain independent advice. If any of the Approving Authority has an interest in a Mandated Transaction, he/she will abstain from any review, deliberation or decision making in respect of that Mandated Transaction.

4.6 Additional Guidelines and Review Procedures

In addition to the guidelines and review procedures set out in Section 4.4 above, the Company will also implement the following additional guidelines and procedures to ensure that the Mandated Transactions are undertaken on an arm’s length basis and on normal commercial terms:

(a) **Register of Mandated Transactions**

The Financial Controller will maintain an IPT Register (including transactions below S\$100,000) carried out with Mandated Interested Persons, recording the contracts entered into in relation to the Mandated Transactions, basis and rationale for entry into the Mandated Transactions, other commercial terms thereunder, including comparative quotations, enquiries and/or reports obtained to support such basis, on which they are entered into, and the approving authority.

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The Financial Controller will review the IPT Register at least on a quarterly basis to ensure that the IPTs are properly recorded and in compliance with the guidelines and review procedures, and the Company will continue to disclose to the Audit Committee and the Board at the quarterly Board meetings as well as all Audit Committee meetings on all transactions with Interested Persons.

The Audit Committee will review the IPT Register on a quarterly basis to ascertain that the guidelines and review procedures for Mandated Transactions have been complied with. The Audit Committee shall also review the appropriateness and sufficiency of the guidelines and review procedures for Mandated Transactions at least annually. Such review includes the examination of the transaction(s) and its supporting documents, or such other data deemed necessary by the Audit Committee. The Audit Committee shall, when it deems fit, have the right to require the appointment of independent sources, advisers and/or valuers to provide additional information or review of controls and its implementation pertaining to the transactions under review. The outcome of such review, where applicable, shall be submitted to the Audit Committee and documented.

(b) **Periodic confirmation of list of Interested Persons**

The Financial Controller will obtain signed letters of confirmation from persons delegated with the approving authority, key management personnel, Controlling Shareholders of the Company and the Directors on a half-yearly basis or such other period as may be determined by the Audit Committee on their respective list of Interested Persons and their Associates.

(c) **Periodic reviews**

The internal auditors shall annually, or at the request of the Audit Committee, carry out audit reviews on the adequacy and compliance of the internal control system and review procedures for Mandated Transactions and will report to the Audit Committee on their findings.

If during any of the reviews by the Audit Committee of such internal audit reports, the Audit Committee is of the view that the established guidelines and review procedures for Mandated Transactions have become inappropriate or insufficient for whatever reason, such as in the event of changes to the nature of, or manner in which, the business activities of the Company or the Mandated Interested Persons are conducted, the Company will seek a fresh mandate from the Shareholders based on new guidelines and review procedures with a view to ensuring that Mandated Transactions will be carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders. In such a situation, prior to obtaining the new Shareholders' mandate, all transactions with the Mandated Interested Persons will be reviewed and approved by the Audit Committee.

For the purpose of the above review and approval process, any Director, who has an interest in the Mandated Transaction under review and is not considered to be independent, shall abstain from participating and voting on any resolution relating to such Mandated Transaction.

4.7 **Expiry and Renewal of the IPT General Mandate**

The IPT General Mandate will take effect from the date of receipt of Shareholders' approval, and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the next AGM and will apply to Mandated Transactions entered into with a Mandated Interested Person from the date of receipt of Shareholders' approval. Approval from Shareholders will be sought for the renewal of the IPT General Mandate at each subsequent AGM, subject to satisfactory review by the Audit Committee of its continued application to the Mandated Transactions with the respective Mandated Interested Persons.

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4.8 Disclosure to Shareholders of the IPTs

In accordance with Rule 920(1)(a) of the Catalist Rules, the Company will disclose in its annual report the aggregate value of the Mandated Transactions conducted pursuant to the IPT General Mandate during the financial year under review (as well as in the Company's annual reports for subsequent financial years that the IPT General Mandate continues to be in force). In addition, the Company will announce the aggregate value of the Mandated Transactions conducted pursuant to the IPT General Mandate for the financial periods which the Company is required to report on (pursuant to Rule 705 of the Catalist Rules) within the time required for the announcement of such report. These disclosures will be in the format set out in Rule 907 of the Catalist Rules, as shown below, which includes the disclosure of all other IPTs carried out during the relevant financial periods and the financial year under review as well.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions entered into during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the shareholders' mandate pursuant to Catalist Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Catalist Rule 920 (excluding transactions less than S\$100,000)
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5. THE ENTRY INTO THE DMR BPP LOAN AGREEMENT AND DMR ACSB LOAN AGREEMENT, EACH AS AN IPT

5.1 Background

As announced by the Company on 20 June 2023:

- (a) BPP had entered into a loan agreement (the "**DMR BPP Loan Agreement**") with DMR Holdings, pursuant to which DMR Holdings has agreed to grant an interest bearing unsecured loan in the principal amount not exceeding RM60,000,000 to BPP (the "**DMR BPP Loan**"), on the terms and subject to the conditions set out in the DMR BPP Loan Agreement (the "**Entry into the DMR BPP Loan Agreement**"); and
- (b) ACSB had entered into a loan agreement (the "**DMR ACSB Loan Agreement**") with DMR Holdings, pursuant to which DMR Holdings has agreed to grant an interest bearing unsecured loan in the principal amount not exceeding RM60,000,000 to ACSB (the "**DMR ACSB Loan**"), on the terms and subject to the conditions set out in the DMR ACSB Loan Agreement (the "**Entry into the DMR ACSB Loan Agreement**").

5.2 The Principal Terms of the DMR BPP Loan Agreement

The principal terms of the DMR BPP Loan Agreement are set out below:

Principal Amount	:	RM60 million
Parties	:	Lender: DMR Holdings Sdn Bhd Borrower: Bukit Pelali Properties Sdn. Bhd.
Purpose	:	The DMR BPP Loan shall be used solely for the purposes of general corporate and working capital as well as for future development projects by the Borrower.

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- Conditions Precedent : The DMR BPP Loan shall become available to the Borrower for a period of twelve (12) months or for such period as the Lender may at its absolute discretion agree in writing from time to time and upon the fulfilment of the following conditions by the parties in a manner satisfactory to the Lender (the “**DMR BPP Conditions Precedent**”):-
- (a) the Lender shall have received the following documents in form and substance acceptable to the Lender:-
 - (i) a certified true copy of the Memorandum and Articles of Association or Constitution of the Borrower;
 - (ii) a certified true copy of each of the documentary evidence of lodgement of returns of allotment of shares, notification for change in the registered address (the equivalent to and notification of change in the Register of Directors, Managers and Secretaries (equivalent to Forms 24, 44 and 49 under the Companies Act 1965 respectively)) and such other forms prescribed under the Companies Act 2016 as required by the Lender;
 - (iii) a certified true copy of the board of directors’ resolution of the Borrower authorising the acceptance of the DMR BPP Loan and the execution of the DMR BPP Loan Agreement by the Borrower;
 - (iv) a certified true copy of the Company’s shareholders’ resolution authorising the acceptance of the DMR BPP Loan; and
 - (v) a request in writing for the utilisation of the DMR BPP Loan in accordance with the requirements as to the form, timing and accompanying documents as may be specified by the Lender and otherwise generally in accordance with the Lender’s standard terms and conditions applicable to the DMR BPP Loan;
 - (b) the Lender shall have obtained its board of directors’ resolution authorising the grant of the DMR BPP Loan;
 - (c) the Borrower shall have obtained the Company’s shareholders’ resolution authorising the acceptance of the DMR BPP Loan; and
 - (d) the Borrower shall have complied with the other conditions precedent to the DMR BPP Drawdown (as hereinafter defined) and utilisation of the DMR BPP Loan as well as other terms and conditions as stated in the DMR BPP Loan Agreement.
- Drawdown : Subject to the terms and conditions contained in the DMR BPP Loan Agreement and to the prior mutual agreement of both the Lender and the Borrower in respect of each drawdown amount, the Borrower may, during the tenure of the DMR BPP Loan, call for a drawdown of the DMR BPP Loan (the “**DMR BPP Drawdown**”) or any part thereof by giving the Lender a notice in writing in the form set out in Schedule 1 of the DMR BPP Loan Agreement (the “**DMR BPP Drawdown Request**”) within a minimum of three (3) business days prior to the intended date of funding (the “**DMR BPP Drawing Date**”).

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The Borrower may give any number of DMR BPP Drawdown Requests to the Lender, provided always that the amount of each drawing when aggregated with all previous amounts of DMR BPP Drawdown under the DMR BPP Loan shall not exceed RM60 million only.

A DMR BPP Drawdown Request shall be irrevocable and the Borrower shall borrow the amount stated in that DMR BPP Drawdown Request on the date specified therein.

Any part of the DMR BPP Loan not drawn and/or utilised at the end of the DMR BPP Repayment Period (as hereinafter defined) shall automatically be cancelled and shall not be available to the Borrower.

- Repayment :
- (a) Subject to paragraph (c) below, the Borrower shall repay the DMR BPP Loan and interest thereon within one (1) year from the date of the first DMR BPP Drawing Date (the “**DMR BPP Repayment Period**”).
 - (b) Notwithstanding the DMR BPP Repayment Period as stated in paragraph (a) above, the Lender shall be entitled, by way of notice in writing to the Borrower, to request for the repayment of all monies and liabilities owing to the Lender under the DMR BPP Loan Agreement at any time during the tenure of the DMR BPP Loan (the “**DMR BPP Repayment Notice**”). The Borrower may, within three (3) business days from its receipt of the DMR BPP Repayment Notice, inform the Lender in writing whether it has the available resources for such repayment of all monies and liabilities owing to the Lender under the DMR BPP Loan Agreement as requested by the Lender. In the event that the Borrower confirms its availability of resources to repay the Lender all monies and liabilities owing to the Lender under the DMR BPP Loan Agreement, the Borrower shall ensure that the repayment is made within seven (7) business days from the date of its notice issued to the Lender.

Notwithstanding any provisions contained in the DMR BPP Loan Agreement, the Lender agrees, covenants and undertakes that it shall not, at any time during the tenure of the DMR BPP Loan,

- (i) declare an BPP Event of Default as prescribed in the provisions of the DMR BPP Loan Agreement; or
- (ii) declare the DMR BPP Loan payable under the DMR BPP Loan Agreement to be immediately due and payable; or
- (iii) terminate the DMR BPP Loan Agreement; or
- (iv) exercise its rights under any security documents or laws,

in the event the Borrower informs the Lender in writing that it does not have any available resources for the repayment of all monies and liabilities owing to the Lender under the DMR BPP Loan Agreement upon the Borrower's receipt of the DMR BPP Repayment Notice.

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- (c) Unless the Borrower receives a notice of termination from the Lender not less than thirty (30) days from the last date of the DMR BPP Repayment Period, and provided that no BPP Event of Default has occurred, the tenure of the DMR BPP Loan shall be extended automatically by each subsequent one (1) year period. Following each such automatic extension, references to the DMR BPP Repayment Period shall also be extended accordingly and the maturity of the DMR BPP Loan shall be construed as the last day of each relevant extension.
- Prepayment
- (a) The Borrower may prepay (without interest or penalty) the DMR BPP Loan and interest thereon in whole or in part at any time provided that:-
- (i) the Borrower pays all interest (whether capitalised or not) accrued on the DMR BPP Loan up to the date of prepayment together with such prepayment; and
- (ii) in the event the DMR BPP Loan is to be prepaid in full, the Borrower has given the Lender not less than one (1) month's notice.
- (b) Any notice given under paragraph (a) above shall be irrevocable and the amount of prepayment mentioned in such notice shall become due and payable on the date of prepayment specified in the relevant notice.
- Interest :
- (a) Until such time as the Borrower shall repay the whole of the DMR BPP Loan, the Borrower shall pay to the Lender interest at the rate of eight per cent (8%) per annum (the "**DMR BPP Interest**") on any principal amount outstanding for the time being of the DMR BPP Loan (the "**DMR BPP Outstanding Tranche**"). The DMR BPP Interest shall be calculated on the basis of the actual number of days elapsed in a year. For avoidance of doubt, no interest shall be charged on any accrued interest.
- (b) The interest period for each DMR BPP Outstanding Tranche shall start on the relevant DMR BPP Drawing Date.
- Utilisation Conditions :
- If:
- (a) no BPP Event of Default in the DMR BPP Loan Agreement has occurred or would occur as a result of the utilisation of the DMR BPP Loan;
- (b) the DMR BPP Conditions Precedent have been fulfilled by the Borrower to the satisfaction of the Lender;
- (c) each of the representations and warranties set out under the DMR BPP Loan Agreement remains accurate at the date of utilisation as if given on that date by reference to the facts and circumstances then existing; and
- (d) there has been no change in circumstances or law which may affect the ability of the Lender to grant the DMR BPP Loan or which may increase the costs to the Lender in doing so,

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then, subject to the provisions of the DMR BPP Loan Agreement, the Borrower may on a business day during the tenure of the DMR BPP Loan make a DMR BPP Drawdown and/or utilise and/or continue to utilise the DMR BPP Loan.

Security : None

Event of Default : Upon the occurrence of any of the following events:

- (a) Non-Payment: subject always to the provisions item (b) of Repayment above, if the Borrower shall default in the payment to the Lender of any amount due under the DMR BPP Loan or any other moneys herein covenanted to be paid or covenanted to be paid under the DMR BPP Loan Agreement after the same shall have become due by the Borrower to the Lender, and such sums due by the Borrower remain due and owing for seven (7) business days after the due date;
- (b) Breach of Warranty: if any representation or warranty made in connection with the execution and delivery of the DMR BPP Loan Agreement shall be found to have been incorrect in any respect and such breach has not been remedied within seven (7) business days after written notice of such breach shall have been given to the Borrower, by the Lender;
- (c) Winding Up: if an order of a court of competent jurisdiction is made or an effective resolution is passed for the winding up or dissolution of the Borrower or if the Borrower shall apply or petition for a winding-up or administration order in respect of itself or the Borrower is declared insolvent or consents to the appointment of a trustee, custodian or receiver for it or for a substantial part of its property or any such trustee, custodian or receiver is appointed or where a scheme of arrangement or its equivalent has been instituted against the Borrower;
- (d) Enforcement Proceedings: if a distress or execution or other similar or equivalent process of a court of competent jurisdiction is levied or issued against any of the properties of the Borrower and such distress or execution or other process as the case may be is not discharged, withdrawn within seven (7) business days from the date thereof or stayed within fourteen (14) days of application to stay or such other period as agreed by the Lender;
- (e) Insolvency: if the Borrower becomes insolvent or enters into any composition or arrangement with or for the benefit of creditors of the Borrower or allow any legal suit or any judgment against the Borrower to remain unsatisfied for a period of thirty (30) days from the date thereof;
- (f) Illegality: it is or will become unlawful for the Borrower or the Lender to perform or comply with any one or more of their respective obligations under the DMR BPP Loan Agreement;
or

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- (g) Compliance with Law/Regulation: in the event the Lender is required to do so in compliance with any law or regulation applicable to it,

(each a “**BPP Event of Default**”), the Lender may serve an immediate notice of default and may simultaneously declare that any and all of the obligations of the Lender under the DMR BPP Loan Agreement be cancelled forthwith whereupon the obligations of the Lender shall be so cancelled forthwith and all amounts outstanding under the DMR BPP Loan Agreement in respect of the DMR BPP Loan shall become immediately due and payable to the Lender together with any other amounts payable to the Lender under the DMR BPP Loan Agreement.

- Indemnity : The Borrower shall indemnify the Lender from and against all actions, claims, demands, losses, liabilities, damages, costs and expenses (including all legal fees and professional consultants’ fees) which may be made or brought against or suffered or incurred by the Lender arising out of or in connection with:
- (a) any BPP Event of Default;
 - (b) any failure by the Borrower to utilise the DMR BPP Loan in accordance with the terms hereunder;
 - (c) the DMR BPP Drawdown of the DMR BPP Loan is not being made for any reason (excluding any default by the Lender) after the notice of DMR BPP Drawdown has been issued;
 - (d) any default in payment by the Borrower of any sum under the DMR BPP Loan Agreement, when due; and
 - (e) the occurrence of any default on the part of the Borrower in the performance or observance of any of its respective undertakings or covenants under the DMR BPP Loan Agreement.
- Costs and Expenses : Unless otherwise provided in the DMR BPP Loan Agreement, the Borrower shall pay the costs and expenses incurred in connection with the negotiation, preparation and execution of the DMR BPP Loan Agreement including the legal fee and stamp duty, whichever is applicable.
- Assignment : None of the parties to the DMR BPP Loan Agreement shall assign any of its rights and benefits under the DMR BPP Loan Agreement without the prior written consent of the other party.
- Governing Law : The DMR BPP Loan Agreement shall be governed by and construed in accordance with the laws of Malaysia.

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5.3 The Principal Terms of the DMR ACSB Loan Agreement

The principal terms of the DMR ACSB Loan Agreement are set out below:

- Principal Amount : RM60 million
- Parties : Lender: DMR Holdings Sdn Bhd
Borrower: Astaka Capital Sdn. Bhd.
- Purpose : The DMR ACSB Loan shall be used solely for the purposes of general corporate and working capital as well as for future development projects by the Borrower.
- Conditions Precedent : The DMR ACSB Loan shall become available to the Borrower for a period of twelve (12) months or for such period as the Lender may at its absolute discretion agree in writing from time to time and upon the fulfilment of the following conditions by the parties in a manner satisfactory to the Lender (the “**DMR ACSB Conditions Precedent**”):-
- (a) the Lender shall have received the following documents in form and substance acceptable to the Lender:-
 - (i) a certified true copy of the Memorandum and Articles of Association or Constitution of the Borrower;
 - (ii) a certified true copy of each of the documentary evidence of lodgement of returns of allotment of shares, notification for change in the registered address (the equivalent to and notification of change in the Register of Directors, Managers and Secretaries (equivalent to Forms 24, 44 and 49 under the Companies Act 1965 respectively)) and such other forms prescribed under the Companies Act 2016 as required by the Lender;
 - (iii) a certified true copy of the board of directors’ resolution of the Borrower authorising the acceptance of the DMR ACSB Loan and the execution of the DMR ACSB Loan Agreement by the Borrower;
 - (iv) a certified true copy of the Company’s shareholders’ resolution authorising the acceptance of the DMR ACSB Loan; and
 - (v) a request in writing for the utilisation of the DMR ACSB Loan in accordance with the requirements as to the form, timing and accompanying documents as may be specified by the Lender and otherwise generally in accordance with the Lender’s standard terms and conditions applicable to the DMR ACSB Loan;
 - (b) the Lender shall have obtained its board of directors’ resolution authorising the grant of the DMR ACSB Loan;
 - (c) the Borrower shall have obtained the Company’s shareholders’ resolution authorising the acceptance of the DMR ACSB Loan; and

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- (d) the Borrower shall have complied with the other conditions precedent to the DMR ACSB Drawdown (as hereinafter defined) and utilisation of the DMR ACSB Loan and other terms and conditions as stated in the DMR ACSB Loan Agreement.

Drawdown : Subject to the terms and conditions contained in the DMR ACSB Loan Agreement and to the prior mutual agreement of both the Lender and the Borrower in respect of each drawdown amount, the Borrower may, during the tenure of the DMR ACSB Loan, call for a drawdown of the DMR ACSB Loan (the “**DMR ACSB Drawdown**”) or any part thereof by giving the Lender a notice in writing in the form set out in Schedule 1 of the DMR ACSB Loan Agreement (the “**DMR ACSB Drawdown Request**”) within a minimum of three (3) business days prior to the intended date of funding (the “**DMR ACSB Drawing Date**”).

The Borrower may give any number of DMR ACSB Drawdown Requests to the Lender, provided always that the amount of each drawing when aggregated with all previous amounts of the DMR ACSB Drawdown under the DMR ACSB Loan shall not exceed RM60 million only.

A DMR ACSB Drawdown Request shall be irrevocable and the Borrower shall borrow the amount stated in that DMR ACSB Drawdown Request on the date specified therein.

Any part of the DMR ACSB Loan not drawn and/or utilised at the end of the DMR ACSB Repayment Period (as hereinafter defined) shall automatically be cancelled and shall not be available to the Borrower.

Repayment : (a) Subject to paragraph (c) below, the Borrower shall repay the DMR ACSB Loan and interest thereon within one (1) year from the date of the first DMR ACSB Drawing Date (the “**DMR ACSB Repayment Period**”).

(b) Notwithstanding the DMR ACSB Repayment Period as stated in paragraph (a) above, the Lender shall be entitled, by way of notice in writing to the Borrower, to request for the repayment of all monies and liabilities owing to the Lender under the DMR ACSB Loan Agreement at any time during the tenure of the DMR ACSB Loan (the “**DMR ACSB Repayment Notice**”). The Borrower may, within three (3) business days from its receipt of the DMR ACSB Repayment Notice, inform the Lender in writing whether it has the available resources for such repayment of all monies and liabilities owing to the Lender under the DMR ACSB Loan Agreement as requested by the Lender. In the event that the Borrower confirms its availability of resources to repay the Lender all monies and liabilities owing to the Lender under the DMR ACSB Loan Agreement, the Borrower shall ensure that the repayment is made within seven (7) business days from the date of its notice issued to the Lender.

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Notwithstanding any provisions contained in the DMR ACSB Loan Agreement, the Lender agrees, covenants and undertakes that it shall not, at any time during the tenure of the DMR ACSB Loan,

- (i) declare an ACSB Event of Default (as defined below) as prescribed in the provisions of the DMR ACSB Loan Agreement; or
- (ii) declare the DMR ACSB Loan payable under the DMR ACSB Loan Agreement to be immediately due and payable; or
- (iii) terminate the DMR ACSB Loan Agreement; or
- (iv) exercise its rights under any security documents or laws,

in the event the Borrower informs the Lender in writing that it does not have any available resources for the repayment of all monies and liabilities owing to the Lender under the DMR ACSB Loan Agreement upon the Borrower's receipt of the DMR ACSB Repayment Notice.

- (c) Unless the Borrower receives a notice of termination from the Lender not less than thirty (30) days from the last date of the DMR ACSB Repayment Period, and provided that no ACSB Event of Default has occurred, the tenure of the DMR ACSB Loan shall be extended automatically by each subsequent one (1) year period. Following each such automatic extension, references to the DMR ACSB Repayment Period shall also be extended accordingly and the maturity of the DMR ACSB Loan shall be construed as the last day of each relevant extension.

- Prepayment :
- (a) The Borrower may prepay (without interest or penalty) the DMR ACSB Loan and interest thereon in whole or in part at any time provided that:-
 - (i) the Borrower pays all interest (whether capitalised or not) accrued on the DMR ACSB Loan up to the date of prepayment together with such prepayment; and
 - (ii) in the event the DMR ACSB Loan is to be prepaid in full, the Borrower has given the Lender not less than one (1) month's notice.
 - (b) Any notice given under paragraph (a) above shall be irrevocable and the amount of prepayment mentioned in such notice shall become due and payable on the date of prepayment specified in the relevant notice.

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- Interest : (a) Until such time as the Borrower shall repay the whole of the DMR ACSB Loan, the Borrower shall pay to the Lender interest at the rate of eight per cent (8%) per annum (the “**DMR ACSB Interest**”) on any principal amount outstanding for the time being of the DMR ACSB Loan (the “**DMR ACSB Outstanding Tranche**”). The DMR ACSB Interest shall be calculated on the basis of the actual number of days elapsed in a year. For avoidance of doubt, no interest shall be charged on any accrued interest.
- (b) The interest period for each DMR ACSB Outstanding Tranche shall start on the relevant DMR ACSB Drawing Date.

- Utilisation Conditions : If:
- (a) no ACSB Event of Default in the DMR ACSB Loan Agreement has occurred or would occur as a result of the utilisation of the DMR ACSB Loan;
- (b) the DMR ACSB Conditions Precedent have been fulfilled by the Borrower to the satisfaction of the Lender;
- (c) each of the representations and warranties set out under the DMR ACSB Loan Agreement remains accurate at the date of utilisation as if given on that date by reference to the facts and circumstances then existing; and
- (d) there has been no change in circumstances or law which may affect the ability of the Lender to grant the DMR ACSB Loan or which may increase the costs to the Lender in doing so,

then, subject to the provisions of the DMR ACSB Loan Agreement, the Borrower may on a business day during the tenure of the DMR ACSB Loan make a DMR ACSB Drawdown and/or utilise and/or continue to utilise the DMR ACSB Loan.

Security : None

Event of Default : Upon the occurrence of any of the following events:

- (a) Non-Payment: subject always to the provisions item (b) of Repayment above, if the Borrower shall default in the payment to the Lender of any amount due under the DMR ACSB Loan or any other moneys herein covenanted to be paid or covenanted to be paid under the DMR ACSB Loan Agreement after the same shall have become due by the Borrower to the Lender, and such sums due by the Borrower remain due and owing for seven (7) business days after the due date;
- (b) Breach of Warranty: if any representation or warranty made in connection with the execution and delivery of the DMR ACSB Loan Agreement shall be found to have been incorrect in any respect and such breach has not been remedied within seven (7) business days after written notice of such breach shall have been given to the Borrower, by the Lender;

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- (c) Winding Up: if an order of a court of competent jurisdiction is made or an effective resolution is passed for the winding up or dissolution of the Borrower or if the Borrower shall apply or petition for a winding-up or administration order in respect of itself or the Borrower is declared insolvent or consents to the appointment of a trustee, custodian or receiver for it or for a substantial part of its property or any such trustee, custodian or receiver is appointed or where a scheme of arrangement or its equivalent has been instituted against the Borrower;
- (d) Enforcement Proceedings: if a distress or execution or other similar or equivalent process of a court of competent jurisdiction is levied or issued against any of the properties of the Borrower and such distress or execution or other process as the case may be is not discharged, withdrawn within seven (7) business days from the date thereof or stayed within fourteen (14) days of application to stay or such other period as agreed by the Lender;
- (e) Insolvency: if the Borrower becomes insolvent or enters into any composition or arrangement with or for the benefit of creditors of the Borrower or allow any legal suit or any judgment against the Borrower to remain unsatisfied for a period of thirty (30) days from the date thereof;
- (f) Illegality: it is or will become unlawful for the Borrower or the Lender to perform or comply with any one or more of their respective obligations under the DMR ACSB Loan Agreement; or
- (g) Compliance with Law/Regulation: in the event the Lender is required to do so in compliance with any law or regulation applicable to it,

(each a “**ACSB Event of Default**”), the Lender may serve an immediate notice of default and may simultaneously declare that any and all of the obligations of the Lender under the DMR ACSB Loan Agreement be cancelled forthwith whereupon the obligations of the Lender shall be so cancelled forthwith and all amounts outstanding under the DMR ACSB Loan Agreement in respect of the DMR ACSB Loan shall become immediately due and payable to the Lender together with any other amounts payable to the Lender under the DMR ACSB Loan Agreement.

- Indemnity : The Borrower shall indemnify the Lender from and against all actions, claims, demands, losses, liabilities, damages, costs and expenses (including all legal fees and professional consultants’ fees) which may be made or brought against or suffered or incurred by the Lender arising out of or in connection with:
- (a) any ACSB Event of Default as prescribed in the provisions of the DMR ACSB Loan Agreement;
 - (b) any failure by the Borrower to utilise the DMR ACSB Loan in accordance with the terms hereunder;

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- (c) the DMR ACSB Drawdown of the DMR ACSB Loan is not being made for any reason (excluding any default by the Lender) after the notice of DMR ACSB Drawdown has been issued;
 - (d) any default in payment by the Borrower of any sum under the DMR ACSB Loan Agreement, when due; and
 - (e) the occurrence of any default on the part of the Borrower in the performance or observance of any of its respective undertakings or covenants under the DMR ACSB Loan Agreement.
- Costs and Expenses : Unless otherwise provided in the DMR ACSB Loan Agreement, the Borrower shall pay the costs and expenses incurred in connection with the negotiation, preparation and execution of the DMR ACSB Loan Agreement including the legal fee and stamp duty, whichever is applicable.
- Assignment : None of the parties to the DMR ACSB Loan Agreement shall assign any of its rights and benefits under the DMR ACSB Loan Agreement without the prior written consent of the other party.
- Governing Law : The DMR ACSB Loan Agreement shall be governed by and construed in accordance with the laws of Malaysia.

5.4 Rationale for, and Benefits of, the DMR BPP Loan Agreement and DMR ACSB Loan Agreement

(a) Competitive Terms

Each of the DMR BPP Loan and the DMR ACSB Loan is unsecured and has a fixed interest rate of 8% per annum.

The Company is of the view that the terms of the DMR BPP Loan and the DMR ACSB Loan (each a “**Loan Transaction**” and collectively, the “**Loan Transactions**”) are acceptable for the following reasons:

- (i) the fixed interest rate of 8% per annum is close to (i) a secured loan which the Group currently has and (ii) the prevailing interest rate for a corporate loan as offered by the other financial institution; and
- (ii) each of the DMR BPP Loan and the DMR ACSB Loan is unsecured, and these loans will afford the Group with the ability and flexibility to quickly tap the readily available funds as and when required for general corporate and working capital purposes as well as for future development projects, without the need to provide any security, charge or mortgage over the Group’s assets.

(b) Flexible Repayment Period

Each Loan Transaction is subject to a repayment period of one (1) year from the date of the first draw down. However, unless a notice of termination is received from the Lender not less than 30 days prior to the last date of the repayment period, and provided that no event of default has occurred, the tenure of each Loan Transaction shall be extended automatically by each subsequent one (1) year period.

Following each such automatic extension, the repayment period in relation to the relevant Loan Transaction shall also be extended accordingly and the maturity of the relevant Loan Transaction shall be construed as the last day of each relevant extension.

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Additionally, pursuant to the Loan Transactions, the Lender has agreed, among others, not to declare the DMR BPP Loan or the DMR ACSB Loan (as the case may be) to be immediately due and payable in the event that BPP or ACSB (as the case may be) informs the Lender in writing that it does not have any available resources for the repayment of all monies and liabilities owing to the Lender under the DMR BPP Loan Agreement and DMR ACSB Loan Agreement (as the case may be).

For the reasons set out in section 5.5(c) below, the Company is, therefore, seeking Shareholders' approval for the DMR BPP Loan and the DMR ACSB Loan in view that if approved and entered into, the DMR BPP Loan Agreement and DMR ACSB Loan Agreement will provide BPP and ACSB respectively with an injection of funds for working capital purposes and to meet their respective immediate to medium-term working capital requirements, and allow the Company to exclude the DMR BPP Loan and the DMR ACSB Loan from subsequent aggregations in determining whether the materiality threshold under Chapter 9 of the Catalist Rules has been reached.

(c) **Comparable to Previous Loans extended by Dato' Malek**

Previously, there has been other loans that Dato' Malek had extended to the Group. The terms of the DMR BPP Loan and DMR ACSB Loan are similar to previous loans extended by Dato' Malek to the Group in terms of interest rates, tenure of the loan as well as the lack of requirement to provide security from the borrower.

Shareholders should note that in the event the Entry into the DMR BPP Loan Agreement and the Entry into the DMR ACSB Loan Agreement (as the case may be) are not approved by the Shareholders, there is no assurance that the Group will be able to obtain alternative funding for the working capital of BPP and/or ACSB (as the case may be) on comparable terms or at all, or that any such alternative funding will be obtained in a timely manner to enable the Group to meet its immediate to medium-term working capital requirements.

5.5 The DMR BPP Loan and the DMR APSB Loan as IPTs

(a) **Chapter 9 of the Catalist Rules**

Chapter 9 of 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 NTA. For the avoidance of doubt, the requirement for shareholders' approval does not apply to any transaction below S\$100,000.

(b) **Details of the Interested Person**

The Lender, being DMR Holdings, is wholly-owned by Dato' Malek, who 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
- (ii) 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,

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As such, Dato' Malek has an aggregate interest of approximately 66.75% of the total issued share capital of the Company and is, therefore, a Controlling Shareholder of the Company. Accordingly, the Lender is an "Associate" of Dato' Malek, and is deemed to be an "Interested Person" as defined under Rule 904(4) of the Catalist Rules. Accordingly, the Loan Transactions constitute "interested person transactions" within the meaning of Chapter 9 of the Catalist Rules.

(c) **Materiality Threshold under Chapter 9 of the Catalist Rules**

Under Rule 906 of the Catalist Rules, shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

- (i) 5% of the Group's latest audited NTA; or
- (ii) 5% of the Group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.

Pursuant to Rule 908(1) of the Catalist Rules, Dato' Malek and DMR Holdings are deemed to be the same interested person for the purposes of aggregation under Rule 906 of the Catalist Rules.

Pursuant to Rule 909(3) of the Catalist Rules, in the case of borrowing of funds from an interested person, the value of the transaction at risk to the issuer is the interest payable on the borrowing.

Assuming that the DMR BPP Loan is fully drawn down on the date of the DMR BPP Loan Agreement at a fixed interest rate of 8% per annum and repaid in full one (1) year from the date of the first DMR BPP Drawing Date, the transaction value of the DMR BPP Loan is RM4.8 million, being the interest payable on such DMR BPP Loan (the "**DMR BPP Loan Drawdown Basis**").

Assuming that the DMR ACSB Loan is fully drawn down on the date of the DMR ACSB Loan Agreement at a fixed interest rate of 8% per annum and repaid in full one (1) year from the date of the first DMR ACSB Drawing Date, the transaction value of the DMR ACSB Loan is RM4.8 million, being the interest payable on such DMR ACSB Loan (the "**DMR ACSB Loan Drawdown Basis**") and together with the DMR BPP Loan Drawdown Basis, collectively the "**Drawdown Bases**").

Therefore, based on the Drawdown Bases, the total amount at risk to the Company in relation to the Loan Transactions is RM9.6 million, which represents approximately 12.02% of the latest audited NTA of the Group as at 31 December 2022 of approximately RM79.85 million. As there may potentially be an automatic extension of the tenure of the DMR BPP Loan and DMR ACSB Loan and the value of the Loan Transactions (based on the Drawdown Bases) exceeds 5.0% of the latest audited NTA of the Group, the Loan Transactions are, pursuant to Rule 906 of the Catalist Rules, subject to approval by the Shareholders who are deemed independent for the purposes of the Loan Transactions.

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(d) **Other and On-going Interested Person Transactions**

As at the Latest Practicable Date, the aggregate value of all interested person transactions (excluding transactions of less than S\$100,000) entered between the Group and Dato' Malek and/or his associates from the current financial year beginning 1 January 2023 and up to the Latest Practicable Date are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions entered into during the financial year under review (excluding transactions less than S\$100,000)
Dato' Malek	Controlling Shareholder	RM495,439 ⁽¹⁾

Note:

- (1) Dato' Malek, the Controlling Shareholder of the Company, had extended unsecured loans 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) (the "**DM Loan Agreement**") at a fixed interest rate of 8% per annum, repayable within one year (unless automatically extended) or on demand.

In respect of the DM Loan Agreement, the loan and interest are repayable within one year from the date of the first drawing date or on demand, and no interest shall be charged on any accrued interest. The tenure of the loan shall be extended automatically by each subsequent one (1) year period unless APSB receives a termination notice from Dato' Malek not less than 30 days prior to the repayment date, and provided that no event of default has occurred. The Company had obtained the approval from its shareholders on 28 October 2020 for the entry by APSB into the DM Loan Agreement as an IPT under Chapter 9 of the Catalist Rules. Please refer to the Company's circular to Shareholders dated 9 October 2020 for further details on the DM Loan Agreement. Further to the financial support letter which was extended by Dato' Malek previously to not demand repayment of the amount owing by the Company to Dato' Malek until the Group's resources permit, Dato' Malek and APSB had subsequently on 29 March 2023 entered into a supplementary agreement wherein Dato' Malek had, *inter alia*, agreed to not demand repayment for the amount owing to him and his related companies until the Group and the Company have the available resources to repay such amount.

As at the Latest Practicable Date, the loan under the DM Loan Agreement remains available for APSB to drawdown upon if it so requires.

As the aggregate value of all Interested Person Transactions (inclusive of the interest payable on the Loan Transactions based on the Drawdown Bases and excluding transactions of a value less than S\$100,000 and transactions which have been approved by Shareholders) entered into with Dato' Malek and his Associates for FY2023 is approximately RM9,600,000, which represents more than 5% of the Group's NTA (based on the latest audited consolidated financial statements of the Company for the financial year ended 31 December 2022), Shareholders' approval is required to be sought for the Entry into the DMR BPP Loan Agreement and the Entry into the DMR ACSB Loan Agreement.

Save as disclosed in this Circular, there were no other interested person transactions entered into by the Group with any other interested persons in the current financial year beginning 1 January 2023 and up to the Latest Practicable Date.

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6. OPINION OF THE IFA

Pursuant to Chapter 9 of the Catalist Rules, W Capital Markets Pte. Ltd. has been appointed as the IFA to opine on whether:

- (a) each of the Proposed Ratification Transactions was on normal commercial terms and was not prejudicial to the interests of the Company and its minority Shareholders;
- (b) the guidelines and review procedures for determining the Mandated Transactions under the IPT General Mandate, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders;
- (c) the DMR BPP Loan is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders; and
- (d) the DMR ACSB Loan is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

A copy of the IFA Letter is set out in the **Appendix** of this Circular. Shareholders are advised to read the IFA Letter carefully.

The following is an extract from Section 7 of the IFA Letter and should be read by Shareholders in conjunction with, and in the full context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated.

“In relation to the Proposed Ratification Transactions

In arriving at our opinion in relation to the Proposed Ratification Transactions, we have considered and evaluated all the factors (including the views and representations of the Directors and Management) which we deem to have significant relevance to our assessment, particularly the factors which are set out in Section 3 of this IFA Letter (which should be read in conjunction with, and in the full context of, the Circular and this IFA Letter).

Having considered all the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Ratification Transactions had been carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority Shareholders.

In relation to the Entry into the New DMR Loan Agreements

In arriving at our opinion in relation to the Entry into the New DMR Loan Agreements, we have considered and evaluated all the factors which we deem to have significant relevance to our assessment, particularly the factors which are set out in Section 5 of this IFA Letter (which should be read in conjunction with, and in the full context of, the Circular and this IFA Letter).

Having considered all the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that: (i) the Entry into the DMR BPP Loan Agreement; and (ii) the Entry into the DMR ACSB Loan Agreement, are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

In relation to the IPT General Mandate

Having considered, inter alia, the guidelines and review procedures of the Company in relation to the IPT General Mandate, we are of the opinion that the guidelines and review procedures established by the Company for determining transaction prices as set out in Sections 4.4 and 4.6 of the Circular, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.”

LETTER TO SHAREHOLDERS

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

7.1 Interests in Shares

As at the Latest Practicable Date, the interests of the Substantial Shareholders and Directors in the total issued share capital of the Company, based on the registers of Substantial Shareholders and Directors' shareholdings, are set out below:

	Direct Interest		Deemed Interest		Total
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	% ⁽¹⁾
Directors					
Khong Chung Lun	47,900	0.003	–	–	0.003
Lee Gee Aik	–	–	–	–	–
Lai Kuan Loong, Victor	–	–	–	–	–
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	–	–	–	–	–
Ir. Hj. Syarul Izam Bin Hj. Sarifudin	–	–	–	–	–
Substantial Shareholders					
Horizon Sea Limited	1,244,062,150	66.55	–	–	66.55
Dato' Daing A Malek Bin Daing A Rahaman	3,665,000 ⁽²⁾	0.20	1,244,062,150 ⁽³⁾	66.55	66.75

Notes:

- (1) Based on 1,869,434,303 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Held through Phillip Securities Pte Ltd.
- (3) As at the Latest Practicable Date, Dato' Malek has a deemed interest of 66.55% in the Company by virtue of his 100% shareholding interest in Horizon Sea Limited, which holds 1,244,062,150 Shares.

Save for Dato' Malek, whose interests in the Proposed Ratification Transactions, the Proposed Adoption of the IPT General Mandate, the Entry into the DMR BPP Loan Agreement and the Entry into the DMR ACSB Loan Agreement are disclosed in this Circular, none of the Directors nor the Controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Resolutions, other than through their respective shareholdings (if any) in the Company.

8. ABSTENTION FROM VOTING

Pursuant to Rule 919 of the Catalist Rules, an Interested Person and any Associate of the Interested Person must abstain from voting on the resolution approving the Interested Person Transactions involving themselves and their Associates. Such Interested Persons and their Associates shall not act as proxies nor accept appointments as proxies in relation to such resolution unless specific voting instructions had been given by the Shareholders.

Accordingly, Dato' Malek will abstain, and will ensure that his Associates will abstain, from voting on the Proposed Resolutions, nor accept any nominations to act as proxy for any Shareholder in approving the Proposed Resolutions at the EGM unless specific instructions as to voting are given by such Shareholder in the proxy instrument.

The Company will disregard any votes cast by Dato' Malek and his Associates on the Proposed Resolutions.

LETTER TO SHAREHOLDERS

9. STATEMENT OF THE AUDIT COMMITTEE

As the Latest Practicable Date, the Audit Committee comprises Mr. Lai Kuan Loong, Victor, Mr. Lee Gee Aik and Dato' Sri Mohd Mokhtar Bin Mohd Shariff. The Chairman of the Audit Committee is Mr. Lai Kuan Loong, Victor. All members of the Audit Committee do not have any interests (directly or indirectly) in the Proposed Ratification Transactions, the Proposed Adoption of the IPT General Mandate, the Entry into the DMR BPP Loan Agreement and the Entry into the DMR ACSB Loan Agreement, and are accordingly deemed to be independent for the purposes of the Proposed Ratification Transactions, the Proposed Adoption of the IPT General Mandate, the Entry into the DMR BPP Loan Agreement and the Entry into the DMR ACSB Loan Agreement.

Having reviewed and considered, *inter alia*, the terms and rationale for and benefits of Proposed Ratification Transactions, the Proposed Adoption of the IPT General Mandate, the Entry into the DMR BPP Loan Agreement and the Entry into the DMR ACSB Loan Agreement, the advice and opinion of the IFA in the IFA Letter, the Audit Committee confirms that:

- (a) it concurs with the IFA and is of the view that the Proposed Ratification Transactions had been carried out on normal commercial terms and were not prejudicial to the interests of our Company and its minority Shareholders;
- (b) the Audit Committee does not take a different view to the IFA that the guidelines and review procedures set out in Sections 4.4 and 4.6 of this Circular for determining the Mandated Transactions under the IPT General Mandate, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders; and
- (c) the Audit Committee has reviewed the terms relating to the Entry into the DMR BPP Loan Agreement and the Entry into the DMR ACSB Loan Agreement as Interested Person Transactions, and is of the view that the Entry into the DMR BPP Loan Agreement and the Entry into the DMR ACSB Loan Agreement are on normal commercial terms and are not prejudicial to the interests of our Company and its minority Shareholders.

10. DIRECTORS' RECOMMENDATIONS

Having considered the terms and rationale for each of the Proposed Resolutions, and taking into account the opinion and advice of the IFA in the IFA Letter, the Independent Directors are of the opinion that the Proposed Resolutions are in the best interests of the Company. Accordingly, the Independent Directors recommend that the Shareholders vote in favour of the Proposed Resolutions (set out in the Notice of EGM on pages 100 to 104 of this Circular) to be proposed at the EGM.

The Independent Directors, in rendering their recommendation, have not had regard to the specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder.

As each Shareholder would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 100 to 104 of this Circular, will be held at 20 Collyer Quay, #11-07 Singapore 049319 on Friday, 25 August 2023 at 11.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of EGM.

12. ACTIONS TO BE TAKEN BY SHAREHOLDERS

12.1 Lodgement of proxies

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's registered address at 133 Cecil Street, #14-01, Keck Seng Tower, Singapore 069535, or if submitted by email, be received by the Company at ir@astaka.com.my, in either case, not later than forty-eight (48) hours before the time appointed for holding the EGM. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes. However, any appointment of a proxy by such Shareholder shall be deemed to be revoked if the Shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person, appointed under the instrument of proxy, to the EGM.

12.2 Depositors

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least seventy-two (72) hours before the time appointed for holding EGM, as certified by CDP to the Company.

12.3 Submission of Questions

Shareholders may raise questions at the EGM or submit questions related to the resolutions to be tabled for approval at the EGM, in advance of the EGM. Shareholders who would like to submit questions in advance of the EGM may do so in the following manner:

- (a) if submitted by post, by depositing at the registered office of the Company at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535; or
- (b) if submitted by email, be received by the Company at ir@astaka.com.my,

in either case, by 11.00 a.m. on 17 August 2023 (being seven (7) calendar days from the date of the Notice of EGM) (the "**Questions Submission Cut-Off Date**").

Shareholders submitting questions are requested to state: (i) their full name; and (ii) their identification/registration number, (iii) contact telephone number; (iv) email address and (v) the manner in which they hold shares (if you hold shares directly, please provide your CDP account number, otherwise, please state if you hold your shares through CPFIS or SRS, or are a relevant intermediary shareholder), failing which the Company shall be entitled to regard the submission as invalid.

The Company will endeavour to address all substantial and relevant questions submitted by Shareholders prior to or during the EGM.

The responses to substantial and relevant questions raised by Shareholders on or before the Questions Submission Cut-Off Date will be published on SGXNet and the Company's website at the URL <http://astaka.com.my/investor-relations/> by 20 August 2023.

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Substantial and relevant questions which are submitted after the Questions Submission Cut-Off Date will be consolidated and addressed either before the EGM via an announcement on SGXNet and the Company's website at the URL <http://astaka.com.my/investor-relations/> by 24 August 2023 or at the EGM.

The Company will, within one (1) month after the date of the EGM, publish the minutes of the EGM on SGXNET and the Company's website at the URL <http://astaka.com.my/investor-relations/>.

13. CONSENT

W Capital Markets Pte. Ltd., named as the IFA, has given its consent to act in that capacity in relation to this Circular. The IFA has given and has not before the issue of this Circular withdrawn, its written consent to the issue of this Circular with its name and all references thereto, the IFA Letter as set out in the **Appendix** to this Circular, and the statements in section 6 of this Circular, each in the form and context in which they appear in this Circular, or to act in such capacity in relation to this Circular.

The Company's legal adviser in relation to the Proposed Resolutions, Drew & Napier LLC, has given and has not before the issue of this Circular withdrawn, its written consent to the issue of this Circular with its name and all references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

The Company's legal adviser as to Malaysian law in relation to the Entry into the DMR BPP Loan Agreement and the Entry into the DMR ACSB Loan Agreement, the law office of Ikbal Salam & Associates has given and has not before the issue of this Circular withdrawn, its written consent to the issue of this Circular with its name and all references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

14. DIRECTORS' RESPONSIBILITY STATEMENT

As some of the transactions referred to this Circular are historical, the information set out herein, to the extent such matter/information predates the current management of the Company's commencement of employment by the Company, is to the best of the knowledge of the current management and based on the documentation that the current management of the Company was able to retrieve using their best endeavours.

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Resolutions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular 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 the Circular in its proper form and context.

LETTER TO SHAREHOLDERS

15. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Constitution of the Company;
- (b) the DMR BPP Loan Agreement;
- (c) the DMR ACSB Loan Agreement;
- (d) the annual report of the Company for FY2022;
- (e) the IFA Letter; and
- (f) the letters of consent referred to in Section 13 of the Circular.

Please contact the Company at ir@astaka.com.my prior to making any visits to arrange for a suitable time slot for the inspection.

Yours faithfully
For and behalf of the Board of Directors of
ASTAKA HOLDINGS LIMITED

Khong Chung Lun
Executive Director and Chief Executive Officer

APPENDIX – LETTER FROM THE IFA



W CAPITAL MARKETS PTE. LTD.

Incorporated in the Republic of Singapore)
(Company Registration Number: 201813207E)
65 Chulia Street, #43-01 OCBC Centre
Singapore 049513

10 August 2023

The Directors who are considered as independent for the purposes of making a recommendation to the minority Shareholders in respect of the Proposed IPT Resolutions (as defined below)

Dear Sirs,

- (1) THE PROPOSED RATIFICATION OF THE PAST IPTS, COMPRISING THE PROPOSED RATIFICATION TRANSACTIONS;**
 - (2) THE PROPOSED ADOPTION OF THE IPT GENERAL MANDATE;**
 - (3) THE ENTRY INTO THE DMR BPP LOAN AGREEMENT AS AN IPT; AND**
 - (4) THE ENTRY INTO THE DMR ACSB LOAN AGREEMENT AS AN IPT.**
- (COLLECTIVELY, THE “PROPOSED IPT RESOLUTIONS”)**

Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to shareholders of the Company dated 10 August 2023 (the “Circular”).

1. INTRODUCTION

- 1.1 The past practice as adopted by the Previous Management was to treat certain IPTs (including the Proposed Ratification Transactions), namely:
- (i) the BPP Payment on Behalf (other than the BPP Management Services), BPP Contra Arrangement and BPP Advances, as inter-company transactions but not classified as IPTs pursuant to Chapter 9 of the Catalist Rules, given that the Company had always treated BPP as a subsidiary of the Company and hence did not consider BPP as an Associate of Dato’ Malek;
 - (ii) the BPP Management Services to BPP as inter-company transactions for which no fees were charged by APSB to BPP. Notwithstanding that APSB has since FY2021 charged BPP fees for the provision of BPP Management Services, the Company has continued to adopt the past practice of the Previous Management in treating the BPP Management Services to BPP as inter-company transactions and did not view the BPP Management Services as IPTs; and
 - (iii) the BPP Sale of Shoplots, SSK Payment on Behalf, DM Unsecured Loan, APSB Rental of Office Premises and APSB Cleaning Services, to be IPTs, given that Dato’ Malek (the Controlling Shareholder of the Company) was either a counter-party or held a controlling stake in both contracting parties for each of such transaction. However, the aggregate amount at risk for these transactions (including the DMR Loan Facility) for each of FY2016

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to FY2023 (as at the Latest Practicable Date) did not cross the materiality threshold for the purposes of disclosure under Rule 905 of the Catalist Rules. Pursuant to Rule 907 of the Catalist Rules, the Company had disclosed in its annual report the value of each of the BPP Sale of Shoplots, DM Unsecured Loan, APSB Rental of Office Premises and APSB Cleaning Services in the relevant financial years where the value of each of the respective transactions was at least S\$100,000, except in FY2016, where the Company had inadvertently overlooked the disclosure of the SSK Payment on Behalf in its annual report, notwithstanding that the value of the SSK Payment on Behalf was more than S\$100,000.

- 1.2 The Company continued to adopt the past practice of the Previous Management and treated certain IPTs (including the Proposed Ratification Transactions), namely,
- (i) the BPP Management Services, BPP Loans and BPP Shareholders' Loan (which were entered into after the cessation of the Previous Management) to be inter-company transactions but not classified as IPTs pursuant to Chapter 9 of the Catalist Rules, given that the Company had always treated BPP as a subsidiary of the Company and hence did not consider BPP as an Associate of Dato' Malek;
 - (ii) the DMR Loan Facility to be an IPT that is subject to Chapter 9 of the Catalist Rules, given that Dato' Malek held a controlling stake in DMR Holdings; and
 - (iii) however, the aggregate amount at risk for these transactions (including the BPP Sale of Shoplots, SSK Payment on Behalf, DM Unsecured Loan, APSB Rental of Office Premises and APSB Cleaning Services) for each of FY2016 to FY2023 (as at the Latest Practicable Date) did not cross the materiality threshold for the purposes of disclosure under Rule 905 of the Catalist Rules. Pursuant to Rule 907 of the Catalist Rules, the Company had disclosed the value of the DMR Loan Facility in its annual reports for FY2021 and FY2022.
- 1.3 The inadvertent oversight of the aforementioned IPTs was discovered when the Group was involved in the preparation and negotiation of the master supplemental agreement which was subsequently entered into among BPP, JBB Builders and APSB as announced on 22 June 2022 (the "**Master Supplemental Agreement**"). Following the discovery of the possible inadvertent oversight to seek the requisite announcements and/or Shareholders' approval for the Proposed Ratification Transactions in accordance with Rules 905 and 906 of the Catalist Rules in the middle of FY2022, the Company had commenced the process of, *inter alia*, reviewing the financial records and identifying the IPTs, extracting the relevant figures of the IPTs and identifying the respective financial years for which the value of the IPTs had crossed the materiality thresholds pursuant to Rules 905 and 906 of the Catalist Rules.
- 1.4 Concurrently with working with the relevant professionals on the past and present IPTs, amid the Group's daily operations as well as the preparation of the Group's unaudited interim and full year financial statements and the annual report for FY2022, the Company had also been carrying out various corporate actions, including, but not limited to, entering into the Master Supplemental Agreement and the financial support agreement as announced on 20 September 2022 which required the preparation of the related circular to seek approval from the Shareholders, engaging in numerous discussions with the Directors and the Sponsor (as the case may be) as well as coordinating the relevant necessary information to be provided to the Directors to assist in their deliberations for the purposes of, *inter alia*, the Master Supplemental Agreement and financial support agreement, the extension of time to submit the updated trading resumption proposal, and entering into (i) a supplemental agreement as announced on 12 January 2023 to vary certain terms of the joint development agreement entered into between APSB and Straits Perkasa Services Sdn Bhd dated 19 April 2022; and (ii) the Loan Transactions.

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Due also to the number of transactions involved, some of which were undertaken under the Previous Management in respect of certain IPTs (including the Proposed Ratification Transactions), although the oversight of the potential IPTs was discovered in the middle of FY2022, the Company had required additional time to gather, share and discuss the relevant information and documents with the relevant professionals as well as to prepare for the ratification of these IPTs, which the Company now intends to seek Shareholders' approval for. Section 3 of the Circular provides the details of all the Proposed Ratification Transactions to be ratified. For the avoidance of doubt, assuming that the Proposed Ratification Transactions are approved by the Shareholders at the EGM, to the extent that any of the Proposed Ratification Transactions is continuing, the Shareholders shall be taken to have approved the continued performance of such Proposed Ratification Transaction.

- 1.5 As some of the Proposed Ratification Transactions are necessary for the Group's day-to-day operations and allow the Group to enjoy various economies of scale, it would therefore not be prudent to cease such transactions as such an action would be highly prejudicial to the interests of the Company, and will not be in the best interests of the Shareholders. Accordingly, the Group intends to continue with these IPTs on a recurrent basis and will be seeking Shareholders' approval for the Proposed Adoption of the IPT General Mandate pursuant to the requirements of Chapter 9 of the Catalist Rules to allow Astaka Padu Sdn. Bhd. ("**APSB**"), Bukit Pelali Properties Sdn. Bhd. ("**BPP**") and Astaka Capital Sdn. Bhd. ("**ACSB**"), as the case may be, to enter into, in the ordinary course of business, any of the Mandated Transactions with the relevant Mandated Interested Person, provided that such transactions are made on normal commercial terms, not prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the review procedures for such transactions. The IPT General Mandate if approved by the Shareholders, will be subject to annual renewal.
- 1.6 In addition, the Company is seeking Shareholders' approval for the entry into the DMR BPP Loan Agreement and the DMR ACSB Loan Agreement (collectively, the "**New DMR Loan Agreements**") in view that if approved and entered into, the New DMR Loan Agreements will provide BPP and ACSB with access to funds on competitive terms and allow the Company to exclude the DMR BPP Loan and the DMR ACSB Loan from subsequent aggregations in determining whether the materiality threshold under Chapter 9 of the Catalist Rules has been reached.
- 1.7 Pursuant to Rules 920(1)(b)(v) and 921(4)(a) of the Catalist Rules, W Capital Markets Pte. Ltd. ("**W Capital Markets**") has been appointed as the independent financial adviser ("**IFA**") to express an opinion on whether:
 - (i) each of the Proposed Ratification Transactions was on normal commercial terms and was not prejudicial to the interests of the Company and its minority Shareholders;
 - (ii) the guidelines and review procedures for determining the Mandated Transactions under the IPT General Mandate, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders;
 - (iii) the DMR BPP Loan is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders; and
 - (iv) the DMR ACSB Loan is on normal commercial terms and is not be prejudicial to the interests of the Company and its minority Shareholders.
- 1.8 This letter ("**IFA Letter**") is addressed to the directors of the Company who are considered as independent for the purposes of making a recommendation to the minority Shareholders in respect of the Proposed IPT Resolutions (the "**Independent Directors**"). This IFA Letter forms part of the Circular which provides, *inter alia*, the details of the Proposed IPT Resolutions and the recommendation of the Independent Directors on the Proposed IPT Resolutions.

APPENDIX – LETTER FROM THE IFA

2. TERMS OF REFERENCE

W Capital Markets has been appointed as the IFA to the Independent Directors in respect of the Proposed IPT Resolutions. We were not involved in or responsible for, in any aspect, the discussions in relation to the Proposed IPT Resolutions, nor were we involved in the deliberations leading up to the decision on the part of the Directors to seek Shareholders' approval for the Proposed Adoption of the IPT General Mandate and the entry into the New DMR Loan Agreements. Further, we do not warrant the merits of the Proposed IPT Resolutions, other than to express an opinion on whether (i) each of the Proposed Ratification Transactions was on normal commercial terms and was not prejudicial to the interests of the Company and its minority Shareholders; (ii) the guidelines and review procedures for determining prices for the Mandated Transactions under the IPT General Mandate, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders; and (iii) the DMR BPP Loan and the DMR ACSB Loan are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

In the course of our evaluation, we have held discussions with the management of the Company (the "**Management**") and the Company's professional advisers and have examined and relied to a considerable extent on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Directors, the Management and/or their professional advisers, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and exercised our judgment on the reasonable use of such information, and have found no reason to doubt the accuracy or reliability of the information. In this regard, we note that the Directors have collectively and individually accepted full responsibility for the accuracy of the information given in the Circular as set out in the "Directors' Responsibility Statement" in Section 14 of the Circular.

For the purpose of assessing the terms of the Proposed Ratification Transactions and the New DMR Loan Agreements, we have not relied upon any financial projections in respect of the Company and/or the Group and we have not conducted a comprehensive review of the business, operations and financial condition of the Group and have not made any independent evaluation or appraisal of the assets and liabilities of the Group.

Our opinion as set out in this IFA Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as of 26 July 2023 ("**Latest Practicable Date**" or "**LPD**") and the information and representations provided to us as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement relevant to the Proposed IPT Resolutions, which may be released by the Company after the Latest Practicable Date.

In rendering our opinion and advice, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder or any specific group of Shareholders. Accordingly, any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement, and do not provide any advice (financial or otherwise), in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (other than this IFA Letter).

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We have prepared this IFA Letter pursuant to the requirements of Rule 920(1)(b)(v) and Rule 921(4)(a) of the Catalist Rules as well as for the use of the Independent Directors in connection with their consideration of the Proposed IPT Resolutions and their recommendations to the Shareholders arising thereof. The recommendations made to Shareholders in relation to the Proposed IPT Resolutions remains the responsibility of the Independent Directors.

Our opinion in relation to the Proposed IPT Resolutions should be considered in the context of the entirety of this IFA Letter and the Circular.

3. EVALUATION OF THE PROPOSED RATIFICATION TRANSACTIONS

In arriving at our opinion on whether the Proposed Ratification Transactions had been carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority Shareholders, we have given due consideration to, *inter alia*, the following:

- (i) Basis for the determination of pricing for each category of the Proposed Ratification Transactions and/or comparison with prevailing market prices, where applicable;
- (ii) Rationale for and benefits of the Proposed Ratification Transactions; and
- (iii) Other relevant considerations in relation to the Proposed Ratification Transactions.

3.1 Basis for the determination of pricing for each category of the Proposed Ratification Transactions and/or comparison with prevailing market prices, where applicable

(1) The BPP Payment on Behalf

Since FY2017, APSB has been seconding some of its employees who do not have any active roles or job responsibilities in APSB to BPP (collectively, “**Seconded Employees**”). Pursuant to the secondment arrangement, APSB had paid such Seconded Employees their actual salaries, statutory payments (such as CPF contributions), allowances, bonuses and other benefits (such as medical and life insurances) for performing the scope of services to BPP. BPP would then reimburse APSB for such salaries, statutory payments (such as CPF contributions), allowances, bonuses and other benefits (such as medical and life insurances) paid to the Seconded Employees (the “**BPP Secondment**”). BPP is billed the actual costs incurred by APSB every month on an interest-free basis and based on the payroll summaries / contribution summaries prepared by APSB’s human resource department, with no mark-up applied to the actual costs incurred as APSB did not perform any value-adding function after taking into consideration that at the prevailing point in time, the Secondment Employees did not have any active roles or job responsibilities in APSB prior to the secondment to BPP.

Given that APSB and BPP are both subsidiaries of the Group, for ease of the tracking of expenses that arose as a result of what was then considered to be inter-company transactions but not classified as IPTs pursuant to Chapter 9 of the Catalist Rules, it was agreed that APSB would be the billing party, or will make the payment on behalf of BPP from time to time, in relation to certain expenses incurred by BPP with certain suppliers (the “**BPP Expenses Payment**”).

While there was no formal agreement entered into between APSB and BPP pertaining to the arrangements in relation to the BPP Expenses Payment, APSB would do the necessary computation and charge BPP for its share of the relevant expenses, based on headcount, cost split or on actual usage, with no mark-up as APSB did not perform any value-adding function in connection therewith.

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Prior to FY2021, while there was no formal agreement entered into between APSB and BPP, APSB had managed and performed certain services and activities (similar to those provided pursuant to the BPP Management Services) for BPP without charging any fees, as APSB had treated the provision of such services as inter-company transactions but not classified as IPTs pursuant to Chapter 9 of the Catalist Rules, given that the Company had always treated BPP as a subsidiary of the Company and hence did not consider BPP as an Associate of Dato' Malek.

Since FY2021, pursuant to a management fee agreement dated 30 December 2021 entered into between APSB and BPP, APSB has agreed to manage and perform certain services and activities for BPP for management fees payable by BPP to APSB (the "**BPP Management Services**"), as set out below:

- (i) provision of human resources services, including handling the selection and recruitment process, promotion and appraisal, performance evaluation and payroll processing of the employees of BPP;
- (ii) provision of administrative services, including carrying out general administrative works, monitoring inventory of office supplies, sourcing, upkeep and maintenance of office supplies and overseeing facilities services;
- (iii) provision of project management services, including providing management advice to BPP, reviewing and approving design proposal and project planning, monitoring daily business activities and project construction works, and supervision of project status and quality;
- (iv) provision of finance and accountings services, including the settlement of payment, preparation of and reviewing financial accounts, liaising and coordinating with external parties on financial reporting, tax submission, compliance matters and assisting in other financial matters of BPP;
- (v) provision of corporate planning and communication services, including corporate strategic planning, business operations and management planning, and risk management and compliance of BPP; and
- (vi) provision of office premises, which APSB had in turn rented from Sukma (details which are set out in Section 3.10 of the Circular).

With regards to the BPP Payment on Behalf, we note, *inter alia*, the following:-

- (i) With regards to the BPP Expenses Payment which are third-party costs incurred by APSB on behalf of BPP, as APSB merely incurred these costs on behalf of BPP and did not perform any value-adding functions in connection therewith, APSB has charged BPP for its portion of shared costs based on headcount, cost split or actual usage without any markup, i.e. on a cost-recovery basis. In particular: (a) transportation expenses, such as for petrol, diesel, toll fee, are billed to BPP based on actual usage. APSB had paid for the transportation expenses as such expenses were mainly incurred by the personnel of APSB (excluding the Seconded Employees) who had travelled to the property development sites of BPP for site visits. Accordingly, such personnel would submit the transportation claims to the relevant departments of APSB directly; and (b) other expenses, such as advertisements are billed to BPP based on cost recovery agreed between the Company and BPP. APSB had paid such expenses, on behalf of BPP, directly to the advertisement vendor as APSB was also one of the parties which had purchased the advertisements. No interest was paid by BPP to APSB in respect of the BPP Expenses Payment;

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- (ii) With regards to the BPP Secondment, BPP would reimburse APSB for such salaries, statutory payments (such as CPF contributions), allowances, bonuses and other benefits (such as medical and life insurances) paid to the Seconded Employees every month on an interest-free basis based on payroll summaries / contribution summaries prepared by APSB's human resource department in respect of such Seconded Employees; and
- (iii) With regards to the BPP Management Services, APSB had charged management fees to BPP on the basis set out below:-
 - (a) as APSB had merely incurred the costs in relation to the rental of office premises, auxiliary police services and office facilities and did not perform any value-adding functions in connection therewith, the shared costs were charged to BPP based on floor area or headcount (as the case may be) with no mark-up in accordance with the Deloitte Transfer Pricing Report; and
 - (b) the human resources, administrative, project management, finance and accounting, corporate planning and communication services were based on estimated time spent or headcount with mark-up margin of 7.45% which was based on the median margin of comparable companies that are engaged in the provision of management and administrative support services as set out in the independent benchmarking report pursuant to the Deloitte Transfer Pricing Report, and which accordingly should be regarded as an arm's length rate.

(2) BPP Contra Arrangement

The consideration for the BPP Contra Properties transferred from APSB as contra for the settlement of amounts owed by BPP to JBB Builders (the "**BPP Contra Arrangement**") in FY2019 and FY2020 ranged between approximately RM2.44 million to RM2.92 million for each unit, which translated to a price per square foot (psf) of RM1,100 psf. In this regard, the Company has confirmed that the consideration for these property units were based on the then-market selling prices which were the same as what would have been offered to third-party purchasers after taking into account the relevant rebate provided by APSB on the respective sale and purchase agreement price in respect of the BPP Contra Properties (the "**Sales Package**"). In addition, it is further noted that the price per square foot of these property units under the BPP Contra Arrangement were higher than the sub-sale prices for similar-sized units in the Astaka Padu Project transacted in the market during the same period which ranged between RM544 psf to RM865 psf.

(3) The BPP Advances and the BPP Shareholders' Loan

BPP was incorporated as a joint venture vehicle on 3 October 2016 pursuant to a joint venture agreement entered into between APSB and SSSB (the "**Joint Venture Agreement**") to jointly undertake property and real estate development in Malaysia, with APSB and SSSB each holding approximately 51% and 49% shareholding interests in BPP respectively. Under the Joint Venture Agreement, in the event that BPP requires working capital or other financing for its business, BPP shall obtain such financing assistance for its business from its shareholders in proportion to their respective shareholding percentages in BPP should BPP be unable to secure external borrowings from third parties.

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During the period from FY2017 to FY2022, each of AP SB and SSSB had extended interest-bearing loans, interest-free loans and/or advances to BPP (collectively, the “**BPP Financial Support**”) to support its working capital requirements and the amounts owing by BPP to AP SB (i.e. pursuant to the BPP Advances) and SSSB respectively in connection with the BPP Financial Support as at the end of each of the respective FYs are as follows:-

Figures in RM	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Amount owing to AP SB	8,800,184	5,939,251	34,079,494	48,168,827	50,330,897	61,023,667
As a % of total	48%	31%	57%	59%	67%	50%
Amount owing to SSSB	9,366,183	13,063,356	26,001,637	33,118,127	25,006,245	61,876,919
As a % of total	52%	69%	43%	41%	33%	50%
Total	18,166,367	19,002,607	60,081,131	81,286,954	75,337,142	122,900,586

Source: Company

Based on the table above, we note that for FY2019, FY2020 and FY2021, the proportion of the BPP Advances (provided by AP SB to BPP) as a percentage of the BPP Financial Support outstanding as at each of the respective financial year-end was higher than AP SB’s shareholding interest in BPP (i.e. more than 50.99%). As at the Latest Practicable Date, there is no outstanding amount owing by BPP and payable to AP SB under the BPP Advances as the BPP Advances have already been fully repaid. In this regard, the Management explained that this should be considered in the context that SSSB has also been providing financial support to AP SB during the same period in the form of providing certain land parcels owned by SSSB as security (the “**SSSB Security**”) under the loan agreement (the “**CSCE Loan Agreement**”) between AP SB and China State Construction Engineering (M) Sdn Bhd (“**CSCE**”) and for which no payments has been made by the Group to SSSB for the provision of the SSSB Security¹. Taking into account the value of the land parcels (based on an independent valuation on the land parcels commissioned in 2016) provided as security by SSSB for the benefit of AP SB under the CSCE Loan Agreement, the proportionate exposure of AP SB to such financial support (as compared to SSSB) would have been significantly lower than the proportional amount of financial support that it should provide to BPP based on its shareholding percentage in BPP (i.e. significantly less than 50.99%), as illustrated in the table below:

Figures in RM	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Amount owing to AP SB	8,800,184	5,939,251	34,079,494	48,168,827	50,330,897	61,023,667
As a % of total	48%	7%	28%	34%	38%	36%
Amount owing to SSSB plus value of the SSSB Security for the benefit of AP SB	9,366,183	75,404,356	88,342,637	95,459,127	80,708,245	106,407,919
As a % of total	52%	93%	72%	66%	62%	64%
Total	18,166,367	81,343,607	122,422,131	143,627,954	131,039,142	167,431,586

Source: Company

¹ On 12 April 2017, AP SB entered into the CSCE Loan Agreement with CSCE to convert the outstanding trade payables of RM46,532,461 due to CSCE into a loan (“**CSCE Loan**”). The CSCE Loan was secured against certain land parcels located in Bukit Pelali that are owned by SSSB (the “**SSSB Security**”) and over which the Group holds development rights. As announced by the Company on 30 November 2021, AP SB and CSCE had entered into a settlement agreement including the potential transfer of up to five properties within the development, The Astaka@Bukit Senyum from AP SB to CSCE or its nominees, as full and final settlement and discharge of all disputes, differences and claims by either party in connection with the dispute and four land parcels under the SSSB Security remain secured to CSCE.

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In respect of the BPP Shareholders' Loan, it is noted that the loan was extended by APSB and SSSB respectively on an unsecured and interest-free basis in accordance with their respective shareholding proportions in BPP as set out below:

Shareholders of BPP	Shareholding Proportions	Amount of the BPP Shareholders' Loan made available on 20 June 2022 (the "Drawing Date") (RM)
APSB	51%	40,800,000
SSSB	49%	39,200,000
Total	100%	80,000,000

(4) The BPP Loans

APSB and BPP had entered into agreements on 16 March 2020, 1 September 2020 and 1 September 2021, pursuant to which APSB had agreed to extend unsecured loans to BPP (collectively, the "**BPP Loans**") to support the operations and construction needs of the Bukit Pelali Project of BPP, with principal amounts of RM11,500,000, RM5,000,000 and RM10,000,000 respectively, with interest at the rate of 8% per annum payable on any principal amount outstanding for the time being, and repayable on demand with no fixed repayment date. No interest shall be charged on any accrued interest.

In this regard, we note that APSB had entered into a loan agreement with Dato' Malek on 14 February 2020 (as set out in the Company's announcement of the same date), pursuant to which Dato' Malek agreed to grant to APSB an unsecured loan in the principal amount not exceeding RM30,000,000 (as supplemented by the supplemental letter agreement dated 3 November 2020) (the "**DM Loan Agreement**"), with interest at the rate of 8% per annum payable on any principal amount outstanding for the time being but no interest shall be charged on any accrued interest. Also, APSB had entered into a loan agreement with DMR Holdings (an associate of Dato' Malek) on 17 June 2020 (as set out in the Company's announcement of the same date), pursuant to which DMR Holdings agreed to grant to APSB an unsecured loan in the principal amount not exceeding RM60,000,000 (as supplemented by the supplemental letter agreement dated 3 November 2020) (the "**DMR Loan Agreement**") with interest at the rate of 8% per annum payable on any principal amount outstanding for the time being but no interest shall be charged on any accrued interest.

The Company has confirmed the BPP Loans were funded entirely from the loans granted under the DM Loan Agreement and DMR Loan Agreement and accordingly APSB had charged the interest payable by BPP on the same basis, i.e. with interest at the rate of 8% per annum payable on any principal amount outstanding for the time being but with no interest shall be charged on any accrued interest. In addition, we note that the interest rate of 8% per annum for the unsecured loan under the DM Loan Agreement and DMR Loan Agreement respectively was within the interest rate of a secured overdraft facility and a secured loan which the Group had at that time and was lower than the then-applicable interest rate of 9.95% payable in respect of an unsecured overdraft facility extended to APSB pursuant to the DM Loan Agreement.

As at the Latest Practicable Date, there is no outstanding amount owing by BPP and payable to APSB under the BPP Loans as the BPP Loans have already been fully repaid.

(5) The DM Unsecured Loan

The DM Unsecured Loan of an aggregate amount of RM22,322,839.42 has a fixed interest rate of 4.0% per annum, for APSB to cover its on-going expenses and is repayable on demand by Dato' Malek. On 29 March 2023, Dato' Malek and APSB had entered into a supplementary agreement (the "**DM March Supplementary Agreement**") pursuant to which Dato' Malek had, *inter alia*, agreed to not demand repayment for the amounts owing to him under the DM Unsecured Loan until the Group and the Company have the available resources to repay such amounts.

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In this regard, we note that the fixed interest rate of 4.0% per annum is significantly lower than the applicable interest rates payable in respect of AP SB's secured overdraft facilities of approximately 7.1%, when AP SB entered into the DM Unsecured Loan in November 2016. As at the Latest Practicable Date, (i) there is no outstanding amount owing by AP SB and payable to Dato' Malek under the DM Unsecured Loan as the DM Unsecured Loan has already been fully repaid, and (ii) the DM Unsecured Loan (as amended by the DM March Supplementary Agreement) has been terminated.

(6) The DMR Loan Facility

The DMR Loan Facility, obtained in December 2021 from DMR Holdings, of up to RM8,000,000 has a fixed interest rate of 8.0% per annum, does not have a fixed repayment date and is repayable on demand by DMR Holdings. Pursuant to a supplemental agreement dated 29 March 2023, DMR Holdings had, *inter alia*, agreed to not demand repayment for the amounts owing to DMR Holdings until the Group and the Company have available resources to repay such amounts. As at the Latest Practicable Date, the principal amount of DMR Loan Facility has been fully paid, and the total outstanding amount owing by AP SB and payable to DMR Holdings under the DMR Loan Facility, which is in relation to the interest amount only, is RM91,041.08.

In this regard, we note that the fixed interest rate of 8.0% per annum is:

- (i) higher than the nominal interest rate of the secured overdraft facility obtained by AP SB in December 2020 of 5.81% per annum (as stated in the offer letter), which was secured against Dato Malek's fixed deposit of RM12.0 million. No agreement was entered into between the Group and Dato' Malek for the provision of such security, and no payment has been made by the Group to Dato' Malek for the provision of such security; and
- (ii) at the same interest rate charged under the DM Loan Agreement and the DMR Loan Agreement which were approved by Shareholders at the EGM held on 28 October 2020. Similar to the loans obtained under the DM Loan Agreement and DMR Loan Agreement, the DMR Loan Facility is also unsecured and has no fixed repayment date.

(7) The AP SB Rental of Office Premises

In September 2015, AP SB commissioned and obtained independent valuation on the market monthly rental values ("**2015 Market Rental Values**") of the various shop office units owned by Sukma Consortium Sdn Bhd (the "**Landlord**") and located in Jalan Padi Emas 1/4, Bandar Baru UDA, Johor Bahru, prior to the entry into the first tenancy agreement with Sukma in April 2016. We note that the rates payable to the Landlord for the shop office units rented by AP SB for the tenancy agreements signed in April 2016, September 2018, April 2019 and September 2021 respectively were all set with reference to the 2015 Market Rental Values and are either equivalent to or lower than the 2015 Market Rental Values. Details of these tenancy agreements are set out in Section 3.10(a) of the Circular.

The Company did not commission any subsequent independent valuation on the market monthly rental values of these shop office units following the expiration of each of the abovementioned tenancy agreements. Nonetheless, we are of the view that the Company's interest has not been prejudiced, taking into account the following:-

- (i) the aggregate rental payable for these shop office units amounts to only up to RM246,000 on an annual basis;
- (ii) the average inflation rate in Malaysia between 2015 and 2021 is 1.6% (based on data obtained from the website of The World Bank at: data.worldbank.org);

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- (iii) the current rentals paid by APSB for the APSB Rental of Office Premises which ranges from RM1.39 to RM2.64 psf are below or towards the lower end of the range of the prevailing asking rentals of shop office units in the vicinity of between RM1.61 to RM4.55 per square feet (“psf”) based on recent listings from a commercial property listing website from June 2023 up to the Latest Practicable Date; and
- (iv) APSB had incurred expenditure to renovate the office premises to fit its current usage and occupation, and would have to incur additional expenses to move to other office premises. As at the Latest Practicable Date, based on the relevant enquiries made by the Company and the relevant reports and reviews published by agents as obtained by the Company, it is unlikely that APSB will be able to find similar office premises at the current or lower rent than what it is paying Sukma. Assuming that APSB is able to find similar office premises, APSB will also have to incur additional expenditure to renovate the new office premises to fit its intended usage prior to occupancy and to shift over to the new premises.

(8) The BPP Sale of Shoplots

In respect of the BPP Sale of Shoplots, the Company confirmed that the prices for the BPP Sale of Shoplots were based on, among others, the then-prevailing market conditions which were, comparable to the then prevailing pricing as to what would have been offered to a third-party purchaser after taking into account the relevant rebate provided by BPP on the respective sale and purchase agreement price in respect of the BPP Shoplots, with a 15% discount applied for purchasers of such Malay reserved lots (the “**Bumi Lot Discount**”), and an additional 5% price rebate on the net sale price (being the sale price less the Bumi Lot Discount) which was also offered to officers and employees of the Group. The price rebate for staff of the Group is meant as a staff incentive which is available to all officers and employees of the Group, and also took into consideration that there is no commission fees payable to sales agents for such purchases by the staff of the Group as compared to units sold through sales agents. Additionally, the Audit Committee at the relevant point in time had also reviewed and approved these transactions, and were satisfied that the terms of these transactions were fair and reasonable and were not prejudicial to the interests of the Company and its minority Shareholders.

3.2 Rationale for and the benefits of the Proposed Ratification Transactions

The background information on each of the Proposed Ratification Transactions and the rationale for and benefits of the respective Proposed Ratification Transactions (which are extracted and reproduced in italics below) have been set out in Section 3 of the Circular.

In respect of the BPP Payment on Behalf

“The BPP Payment on Behalf primarily allowed BPP to outsource its management and administrative functions, and to leverage and benefit from the cost savings as a result of economies of scale already enjoyed by the Group through the sharing of certain services and costs among the Company’s other subsidiaries and associates and avoid incurring overlapping costs. This sharing of services also allowed BPP to be able to concentrate on its core business and operate smoothly.

The secondment of staff and the provision of management services by the Group’s employees who are in a similar industry and familiar with BPP’s operations resulted in operational efficacy and reduced overlapping costs.

In view of the foregoing, given that BPP is a subsidiary of APSB, the BPP Payment on Behalf had benefited the Group as a whole.

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In addition, the management fees charged by APSB in respect of the BPP Management Services had been based on, among others, the benchmarking results pursuant to the Deloitte Transfer Pricing Report.

In view of the foregoing, and taking into account the opinion and advice of the IFA in the IFA Letter, the Audit Committee is of the view that the BPP Payment on Behalf was carried out on normal commercial terms and was not prejudicial to the interests of the Company and the minority Shareholders.”

In respect of the BPP Contra Arrangement

“The BPP Contra Arrangement allowed the outstanding amount owing by BPP to JBB Builders to be settled without obtaining external financing for such repayment and without involving actual cash flows other than the legal fees and professional fees involved.

As the Group holds approximately 50.99% shareholding interest in BPP, if BPP were to obtain its own external financing to settle the outstanding amount owed to JBB Builders, the Company may also have had to utilise its working capital to repay such financing obtained, which may affect the cash flow and profitability for the Group. Accordingly, the BPP Contra Arrangement allows the Group to maximise the efficiency of its cash utilisation as it preserves cash for its future working capital requirements, funds its project pipelines and reduces the Group’s liabilities.

In the event that the outstanding amount was not repaid to JBB Builders in a timely manner, it could have resulted in further legal action and additional costs for BPP, which may in turn have affected the Company and the financial performance of the Group.

*In addition, the aggregate consideration for the BPP Contra Arrangement was above the aggregate book value of the BPP Contra Properties after taking into account, among others, the then-prevailing market conditions, the value and the net prices of the BPP Contra Properties based on the then-market selling prices which were the same as what would have been offered to third-party purchasers after taking into account the relevant rebate provided by APSB on the respective sale and purchase agreement price in respect of the BPP Contra Properties (the “**Sales Package**”). For the avoidance of doubt, such Sales Package was also provided to other third-party purchasers. Accordingly, the BPP Contra Arrangement has resulted in a positive impact to the financial performance of the Group.*

In view of the foregoing, and taking into account the opinion and advice of the IFA in the IFA Letter, the Audit Committee is of the view that the BPP Contra Arrangement was carried out on normal commercial terms and was not prejudicial to the interests of the Company and the minority Shareholders.”

In respect of the BPP Advances

“APSB had extended the BPP Advances to support the business operations and construction needs for the Bukit Pelali Project, with the intention to strengthen the business operations of BPP by selling more of the property units. In the event that the BPP Advances had not been made to BPP to support its business operations and construction needs for the Bukit Pelali Project, BPP would have to seek financing from third-party lenders which may have imposed higher interest rates and may have required security from BPP and/or BPP’s majority shareholder, being APSB. In this event, the Group may have incurred additional costs and risks and its financial performance may have been affected.

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APSB and SSSB had entered into the BPP JV Agreement which provides, among others, that in the event that BPP requires financing for its business, BPP shall use all commercially reasonable efforts to obtain such financing on commercially reasonable terms in the following descending order of preference:

- (i) external borrowings from third parties, and to the extent any guarantee is required from each joint venture partner, it will be provided in proportion to their respective shareholding percentages;
- (ii) loans from each joint venture partner in proportion to their respective shareholding percentages; and
- (iii) capital injection by way of subscription for shares for cash in proportion to their respective shareholding percentages.

Notwithstanding the foregoing, APSB had agreed to unilaterally provide the BPP Advances after taking into consideration that SSSB had, at the prevailing point in time, already provided financial support to APSB during the same period in the form of providing certain land parcels owned by SSSB as security (the “**SSSB Security**”) under the loan agreement (the “**CSCE Loan Agreement**”) entered into between APSB and China State Construction Engineering (M) Sdn Bhd (“**CSCE**”) in 2017 and for which no payments had been made by the Group to SSSB for the provision of the SSSB Security.

Taking into account the foregoing and the value of the land parcels (based on the independent valuation commissioned by the Company in 2016) provided as security by SSSB for the benefit of APSB under the CSCE Loan Agreement, the proportionate exposure of APSB to such financial support (as compared to SSSB) would have been significantly lower than the proportional amount of financial support that APSB should provide to BPP based on its shareholding percentage in BPP (i.e. significantly less than 50.99%).

In view of the foregoing, and taking into account the opinion and advice of the IFA in the IFA Letter, the Audit Committee is of the view that the BPP Advances were carried out on normal commercial terms and were not prejudicial to the interests of the Company and the minority Shareholders.”

In respect of the BPP Loans

“APSB had extended the BPP Loans to support the business operations and construction needs for the Bukit Pelali Project of BPP, which is a joint venture vehicle incorporated by APSB and SSSB.

The intention of the Group was to strengthen the business operations of BPP by selling more of the property units. In the event that the BPP Loans had not been made to BPP to support its business operations and construction needs for the Bukit Pelali Project, BPP would have to seek financing from third-party lenders which may have imposed higher interest rates and may have required security from BPP and/or BPP’s majority shareholder, being APSB. In this event, the Group may have incurred additional costs and risks and its financial performance may have been affected.

APSB and SSSB has entered into the BPP JV Agreement which provides, among others, that in the event that BPP requires financing for its business, BPP shall use all commercially reasonable efforts to obtain such financing on commercially reasonable terms in the following descending order of preference:

- (i) external borrowings from third parties, and to the extent any guarantee is required from each joint venture partner, it will be provided in proportion to their respective shareholding percentages;
- (ii) loans from each joint venture partner in proportion to their respective shareholding percentages; and

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- (iii) capital injection by way of subscription for shares for cash in proportion to their respective shareholding percentages.

Notwithstanding the foregoing, APSB had agreed to unilaterally provide the BPP Loans after taking into consideration that SSSB had, at the prevailing point in time, already provided financial support to APSB during the same period in the form of providing the SSSB Security under the CSCE Loan Agreement in 2017 and for which no payments had been made by the Group to SSSB for the provision of the SSSB Security.

Taking into account the foregoing and the value of the land parcels (based on the independent valuation commissioned by the Company in 2016) provided as security by SSSB for the benefit of APSB under the CSCE Loan Agreement, the proportionate exposure of APSB to such financial support (as compared to SSSB) would have been significantly lower than the proportional amount of financial support that APSB should provide to BPP based on its shareholding percentage in BPP (i.e. significantly less than 50.99%).

In addition, the BPP Loans were funded entirely from the loans granted under the DM Loan Agreement and DMR Loan Agreement and accordingly, APSB had charged the interest payable by BPP on the same basis, i.e. with interest at the rate of 8% per annum payable on any principal amount outstanding for the time being but with no interest being charged on any accrued interest. Such interest rate of 8% per annum was within interest rate of a secured overdraft facility and a secured loan as well as an unsecured overdraft facility obtained by APSB..

In view of the foregoing, and taking into account the opinion and advice of the IFA in the IFA Letter, the Audit Committee is of the view that the BPP Loans were carried out on normal commercial terms and were not prejudicial to the interests of the Company and the minority Shareholders.”

In respect of the BPP Shareholders' Loans

“The proceeds of the BPP Shareholders' Loan were intended to be used by BPP to meet its working capital needs and to facilitate its ongoing operations. In view that the BPP Shareholders' Loan was extended by both shareholders of BPP in accordance with their respective shareholding proportions in BPP and on the same terms, and taking into account the opinion and advice of the IFA in the IFA Letter, the Audit Committee is of the view that the BPP Shareholders' Loan was thus not prejudicial to the interests of the Company and its minority Shareholders.

Pursuant to Rule 916(3) of the Catalist Rules, an issuer is not required to obtain the approval of its shareholders in relation to the provision of a loan to a joint venture by all joint venture partners in proportion to their equity and on the same terms, if certain prescribed conditions are met, such as the issuer confirming by an announcement that its audit committee is of the view that the provision of the loan is not prejudicial to the interests of the issuer and its minority shareholders. Given however that no such announcement was made in relation to the BPP Shareholders' Loan at the relevant point in time, the Company is also seeking ratification of this IPT.”

In respect of the DM Unsecured Loan

“The Company was of the view that the terms of the DM Unsecured Loan offered by Dato' Malek to APSB were not less favourable than those offered by third-party financial institutions to the Company at the prevailing time, after taking into consideration (i) the ability and flexibility to tap the readily available funds at a lower fixed interest rate as compared to the higher interest rate of a secured overdraft facility offered by a third-party financial institution, (ii) no fixed repayment date, as well as (iii) without the need to provide any security, charge or mortgage over assets.

In view of the foregoing, and taking into account the opinion and advice of the IFA in the IFA Letter, the Audit Committee is of the view that the DM Unsecured Loan was carried out on normal commercial terms and was not prejudicial to the interests of the Company and the minority Shareholders.”

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In respect of the DMR Loan Facility

“The Company was of the view that the terms of the DMR Loan Facility offered by DMR Holdings to APSB were not less favourable than those offered by third-party financial institutions to the Company at the prevailing time, after taking into consideration (i) the ability and flexibility to tap the readily available funds at a competitive fixed interest rate to be used for the general corporate and working capital purposes as and when required, (ii) with no fixed repayment date, as well as (iii) without the need to provide any security, charge or mortgage over assets.

In this regard, the fixed interest rate of 8.0% per annum was:

- (i) higher than the nominal interest rate of a secured overdraft facility which the Group had, being a floating rate subject to fluctuation and which was secured against a fixed deposit; and*
- (ii) at the same interest rate charged under the DM Loan Agreement and the DMR Loan Agreement (the entry into of which were approved by Shareholders at the EGM held on 28 October 2020). Similar to the loans obtained under the DM Loan Agreement and DMR Loan Agreement, the DMR Loan Facility is also unsecured and has no fixed repayment date.*

Given further that the DMR Loan Facility is now no longer repayable on demand pursuant to the DMR March Supplementary Agreement, it is further beneficial to the Group as the flexibility to obtain funds, as and when required, will help the Group to manage its working capital needs and facilitate its ongoing operations.

In view of the foregoing, and taking into account the opinion and advice of the IFA in the IFA Letter, the Audit Committee is of the view that the DMR Loan Facility was carried out on normal commercial terms and was not prejudicial to the interests of the Company and the minority Shareholders.”

In respect of the APSB Rental of Office Premises

“The APSB Rental of Office Premises is a commercially reasonable arrangement for the Group given that:

- (i) the terms and rates of the first tenancy agreement dated 1 April 2016 between APSB and Sukma were supported by a valuation carried out by a property valuer in September 2015 on the six (6) units that are the subject of the tenancy agreements as set out in the table above (the “**Initial Property Valuation**”), and hence APSB’s entry into the aforesaid tenancy agreement fell within the exception in Rule 916(1) of the Catalist Rules. The terms and rates offered by Sukma were commensurate with the prevailing market rental rates as supported by the Initial Property Valuation, and accordingly, the tenancy was on normal commercial terms and was not prejudicial to the interests of the Company and the minority Shareholders. Given (A) the foregoing, and (B) the value of the APSB Rental of Office Premises in respect of FY2016 is below S\$100,000 in value and hence excluded from the ambit of Chapter 9 pursuant to Rules 905(3) and 906(2) of the Catalist Rules, the Company will not be seeking the approval of Shareholders to ratify the APSB Rental of Office Premises in respect of FY2016. Such figure disclosed in the table below in relation to the value of the APSB Rental of Office Premises in respect of FY2016 is hence solely for information purposes;*
- (ii) to ensure that the terms and rates of the tenancy offered to APSB were comparable to the market rental rates for comparable properties, reference was made to the Initial Property Valuation in relation to the tenancy agreements entered into in FY2016, FY2019 and FY2021, after taking into account the unlikelihood that APSB would be able to find similar office premises at the current or lower rent than what it was paying Sukma, considering the size of the office premises required by APSB which were not available within the close*

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proximity of the current office location at the prevailing point in time. Even assuming that APSB was able to find similar office premises, APSB would also have had to incur additional expenditure to renovate the new office premises to fit its intended usage prior to occupancy and shift over to the new premises.

Notwithstanding that the Company had not obtained comparable quotes in FY2019 and FY2021 before entering into the respective tenancy agreements, it had considered the aforementioned relevant factors before entering into the tenancy agreements in FY2019 and FY2021 respectively. In addition, the Company had ensured that the terms and rates of the subsequent tenancy agreement entered into in FY2021 were competitive and comparable to similar properties in the vicinity based on the relevant enquiries made by the Company in the course of the exercise to prepare for the ratification of the Proposed Ratification Transactions; and

- (iii) APSB had incurred expenditure to renovate the office premises to fit its current usage and occupation, and would have had to incur additional expenses to move to other office premises. As at the Latest Practicable Date, based on the relevant enquiries made by the Company and the relevant reports and reviews published by agents as obtained by the Company, it is unlikely that APSB will be able to find similar office premises at the current or lower rent than what it is paying Sukma. Assuming that APSB is able to find similar office premises, APSB will also have to incur additional expenditure to renovate the new office premises to fit its intended usage prior to occupancy and to shift over to the new premises.

In view of the foregoing, and taking into account the opinion and advice of the IFA in the IFA Letter, the Audit Committee is of the view that the APSB Rental of Office Premises was carried out on normal commercial terms and was not prejudicial to the interests of the Company and the minority Shareholders.”

In respect of the BPP Sale of Shoplots

“The BPP Shoplots, which were purchased by Aziz and Rahim, are Malay reserved lots. All purchasers of such Malay reserved lots were eligible for a discount of 15% off the sale price (the “**Bumi Lot Discount**”). An additional discount of 5% of the net sale price (being the sale price less the Bumi Lot Discount) was also extended to officers and employees of the Group (the “**Bumi Lot Additional Discount**”). As Aziz and Rahim are directors of APSB, they were entitled to the Bumi Lot Discount and the Bumi Lot Additional Discount in relation to their respective purchase of the BPP Shoplots.

Notwithstanding the Bumi Lot Discount and the Bumi Lot Additional Discount, the aggregate consideration for the BPP Sale of Shoplots paid by Aziz and Rahim was above the aggregate book value of the BPP Shoplots after taking into account, among others, the then-prevailing market conditions, the value and the net prices of the BPP Shoplots based on the then-market selling prices which were comparable to what a third-party purchaser who is eligible to purchase a Malay reserved lot would have had to pay for the Malay reserved lot after taking into account the Bumi Lot Discount.

In view of the foregoing, the Audit Committee at the relevant point in time had also reviewed and approved these transactions, and were satisfied that the terms of these transactions were on normal commercial terms and were not prejudicial to the interests of the Company and its minority Shareholders.”

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3.3 Other relevant considerations in relation to the Proposed Ratification Transactions.

3.3.1 Interim remedial actions taken by the Company

As set out in Section 3.16 of the Circular, the Group has taken various interim remedial actions including, *inter alia*, the following:

- (a) the Company has appointed a professional services firm (a “Firm”) to perform an internal audit of the internal controls on IPTs as well as to recommend improvements in relation to the same. The results of such review have been finalised with the Company. As at date of the report issued by the Firm, the Firm had provided recommendations to improve the Company’s internal procedures, and the Company has considered and has taken steps to adopt the proposed actions as set out under Section 3.16(f) of the Circular. In this regard, the Board has also undertaken that it will include the review of the adequacy and effectiveness of the IPT policy and procedures and random sampling of transactions to test if they have been correctly classified as IPTs, as part of the scope of the internal audit on an annual basis; and
- (b) moving forward, in relation to any new policies and procedures relating to IPTs that may be adopted, the Company will seek advice from the internal auditor on the best practices before implementation and the said policy will also be submitted to the Audit Committee and the Board for their respective reviews and endorsements. The internal auditor will also review future IPT transactions on a yearly basis and present their findings to the Audit Committee.

3.3.2 Potential consequences of non-ratification

Shareholders should note that in the event any of the Proposed Ratification Transactions is not approved by the Shareholders at the EGM, there may be possible implications as set out in Section 3.15 of the Circular, some of which may involve legal proceedings against APSB and/or BPP.

4. KEY TERMS OF THE NEW DMR LOAN AGREEMENTS

The principal terms of the DMR BPP Loan Agreement and the DMR ACSB Loan Agreement are set out in Sections 5.2 and 5.3 of the Circular and some of the salient terms are summarised below:-

- (i) the principal amounts under the New DMR Loan Agreements shall become available to BPP and ACSB (as the case may be) for a period of twelve (12) months or for such period as DMR Holdings may at its absolute discretion agree in writing from time to time and upon the fulfilment of the conditions precedent set out in Sections 5.2 and 5.3 respectively by the parties in a manner satisfactory to DMR Holdings;
- (ii) the repayment period of the loan amount and interest thereon under the New DMR Loan Agreements shall be within one (1) year from the date of first drawdown date, save that DMR Holdings may, by way of written notice at any time during the tenure of the respective loans, request for repayment of all monies and liabilities owing to it, provided that BPP and ACSB have the available resources for the repayment;
- (iii) unless terminated with notice and provided that no BPP Event of Default or ACSB Event of Default has occurred, the tenure of the respective loans under the New DMR Loan Agreements shall be extended automatically by each subsequent one (1) year period; and
- (iv) the loans are unsecured and the interest rate under the New DMR Loan Agreements on any principal outstanding shall be 8% per annum. For avoidance of doubt, no interest shall be charged on any accrued interest.

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In this regard, it is noted that under the New DMR Loan Agreements, DMR Holdings has agreed, among others, not to declare the DMR BPP Loan or the DMR ACSB Loan, as the case may be, to be immediately due and payable in the event that BPP or ACSB, as the case may be, informs DMR Holdings in writing that it does not have any available resources for the repayment of all monies and liabilities owing to DMR Holdings under the New DMR Loan Agreements.

5. EVALUATION OF THE NEW DMR LOAN AGREEMENTS

In our evaluation of the New DMR Loan Agreements, we have given due consideration to, *inter alia*, the following:

- (a) Rationale for and benefits of the New DMR Loan Agreements;
- (b) Comparison of the key terms of the New DMR Loan Agreements with the terms of the existing indebtedness of the Group; and
- (c) Other relevant considerations.

5.1 Rationale for and benefits of the New DMR Loan Agreements

The rationale for and benefits of the New DMR Loan Agreements have been set out in Section 5.4 of the Circular and are extracted and reproduced in italics below:

“5.4 Rationale for, and Benefits of, the DMR BPP Loan Agreement and DMR ACSB Loan Agreement

(a) Competitive Terms

Each of the DMR BPP Loan and the DMR ACSB Loan is unsecured and has a fixed interest rate of 8% per annum.

*The Company is of the view that the terms of the DMR BPP Loan and the DMR ACSB Loan (each a “**Loan Transaction**” and collectively, the “**Loan Transactions**”) are acceptable for the following reasons:*

- (i) the fixed interest rate of 8% per annum is close to (i) a secured loan which the Group currently has and (ii) the prevailing interest rate for a corporate loan as offered by the other financial institution; and*
- (ii) each of the DMR BPP Loan and the DMR ACSB Loan is unsecured, and these loans will afford the Group with the ability and flexibility to quickly tap the readily available funds as and when required for general corporate and working capital purposes as well as for future development projects, without the need to provide any security, charge or mortgage over the Group’s assets.*

(b) Flexible Repayment Period

Each Loan Transaction is subject to a repayment period of one (1) year from the date of the first draw down. However, unless a notice of termination is received from the Lender not less than 30 days prior to the last date of the repayment period, and provided that no event of default has occurred, the tenure of each Loan Transaction shall be extended automatically by each subsequent one (1) year period.

Following each such automatic extension, the repayment period in relation to the relevant Loan Transaction shall also be extended accordingly and the maturity of the relevant Loan Transaction shall be construed as the last day of each relevant extension.

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Additionally, pursuant to the Loan Transactions, the Lender has agreed, among others, not to declare the DMR BPP Loan or the DMR ACSB Loan (as the case may be) to be immediately due and payable in the event that BPP or ACSB (as the case may be) informs the Lender in writing that it does not have any available resources for the repayment of all monies and liabilities owing to the Lender under the DMR BPP Loan Agreement and DMR ACSB Loan Agreement (as the case may be).

For the reasons set out in Section 5.5(c) below, the Company is, therefore, seeking Shareholders' approval for the DMR BPP Loan and the DMR ACSB Loan in view that if approved and entered into, the DMR BPP Loan Agreement and DMR ACSB Loan Agreement will provide BPP and ACSB respectively with an injection of funds for working capital purposes and to meet their respective immediate to medium-term working capital requirements, and allow the Company to exclude the DMR BPP Loan and the DMR ACSB Loan from subsequent aggregations in determining whether the materiality threshold under Chapter 9 of the Catalyst Rules has been reached.

(c) Comparable to Previous Loans extended by Dato' Malek

Previously, there has been other loans that Dato' Malek had extended to the Group. The terms of the DMR BPP Loan and DMR ACSB Loan are similar to previous loans extended by Dato' Malek to the Group in terms of interest rates, tenure of the loan as well as the lack of requirement to provide security from the borrower.

Shareholders should note that in the event the Entry into the DMR BPP Loan Agreement and the Entry into the DMR ACSB Loan Agreement (as the case may be) are not approved by the Shareholders, there is no assurance that the Group will be able to obtain alternative funding for the working capital of BPP and/or ACSB (as the case may be) on comparable terms or at all, or that any such alternative funding will be obtained in a timely manner to enable the Group to meet its immediate to medium-term working capital requirements.

5.2 Comparison of the key terms of the New DMR Loan Agreements with the terms of the existing indebtedness of the Group

The New DMR Loan Agreements are unsecured and will bear interest at a fixed rate 8.0% per annum. In assessing whether the interest rate payable by BPP and ACSB in relation to the New DMR Loan Agreements are reasonable, we have made a comparison with the interest rates currently payable by the Group under its existing sources of interest-bearing debt financing (the **"Debt Financing"**).

Shareholders should note that the following analysis is solely for illustrative purposes as the general market conditions at the time of grant of each of the Debt Financing may have been different from the prevailing market conditions, and the terms offered for each Debt Financing would have been dependent on various considerations and assessment by the relevant lender at the time of granting the loans. Such considerations may include, but are not limited to, the lender's capital structure, cost of funds, supply of funds, risk management parameters, assessment of the general market conditions and interest rate environment, and the composition and quality of the borrower's security and guarantee (if any).

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	Facility size (RM' million)	Interest rate (per annum)	Borrowing Entity	Loan Tenure	Date of Entry	Security / Guarantee
Overdraft facility with Affin Bank Berhad (Secured)	12.0	Base Lending Rate + 0.25% ⁽¹⁾	APSB	Repayable on demand	7 October 2015 and 9 December 2020 ⁽²⁾	Third-party time deposit of RM12 million ⁽³⁾
DM Loan Agreement (Unsecured)	30.0	8.00% (fixed)	APSB	Repayable on demand ⁽⁵⁾	14 Feb 2020	Nil
DMR Loan Agreement (Unsecured)	60.0	8.00% (fixed)	APSB	Repayable on demand ⁽⁵⁾	17 Jun 2020	Nil
DMR Loan Facility (Unsecured) ⁽⁴⁾	8.0	8.00% (fixed)	APSB	Repayable on demand ⁽⁵⁾	8 Dec 2021	Nil
DMR BPP Loan (Unsecured)	60.0	8.00% (fixed)	BPP	Repayable on demand ⁽⁵⁾	20 Jun 2023	Nil
DMR ACSB Loan (Unsecured)	60.0	8.00% (fixed)	ACSB	Repayable on demand ⁽⁵⁾	20 Jun 2023	Nil

Notes:

- (1) The nominal interest rate based on the current applicable base lending rate of 6.81% as at July 2023 is 7.06%.
- (2) This overdraft facility of RM10.0 million was originally granted on 7 October 2015 and the terms were last revised on 8 May 2020. An additional overdraft facility of RM2.0 million was obtained on 9 December 2020.
- (3) Provided by Dato' Malek. No agreement was entered into between the Group and Dato' Malek for the provision of such security, and no payment has been made by the Group to Dato' Malek for the provision of such security.
- (4) Please refer to the details of the DMR Loan Facility which is set out in Section 3.9 of the Circular.
- (5) Pursuant to a supplemental agreement entered into on 29 March 2023, Dato' Malek and DMR Holdings respectively had agreed to, *inter alia*, not demand repayment for the amount owing to Dato' Malek and DMR Holdings respectively, until the Group and the Company have available resources to repay such amount. Similarly, the DMR BPP Loan Agreement and the DMR ACSB Loan Agreement provide that DMR shall not, *inter alia*, declare the DMR BPP Loan or the ACSB Loan (as the case may be) to be immediately due and payable in the event BPP or ACSB (as the case may be) informs DMR in writing that it does not have any available resources for the repayment of all monies owing to DMR under the respective loan agreements.

In addition, the Group received an indicative financing offer from a bank in Malaysia in March 2023, at an implied interest rate of 7.83% per annum (based on its then prevailing base financing rate of 6.83% + 1.00% per annum) which requires the provision of security and corporate guarantees and is subject to certain disbursement conditions. In contrast, the loans pursuant to the New DMR Loan Agreements are unsecured and accordingly do not require any form of security to be provided. Further, it is noted that the interest rate at 8.0% per annum payable under the New DMR Loan Agreements is the same as the interest rate charged under the DM Loan Agreement, the DMR Loan Agreement and the DMR Loan Facility (collectively, the “**Past DM/DMR Loans**”) and that the other key terms of the New DMR Loan Agreements are also substantially similar to the Past DM/DMR Loans.

5.3 Other relevant considerations

5.3.1 Support and commitment provided by Dato' Malek

We note that the Group has received continuing support from Dato' Malek. As set out under Note 2.1 of the financial statements of the Group in respect of the financial year ended 31 December 2022, Dato' Malek has agreed not to demand repayment for the amounts owing to him and his related companies until the Group and the Company have the available resources to repay such amounts and to continue to provide financial support to the Group and the Company to enable it to meet its financial obligations for next 18 months. As at 31 December 2022, the Group has amounts due to Dato' Malek and his affiliated corporations in the aggregate amount of approximately RM113.2 million.

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6. THE PROPOSED ADOPTION OF THE IPT GENERAL MANDATE

As some of the Proposed Ratification Transactions are necessary for the Group's day-to-day operations and allow the Group to enjoy various economies of scale, it would therefore not be prudent to cease such transactions as such an action would be highly prejudicial to the interests of the Company, and will not be in the best interests of the Shareholders. Accordingly, the Group intends to continue with these IPTs on a recurrent basis and is seeking Shareholders' approval for the Proposed Adoption of the IPT General Mandate pursuant to the requirements of Chapter 9 of the Catalist Rules to allow APSB, BPP and ACSB, as the case may be, to enter into, in the ordinary course of business, any of the Mandated Transactions with the relevant Mandated Interested Person, provided that such transactions are made on normal commercial terms, not prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the review procedures for such transactions. The rationale for and benefits of the IPT General Mandate is set out in Section 4.1 of the Circular and Shareholders are advised to read the information carefully.

The IPT General Mandate will take effect from the date of receipt of Shareholders' approval, and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM of the Company and will apply to Mandated Transactions entered into with a Mandated Interested Person from the date of receipt of Shareholders' approval. Approval from Shareholders will be sought for the renewal of the IPT General Mandate at each subsequent AGM, subject to satisfactory review by the Audit Committee of its continued application to the Mandated Transactions with the respective Mandated Interested Persons.

6.2 Nature and Scope of the IPT General Mandate

The Mandated Transactions under the IPT General Mandate comprise the following:

- (a) the BPP SMS Services with BPP, which includes the BPP Secondment and BPP Management Services;
- (b) the ACSB SMS Services with ACSB, which includes the ACSB Secondment and the management and performance of the following services and activities for ACSB by APSB:
 - (i) provision of human resources services, including handling the selection and recruitment process, promotion and appraisal, performance evaluation and payroll processing of the employees of ACSB;
 - (ii) provision of administrative services, including carrying out general administrative works, monitoring inventory of office supplies, sourcing, upkeeping and maintenance of office supplies and overseeing facilities services;
 - (iii) provision of project management services, including providing management advice to ACSB, reviewing and approving design proposal and project planning, monitoring daily business activities and project construction works, and supervision of project status and quality;
 - (iv) provision of finance and accounting services, including the settlement of payment, preparation of and reviewing financial accounts, liaising and coordinating with external parties on financial reporting, tax submission, compliance matters and assisting in other financial matters of ACSB;
 - (v) provision of corporate planning and communication services, including corporate strategic planning, business operations and management planning, and risk management and compliance of ACSB; and
 - (vi) provision of office premises, which APSB had in turn rented from Sukma (for further details, please see Section 3.10 of the Circular),

(collectively, the “**ACSB Management Services**”);

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- (c) the APSB Rental of Office Premises with Sukma; and
- (d) the lease of land parcels by BPP from Dato' Malek, as part of BPP's temporary flood mitigation plan (such land parcels, the "**Flood Land**") in response to the mud flood incident which occurred in January 2018 (the "**BPP Rental of Land**").

The IPT General Mandate and its renewal thereof will not cover any Mandated Transactions that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Catalist Rules would not apply to such transactions. However, while transactions below S\$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction having regard to the objective of Chapter 9 of the Catalist Rules and the economic and commercial substance of the interested person transaction, instead of legal form and technicality.

For the avoidance of doubt, there will be no purchase or sale of assets, undertakings or businesses covered under the scope of the IPT General Mandate. IPTs which do not come within the ambit of the IPT General Mandate (including any renewal thereof) will be subject to the requirements of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

6.3 Guidelines and Review Procedures

The guidelines and review procedures for the transactions under the IPT General Mandate are set out in Section 4.4 of the Circular.

Having regard to the nature of the IPTs and the criteria in establishing the review procedures which are to ensure that such review procedures are adequate and/or commercially practicable in ensuring that the IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders, the guiding principle is that all IPTs with Interested Persons shall be conducted in accordance with the Group's usual business practices and pricing policies, consistent with the usual profit margins, prices, fees or rates extended to or received by the Group for the same or substantially similar type of transactions between the Group and unrelated third parties, and the terms of the IPTs are (1) not more favourable to the Interested Persons compared to those extended to unrelated third parties, or (2) not less favourable to the Group than the terms offered by unrelated third parties.

Additionally, the Group will also establish the following review procedures in respect of the following Mandated Transactions:

(a) **BPP SMS Services**

In respect of the BPP SMS Services, as a general principle, APSB will ensure that the terms offered by APSB to BPP are conducted on an arms' length basis in the following manner:-

- (i) With regard to the BPP Secondment, the approval of any secondment of staff to BPP should be approved by the head of the human resources department or such other senior management personnel as designated by the Audit Committee (who must not have any interest, direct or indirect, in the BPP Secondment) after considering, *inter alia*, (A) the needs of the Group and its projects, (B) the availability of the staff, and (C) the expertise of the staff. In the event that the head of human resources department has any interest, direct or indirect, the CEO or the Financial Controller (or its equivalent person), shall approve such secondment. APSB will not provide any value-adding functions in connection thereof.

The fee for the secondment of staff will be based on the remuneration to be paid to the Seconded Employees which will be charged by APSB to BPP on a cost-recovery basis based on the actual salaries, statutory payments (such as CPF contributions), allowances, bonuses and other benefits (such as medical and life insurances) paid to the Seconded Employees. Similar to the existing arrangements as set out in

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Section 3.2(b) of the Circular, BPP will be billed the actual costs incurred by APSB every month on an interest-free basis based on the payroll summaries / contribution summaries prepared by APSB's human resource department with no pre-determined mark-up.

- (iii) With regard to the BPP Management Services in the form of human resources, administrative, project management, finance and accounting, corporate planning and communication services provided by APSB to BPP, the management fees to be charged will be based on estimated time spent or headcount with a mark-up margin applied. The management fee to be charged and/or mark-up margin to be applied shall be in accordance with the independent transfer pricing benchmarking which will be prepared by an external tax consultant to be commissioned by the Company in order to ensure that such rates charged are on arm's length basis. In the event that APSB obtains any services entirely from unrelated third parties and such services are shared with BPP, APSB will charge to BPP for its portion of the costs on a cost recovery basis without any mark-up.

(b) **ACSB SMS Services**

As announced by the Company on 31 May 2023, ACSB was incorporated as a joint venture company between the Company's subsidiary APSB and SHSB with APSB holding 51% shareholding interest in ACSB and SHSB holding the remaining 49% shareholding interest in ACSB. The principal activity of ACSB is that of property and real estate development in Malaysia.

As at the Latest Practicable Date, Dato' Malek, being the Controlling Shareholder of the Company, holds 100% shareholding interest in DMR Holdings, which in turn holds 100% shareholding interest in SHSB. Accordingly, ACSB is considered an "Associate" of Dato' Malek and hence an "Interested Person" as defined under Rule 904(4) of the Catalist Rules.

In respect of the ACSB SMS Services, as a general principle, APSB will ensure that the terms offered by APSB to ACSB are conducted on an arms' length basis in the following manner:-

- (i) With regard to the ACSB Secondment, the approval of any secondment of staff to ACSB should be approved by the head of the human resources department or such other senior management personnel as designated by the Audit Committee (who must not have any interest, direct or indirect, in the ACSB Secondment) after considering, inter alia, (A) the needs of the Group and its projects, (B) the availability of the staff, and (C) the expertise of the staff. In the event that the head of human resources department has any interest, direct or indirect, the CEO or the Financial Controller (or its equivalent person), shall approve such secondment. APSB will not provide any value-adding functions in connection thereof.

The fee for the secondment of staff will be based on the remuneration to be paid to the seconded employees which will be charged by APSB to ACSB on a cost-recovery basis based on such salaries, statutory payments (such as CPF contributions), allowances, bonuses and other benefits (such as medical and life insurances) paid to the seconded employees. ACSB will be billed the actual costs incurred by APSB every month on an interest-free basis based on the payroll summaries / contribution summaries prepared by APSB's human resource department with no pre-determined mark-up.

- (ii) With regard to the ACSB Management Services in the form of human resources, administrative, project management, finance and accounting, corporate planning and communication services provided by APSB to ACSB, the management fees to be charged will be based on estimated time spent or headcount with a mark-up margin applied. The management fee to be charged and/or mark-up margin to be applied

APPENDIX – LETTER FROM THE IFA

shall be in accordance with the independent transfer pricing benchmarking which will be prepared by an external tax consultant to be commissioned by the Company in order to ensure that such rates charged are on arm's length basis. In the event APSB obtains any services entirely from unrelated third parties and such services are shared with ACSB, APSB will charge to ACSB for its portion of the costs on a cost recovery basis without any mark-up.

(c) **APSB Rental of Office Premises**

In respect of the APSB Rental of Office Premises, prior to the entry into subsequent tenancy agreements in respect of the Office Premises, (i) the Group Finance Team will make relevant enquiries of comparable properties and obtain from commercial property websites (such as PropertyGuru) and/or the relevant reports and reviews published by property agents, the rents in respect of at least two (2) comparable properties in the vicinity (the “**Office Premises Quotations**”); and (ii) (A) an officer of the Group Finance Team, who has no direct or indirect interest in the transaction, as designated by the Audit Committee, will review the terms under the APSB Rental of Office Premises against the Office Premises Quotations, and seek the approval of the Approving Authority for the transaction, provided that the terms offered under the APSB Rental of Office Premises are no less favourable than those rents in respect of comparable properties in the vicinity (i.e. such terms are reasonable and competitive with comparable properties in the vicinity); and (B) in the event that the rents from at least two (2) comparable properties in the vicinity are not available for comparison, an executive Director or the Financial Controller who has no direct or indirect interest in the transaction, as designated by the Audit Committee, will evaluate the benefits of and rationale for entering into the subsequent tenancy agreement(s) in respect of the Office Premises to determine whether the terms offered under the APSB Rental of Office Premises are fair and reasonable, and seek the approval of the Approving Authority accordingly.

In relation to the foregoing, some of the factors to be taken into consideration would include, but not be limited to, (i) the prevailing market rental of comparable properties taking into account tenure of the lease and the area of leased premise, (ii) any additional costs to be incurred such as renovation costs if the Group moves in, and (iii) the general market demand and economic conditions.

(d) **BPP Rental of Land**

In respect of the BPP Rental of Land, prior to the entry into subsequent tenancy agreements in respect of the Flood Land, (i) the Group Finance Team will make relevant enquiries and obtain from commercial property websites (such as PropertyGuru) and/or the relevant reports and reviews published by agents, the rents in respect of at least two (2) comparable properties in the vicinity (the “**Flood Land Quotations**”); and (ii) (A) an officer of the Group Finance Team, who has no direct or indirect interest in the transaction, as designated by the Audit Committee, will review the terms under the BPP Rental of Land against the Flood Land Quotations, and seek the approval of the Approving Authority for the transaction, provided that the terms offered under the Flood Land Quotations are no less favourable than those rents in respect of comparable properties in the vicinity (i.e. such terms are reasonable and competitive with comparable properties in the vicinity); and (B) in the event that the rents from at least two (2) comparable properties in the vicinity are not available for comparison, an executive Director or the Financial Controller, who has no direct or indirect interest in the transaction, as designated by the Audit Committee, will evaluate the benefits of and rationale for entering into the subsequent tenancy agreement(s) in respect of the Flood Land to determine whether the terms offered under the BPP Rental of Land are fair and reasonable, and seek the approval of the Approving Authority accordingly.

In relation to the foregoing, some of the factors to be taken into consideration would include, but not be limited to, (i) the prevailing market rental of comparable properties taking into account the tenure of the lease and the area of leased premises, (ii) any additional costs to be incurred if the Group utilises such land, and (iii) the general market demand and economic conditions.

APPENDIX – LETTER FROM THE IFA

6.4 Periodic Reviews

The Financial Controller will review the IPT Register at least on a quarterly basis to ensure that the IPTs are properly recorded and in compliance with the guidelines and review procedures, and the Company will continue to disclose to the Audit Committee and the Board at the quarterly Board meetings as well as all Audit Committee meetings on all transactions with Interested Persons.

The Audit Committee will review the IPT Register on a quarterly basis to ascertain that the guidelines and review procedures for Mandated Transactions have been complied with. The Audit Committee shall also review the appropriateness and sufficiency of the guidelines and review procedures for Mandated Transactions at least annually. Such review includes the examination of the transaction(s) and its supporting documents, or such other data deemed necessary by the Audit Committee. The Audit Committee shall, when it deems fit, have the right to require the appointment of independent sources, advisers and/or valuers to provide additional information or review of controls and its implementation pertaining to the transactions under review. The outcome of such review, where applicable, shall be submitted to the Audit Committee and documented.

In addition, the internal auditors shall annually, or at the request of the Audit Committee, carry out audit reviews on the adequacy and compliance of the internal control system and review procedures for Mandated Transactions and will report to the Audit Committee on their findings.

If during any of the reviews by the Audit Committee of such internal audit reports, the Audit Committee is of the view that the established guidelines and review procedures for Mandated Transactions have become inappropriate or insufficient for whatever reason, such as in the event of changes to the nature of, or manner in which, the business activities of the Company or the Mandated Interested Persons are conducted, the Company will seek a fresh mandate from the Shareholders based on new guidelines and review procedures with a view to ensuring that Mandated Transactions will be carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders. In such a situation, prior to obtaining the new Shareholders' mandate, all transactions with the Mandated Interested Persons will be reviewed and approved by the Audit Committee.

7. OUR OPINION

In relation to the Proposed Ratification Transactions

In arriving at our opinion in relation to the Proposed Ratification Transactions, we have considered and evaluated all the factors (including the views and representations of the Directors and Management) which we deem to have significant relevance to our assessment, particularly the factors which are set out in Section 3 of this IFA Letter (which should be read in conjunction with, and in the full context of, the Circular and this IFA Letter).

Having considered all the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Ratification Transactions had been carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority Shareholders.

In relation to the Entry into the New DMR Loan Agreements

In arriving at our opinion in relation to the Entry into the New DMR Loan Agreements, we have considered and evaluated all the factors which we deem to have significant relevance to our assessment, particularly the factors which are set out in Section 5 of this IFA Letter (which should be read in conjunction with, and in the full context of, the Circular and this IFA Letter).

Having considered all the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that: (i) the Entry into the DMR BPP Loan Agreement; and (ii) the Entry into the DMR ACSB Loan Agreement, are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

APPENDIX – LETTER FROM THE IFA

In relation to the IPT General Mandate

Having considered, *inter alia*, the guidelines and review procedures of the Company in relation to the IPT General Mandate, we are of the opinion that the guidelines and review procedures established by the Company for determining transaction prices as set out in Sections 4.4 and 4.6 of the Circular, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Our opinion is prepared as required under Rules 920(1)(b)(v) and 921(4)(a) of the Catalist Rules as well as addressed to the Independent Directors for their benefit and for the purpose of their consideration of the Proposed IPT Resolutions. The recommendation to be made by the Independent Directors to the minority Shareholders shall remain the sole responsibility of the Independent Directors.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without our prior written consent in each specific case, except for the purposes of any matter relating to the Proposed IPT Resolutions.

This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

For and on behalf of
W Capital Markets Pte. Ltd.

Foo Say Nam
Partner
Head of Advisory

Sheila Ong
Senior Vice President
Corporate Finance

NOTICE OF EXTRAORDINARY GENERAL MEETING

ASTAKA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200814792H)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Astaka Holdings Limited (“**Company**”) will be convened and held at 20 Collyer Quay, #11-07 Singapore 049319 on Friday, 25 August 2023 at 11.00 a.m. (the “**EGM**”) for the purpose of considering and, if thought fit, passing with or without any modification, the ordinary resolutions set out below.

*All capitalised terms used in this Notice of EGM which are not defined herein shall have the same meanings ascribed to them in the circular to the shareholders of the Company dated 10 August 2023 (the “**Circular**”).*

AS ORDINARY RESOLUTION 1: THE PROPOSED RATIFICATION OF THE BPP PAYMENT ON BEHALF THAT:

- (a) the BPP Payment on Behalf, being an interested person transaction for the purposes of Chapter 9 of the Catalist Rules, be and is hereby ratified, confirmed and approved; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including without limitation, execution of all such documents as may be required) as they and/or he may consider desirable, expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

AS ORDINARY RESOLUTION 2: THE PROPOSED RATIFICATION OF THE BPP CONTRA ARRANGEMENT THAT:

- (a) the BPP Contra Arrangement, being an interested person transaction for the purposes of Chapter 9 of the Catalist Rules, be and is hereby ratified, confirmed and approved; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including without limitation, execution of all such documents as may be required) as they and/or he may consider desirable, expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

AS ORDINARY RESOLUTION 3: THE PROPOSED RATIFICATION OF THE BPP ADVANCES THAT:

- (a) the BPP Advances, being interested person transactions for the purposes of Chapter 9 of the Catalist Rules, be and is hereby ratified, confirmed and approved; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including without limitation, execution of all such documents as may be required) as they and/or he may consider desirable, expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

NOTICE OF EXTRAORDINARY GENERAL MEETING

AS ORDINARY RESOLUTION 4: THE PROPOSED RATIFICATION OF THE BPP LOANS

THAT:

- (a) the BPP Loans, being interested person transactions for the purposes of Chapter 9 of the Catalist Rules, be and is hereby ratified, confirmed and approved; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including without limitation, execution of all such documents as may be required) as they and/or he may consider desirable, expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

AS ORDINARY RESOLUTION 5: THE PROPOSED RATIFICATION OF THE BPP SHAREHOLDERS' LOAN

THAT:

- (a) the BPP Shareholders' Loan, being an interested person transaction for the purposes of Chapter 9 of the Catalist Rules, be and is hereby ratified, confirmed and approved; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including without limitation, execution of all such documents as may be required) as they and/or he may consider desirable, expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

AS ORDINARY RESOLUTION 6: THE PROPOSED RATIFICATION OF THE DM UNSECURED LOAN

THAT:

- (a) the DM Unsecured Loan, being an interested person transaction for the purposes of Chapter 9 of the Catalist Rules, be and is hereby ratified, confirmed and approved; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including without limitation, execution of all such documents as may be required) as they and/or he may consider desirable, expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

AS ORDINARY RESOLUTION 7: THE PROPOSED RATIFICATION OF THE DMR LOAN FACILITY

THAT:

- (a) the DMR Loan Facility, being an interested person transaction for the purposes of Chapter 9 of the Catalist Rules, be and is hereby ratified, confirmed and approved; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including without limitation, execution of all such documents as may be required) as they and/or he may consider desirable, expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

AS ORDINARY RESOLUTION 8: THE PROPOSED RATIFICATION OF THE APSB RENTAL OF OFFICE PREMISES

THAT:

- (a) the APSB Rental of Office Premises, being an interested person transaction for the purposes of Chapter 9 of the Catalist Rules, be and is hereby ratified, confirmed and approved; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including without limitation, execution of all such documents as may be required) as they and/or he may consider desirable, expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

NOTICE OF EXTRAORDINARY GENERAL MEETING

AS ORDINARY RESOLUTION 9: THE PROPOSED RATIFICATION OF THE BPP SALE OF SHOPLOTS

THAT:

- (a) the BPP Sale of Shoplots, being an interested person transaction for the purposes of Chapter 9 of the Catalist Rules, be and is hereby ratified, confirmed and approved; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including without limitation, execution of all such documents as may be required) as they and/or he may consider desirable, expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

AS ORDINARY RESOLUTION 10: THE PROPOSED ADOPTION OF THE IPT GENERAL MANDATE

THAT:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules, for the Company, its subsidiaries and associated companies (if any) which fall within the definition of “entities at risk” under Chapter 9 of the Catalist Rules, or any of them, to enter into any transaction falling within the categories of the Mandated Transactions set out under the IPT General Mandate, provided that such transaction is made on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders, and is entered into in accordance with the review procedures for interested person transactions as set out in the Circular;
- (b) the approval given for the IPT General Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier;
- (c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the review procedures and/or modify or implement such review procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Catalist Rules, which may be prescribed by the SGX-ST from time to time; and
- (d) the Directors of the Company and each of them be and are hereby authorised, empowered to complete and do and execute all such things and acts as they or he may consider necessary or appropriate to give effect to this resolution and the IPT General Mandate, with such modifications thereto (if any) as they or he may think fit in the interests of the Company.

AS ORDINARY RESOLUTION 11: ENTRY INTO THE DMR BPP LOAN AGREEMENT AS AN IPT

THAT:

- (a) the execution of the loan agreement dated 20 June 2023 (“**DMR BPP Loan Agreement**”) between BPP, as borrower, and DMR Holdings Sdn Bhd, as lender, in relation to the extension of a loan facility from DMR Holdings Sdn Bhd to BPP for up to an aggregate principal sum of RM60,000,000, being an interested person transaction for the purposes of Chapter 9 of the Catalist Rules, be and is hereby approved and confirmed; and
- (b) the Directors and each of them be and are hereby authorised to take all such steps, complete and do all such acts, matters and things as they may consider necessary or expedient for the purposes of or in connection with the DMR BPP Loan Agreement (including but not limited to amending, finalising, approving and executing all such documents as may be required in connection with the DMR BPP Loan Agreement) and exercise such discretion as the Directors or any of them may in their absolute discretion deem fit, advisable or necessary in connection with all or any of the above matters.

NOTICE OF EXTRAORDINARY GENERAL MEETING

AS ORDINARY RESOLUTION 12: ENTRY INTO THE DMR ACSB LOAN AGREEMENT AS AN IPT

THAT:

- (a) the execution of the loan agreement dated 20 June 2023 (“**DMR ACSB Loan Agreement**”) between ACSB, as borrower, and DMR Holdings Sdn Bhd, as lender, in relation to the extension of a loan facility from DMR Holdings Sdn Bhd to ACSB for up to an aggregate principal sum of RM60,000,000, being an interested person transaction for the purposes of Chapter 9 of the Catalist Rules, be and is hereby approved and confirmed; and
- (b) the Directors and each of them be and are hereby authorised to take all such steps, complete and do all such acts, matters and things as they may consider necessary or expedient for the purposes of or in connection with the DMR ACSB Loan Agreement (including but not limited to amending, finalising, approving and executing all such documents as may be required in connection with the DMR ACSB Loan Agreement) and exercise such discretion as the Directors or any of them may in their absolute discretion deem fit, advisable or necessary in connection with all or any of the above matters.

BY ORDER OF THE BOARD

Yoo Loo Ping
Company Secretary
10 August 2023

Notes:

1. The members of the Company are invited to attend the EGM physically in person. There will be no option for members to participate the EGM by electronic means. The Circular (including this Notice of EGM and the accompanying Proxy Form) has been made available on the SGXNet and on the Company’s website at <http://astaka.com.my/investor-relations/>. Printed copies of this Notice of EGM, proxy form and printed Circular will also be sent to members by post.
2. All the resolution(s) proposed at the EGM will be voted on by way of a poll.
3. Pursuant to Rule 919 of the Catalist Rules, Dato’ Daing A Malek Bin Daing A Rahaman (“**Dato’ Malek**”), will abstain, and will ensure that his associates will abstain, from voting on the Proposed Resolutions, nor accept any nominations to act as proxy for any Shareholder in approving the Proposed Resolutions at the EGM unless specific instructions as to voting are given by such Shareholder in the Proxy Form. The Company will disregard any votes cast by Dato’ Malek or his associates on the Proposed Resolutions.
4. A member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
5. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such members. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding to be represented by each proxy. If no proportion is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named. “Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
6. If the appointer is a corporation, the instrument appointing a proxy must be executed under common seal or the hand of its duly authorised officer or attorney.
7. The proxy form appointing the Chairman of the EGM or such other person(s) as proxy(ies) (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be submitted to the Company by depositing at the registered office of the Company at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535, or if submitted by email, be received by the Company at ir@astaka.com.my, in either case, by no later than 11.00 a.m. on 23 August 2023 (being not less than 48 hours before the time appointed for holding the EGM), and in default the proxy form shall not be treated as valid.

Members are strongly encouraged to submit completed proxy forms electronically via email.
8. A Depositor’s name must appear on the Depository Register maintained by the Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

9. Members may raise questions at the EGM or submit questions related to the resolutions to be tabled for approval at the EGM, in advance of the EGM. Members who would like to submit questions in advance of the EGM may do so in the following manner:

- (a) if submitted by post, by depositing at the registered office of the Company at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535; or
- (b) if submitted by email, be received by the Company at ir@astaka.com.my.

in either case, by 17 August 2023 (being seven (7) calendar days from the date of the Notice of EGM) (the “**Questions Submission Cut-Off Date**”).

Members are strongly encouraged to submit questions electronically via email.

Members submitting questions are requested to state: (i) their full name; (ii) their identification/registration number; (iii) contact telephone number; (iv) email address; and (v) the manner in which they hold shares (if you hold shares directly, please provide your CDP account number, otherwise, please state if you hold your shares through CPFIS or SRS, or are a relevant intermediary shareholder), failing which the Company shall be entitled to regard the submission as invalid.

The Company will endeavour to address all substantial and relevant questions submitted by members prior to or during the EGM.

The responses to substantial and relevant questions raised by members on or before the Questions Submission Cut-Off Date will be published on SGXNet and the Company's website at the URL <http://astaka.com.my/investor-relations/> by 20 August 2023.

Substantial and relevant questions which are submitted after the Questions Submission Cut-Off Date will be consolidated and addressed either before the EGM via an announcement on SGXNet and the Company's website at the URL <http://astaka.com.my/investor-relations/> by 24 August 2023 or at the EGM.

10. Relevant intermediaries who wish to attend the EGM, or to appoint proxy(ies) to vote at the AGM should not make use of the Proxy Form and should instead approach their respective relevant intermediaries as soon as possible for the proxy(ies) appointment.

CPF/SRS investors who wish to vote at the EGM may attend the EGM in person physically, or may appoint the Chairman of the Meeting or such other person as their proxy to vote. The CPF/SRS investors who wish to appoint the Chairman of the Meeting or such other person as their proxy should not make use of the Proxy Form. They should approach their respective CPF agent banks and/or SRS operators to submit their votes at least seven (7) working days before the EGM (by 11.00 a.m. on 16 August 2023), in order to allow sufficient time for the respective relevant intermediaries to in turn submit a proxy form for voting on their behalf. CPF/SRS investors are requested to contact their respective CPF agent banks and/or SRS operators for any queries they may have with regard to the appointment of proxies for the EGM.

11. **Personal Data Privacy**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ASTAKA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200814792H)

IMPORTANT:

1. CPF/SRS investors who wish to vote at the EGM may attend the EGM in person physically, or may appoint the Chairman of the Meeting or such other person as their proxy to vote. The CPF/SRS investors who wish to appoint the Chairman of the Meeting or such other person as their proxy should not make use of the Proxy Form. They should approach their respective CPF agent banks and/or SRS operators to submit their votes at least seven (7) working days before the EGM (by 11.00 a.m. on 16 August 2023), in order to allow sufficient time for the respective relevant intermediaries to in turn submit a proxy form for voting on their behalf. CPF/SRS investors are requested to contact their respective CPF agent banks and/or SRS operators for any queries they may have with regard to the appointment of proxies for the EGM.
2. All capitalised terms used in this Proxy Form which are not defined herein shall have the same meanings ascribed to them in the circular to the shareholders of the Company dated 10 August 2023.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 10 August 2023.

PROXY FORM

I/We _____ (Name), _____ (NRIC/Passport/Company Registration Number)

of _____ (Address)

being a member/members of Astaka Holdings Limited (the "Company") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)	
			No. of Shares	%

and/or*

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)	
			No. of Shares	%

or failing *him/her/them, the Chairman of the EGM as my/our proxy/proxies to vote for me/us on my/our behalf at the EGM of the Company to be convened and held at 20 Collyer Quay, #11-07 Singapore 049319 on 25 August 2023 at 11.00 a.m. and any adjournment thereof. *I/We direct my/our proxy/proxies to vote for, or against or to abstain from voting in respect of the Ordinary Resolutions to be proposed at the EGM as indicated hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

*Delete as appropriate.

Ordinary Resolutions relating to:		Number of Votes For ⁽¹⁾	Number of Votes Against ⁽¹⁾	Number of Votes Abstain ⁽¹⁾
1.	Proposed Ratification of the BPP Payment on Behalf			
2.	Proposed Ratification of the BPP Contra Arrangement			
3.	Proposed Ratification of the BPP Advances			
4.	Proposed Ratification of the BPP Loans			
5.	Proposed Ratification of the BPP Shareholders' Loan			
6.	Proposed Ratification of the DM Unsecured Loan			
7.	Proposed Ratification of the DMR Loan Facility			
8.	Proposed Ratification of the APSB Rental of Office Premises			
9.	Proposed Ratification of the BPP Sale of Shoplots			
10.	Proposed Adoption of the IPT General Mandate			
11.	Entry into the DMR BPP Loan Agreement as an IPT			
12.	Entry into the DMR ACSB Loan Agreement as an IPT			

Note:

- (1) Voting will be conducted by poll. Please indicate with an "X" within the relevant box to vote for or against, or abstain from voting, in respect of the resolutions to be proposed at the EGM as indicated hereunder. Alternatively, please indicate the number of shares that your proxy is directed to vote "For" or "Against" or to abstain from voting.

Dated this _____ day of _____ 2023

Total Number of Shares in	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

IMPORTANT: Please read the notes overleaf before completing this proxy form.



Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Future Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares.

If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act 1967 of Singapore) is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the EGM. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding to be represented by each proxy. If no proportion is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. A member who is a relevant intermediary (as defined in Section 181 of the Companies Act 1967 of Singapore) who is either:
 - (a) a banking corporation licensed under the Banking Act 1970 of Singapore or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
 - (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act 2001 Singapore and who holds shares in that capacity; and
 - (c) the Central Provident Fund (“CPF”) Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased on behalf of CPF investors,

is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to the shares held by such members. Where such members' form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

4. A proxy need not be a member of the Company.

The proxy form appointing the Chairman of the EGM or such other person(s) as proxy(ies) (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be submitted to the Company by depositing at the registered office of the Company at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535, or if submitted by email, be received by the Company at ir@astaka.com.my, in either case, by no later than 11.00 a.m. on 23 August 2023 (being not less than 48 hours before the time appointed for holding the EGM), and in default the proxy form shall not be treated as valid.

Members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with its Constitution and Section 179 of the Companies Act 1967 of Singapore.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Share entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

8. By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 10 August 2023.