

**ASTAKA HOLDINGS LIMITED**  
(Company Registration No.: 200814792H)  
(Incorporated In the Republic of Singapore)

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**DEED OF SETTLEMENT BETWEEN BUKIT PELALI PROPERTIES SDN. BHD.,  
SALING SYABAS SDN. BHD. AND JBB BUILDERS (M) SDN. BHD.**

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**1. INTRODUCTION**

1.1 The board of directors (the “**Board**” or “**Directors**”) of Astaka Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to inform shareholders that the Company’s subsidiary, Bukit Pelali Properties Sdn. Bhd. (“**BPP**”), had on 19 February 2020, entered into a deed of settlement with JBB Builders (M) Sdn. Bhd. (“**JBB**”) and Saling Syabas Sdn. Bhd. (“**SS**”) (collectively, the “**Parties**”) (the “**Deed of Settlement**”), pursuant to which all legal title and interests in 40 units at Bukit Pelali at Pengerang (“**Bukit Pelali Project**”) (the “**Properties**”) are proposed to be transferred to JBB and/or its nominee, assignees, transferees and subsequent purchasers for an aggregate value of RM22,094,982 (the “**Value**”) for the purpose of setting off part of certain sums owing by BPP to JBB, on the terms and conditions as set out in the Deed of Settlement (the “**Assignment**”).

1.2 The Bukit Pelali Project is developed by the Company’s 51% indirectly owned joint venture, BPP, of which the remaining 49% stake is held by SS. SS is the proprietor of the lands on which the Bukit Pelali Project is being developed and had appointed BPP as the developer for the Bukit Pelali Project. JBB was appointed by BPP as the main contractor to undertake certain works for the Bukit Pelali Project (“**Works**”). JBB is an indirect wholly-owned Malaysian subsidiary of JBB Builders International Limited, a company listed on The Stock Exchange of Hong Kong Limited.

The Bukit Pelali Project is the Group’s second project, a 363-acre strata township comprising of residential units, shop offices, a clubhouse, hotel, private hospital, mart, school, mosque, food and beverage hub and petrol station. With an estimated gross development value of RM2.3 billion, the project is located five kilometres away from the Pengerang Integrated Petroleum Complex in southern Johor.

1.3 As of 31 December 2019, the outstanding trade payables owing from BPP to JBB in relation to construction works performed by JBB amounted to approximately RM65.5 million (“**Total Outstanding Trade Payables**”), being overdue trade payables of approximately RM48.7 million (“**Outstanding Overdue Trade Payables**”) and undue trade payables and undue retention sum of approximately RM2.9 and RM13.9 million respectively.

**2. PRINCIPAL TERMS OF THE DEED OF SETTLEMENT**

Pursuant to the terms of the Deed of Settlement, for the purpose of setting RM22,094,982 of the Outstanding Overdue Trade Payables (“**Part of the Sum Owing by BPP**”), the Parties agree, *inter alia*, that:

(a) Upon execution of the Deed of Settlement, Part of the Sum Owing by BPP (“**Contra Amount**”) shall be treated by the Parties as full payment of the Value, with Part of the Sum Owing by BPP being of equal amount as the Value whereupon:

- (i) SS and/or BPP shall for all intents and purposes be treated or regarded to have assigned all the right, title, benefit, interest and ownership to and of the Properties to JBB;
  - (ii) JBB and/or its nominees/assignees/transferees/subsequent purchasers shall be the beneficial owner of the Properties;
  - (iii) SS and/or BPP shall execute all documents (including any undertakings and an assignment where applicable) necessary to legally and lawfully (in accordance with the laws of the place in which the Properties are situated) assign all the right, title, benefit, interest and ownership to and of the Properties to JBB;
  - (iv) JBB and/or its nominees/assignees/transferees/subsequent purchasers shall for all intents and purposes be treated or regarded to have paid SS and/or BPP the Value in full; and
  - (v) BPP shall for all intents and purposes be treated or regarded to have paid JBB and/or its nominees/assignees/transferees/subsequent purchasers the Part of the Sum Owing by BPP in full.
- (b) In respect of Part of the Sum Owing by BPP, all Parties agree and confirm that:
- (i) the Total Outstanding Trade Payables as at 31 December 2019 is reduced by the Contra Amount (which is equivalent to the Value);
  - (ii) SS and/or BPP shall have no claims or demands whatsoever against JBB and/or its nominees/assignees/transferees/subsequent purchasers in respect of the Value;
  - (iii) JBB shall have no claims or demands whatsoever against BPP in respect of the Part of the Sum Owing by BPP;
  - (iv) Part of the Sum Owing by BPP shall be deemed settled and/or satisfied with the Contra Amount by BPP in favour of JBB by virtue of the set-off arrangement mentioned in the Deed of Settlement; and
  - (v) In order to fulfil sub-paragraph (ii) above, SS and/or BPP undertakes and shall issue an official receipt equivalent to the Value to the JBB and/or its nominees/assignees/transferees/subsequent purchasers to prove that the Value has been paid in full.
- (c) Following the execution of the Deed of Settlement as described in paragraphs (a) and (b) above, JBB shall have the right to, without the consent of SS and/or BPP, (i) assign/transfer/dispose/pledge/charge the Properties to any parties; and (ii) arrange financing including to assign/pledge/charge any of the Properties.
- (d) SS and BPP undertake and shall execute the sale and purchase agreement for each of the Properties (“SPA”) with each of JBB and/or its nominees/assignees/transferees/subsequent purchasers upon notification from JBB.
- (e) In the event SS and/or BPP fail, refuse and/or neglect to:
- (i) complete the Properties in accordance with the provisions of each SPA;
  - (ii) hand over vacant possession of the Properties in accordance with the provisions of each SPA;

- (iii) cause the transfer of any of the Properties to be registered in favour of JBB's nominees/assignees/transferees/subsequent purchasers upon the issuance of the issue document of title or strata title;

AND/OR SS and/or BPP has wound up or committed an act of winding up in accordance with the Companies Act 2016, then the Parties agree that regardless of the provisions in each SPA, each SPA shall be terminated and JBB shall be entitled to claim from SS and/or BPP the sum equivalent to the Value in whichever way it deems fit.

- (f) Upon completion of the construction of the Properties, SS and/or BPP shall, at its own expense:
  - (i) arrange the issuance of title to each of the Properties by the relevant authority in Malaysia to JBB and/or its nominees/assignees/transferees/subsequent purchasers;
  - (ii) execute and deliver a valid and registrable instrument of transfer of the Properties to JBB and/or its nominees/assignees/transferees/subsequent purchasers save that the stamp duty of such instrument of transfer shall be borne by JBB and/or its nominees/assignees/transferees/subsequent purchasers; and
  - (iii) deliver the original issue document of separate title registered in the name of JBB and/or its nominees/assignees/transferees/subsequent purchasers upon registration by and extraction from the Land Registry.
- (g) JBB and/or its nominees/assignees/transferees/subsequent purchasers shall bear all legal fees and disbursements for the preparation of the Deed of Settlement and the stamp duty, *ad volerem*, for the transfer of the Properties payable under the Memorandum of Transfer (Form 14A).
- (h) SS and/or BPP shall bear all legal fees and disbursements related to the signing of the sale and purchase agreements for each of the Properties and the stamp duty, *ad volerem*, for the SPAs.
- (i) Nothing in the Deed of Settlement shall in any manner whatsoever absolve or release SS, BPP and JBB from their respective obligations under the contract in respect of the Works, in particular the payment of the balance sum that are due and payable under the contract after the Contra Arrangement (as defined below) and set off of the Contra Amount affect or prejudice the rights and remedies of the relevant party under the relevant contract vis-à-vis the Works, as the case may be, save and except for those relating to the payment of Part of the Sum Owing by BPP (or any part thereof) set off herein by the Contra Amount which shall be governed and regulated by the Deed of Settlement.

### 3. THE PROPERTIES

The Properties for the Assignment consist of the following units at the Bukit Pelali Project and comprise 38 residential properties (terrace houses and cluster houses) and two commercial properties (shop offices):

No.	Unit	No.	Unit	No.	Unit	No.	Unit
1.	Lot 243 Phase 1A	11.	Lot 65 Phase 1B	21.	Lot 191 Phase 1B	31.	Lot 123 Phase 1B
2.	Lot 52 Phase 1B	12.	Lot 67 Phase 1B	22.	Lot 82 Phase 1B	32.	Lot 232 Phase 1B
3.	Lot 53 Phase 1B	13.	Lot 68 Phase 1B	23.	Lot 88 Phase 1B	33.	Lot 233 Phase 1B

No.	Unit	No.	Unit	No.	Unit	No.	Unit
4.	Lot 54 Phase 1B	14.	Lot 77 Phase 1B	24.	Lot 89 Phase 1B	34.	Lot 240 Phase 1B
5.	Lot 55 Phase 1B	15.	Lot 79 Phase 1B	25.	Lot 90 Phase 1B	35.	Lot 242 Phase 1B
6.	Lot 56 Phase 1B	16.	Lot 14 Phase 1B	26.	Lot 95 Phase 1B	36.	Lot 245 Phase 1B
7.	Lot 57 Phase 1B	17.	Lot 18 Phase 1B	27.	Lot 96 Phase 1B	37.	Lot 246 Phase 1B
8.	Lot 58 Phase 1B	18.	Lot 25 Phase 1B	28.	Lot 97 Phase 1B	38.	Lot 247 Phase 1B
9.	Lot 59 Phase 1B	19.	Lot 26 Phase 1B	29.	Lot 105 Phase 1B	39.	Lot 13269 Phase 2A & 2B
10.	Lot 63 Phase 1B	20.	Lot 171 Phase 1B	30.	Lot 116 Phase 1B	40.	Lot 13270 Phase 2A & 2B

According to the valuation report dated 18 February 2020 by KGV International Property Consultants (Johor) Sdn. Bhd. commissioned by JBB ("**Valuation Report**"), the aggregate market value (being the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion) of the Properties ("**Market Value**"), free from all encumbrances and with vacant possession is RM26,355,000 as at 21 January 2020 ("**Valuation**").

The Valuation is on the basis that the Properties are fully completed in proper workmanlike manner and certified fit for occupation by the relevant authorities. The Market Value of the Properties was arrived at adopting the Comparison Approach whereby the value of the property is determined by comparing it with recent sales and/or listings of similar properties in the vicinity, or if not available within similar localities, adjusting for differences in factors such as location, physical characteristics and time element.

The net tangible asset value (or book value) of the Properties is approximately RM22,816,722 as at 31 December 2019. The deficit of the Value over the book value is RM721,740. No net profit is attributable to the Properties as they are either still under construction or being held for sale. An allowance for foreseeable losses on development properties amounting to RM721,740 will be recognised upon execution of the Deed of Settlement.

#### 4. CONSIDERATION FOR THE ASSIGNMENT

4.1 The consideration for the Assignment is the set-off of RM22,094,982 (equivalent to approximately S\$7,265,218 (based on an exchange rate of S\$1 : RM3.0412 as at 31 December 2019) of the Total Outstanding Trade Payables owed from BPP to JBB for works undertaken by JBB in connection with the Bukit Pelali Project (the "**Contra Arrangement**"). The Contra Arrangement was arrived at following arm's length negotiations between BPP and JBB and on a willing-buyer and willing-seller basis, taking into account including but not limited to:

- (a) the Outstanding Overdue Trade Payables as at 31 December 2019 of approximately RM48.7 million;
- (b) the financial position of BPP;
- (c) the Valuation on the Properties as at 21 January 2020 of approximately RM26.4 million;
- (d) costs incurred for the Contra Arrangement (including stamp duty, legal fees and professional fees); and

- (e) a discount of approximately 16% provided for bulk purchase of the Properties, which was negotiated between BPP and JBB.

## 5. RATIONALE FOR THE DEED OF SETTLEMENT

As of 31 December 2019, BPP owed outstanding trade payables in relation to construction works performed by JBB. BPP, as the property developer of the Bukit Pelali Project, has fully utilised the debt financing obtained for the initial phases of the Bukit Pelali Project, and is unable to obtain further financing on the existing construction works as debt financing is only available for application on new projects before commencement and the initial debt financing obtained by BPP for the Bukit Pelali Project has since been fully repaid in line with the progress billing stages of the Bukit Pelali Project. Since the Deed of Settlement does not involve actual cash flows other than the legal fees and professional fees involved and would significantly reduce the Total Outstanding Trade Payables owing from BPP to JBB, the Board is of the view that the Deed of Settlement and the Contra Arrangement contemplated hereto will improve the Group's financial performance and position over the longer term.

## 6. USE OF PROCEEDS

There will be no cash received by the Group as the proceeds from the transfer of the Properties will be applied to the Contra Arrangement.

## 7. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

- 7.1 The relative figures in respect of the Contra Arrangement computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**") are as follows:

Rule 1006	Bases	Relative Figures
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	25.06% <sup>1</sup>
(b)	The net profit attributable to the assets acquired or disposed of, compared with the Group's net profit	Not applicable <sup>2</sup>
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	4.47% <sup>3</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable <sup>4</sup>
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves.	Not applicable <sup>5</sup>

<sup>1</sup> Pursuant to Rule 1003(2) of the Catalyst Rules, the Market Value of the Properties is used for computation of the relative figure under Rule 1006(a) of Catalyst Rules. In the event that the net asset value of the Properties is used for computation, the relative figure is 21.70%.

<sup>2</sup> There is no net profit attributable to the Properties as they are either still under construction or being held for sale.

<sup>3</sup> Based on the Contra Arrangement of RM22,094,982 (equivalent to approximately S\$7,265,218 based on an exchange rate of S\$1:RM3.0412 as at 31 December 2019) and the Company's market capitalisation of approximately S\$162,640,784. The Company's market capitalisation is determined by multiplying the number of shares in issue of 1,869,434,303 (excluding treasury shares) by the volume weighted average price of approximately S\$0.087 per share on 24 June 2019, being the full market day immediately preceding the signing of the Deed of Settlement and prior to the suspension of the Company's trading.

<sup>4</sup> There will be no issuance of consideration shares in relation to the Contra Arrangement.

<sup>5</sup> The Properties are not mineral, oil or gas assets.

- 7.2 As the relative figure under Rule 1006(a) exceeds 5% but does not exceed 50%, the Contra Arrangement constitutes a discloseable transaction as defined under Chapter 10 of the Catalyst Rules. Accordingly, shareholders' approval for the Contra Arrangement is not required.

## 8. FINANCIAL EFFECTS OF THE CONTRA ARRANGEMENT

- 8.1 For illustrative purposes only, the financial effects of the Contra Arrangement on the net tangible assets per share and losses per share of the Group based on the latest announced audited financial statements of the Group for the financial year ended 30 June 2019 ("FY2019") are as follows:

### Effect on net tangible assets

Had the Contra Arrangement been completed on 30 June 2019, the financial effect on net tangible assets ("NTA") of the Group for the Contra Arrangement is as follows:

	Before the Contra Arrangement	After the Contra Arrangement
Consolidated NTA attributable to the shareholders of the Company (RM)	115,565,226	115,197,139
Number of issued shares (excluding treasury shares)	1,869,434,303	1,869,434,303
NTA per share (RM cents)	6.18	6.16

### Effect on losses per share

Had the Contra Arrangement been completed on 1 July 2018, the financial impact on the effect on Company's losses per share for FY2019 is as follows:

	Before the Contra Arrangement	After the Contra Arrangement
Net loss attributable to shareholders after tax (RM)	105,434,351	105,802,438
Weighted average number of issued shares (excluding treasury shares)	1,869,434,303	1,869,434,303
Losses per share (RM cents)	5.64	5.66

Please note that the above financial figures are for illustrative purposes only and do not necessarily reflect the actual results and financial performance and position of the Group after the Contra Arrangement. No representation is made as to the financial position and/or results of the Company after the completion of the Contra Arrangement.

## 9. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

SS, who is a party to the Deed of Settlement, is an associate of the Company's controlling shareholder, Dato Daing A Malek Bin Daing A Rahaman. No consideration was paid or received by SS in respect of the Deed of Settlement, the Assignment or the Contra Arrangement, save for the consideration to be received by SS for granting of the development rights of the Bukit Pelali Project to BPP (which was approved by shareholders of the Company on 16 December 2016).

Save as disclosed, none of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Deed of Settlement, the Assignment or the Contra Arrangement (other than their direct or indirect shareholdings in the Company).

## 10. SERVICE CONTRACTS

No person will be appointed to the board of directors of the Company in connection with the Contra Arrangement and accordingly, no service contracts in relation thereto will be entered into by the Company.

## 11. DOCUMENTS FOR INSPECTION

A copy of the Deed of Settlement and Valuation Report are available for inspection at the Company's registered office at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767, during normal business hours for three (3) months from the date of this announcement.

## 12. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Deed of Settlement, the Assignment, the Contra Arrangement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

## ON BEHALF OF THE BOARD

Dato Zamani Bin Kasim  
Executive Director and Chief Executive Officer  
19 February 2020

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*This announcement has been prepared by the Company and reviewed by the sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.*

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

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