

**CIRCULAR DATED 9 OCTOBER 2020**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**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 IPT Loans (as defined herein) to be tabled at the extraordinary general meeting of the Company ("**EGM**") to be held on 28 October 2020 by way of electronic means. 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 Notice of EGM and 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 Catalist.

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 Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.

Due to the current COVID-19 situation in Singapore, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) observing and/or listening to the EGM proceedings via "live" audio-visual webcast or "live" audio-only feed; (b) submitting questions in advance of the EGM in relation to any resolution in the Notice of EGM; and/or (c) appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM. Please refer to Section 8 of this Circular and the Notice of EGM dated 9 October 2020, which has also been uploaded on SGXNet at <https://www2.sgx.com/securities/company-announcements> and the Company's website at <http://astaka.com.my/investor-relations/> on the same day for further information, including the steps to be taken by Shareholders to participate at the EGM.



**ASTAKA HOLDINGS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200814792H)

**CIRCULAR TO SHAREHOLDERS**

**in relation to**

- (1) **THE APPROVAL OF THE DM LOAN AGREEMENT (AS DEFINED HEREIN) (AS AMENDED BY THE DM SUPPLEMENTAL LETTER AGREEMENT (AS DEFINED HEREIN)) WITH DATO' DAING A MALEK BIN DAING A RAHAMAN AS AN INTERESTED PERSON TRANSACTION; AND**
- (2) **THE PROPOSED ENTRY INTO THE DMR SUPPLEMENTAL LETTER AGREEMENT (AS DEFINED HEREIN) WITH DMR HOLDINGS SDN BHD AS AN INTERESTED PERSON TRANSACTION.**

*Independent Financial Adviser to the Directors  
in relation to the IPT Loans as Interested Person Transactions*



**SAC CAPITAL PRIVATE LIMITED**  
(Company Registration No. 200401542N)  
(Incorporated in the Republic of Singapore)

*Legal Advisers to the Company as to Singapore Law*  
**DREW & NAPIER LLC**

(Company Registration No. 200102509E)  
(Incorporated in the Republic of Singapore)

**IMPORTANT DATES AND TIMES**

Last date and time to pre-register online to attend the EGM	:	25 October 2020 at 11.00 a.m.
Last date and time for lodgement of Proxy Form	:	26 October 2020 at 11.30 a.m.
Date and time of EGM	:	28 October 2020 at 11.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 11.00 a.m. on the same day, by way of electronic means)
Place of EGM	:	The EGM will be held by way of electronic means

This page has been intentionally left blank.

---

## CONTENTS

---

	<b>PAGE</b>
DEFINITIONS .....	2
LETTER TO SHAREHOLDERS .....	6
1. INTRODUCTION .....	6
2. THE IPT LOANS .....	7
3. RATIONALE FOR AND BENEFITS OF THE IPT LOANS .....	7
4. THE IPT LOANS AS INTERESTED PERSON TRANSACTIONS .....	8
5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS .....	12
6. DIRECTORS' RECOMMENDATION .....	13
7. ABSTENTION FROM VOTING .....	13
8. ACTION TO BE TAKEN BY SHAREHOLDERS .....	13
9. INSPECTION OF DOCUMENTS .....	14
10. DIRECTORS' RESPONSIBILITY STATEMENT .....	14
APPENDIX A – PRINCIPAL TERMS OF THE IPT LOANS .....	A-1
APPENDIX B – IFA LETTER .....	B-1
NOTICE OF EXTRAORDINARY GENERAL MEETING .....	N-1
PROXY FORM .....	P-1

---

## DEFINITIONS

---

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

<b>“APSB”</b>	:	Astaka Padu Sdn Bhd
<b>“Audit Committee”</b>	:	The audit committee of the Company as at the Latest Practicable Date, comprising Mr. Lee Gee Aik, Dato’ Sri Mohd Mokhtar Bin Mohd Shariff and Mr. Lai Kuan Loong, Victor
<b>“associate”</b>	:	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: <ul style="list-style-type: none"><li>(i) his immediate family;</li><li>(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</li><li>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;</li></ul> (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
<b>“Catalist”</b>	:	The Catalist Board of the SGX-ST
<b>“Catalist Rules”</b>	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Company”</b>	:	Astaka Holdings Limited
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
<b>“Controlling Shareholder”</b>	:	A person who (a) holds directly or indirectly 15% or more of the total voting rights in the Company; or (b) in fact exercises control over the Company
<b>“Circular”</b>	:	This Circular to Shareholders (including Appendix A and Appendix B) dated 9 October 2020 in respect of the IPT Loans
<b>“Directors”</b>	:	The directors of the Company for the time being
<b>“Dato’ Malek”</b>	:	Dato’ Daing A Malek Bin Daing A Rahaman
<b>“DM Loan”</b>	:	The unsecured loan in the principal amount not exceeding RM30 million in aggregate granted by Dato’ Malek to APSB pursuant to the DM Loan Agreement

---

## DEFINITIONS

---

<b>“DM Loan Agreement”</b>	:	The loan agreement dated 14 February 2020 between Dato’ Malek as lender and APSB as borrower pursuant to which Dato’ Malek agreed to grant an unsecured loan in the principal amount not exceeding RM30 million in aggregate to APSB
<b>“DM Supplemental Letter Agreement”</b>	:	The supplemental letter agreement to be entered into between Dato’ Malek as lender and APSB as borrower in relation to the DM Loan Agreement
<b>“DMR Holdings”</b>	:	DMR Holdings Sdn Bhd
<b>“DMR Loan”</b>	:	The unsecured loan in the principal amount not exceeding RM19 million in aggregate granted by DMR Holdings to APSB pursuant to the DMR Loan Agreement
<b>“DMR Loan Agreement”</b>	:	The loan agreement dated 17 June 2020 between DMR Holdings as lender and APSB as borrower pursuant to which DMR Holdings agreed to grant APSB the DMR Loan
<b>“DMR Loan Upsize”</b>	:	The proposed increase in the principal amount of the DMR Loan from RM19 million in aggregate to RM60 million in aggregate pursuant to the terms and conditions of the DMR Supplemental Letter Agreement
<b>“DMR Supplemental Letter Agreement”</b>	:	The supplemental letter agreement between DMR Holdings and APSB in relation to the DMR Loan granted pursuant to the DMR Loan Agreement, on the principal terms as set out in Appendix A of this Circular and the proposed entry of which is subject to the approval of Shareholders at the EGM
<b>“EGM”</b>	:	The extraordinary general meeting of the Company
<b>“Exempted Transactions”</b>	:	Has the meaning ascribed to it in Section 4.3 of this Circular
<b>“FY”</b>	:	Financial year ended or, as the case may be, ending 30 June
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“IFA”</b>	:	SAC Capital Private Limited, the independent financial adviser to the Directors in relation to the IPT Loans
<b>“IFA Letter”</b>	:	The letter from the IFA dated 9 October 2020, as required under Chapter 9 of the Catalist Rules, a copy of which is set out in Appendix B to this Circular
<b>“IPT Loans”</b>	:	The DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) and the DMR Loan Agreement (as amended by the DMR Supplemental Letter Agreement), collectively
<b>“Interest Rate Review”</b>	:	Has the meaning ascribed to it in Section 2.1 of this Circular
<b>“Latest Practicable Date”</b>	:	The latest practicable date prior to the printing of this Circular, being 31 August 2020
<b>“Notice of EGM”</b>	:	The notice of EGM as set out on pages N-1 to N-4 of this Circular

---

## DEFINITIONS

---

“NTA”	:	Net tangible assets
“Ordinary Resolutions”	:	The ordinary resolutions set out in the Notice of EGM, and “Ordinary Resolution” shall be construed accordingly
“Proxy Form”	:	The proxy form in respect of the EGM
“Revised DMR Loan”	:	The unsecured loan in the principal amount not exceeding RM60 million in aggregate to be granted by DMR Holdings to APSPB pursuant to the DMR Loan Agreement, as amended by the DMR Supplemental Letter Agreement
“Subsequent Aggregations”	:	Has the meaning ascribed to it in Section 3(a) of this Circular
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
<u>Currencies, units and others</u>		
“RM”	:	Ringgit Malaysia
“S\$”	:	Singapore dollars
“%”	:	Per centum or percentage

The expressions “**subsidiaries**” and “**treasury shares**” shall have the meanings ascribed to them, respectively, in the Companies Act.

The terms “**Depositor**”, “**Depository**”, “**Depository Agent**”, “**Depository Register**” and “**Sub-Account Holder**” shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA.

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. References to persons shall include corporations.

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

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

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

---

## DEFINITIONS

---

Any reference in this Circular to “**we**”, “**our**”, “**us**” or their other grammatical variations is a reference to our Company, or our Group, or any member of our Group, as the context requires.

The exchange rate of RM1 : S\$0.3255 used in this Circular was the exchange rate between S\$ and RM as at 30 June 2020.

---

## LETTER TO SHAREHOLDERS

---

**ASTAKA HOLDINGS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200814792H)

**Directors:**

Lai Kuan Loong, Victor (Interim Non-Executive Chairman and Independent Director)  
Khong Chung Lun (Executive Director and Chief Executive Officer)  
Dato' Zamani Bin Kasim (Executive Director)  
Lee Gee Aik (Independent Director)  
Dato' Sri Mohd Mokhtar Bin Mohd Shariff (Independent Director)

**Registered Office:**

3 Temasek Avenue  
#21-21 Centennial Tower  
Singapore 039190

9 October 2020

To: The Shareholders of  
Astaka Holdings Limited

Dear Sir/Madam

**1. INTRODUCTION**

**1.1 Extraordinary General Meeting**

The Directors are convening an extraordinary general meeting to be held by way of electronic means on 28 October 2020 at 11.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 11.00 a.m. on the same day, by way of electronic means) ("**EGM**") to seek Shareholders' approval for the following proposed resolutions:

- (a) Ordinary Resolution No. 1 relating to the approval of the DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) with Dato' Malek as an interested person transaction (as defined in Section 2.1 below, as proposed in the Notice of EGM); and
- (b) Ordinary Resolution No. 2 relating to the proposed entry into the DMR Supplemental Letter Agreement with DMR Holdings as an interested person transaction (as defined in Section 2.1 below, as proposed in the Notice of EGM).

**Shareholders should note that Ordinary Resolutions No. 1 and 2 are not inter-conditional upon each other.**

**1.2 Circular**

The purpose of this Circular is to provide Shareholders with relevant information relating to the (i) DM Loan Agreement (as amended by the DM Supplemental Letter Agreement); and (ii) DMR Loan Agreement (as amended by the DMR Supplemental Letter Agreement) (collectively, the "**IP T Loans**") to be tabled at the EGM and to seek Shareholders' approval for the Ordinary Resolutions relating to the same. The SGX-ST assumes no responsibility for the correctness of any of the statements or opinions made or reports contained in this Circular.



---

## LETTER TO SHAREHOLDERS

---

### 2. THE IPT LOANS

#### 2.1 Background

On 14 February 2020, the Company announced that APSB, a 99.99% owned indirect subsidiary of the Group had entered into a loan agreement with Dato' Malek (the "**DM Loan Agreement**"). Pursuant to the DM Loan Agreement, Dato' Malek had agreed to grant an unsecured loan in the principal amount not exceeding RM30,000,000 in aggregate to APSB (the "**DM Loan**"), subject to the terms and conditions set out in the DM Loan Agreement.

To ensure that the DM Loan remains in the best interests of the Group on a continuing basis, the Audit Committee will review the DM Loan prior to the Repayment Date (as defined in paragraph 1 of Appendix A) on an annual basis pursuant to the DM Loan Agreement. In line with the annual review, APSB intends to enter into a supplemental letter agreement with Dato' Malek in respect of the DM Loan Agreement (the "**DM Supplemental Letter Agreement**"), to provide that the parties agree to review (an "**Interest Rate Review**"), in good faith, the interest rate under the DM Loan Agreement prior to each automatic extension of the DM Loan in accordance with the terms of the DM Loan Agreement, and that following such review, the interest rate may, at APSB's request and subject to the consent of Dato' Malek, be adjusted downwards, but shall in no event, be adjusted upwards. Save for an Interest Rate Review, all other terms and conditions under the DM Loan Agreement will remain the same (including the amount of the DM Loan). As at the Latest Practicable Date, the DM Loan has been fully drawn down by APSB.

On 17 June 2020, the Company announced that APSB had entered into a loan agreement with DMR Holdings (an associate of Dato' Malek) (the "**DMR Loan Agreement**"), pursuant to which DMR Holdings agreed to grant an unsecured loan in the principal amount not exceeding RM19,000,000 to APSB (the "**DMR Loan**"), subject to the terms and conditions set out in the DMR Loan Agreement. As at the Latest Practicable Date, APSB has drawn down RM9,700,000 of the loan under the DMR Loan Agreement.

In anticipation of the Group's need for additional working capital, APSB intends to enter into a supplemental letter agreement with DMR Holdings in respect of the DMR Loan Agreement (the "**DMR Supplemental Letter Agreement**"), to upsize the DMR Loan from RM19,000,000 to RM60,000,000 in aggregate ("**DMR Loan Upsize**") and to provide for an Interest Rate Review as set out in paragraph 4 of Appendix A. Save for the DMR Loan Upsize and Interest Rate Review, all other terms and conditions of the DMR Loan Agreement will remain the same. For the reasons set out in Section 4.3 below, the proposed entry into the DMR Supplemental Letter Agreement is conditional upon the approval of Shareholders at the EGM.

It is intended that the DM Supplemental Letter Agreement and the DMR Supplemental Letter Agreement will be entered into upon Shareholders' approval for the Ordinary Resolutions being obtained at the EGM.

#### 2.2 Appendix A

Further details of the principal terms of the DM Loan Agreement, the DM Supplemental Letter Agreement, the DMR Loan Agreement and the DMR Supplemental Letter Agreement are set out in Appendix A to this Circular.

### 3. RATIONALE FOR AND BENEFITS OF THE IPT LOANS

The weak sentiment surrounding the Malaysian residential property sector and disruption caused by the COVID-19 pandemic has resulted in the Group's need for more funds for its general corporate and working capital. However, financing options have been limited and are on terms which the Company considers to be less attractive than the IPT Loans. In this regard, the Group has approached four (4) commercial banks to seek potential bank loans and only two (2) commercial banks have provided indicative financing offers. The Company is of the view that the terms of such financing offers were

---

## LETTER TO SHAREHOLDERS

---

onerous as they require either (i) the provision of security at high interest rates of between 7.33% (base financing rate + 1.5%) and 9.83% per annum; or (ii) the provision of security, joint and several guarantees by all directors and shareholders of the borrowing company, and the subordination of such directors' and shareholders' advances to the bank facilities, with a lower interest rate between 4.5% and 5.75% per annum (cost of funds + 1.5%).

In comparison, the IPT Loans are unsecured and the fixed interest rate of 8% per annum is within the range of several secured loans which the Group currently has, and of which are lower than the financing offers received. Therefore, the IPT Loans are considered the most viable options, as they will give the Group the ability and flexibility to quickly tap on the funds should the need arises, without the need to provide any security, charge or mortgage over assets.

Each of the IPT Loans is generally 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 IPT Loan shall be extended automatically by each subsequent one (1) year period. Following each such automatic extension, the repayment period in relation to each relevant IPT Loan shall also be extended accordingly and the maturity of the relevant IPT Loan shall be construed as the last day of each relevant extension.

Given the potential automatic extension of the tenure of each IPT Loan, the Company is, therefore, seeking Shareholders' approval for the IPT Loans in view that:

- (a) approval of the existing DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) as an interested person transaction will allow the Company to exclude the transaction from subsequent aggregations in determining whether the materiality threshold under Chapter 9 of the Catalist Rules has been reached (as further explained in Section 4.3 of this Circular) ("**Subsequent Aggregations**"); and
- (b) if approved and entered into, the DMR Supplemental Letter Agreement will provide the Company with an injection of funds for working capital purposes and to meet its immediate to medium-term payment obligations, and further, the approval of the DMR Supplemental Letter Agreement as an interested person transaction will allow the Company to exclude the Revised DMR Loan from Subsequent Aggregations.

**Shareholders should note that in the event the proposed entry into the DMR Supplemental Letter Agreement is not approved by Shareholders, the Group will not be able to benefit from the proposed DMR Loan Upsize and will only be able to draw down on the DMR Loan instead of the Revised DMR Loan. Shareholders should further note that there is no assurance that the Group will be able to obtain alternative funding for the working capital of APSB 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 payment obligations.**

#### 4. THE IPT LOANS AS INTERESTED PERSON TRANSACTIONS

##### 4.1 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) 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.

---

## LETTER TO SHAREHOLDERS

---

For the purpose of Chapter 9 of the Catalist Rules:

- (a) an **“approved exchange”** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9 of the Catalist Rules;
- (b) an **“associated company”** means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;
- (c) a **“chief executive officer”** means the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed company;
- (d) an **“entity at risk”** means (i) a listed company; (ii) a subsidiary of the listed company that is not listed on the SGX-ST or 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 group, or the listed group and its interested person(s), has control over the associated company;
- (e) an **“interested person”** means a director, chief executive officer or controlling shareholder of a listed company, or an associate of such director, chief executive officer or controlling shareholder;
- (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 or 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 in the ordinary course of business and whether or not entered into directly or indirectly.

### 4.2 Details of the Interested Persons and the Interested Person Transactions

- (a) Dato' Malek and the DM Loan Agreement (as amended by the DM Supplemental Letter Agreement)

Dato' Malek is a Malaysian citizen with over 30 years of experience in construction-related fields, property development, material supply and port management. As at the Latest Practicable Date, Dato' Malek has a direct interest in approximately 0.196% of the share capital of the Company and is deemed interested in approximately 66.548% of the share capital of the Company through Horizon Sea Limited and is, therefore, a controlling shareholder of the Company. Accordingly, Dato' Malek is deemed to be an “interested person” in relation to the DM Loan Agreement for the purposes of Chapter 9 of the Catalist Rules.

- (b) DMR Holdings and the DMR Loan Agreement (as amended by the DMR Supplemental Letter Agreement)

DMR Holdings (Registration No.: 199701029427 (444926-V)) is a company incorporated in Malaysia on 27 August 1997, with its registered office at No. 22-1, Jln Padi Emas 1/4, Uda Business Centre, 81200 Johor Bahru, Johor, Malaysia. The principal activity of DMR Holdings is that of investment holding.

DMR Holdings is wholly-owned by Dato' Malek, who has a direct and deemed interest in approximately 66.744% of the share capital of the Company and is, therefore, a controlling shareholder of the Company. Accordingly, DMR Holdings is an associate of Dato' Malek, and is deemed to be an “interested person” in relation to the DMR Loan Agreement (as amended by the DMR Supplemental Letter Agreement) for the purposes of Chapter 9 of the Catalist Rules.

## LETTER TO SHAREHOLDERS

### 4.3 Materiality Threshold under Chapter 9 of the Catalist Rules and Total Value of Interested Person Transactions

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 in 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. Based on the latest audited consolidated financial statements of the Group for FY2020, the Group's latest audited NTA is approximately RM91.8 million.

As at the Latest Practicable Date, details of all interested person transactions for FY2021 are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during FY2021 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Dato' Malek	Controlling Shareholder	RM3,292,914 <sup>(1)</sup>	Not applicable
DMR Holdings	An associate of Dato' Malek	RM1,520,000 <sup>(2)</sup>	Not applicable
Saling Syabas Sdn Bhd (" <b>SSSB</b> ")	An associate of Dato' Malek	RM344,105 <sup>(3)</sup>	Not applicable

**Notes:**

- (1) Dato' Malek had extended loans in aggregate outstanding principal amount of RM52,322,839 to the Group, comprising: (i) a loan in principal outstanding amount of RM22,322,839 at a fixed interest rate of 4% per annum extended in FY2017, repayable on demand; and (ii) RM30,000,000 pursuant to the DM Loan Agreement at a fixed interest rate of 8% per annum, repayable in full one (1) year from the date of the first Drawing Date (as defined in paragraph 1 of Appendix A) (unless automatically extended by each subsequent one (1) year period), or on demand. Assuming that such outstanding amounts remain unpaid in FY2021 and is extended by each subsequent one (1) year period, and that there is no adjustment to the interest rate of the DM Loan pursuant to the DM Supplemental Letter Agreement, the value of these transactions, being the interest payable on the outstanding loans for FY2021 is approximately RM3,292,914 (equivalent to approximately S\$1,071,844).
- (2) DMR Holdings had extended a loan in principal amount of RM19,000,000 to the Group pursuant to the DMR Loan Agreement at a fixed interest rate of 8% per annum, repayable in full one (1) year from the date of the first Drawing Date (as defined in paragraph 3 of Appendix A) (unless automatically extended by each subsequent one (1) year period), or on demand. Assuming that the DMR Loan is fully drawn down, such outstanding amounts remain unpaid in FY2021 and is extended by each subsequent one (1) year period, and that there is no adjustment to the interest rate of the DMR Loan

---

## LETTER TO SHAREHOLDERS

---

pursuant to the DMR Supplemental Letter Agreement, the value of this transaction, being the interest payable on the outstanding loans for FY2021 is approximately RM1,520,000 (equivalent to approximately S\$494,760).

- (3) This comprises the amount payable by the Group to SSSB as at 31 August 2020 for the sole and exclusive right to develop the Bukit Pelali land, which was approved by Shareholders at an extraordinary general meeting on 16 December 2016 (please refer to the Company's circular to Shareholders dated 29 November 2016 for further details).

Following the proposed DMR Loan Upsize, assuming that the Revised DMR Loan is fully drawn down on the date of the DMR Supplemental Letter Agreement at a fixed interest rate of 8% per annum and repaid in full one (1) year from the date of the first Drawing Date (as defined in paragraph 3 of Appendix A), the transaction value of the loan is RM4,800,000, being the interest payable on the Revised DMR Loan.

As the aggregate value of all interested person transactions (excluding (i) the transaction with SSSB which has been approved by Shareholders; and (ii) transactions of a value less than S\$100,000 (collectively, the "**Exempted Transactions**") but including the proposed DMR Loan Upsize) entered into with Dato' Malek and his associates for FY2021 is approximately RM8,092,914, representing approximately 8.81% of the Group's NTA (based on the latest audited consolidated financial statements of the Company for the financial year ended 30 June 2020), Shareholders' approval is required to be sought for the proposed entry into the DMR Supplemental Letter Agreement.

As announced by the Company on 14 February 2020 and 17 June 2020, APSB had previously entered into the DM Loan Agreement and DMR Loan Agreement respectively, where the aggregate value of all interested person transactions (including the DMR Loan but excluding the Exempted Transactions) entered into by the Group with Dato' Malek and his associates for FY2020 was approximately RM4,812,914 (equivalent to approximately S\$1,570,454), representing approximately 4.38% of the Group's NTA (based on the audited consolidated financial statements of the Company for the financial year ended 30 June 2019). Therefore, Shareholders' approval was not required to be sought prior to entry into the DM Loan Agreement and the DMR Loan Agreement in FY2020.

Although the DM Loan Agreement was entered into in FY2020 and the DMR Supplemental Letter Agreement will not be entered into in the same financial year as the DM Loan Agreement; however, given the potential automatic extension of the tenure of the DM Loan Agreement (as explained in Section 3 of this Circular), in the interests of good corporate governance, Shareholders' approval is being sought for the DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) and the proposed entry into the DMR Supplemental Letter Agreement as an interested person transaction, such that pursuant to Rule 906(1)(b) of the Catalist Rules, the DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) and the DMR Loan Agreement (as amended by the DMR Supplemental Letter Agreement) need not be included in any Subsequent Aggregation for the purposes of determining whether Shareholders' approval is required to be sought for any interested person transactions arising thereto in FY2021.

**For the avoidance of doubt, (i) in the event that Ordinary Resolution 1 relating to the DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) is not approved by Shareholders as an interested person transaction, the DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) shall remain in effect but, to the extent not repaid, shall be included in any Subsequent Aggregations; and (ii) in the event that Ordinary Resolution 2 relating to the proposed entry into the DMR Supplemental Letter Agreement is not approved by Shareholders, (a) the Group will not be able to benefit from the proposed DMR Loan Upsize; and (b) the existing DMR Loan Agreement shall remain in effect and, to the extent not repaid, shall be included in any Subsequent Aggregations.**

#### 4.4 Independent Financial Adviser

SAC Capital Private Limited has been appointed as the IFA to advise the Directors for the purpose of considering the IPT Loans as interested person transactions, and to express an opinion on whether the IPT Loans are carried out on normal commercial terms and prejudicial to the interests of the Company and its minority Shareholders.

## LETTER TO SHAREHOLDERS

Taking into consideration the factors set out in the IFA Letter, subject to the assumptions and qualifications set out in the IFA Letter, the IFA is of the opinion that, on balance and from a financial point of view, the IPT Loans are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the IFA has advised the Directors to recommend the Shareholders to vote in favour of the IPT Loans.

### 4.5 Audit Committee Statement

The Audit Committee has considered, amongst others, the terms, rationale and benefits of the IPT Loans and the opinion of the IFA Letter as set out in Appendix B to this Circular, and are of the view that the IPT Loans are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

### 4.6 Consent

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter reproduced in Appendix B 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.

## 5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest		Total
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	% <sup>(1)</sup>
<b>Directors</b>					
Lai Kuan Loong, Victor	-	-	-	-	-
Khong Chung Lun	47,900	0.003	-	-	0.003
Dato' Zamani Bin Kasim	-	-	-	-	-
Lee Gee Aik	-	-	-	-	-
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	-	-	-	-	-
<b>Substantial Shareholders (other than Directors)</b>					
Dato' Malek <sup>(1)</sup>	3,665,000 <sup>(2)</sup>	0.196	1,244,062,150	66.548	66.744
Horizon Sea Limited <sup>(1)</sup>	1,244,062,150	66.548	-	-	66.548

**Notes:**

- (1) Dato' Malek is deemed interested in the shares held by Horizon Sea Limited by virtue of him being the sole shareholder of Horizon Sea Limited.
- (2) Held through Phillip Securities Pte. Ltd.

---

## LETTER TO SHAREHOLDERS

---

### 6. DIRECTORS' RECOMMENDATION

None of the Directors (other than in his capacity as Director or Shareholder of the Company) of the Company has any interest (other than their respective shareholdings in the Company), direct or indirect, in the IPT Loans.

The Directors, having considered, *inter alia*, the rationale for and the terms of the IPT Loans, the opinion of the IFA as set out in Appendix B to this Circular and the statement of the Audit Committee as set out in Section 4.5 above, are of the opinion that the IPT Loans are in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of Ordinary Resolutions 1 and 2 relating thereto to be proposed at the EGM.

The 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.

### 7. ABSTENTION FROM VOTING

#### Abstaining Shareholders

Pursuant to Rule 919 of the Catalist Rules, Dato' Malek, Horizon Sea Limited, and DMR Holdings will abstain, and have undertaken to ensure that their respective associates will abstain, from voting at the EGM in relation to the IPT Loans, and will not accept appointments as proxies unless the independent Shareholders appointing him or it as proxy give specific instructions in the relevant Proxy Form on the manner in which they wish their votes to be cast for Ordinary Resolutions 1 and 2. The Company will disregard any votes cast by Dato' Malek, Horizon Sea Limited, DMR Holdings and their respective associates on Ordinary Resolutions 1 and 2.

### 8. ACTION TO BE TAKEN BY SHAREHOLDERS

#### Alternative Arrangements

Due to the current COVID-19 situation in Singapore, the Company will conduct the EGM by way of electronic means only and Shareholders will not be able to physically attend the EGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) observing and/or listening to the EGM proceedings through a "live" audio-visual webcast or "live" audio-only feed; (b) submitting questions in advance of the EGM in relation to any resolution in the Notice of EGM; and (c) appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM. Shareholders who wish to attend and vote at the EGM must complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event, not less than 48 hours before the time fixed for the EGM. Please refer to the Note 2 entitled "Alternative Arrangements" in the Notice of EGM set out on pages N-2 to N-4 for further details.

**Shareholders should note that the Company may make further changes to its EGM arrangements as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNet.**

---

## LETTER TO SHAREHOLDERS

---

### 9. INSPECTION OF DOCUMENTS

Subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time, the following documents are available for inspection at the registered office of the Company at 3 Temasek Avenue, #21-21 Centennial Tower, Singapore 039190, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Annual Report of the Company for FY2020;
- (b) the DM Loan Agreement;
- (c) the DM Supplemental Letter Agreement;
- (d) the DMR Loan Agreement;
- (e) the DMR Supplemental Letter Agreement;
- (f) the IFA Letter as set out in Appendix B to this Circular; and
- (g) the letter of consent referred to in Section 4.6 of this Circular.

### 10. DIRECTORS' RESPONSIBILITY STATEMENT

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 IPT Loans, 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 this 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 this Circular in its proper form and context.

Yours faithfully

For and on behalf of the Board of Directors of  
**Astaka Holdings Limited**

Khong Chung Lun  
Executive Director and Chief Executive Officer



---

**APPENDIX A – PRINCIPAL TERMS OF THE IPT LOANS**

---

The principal terms of each of the IPT Loans are as set out below. For the avoidance of doubt, each of the defined terms below shall only apply to each of the DM Loan Agreement, the DM Supplemental Letter Agreement, the DMR Loan Agreement or the DMR Supplemental Letter Agreement in paragraphs 1, 2, 3 or 4 of Appendix A to this Circular, respectively.

**1. DM LOAN AGREEMENT**

<b>Parties</b>	Dato' Daing A Malek Bin Daing A Rahaman (the " <b>Lender</b> "); and  Astaka Padu Sdn Bhd (the " <b>Borrower</b> ").
<b>Principal Amount</b>	Ringgit Malaysia Thirty Million (RM30,000,000) in aggregate (the " <b>Loan</b> ")
<b>Purpose</b>	The Loan shall be utilised by the Borrower for the purposes of general corporate and working capital.
<b>Drawdown</b>	Subject to the terms and conditions of the DM Loan Agreement and to the prior mutual agreement of both the Lender and the Borrower in respect of each drawdown amount, the Borrower may, at any time by giving the Lender a notice in writing at least three (3) business days prior to the intended date of funding (" <b>Drawing Date</b> "), give any number of drawdown requests to the Lender, provided always that each drawing when aggregated with all previous amounts of drawing under the Loan shall not exceed Ringgit Malaysia Thirty Million (RM30,000,000).
<b>Interest</b>	The rate per annum of the interest payable on any principal amount outstanding for the time being of the Loan (each an " <b>Outstanding Tranche</b> ") shall be eight per cent (8%) (the " <b>Interest</b> "). No interest shall be charged on any accrued interest. The interest period for each Outstanding Tranche shall start on the relevant Drawing Date and Interest on each Outstanding Tranche shall be calculated on the basis of the actual number of days elapsed in a year.
<b>Repayment</b>	(a) Subject to paragraph (b) below, the Loan shall be repaid in full one (1) year from the date of the first Drawing Date (the " <b>Repayment Date</b> ") or on demand by the Lender whereupon all monies and liabilities owing to the Lender under this Agreement shall be repaid by the Borrower within seven (7) business days.  (b) Unless the Borrower receives a termination notice from the Lender not less than 30 days prior to the Repayment Date, and provided that no event of default has occurred, the maturity of the Loan shall be extended automatically by each subsequent one (1) year period. Following each such automatic extension, references to the Repayment Date shall be construed as the last day of each relevant extended one (1) year period.
<b>Prepayment</b>	The Borrower may prepay (without interest or penalty) the Outstanding Tranches or any part thereof at any time, by giving to the Lender not less than three (3) days' prior written notice of the date and amount of the prepayment.
<b>Security</b>	None
<b>Costs and Expenses</b>	Each Party shall bear its own legal and other costs and incurred in connection with the preparation of, transactions contemplated under the DM Loan Agreement.

---

**APPENDIX A – PRINCIPAL TERMS OF THE IPT LOANS**

---

<b>Governing Law</b>	The DM Loan Agreement is governed by the laws of Malaysia.
----------------------	--

**2. DM SUPPLEMENTAL LETTER AGREEMENT**

<b>Parties</b>	<p>(a) Dato’ Daing A Malek Bin Daing A Rahaman (the “<b>Lender</b>”); and</p> <p>(b) Astaka Padu Sdn Bhd (the “<b>Borrower</b>”).</p>
<b>Amendments</b>	<p><u>Clause 5.3 – Interest</u></p> <p>(a) Clause 5.3(a) of the DM Loan Agreement shall be amended as follows:</p> <p style="padding-left: 40px;">“Subject to Clause 5.3(c) below, the rate per annum of the interest payable on any principal amount outstanding for the time being of the Loan (each an <b>Outstanding Tranche</b>) shall be eight per cent (8%) (<b>Interest</b>). No interest shall be charged on any accrued interest.”</p> <p>(b) A new sub-clause (c) shall be inserted under Clause 5.3 of the DM Loan Agreement as follows:</p> <p style="padding-left: 40px;">“The Parties agree to review, in good faith, the Interest rate set out in Clause 5.3(a) prior to each such automatic extension of the Loan pursuant to Clause 5.1(b), and that following such review, the Interest rate may, at the request of the Borrower and subject to the consent of the Lender, be adjusted downwards, but shall in no event, be adjusted upwards.”</p>
<b>Continuity</b>	The Parties agree that the DM Supplemental Letter Agreement is executed in furtherance of and in addition to the terms and provisions of the DM Loan Agreement and all the terms and provisions of the DM Loan Agreement shall remain in full force and continue to take effect, be binding on the Parties as if the same were specifically set out in the DM Supplemental Letter Agreement and shall be read and construed as one document with the DM Supplemental Letter Agreement.
<b>Assignment</b>	The DM Supplemental Letter Agreement shall be binding upon the Parties and their respective successors-in-title and permitted assigns.
<b>Governing Law</b>	The DM Supplemental Letter Agreement shall be governed by and construed in accordance with the laws of Malaysia.

**APPENDIX A – PRINCIPAL TERMS OF THE IPT LOANS**

**3. DMR LOAN AGREEMENT**

<b>Parties</b>	(a) DMR Holdings Sdn Bhd (the “ <b>Lender</b> ”); and  (b) Astaka Padu Sdn Bhd (the “ <b>Borrower</b> ”).
<b>Principal Amount</b>	Ringgit Malaysia Nineteen Million (RM19,000,000) (the “ <b>DMR Loan</b> ”)
<b>Purpose</b>	The Borrower shall use the DMR Loan solely for the purposes of general corporate and working capital.
<b>Conditions Precedent</b>	<p>The DMR Loan shall become available to the Borrower for a period of 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 “<b>Conditions Precedent</b>”):-</p> <p>(a) the Lender shall have received the following documents in form and substance acceptable to the Lender:-</p> <ul style="list-style-type: none"> <li>(i) a certified true copy of the Memorandum and Articles of Association or constitution of the Borrower;</li> <li>(ii) a certified true copy each of the documentary evidence of lodgement of returns of allotment of shares, notification for change in the registered address and (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 and required by the Lender;</li> <li>(iii) a certified true copy of the Board of Director's resolution of the Borrower authorising the acceptance of the DMR Loan and the execution of the DMR Loan Agreement by the Borrower; and</li> <li>(iv) a request in writing for the utilisation of the DMR Loan in accordance with the requirements as to 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 Loan; and</li> </ul> <p>(b) the Borrower shall have complied with the other conditions precedent to DMR Loan Drawdown (as hereinafter defined) and utilisation and other terms and conditions as stated in the DMR Loan Agreement.</p>
<b>Drawing</b>	<p>Subject to the terms and conditions of the DMR 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 Loan, call for a drawdown of the DMR Loan (“<b>DMR Loan Drawdown</b>”) or any part thereof by giving the Lender a notice in writing in the form set out in Schedule 1 of the DMR Loan Agreement (“<b>Drawdown Request</b>”) within a minimum of three (3) business days prior to the intended date of funding (“<b>Drawing Date</b>”).</p> <p>The Borrower may give any number of Drawdown Requests to the Lender, provided always that the amount of each drawing when aggregated with all</p>

**APPENDIX A – PRINCIPAL TERMS OF THE IPT LOANS**

	<p>previous amounts of DMR Loan Drawdown under the DMR Loan shall not exceed Ringgit Malaysia Nineteen Million (RM19,000,000).</p> <p>A Drawdown Request shall be irrevocable and the Borrower shall borrow the amount stated in that Drawdown Request on the date specified therein.</p> <p>Any part of the DMR Loan not drawn and/or utilised at the end of the Repayment Period (as hereinafter defined) shall automatically be cancelled and shall not be available to the Borrower.</p>
<b>Repayment</b>	<p>(a) Subject to paragraph (c) below, the Borrower shall repay the DMR Loan and interest thereon within one (1) year from the date of the first Drawing Date ("<b>Repayment Period</b>").</p> <p>(b) Notwithstanding the Repayment Period as stated in (a) above, the Lender shall at its sole discretion demand from the Borrower for the repayment of the all monies and liabilities owing to the Lender at any time during the tenure of the DMR Loan in which case, the Borrower shall repay the DMR Loan within seven (7) business days from the date of demand made by the Lender.</p> <p>(c) Unless the Borrower receives a notice of termination from the Lender not less than thirty (30) days from the last date of the Repayment Period, and provided that no event of default has occurred, the tenure of the DMR Loan shall be extended automatically by each subsequent one (1) year period. Following each such automatic extension, references to the Repayment Period shall also be extended accordingly and the maturity of the Loan shall be construed as the last day of each relevant extension.</p>
<b>Prepayment</b>	<p>(a) The Borrower may prepay (without interest or penalty) the DMR Loan and interest thereon in whole or in part provided that:-</p> <p>(i) the Borrower pays all interest (whether capitalised or not) accrued on the DMR Loan up to the date of prepayment together with such prepayment; and</p> <p>(ii) in the event the DMR Loan is to be prepaid in full, the Borrower has given the Lender not less than one (1) month's notice.</p> <p>(b) Any notice given in (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.</p>
<b>Interest</b>	<p>(a) Until such time as the Borrower shall repay the whole of the DMR Loan, the Borrower shall pay to the Lender interest at the rate of eight per cent (8%) per annum (the "<b>Interest</b>") on any principal amount outstanding for the time being of the DMR Loan ("<b>Outstanding Tranche</b>"). The 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.</p> <p>(b) The interest period for each Outstanding Tranche shall start on the relevant Drawing Date.</p>

**APPENDIX A – PRINCIPAL TERMS OF THE IPT LOANS**

<b>Utilisation Conditions</b>	<p>If:</p> <ul style="list-style-type: none"> <li>(a) no event of default in the DMR Loan Agreement has occurred or would occur as a result of the utilisation of the DMR Loan;</li> <li>(b) the Conditions Precedent have been fulfilled by the Borrower to the satisfaction of the Lender;</li> <li>(c) each of the representations and warranties set out under the DMR Loan Agreement remains accurate as at the date of utilisation as if given on that date by reference to the facts and circumstances then existing; and</li> <li>(d) there has been no change in circumstances or law which may affect the ability of the Lender to grant the DMR Loan or which may increase the costs to the Lender in doing so,</li> </ul> <p>then, subject to the provisions of the DMR Loan Agreement, the Borrower may on a business day during the tenure of the DMR Loan make a Drawdown and/or utilise and/or continue to utilise the DMR Loan.</p>
<b>Security</b>	None
<b>Costs and Expenses</b>	Borrower shall pay the costs and expenses incurred in connection with the negotiation, preparation and execution of the DMR Loan Agreement including the legal fee and stamp duty, whichever is applicable.
<b>Assignment</b>	None of the parties shall assign any of its rights and benefits under the DMR Loan Agreement without the prior written consent of the other party.
<b>Governing Law</b>	The DMR Loan Agreement shall be governed by and construed in accordance with the laws of Malaysia.

**APPENDIX A – PRINCIPAL TERMS OF THE IPT LOANS**

**4. DMR SUPPLEMENTAL LETTER AGREEMENT**

<b>Parties</b>	<p>(a) DMR Holdings Sdn Bhd (the “<b>Lender</b>”); and</p> <p>(b) Astaka Padu Sdn Bhd (the “<b>Borrower</b>”).</p>
<b>Amendments</b>	<p>(a) <u>Clause 1.1 - Definitions and Interpretation</u></p> <p>The definition of “Loan” as stipulated in Clause 1.1 of the DMR Loan Agreement shall be amended as follows:</p> <p>“<b>Loan</b>” means the friendly loan in the sum of <b>Ringgit Malaysia Sixty Million (RM60,000,000-00) only</b> granted or made available or continue to be made available to the Borrower by the Lender now or hereafter in accordance with the terms and conditions set out in the Letter of Offer and this Agreement;”</p> <p>(b) <u>Clause 5.2 - Drawdown</u></p> <p>Clause 5.2 of the DMR Loan Agreement shall be amended as follows:</p> <p>“The Borrower may give any number of Drawdown Requests to the Lender, provided always that the amount of each drawing when aggregated with all previous amounts of Drawdown under the Loan shall not exceed <b>Ringgit Malaysia Sixty Million (RM60,000,000-00) only.</b>”</p> <p>(c) <u>Clause 6.3 – Interest</u></p> <p>(i) Clause 6.3(a) of the DMR Loan Agreement shall be amended as follows:</p> <p>“Subject to Clause 6.3(c) below, until such time as the Borrower has repaid the whole of the Loan, the Borrower shall pay to the Lender interest at the rate of eight per cent (8%) per annum (the “<b>Interest</b>”) on any principal amount outstanding for the time being of the Loan (“<b>Outstanding Tranche</b>”). The Interest shall be calculated on the basis of the actual number of days elapsed in a year. For the avoidance of doubt, no interest shall be charged on any accrued interest.”</p> <p>(ii) A new sub-clause (c) shall be inserted under Clause 6.3 of the DMR Loan Agreement as follows:</p> <p>“The Parties agree to review, in good faith, the Interest rate set out in Clause 6.3(a) prior to each such automatic extension of the Loan pursuant to Clause 6.1(c), and that following such review, the Interest rate may, at the request of the Borrower and subject to the consent of the Lender, be adjusted downwards, but shall in no event, be adjusted upwards.”</p>

---

**APPENDIX A – PRINCIPAL TERMS OF THE IPT LOANS**

---

<b>Continuity</b>	The Parties agree that the DMR Supplemental Letter Agreement is executed in furtherance of and in addition to the terms and provisions of the DMR Loan Agreement and all the terms and provisions of the DMR Loan Agreement shall remain in full force and continue to take effect, be binding on the Parties as if the same were specifically set out in the DMR Supplemental Letter Agreement and shall be read and construed as one document with the DMR Supplemental Letter Agreement.
<b>Assignment</b>	The DMR Supplemental Letter Agreement shall be binding upon the parties and their respective successors-in-title and permitted assigns.
<b>Governing Law</b>	The DMR Supplemental Letter Agreement shall be governed by and construed in accordance with the laws of Malaysia.

---

## APPENDIX B – IFA LETTER

---

### SAC CAPITAL PRIVATE LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No: 200401542N)

1 Robinson Road  
#21-00 AIA Tower  
Singapore 048542

9 October 2020

To: The Directors of Astaka Holdings Limited in relation to the IPT Loans

Mr Lai Kuan Loong, Victor  
Mr Khong Chung Lun  
Mr Dato' Zamani Bin Kasim  
Mr Lee Gee Aik  
Mr Dato' Sri Mohd Mokhtar Bin Mohd Shariff

Dear Sirs

#### **APPROVAL OF THE DM LOAN AGREEMENT (AS AMENDED BY THE DM SUPPLEMENTAL LETTER AGREEMENT) AND THE PROPOSED ENTRY INTO THE DMR SUPPLEMENTAL LETTER AGREEMENT AS INTERESTED PERSON TRANSACTIONS**

*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 9 October 2020 (the “Circular”) shall have the same meanings herein.*

#### **1. INTRODUCTION**

On 14 February 2020, Astaka Holdings Limited (the “**Company**”) announced that Astaka Padu Sdn Bhd (“**APSB**”), a wholly-owned subsidiary of the Company, had entered into a loan agreement with Dato' Daing A Malek Bin Daing A Rahaman (“**Dato' Malek**”) (the “**DM Loan Agreement**”). Pursuant to the DM Loan Agreement, Dato' Malek had agreed to grant an unsecured loan in the principal amount not exceeding RM30,000,000 in aggregate to APSB (the “**DM Loan**”), subject to the terms and conditions set out in the DM Loan Agreement.

To ensure that the DM Loan remains in the best interests of the Group on a continuing basis, the Audit Committee of the Company will review the DM Loan on an annual basis pursuant to the DM Loan Agreement. In line with the annual review, APSB intends to enter into a supplemental letter agreement with Dato' Malek in respect of the DM Loan Agreement (the “**DM Supplemental Letter Agreement**”), to provide that the parties agree to review (an “**Interest Rate Review**”), in good faith, the interest rate under the DM Loan Agreement prior to each automatic extension of the DM Loan in accordance with the terms of the DM Loan Agreement, and that following such review, the interest rate may, at APSB's request and subject to the consent of Dato' Malek, be adjusted downwards, but shall in no event, be adjusted upwards. Upon entry into the DM Supplemental Letter Agreement, there will be no change to the amount of the DM Loan under the DM Loan Agreement. As at the Latest Practicable Date, the DM Loan has been fully drawn down by APSB.

On 17 June 2020, the Company announced that APSB had entered into a loan agreement with DMR Holdings Sdn Bhd (“**DMR Holdings**”) (the “**DMR Loan Agreement**”), pursuant to which DMR Holdings agreed to grant an unsecured loan in the principal amount not exceeding RM19,000,000 to APSB (the “**DMR Loan**”), subject to the terms and conditions set out in the DMR Loan Agreement. As at the Latest Practicable Date, APSB has drawn down RM9,700,000 of the loan under the DMR Loan Agreement. In anticipation of the Company and its subsidiaries' (collectively, the “**Group**”) need for additional working capital, APSB intends to enter into a supplemental letter agreement with DMR Holdings in respect of the DMR Loan Agreement (the “**DMR Supplemental Letter Agreement**”), to upsize the DMR Loan from



---

## APPENDIX B – IFA LETTER

---

RM19 million to RM60 million in aggregate (“**DMR Loan Upsize**”) and to provide for an Interest Rate Review. Save for the DMR Loan Upsize and Interest Rate Review, all other terms and conditions of the DMR Loan Agreement remain the same.

Dato’ Malek is a Controlling Shareholder of the Company, with a deemed interest in approximately 66.7% of the share capital of the Company. DMR Holdings is wholly-owned by Dato’ Malek, and is deemed an “associate” of Dato’ Malek. Accordingly, Dato’ Malek and DMR Holdings are deemed to be “interested persons”, and the DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) and DMR Supplemental Letter Agreement (collectively, the “**IPT Loans**”) constitute “interested person transactions” under Chapter 9 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of the Catalyst (the “**Catalist Rules**”).

Pursuant to Rule 906 of the Catalyst Rules, shareholders’ approval is required for an interested person transaction if the value of the transaction is equal to or exceeds certain financial thresholds. In particular, shareholders’ approval is required where the value of such transaction(s) is 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. Dato’ Malek and DMR Holdings are deemed to be the same interested person for the purposes of aggregation in Rule 906 of the Catalyst Rules. Based on the audited accounts of the Group for the financial year ended 30 June 2020, the audited NTA of the Group was approximately RM91.8 million.

Following the proposed DMR Loan Upsize, the unsecured loan granted by DMR Holdings to APSB as amended by the DMR Supplemental Letter Agreement shall be up to RM60.0 million in aggregate (the “**Revised DMR Loan**”). Assuming the Revised DMR Loan is fully drawn down on the date of the DMR Supplemental Letter Agreement at a fixed interest rate of 8% per annum and repaid in full one (1) year from the date of the first Drawing Date (as defined in paragraph 3 of Appendix A of the Circular), the transaction value of the loan is RM4,800,000, being the interest payable on the Revised DMR Loan. Excluding (i) the amount payable by the Group to Saling Syabas Sdn Bhd, an associate of Dato’ Malek, for the sole and exclusive right to develop the Bukit Pelali land which has been approved by Shareholders; and (ii) transactions of value less than S\$100,000, the aggregate value of all interested person transactions (including the proposed DMR Loan Upsize) entered into with Dato’ Malek and his associates for the financial year ending 30 June 2021 is approximately RM8,092,914, representing approximately 8.81% of the Group’s latest audited NTA as at 30 June 2020. Accordingly, Shareholders’ approval is required to be sought for the proposed entry into the DMR Supplemental Letter Agreement.

Notwithstanding that the DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) and the DMR Supplemental Letter Agreement will not be entered into the same financial year, but given the potential automatic extension of the tenure of the DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) and in the interests of good corporate governance, Shareholders’ approval is being sought for the DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) and the proposed entry into the DMR Supplemental Letter Agreement as an interested person transaction. Accordingly, pursuant to Rule 906(1)(b) of the Catalyst Rules, the DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) and the DMR Loan Agreement (as amended by the DMR Supplemental Letter Agreement) need not be included in any subsequent aggregation for the purposes of determining whether Shareholders’ approval is required to be sought for any interested person transactions arising thereto in FY2021.

In connection with the above, the Company has appointed us as the independent financial adviser (the “**IFA**”) to advise the directors of the Company (the “**Directors**”) to provide an opinion on whether the IPT Loans are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

This letter (“**IFA Letter**”), which sets out our evaluation and opinion, has been prepared to comply with Rule 921(4)(a) of the Catalyst Rules and addressed to the Directors in connection with and for the purposes of their consideration of the IPT Loans and their recommendation(s) to the minority Shareholders arising thereof. This IFA Letter forms part of the Circular issued by the Company to its Shareholders in connection with the IPT Loans.

---

## APPENDIX B – IFA LETTER

---

### 2. TERMS OF REFERENCE

We have been appointed as the IFA to the Directors in relation to the IPT Loans as interested person transactions pursuant to Rule 921(4)(a) of the Catalist Rules to express an opinion on whether the IPT Loans are carried out on normal commercial terms and prejudicial to the interests of the Company and its minority Shareholders.

We are not and were not involved in any aspect of the negotiations entered into by the Company or in the deliberations leading up to the decision of the Directors to undertake the IPT Loans. Accordingly, we do not, by this IFA Letter, warrant the merits of the IPT Loans other than to express an opinion on whether the IPT Loans are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

We have not conducted a comprehensive independent review of the business, operations or financial condition of the Group. We have not been provided with, nor do we have access to, any business plans or financial projections of the future performance of the Group. Our evaluation is confined to the financial terms of the IPT Loans and we have not evaluated the strategic, legal or commercial merits or risks of the IPT Loans or the future growth prospects or earnings potential of the Company after the completion of the IPT Loans. Accordingly, we do not express any view as to the prices at which the Shares may trade upon completion of the IPT Loans or on the future financial performance of the Group.

In the course of our evaluation and for the purposes of our opinion herein, we have held discussions with the Directors and the management of the Company (the "**Management**"). We have relied on the information and representations, whether written or verbal, provided to us by the Directors and the Management, including the information contained in the Circular. The Directors (including those who may have delegated detailed supervision of the Letter to Shareholders in the Circular) have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, (a) all material information available to them in connection with the IPT Loans has been disclosed in the Circular; (b) such information is true and accurate in all material respects; and (c) there is no other information or fact, the omission of which would cause any information disclosed to us or the facts stated in the Circular to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified such information or representations and accordingly cannot and do not warrant or accept any responsibility for the accuracy, completeness or adequacy of such information, facts or representations. We have, however, made reasonable enquiries and exercised our judgement on the reasonable use of such information and representations (as deemed necessary) provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations which we have relied on. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or facts.

We would like to highlight that, save as disclosed, all information relating to the Group that we have relied upon in arriving at our opinion and advice has been obtained from the Circular, publicly available information, and the Directors and/or the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Group at any time or as at the Latest Practicable Date. We have not made an independent evaluation or appraisal of the assets (including property, plant and equipment) and liabilities of the Group and we have not been furnished with any such evaluation or appraisal.

Our opinion and advice, as set out in this IFA Letter, is based on the market, economic, industry, monetary and other applicable conditions prevailing on, and the information made available to us, as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time and 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.

In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder or specific group of Shareholders. We recommend that any individual Shareholder or specific group of

---

## APPENDIX B – IFA LETTER

---

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 advisers.

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

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided 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, expressed or implied, on the contents of the Circular (other than this IFA Letter).

### **3. OVERVIEW OF THE IPT LOANS**

#### **3.1 Background**

On 14 February 2020, the Company announced that APSB had entered into the DM Loan Agreement with Dato' Malek, pursuant to which Dato' Malek agreed to grant the DM Loan (an unsecured loan in the principal amount not exceeding RM30,000,000 in aggregate) to APSB. To ensure that the DM Loan remains in the best interests of the Group on a continuing basis, the Audit Committee of the Company reviews the DM Loan on an annual basis pursuant to the DM Loan Agreement. In connection with the Interest Rate Review, the interest rate under the DM Loan Agreement prior to each automatic extension of the DM Loan in accordance with the terms of the DM Loan Agreement may, at APSB's request and subject to the consent of Dato' Malek, be adjusted downwards, but shall in no event, be adjusted upwards. Upon entry into the DM Supplemental Letter Agreement, there will be no change to the amount of the DM Loan under the DM Loan Agreement.

On 17 June 2020, the Company announced that APSB had entered into the DMR Loan Agreement with DMR Holdings, pursuant to which DMR Holdings agreed to grant the DMR Loan (an unsecured loan in the principal amount not exceeding RM19,000,000) to APSB. In anticipation of the Group's need for additional working capital, APSB intends to enter into the DMR Supplemental Letter Agreement to upsize the DMR Loan from RM19,000,000 to RM60,000,000 in aggregate and to provide for an Interest Rate Review.

#### **3.2 Information relating to Dato' Malek and DMR Holdings**

Dato' Malek is a Malaysian citizen with over 30 years of experience in in construction-related fields, property development, material supply and port management. He is the Controlling Shareholder of the Company, with a direct interest in approximately 0.196% of the share capital of the Company and is deemed interested in approximately 66.548% of the share capital of the Company through Horizon Sea Limited as at the Latest Practicable Date. DMR Holdings is a company incorporated on 27 August 1997 in Malaysia. DMR Holdings is in the principal business of investment holdings and is wholly-owned by Dato' Malek.

---

## APPENDIX B – IFA LETTER

---

### 3.3 Key Terms of IPT Loans

The IPT Loans comprise the DM Loan (as amended by the DM Supplemental Letter Agreement) and the Revised DMR Loan, a summary of the key terms of which are set out below:

#### DM Loan (as amended by the DM Supplemental Letter Agreement)

- Principal amount : Ringgit Malaysia Thirty Million (RM30,000,000) in aggregate
- Borrower : APSB
- Lender : Dato' Malek
- Repayment : (a) Subject to paragraph (b) below, the DM Loan shall be repaid in full one (1) year from the intended date of funding (the "**Repayment Date**") or on demand by the Lender whereupon all monies and liabilities owing to the Lender under the DM Loan Agreement shall be repaid by the Borrower within seven (7) business days.
- (b) Unless the Borrower receives a termination notice from the Lender not less than 30 days prior to the Repayment Date, and provided that no event of default has occurred, the maturity of the DM Loan shall be extended automatically by each subsequent one (1) year period. Following each such automatic extension, references to the Repayment Date shall be construed as the last day of each relevant extended one (1) year period.
- Interest rate : (a) Subject to paragraph (c) below, the rate per annum of the interest payable on any principal amount outstanding for the time being of the DM Loan (each an "**Outstanding Tranche**") shall be eight per cent (8%) ("**DM Interest**"). No interest shall be charged on any accrued interest.
- (b) The interest period for each Outstanding Tranche shall start on the relevant Drawing Date (as defined in the DM Loan Agreement) and DM Interest on each Outstanding Tranche shall be calculated on the basis of the actual number of days elapsed in a year.
- (c) The Borrower and Lender agree to review, in good faith, the DM Interest rate set out in paragraph (a) above prior to each such automatic extension of the DM Loan pursuant to the paragraph (b) of the repayment terms of the DM Loan above, and that following such review, the DM Interest rate may, at the request of the Borrower and subject to the consent of the Lender, be adjusted downwards, but shall in no event, be adjusted upwards.
- Prepayment : The Borrower may prepay (without interest or penalty) the Outstanding Tranches or any part thereof at any time, by giving to the Lender not less than three (3) days' prior written notice of the date and amount of the prepayment.
- Security : None

---

## APPENDIX B – IFA LETTER

---

### Revised DMR Loan (as amended by the DMR Supplemental Letter Agreement)

- Principal amount : Ringgit Malaysia Sixty Million (RM60,000,000)
- Borrower : APSB
- Lender : DMR Holdings
- Repayment : (a) Subject to paragraph (c) below, the Borrower shall repay the Revised DMR Loan and interest thereon within one (1) year from the date of the first Drawing Date ("**Repayment Period**").
- (b) Notwithstanding the Repayment Period as stated in (a) above, the Lender shall at its sole discretion demand from the Borrower for the repayment of the all monies and liabilities owing to the Lender at any time during the tenure of the Revised DMR Loan in which case, the Borrower shall repay the Revised DMR Loan within seven (7) business days from the date of demand made by the Lender.
- (c) Unless the Borrower receives a notice of termination from the Lender not less than thirty (30) days from the last date of the Repayment Period, and provided that no event of default has occurred, the tenure of the Revised DMR Loan shall be extended automatically by each subsequent one (1) year period. Following each such automatic extension, references to the Repayment Period shall also be extended accordingly and the maturity of the Revised DMR Loan shall be construed as the last day of each relevant extension.
- Interest rate : (a) Subject to paragraph (c) below, until such time as the Borrower shall repay the whole of the Revised DMR Loan, the Borrower shall pay to the Lender interest at the rate of eight per cent (8%) per annum (the "**DMR Interest**") on any principal amount outstanding for the time being of the Revised DMR Loan ("**Outstanding Tranche**"). The DMR Interest shall be calculated on the basis of the actual number of days elapsed in a year. For the avoidance of doubt, no interest shall be charged on any accrued interest.
- (b) The interest period for each Outstanding Tranche shall start on the relevant Drawing Date (as defined in the DMR Loan Agreement).
- (c) The Borrower and Lender agree to review, in good faith, the DMR Interest rate set out in paragraph (a) above prior to each such automatic extension of the Revised DMR Loan pursuant to paragraph (c) of the repayment terms of the Revised DMR Loan above, and that following such review, the DMR Interest rate may, at the request of the Borrower and subject to the consent of the Lender, be adjusted downwards, but shall in no event, be adjusted upwards.
- Prepayment : (a) The Borrower may prepay (without interest or penalty) the Revised DMR Loan and interest thereon in whole or in part provided that:-

---

## APPENDIX B – IFA LETTER

---

- (i) the Borrower pays all interest (whether capitalised or not) accrued on the Revised DMR Loan up to the date of prepayment together with such prepayment; and
  - (ii) in the event the Revised DMR 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 in (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.

Security : None

Further details of the IPT Loans, are set out in Appendix A of the Circular, and Shareholders are advised to read the information carefully.

#### 4. EVALUATION OF THE IPT LOANS AS INTERESTED PERSON TRANSACTIONS

In our evaluation of the IPT Loans as interested person transactions, we have considered the following:

- (a) the rationale for and benefit of the IPT Loans;
- (b) the historical financial performance and position of the Group;
- (c) a comparison of the key terms of the IPT Loans *vis-à-vis* the terms of the existing indebtedness of the Group; and
- (d) other relevant considerations.

##### 4.1 Rationale for and benefits of the IPT Loans

It is not within our terms of reference to comment or express an opinion on the merits of the IPT Loans or the future prospects of the Group after the completion of the IPT Loans. Nonetheless, we have reviewed the rationale for and benefits of the IPT Loans as set out in Section 3 of the Circular, which is reproduced in italics below:

*“The weak sentiment surrounding the Malaysian residential property sector and disruption caused by the COVID-19 pandemic has resulted in the Group’s need for more funds for its general corporate and working capital. However, financing options have been limited and are on terms which the Company considers to be less attractive than the IPT Loans. In this regard, the Group has approached four (4) commercial banks to seek potential bank loans and only two (2) commercial banks have provided indicative financing offers. The Company is of the view that the terms of such financing offers were onerous as they require either (i) the provision of security at high interest rates of between 7.33% (base financing rate + 1.5%) and 9.83% per annum; or (ii) the provision of security, joint and several guarantees by all directors and shareholders of the borrowing company, and the subordination of such directors’ and shareholders’ advances to the bank facilities, with a lower interest rate between 4.5% and 5.75% per annum (cost of funds + 1.5%).*

*In comparison, the IPT Loans are unsecured and the fixed interest rate of 8% per annum is within the range of several secured loans which the Group currently has, and of which are lower than the financing offers received. Therefore, the IPT Loans are considered the most viable options, as they will give the Group the ability and flexibility to quickly tap on the funds should the need arises, without the need to provide any security, charge or mortgage over assets.*

## APPENDIX B – IFA LETTER

Each of the IPT Loans is generally 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 IPT Loan shall be extended automatically by each subsequent one (1) year period. Following each such automatic extension, the repayment period in relation to each relevant IPT Loan shall also be extended accordingly and the maturity of the relevant IPT Loan shall be construed as the last day of each relevant extension.

Given the potential automatic extension of the tenure of each IPT Loan, the Company is, therefore, seeking Shareholders' approval for the IPT Loans in view that:

- (a) approval of the existing DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) as an interested person transaction will allow the Company to exclude the transaction from subsequent aggregations in determining whether the materiality threshold under Chapter 9 of the Catalist Rules has been reached (as further explained in Section 4.3 of this Circular); and
- (b) if approved and entered into, the DMR Supplemental Letter Agreement will provide the Company with an injection of funds for working capital purposes and to meet its immediate to medium-term payment obligations, and further, the approval of the DMR Supplemental Letter Agreement as an interested person transaction will allow the Company to exclude the Revised DMR Loan from Subsequent Aggregations.

Shareholders should note that in the event the proposed entry into the DMR Supplemental Letter Agreement is not approved by Shareholders, the Group will not be able to benefit from the proposed DMR Loan Upsize and will only be able to draw down on the DMR Loan instead of the Revised DMR Loan. Shareholders should further note that there is no assurance that the Group will be able to obtain alternative funding for the working capital of APSB 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 payment obligations."

### 4.2 Historical Financial Performance and Position of the Group

The salient historical financial information of the Group for the financial years ended 30 June 2018, 2019 and 2020 ("FY2018", "FY2019" and "FY2020" respectively), is set out below:

Consolidated Income Statement	←	Audited	→
(RM '000)	FY2018 (Restated)	FY2019	FY2020
Revenue	332,740	296,030	201,311
Gross profit / (loss)	34,723	(70,912)	13,938
Profit / (loss) before taxation	9,417	(107,622)	(18,192)
Net profit / (loss) attributable to owners of the Company	6,172	(105,434)	(20,753)

## APPENDIX B – IFA LETTER

<b>Consolidated Balance Sheets</b>	<b>Audited</b>		
	<b>As at 30 June</b>		
<b>(RM '000)</b>	<b>2018 (restated)</b>	<b>2019</b>	<b>2020</b>
Current assets	833,560	622,920	510,818
Current liabilities	602,030	513,417	419,616
Working capital	231,530	109,503	91,202
Non-current assets	6,440	664	855
Non-current liabilities	14,330	252	227
Total loans and borrowings (including finance lease liabilities)	89,386	25,964	11,705
Equity attributable to owners of the Company	221,000	115,565	94,812

<b>Consolidated Cash Flows Statement</b>	<b>Audited</b>		
<b>(RM '000)</b>	<b>FY2018 (restated)</b>	<b>FY2019</b>	<b>FY2020</b>
Net cash flows (used in) / generated from operating activities	(48,614)	46,504	26,460
Net cash flows generated from / (used in) investing activities	2,585	(3,590)	(216)
Net cash flows generated from / (used in) financing activities	37,420	(65,833)	(2,745)
Net (decrease) / increase in cash and cash equivalents	(8,609)	(22,919)	23,499
Effect of exchange rate fluctuation on cash held	(596)	157	(114)
Cash and cash equivalents at end of financial year	3,460	(19,302)	4,083

Source: Annual reports of the Company for FY2019 and FY2020, and the Company's 12-months unaudited financial results announcement on 27 August 2020.

We note that:

- (a) **Revenue.** The Group's revenue decreased by 11.0% from RM332.7 million in FY2018 to RM296.0 million in FY2019 mainly due to lower revenue recognised from The Astaka @ One Bukit Senyum ("**The Astaka**") as fewer units were sold in FY2019 compared to FY2018. This was partially offset by an increase in revenue resulting from a higher percentage of completion from the Menara Majlis Bandaraya Johor Bahru ("**MJB**") project and the Bukit Pelali @ Pengerang ("**BPP**") project.

The Group's revenue decreased by 32.0% from RM296.0 million in FY2019 to RM201.3 million in FY2020 mainly due to the decrease in demand for the Group's properties in light of the weak sentiment surrounding Malaysia's residential property sector and the disruption caused by the COVID-19 pandemic, including the Movement Control Order ("**MCO**") imposed by the Malaysian Federal Government since 18 March 2020 and the Recovery Movement Control Order ("**RMCO**") imposed by the Malaysian Federal Government since 10 June 2020, as well as the completion of the MJB project during the financial year.



---

## APPENDIX B – IFA LETTER

---

- (b) **Gross profit / (loss).** The Group's gross profit decreased from RM34.7 million in FY2018 to a gross loss of RM70.9 million in FY2019 mainly due to (i) impairment losses on the carrying value of the unsold units on The Astaka arising from the bulk purchase of units at a discounted price subsequent to the financial year end; and (ii) additional development costs mainly incurred for additional and touch-up works to The Astaka to further enhance its market position as an iconic building in the Iskandar region of Johor Bahru.

The Group's gross profit increased from a gross loss of RM70.9 million in FY2019 to a gross profit of RM13.9 million in FY2020 mainly due to (i) a decrease in cost of sales in line with the decrease in revenue and the completion of the MBBJ project; (ii) a sharp decrease in development costs incurred for The Astaka in FY2020 compared with FY2019; (iii) a reversal of previously recognised impairment losses on development properties in view of the higher selling price of the sold units of those development properties; and (iv) a revision for both the gross development value and the budgeted cost on the remaining phases for the BPP project for which higher profit is expected to be recorded and thus, the allowance for foreseeable losses on development properties were no longer required in FY2020.

- (c) **Net profit / (loss).** The Group's net profit attributable to owners of the Company decreased from RM6.2 million in FY2018 to a net loss attributable to owners of the Company of RM105.4 million in FY2019 mainly due to (i) the reasons explained in (b) above; (ii) an increase in selling and distribution expenses in FY2019 due to marketing expenses incurred for the promotion of The Astaka and BPP projects; (iii) an increase in administrative expenses such as repair and maintenance costs, maintenance fee and sinking fee paid for property management, and the recognition of quit rent and assessment on undeveloped land as expenses as opposed to being capitalised, arising from changes in accounting standards; and (iv) an increase in other operating expenses arising from the provision of late payment interests on the amount owing to the main contractor in The Astaka project and interest charges by the Inland Revenue Board of Malaysia for the approved instalments of corporate tax payments in years of assessment 2016 and 2017.

The Group's net loss attributable to owners of the Company decreased by 80.3% from RM105.4 million in FY2019 to RM20.8 million in FY2020 mainly due to (i) the reasons explained in (b) above; (ii) a decrease in selling and distribution expenses mainly due to lesser marketing expenses incurred for the organising of events and roadshows; and (iii) a decrease in other operating expenses arising from the provision of late payment interests on the amount owing to the main contractor in The Astaka project, and the absence of the interest charges by the Inland Revenue Board of Malaysia which were fully repaid in FY2019. This was partially offset by an increase in administrative expenses resulting from (i) the recognition of quit rent and assessment on undeveloped land and unsold units as expenses; and (ii) provision of liquidated ascertained damages in FY2020 due to the expected delay in completing phase 1B of the BPP project.

- (d) **Working capital.** The Group recorded working capital of RM231.5 million, RM109.5 million and RM91.2 million as at 30 June 2018, 30 June 2019 and 30 June 2020 respectively.

The decrease in working capital from 30 June 2018 to 30 June 2019 was mainly due to (i) a decrease in development properties following the sale of units in The Astaka, as well as the impairment of unsold units; and (ii) a decrease in trade and other receivables mainly due to the increase in collections from the MBBJ project, partially offset by (i) the decrease in trade and other payables mainly due to payments made to contractors and sundry accruals for The Astaka; and (ii) a decrease in current loans and borrowings due to repayment.

The decrease in working capital from 30 June 2019 to 30 June 2020 was mainly due to (i) a decrease in development properties resulting from the completion of phase 1A of the BPP project; (ii) a decrease in contract cost in FY2020 due to the completion of the MBBJ and BPP projects of Phase 1A; (iii) a decrease in contract assets resulting from higher progress billings raised to the purchaser of the BPP project; (iv) a decrease in trade and other receivables mainly due to collections from the MBBJ and BPP projects; and (v) an increase in amounts due to related parties resulting from an unsecured loan from the Company's Controlling Shareholder. This was partially

---

## APPENDIX B – IFA LETTER

---

offset by (i) a decrease in trade and other payables mainly due to payments made during the financial year; and (ii) a decrease in current loans and borrowings resulting from repayment.

- (e) **Equity attributable to owners of the Company.** Equity attributable to owners of the Company decreased from RM221.0 million as at 30 June 2018 to RM115.6 million as at 30 June 2019, and decreased to RM94.8 million as at 30 June 2020; and
- (f) **Operating cash flows.** The Group recorded negative operating cash flows of RM48.6 million in FY2018, positive operating cash flows of RM46.5 million in FY2019 and positive operating cash flows of RM26.5 million in FY2020. The operating cash inflows in FY2019 and FY2020 were mainly attributed to progress billings received from the purchasers of the MBBJ & BPP projects.

We note the following commentary on the significant trends and competitive conditions of the industry in which the Group operates, and any known factors or events that may affect the Group, for the next 12 months as disclosed in its 12-months unaudited financial results announcement on 27 August 2020:

*“Given the uncertainties over the length of COVID-19 outbreak and its resulting impact on Malaysia’s property market, it is expected that the sale of our new property units in the Group’s project will continue to be impacted until there is clarity of the COVID-19 situation.*

*The Group has since resumed full business operations following the partial lifting of the MCO in Malaysia on 4 May 2020, with specific health and safety measures such as social distancing and temperature screenings being implemented. Although the economic activities in Malaysia have since picked up gradually as the MCO was replaced by the conditional MCO, which took place from 4 May 2020 to 9 June 2020, and the RMCO, which took place from 10 June 2020 to 31 August 2020, the conversion from bookings into actual sales remains a major concern given the stringent lending guidelines imposed by banks and the country’s border closures to foreigners.*

*Despite the business disruptions caused by the COVID-19 pandemic, the Group is on track for the construction of the development of Bukit Pelali comprising 247 terrace houses and 81 shop offices in the Bukit Pelali Township, which is scheduled to obtain the Certificate of Completion and Compliance by the last quarter of 2020. The Group has also ramped up on its digital and virtual marketing and promotion efforts for the sale of properties of the Group’s projects.*

*On 30 July 2020, the Malaysia and Singapore governments inked the RTS Link Bilateral Agreement for the much-delayed Johor Bahru-Singapore Rapid Transit System (RTS) project, linking Bukit Chagar, Johor Bahru, and Woodlands in Singapore. The Group anticipates the RTS project will create spill-over benefits, especially in the Iskandar region, increasing the attractiveness of The Astaka at One Bukit Senyum to prospective buyers.*

*At the same time, the Group is upbeat about the planned commercial developments of One Bukit Senyum, and will continue to grow the business and explore strategic alliances to develop Phase 3 of One Bukit Senyum in Johor Bahru which spans approximately 7.65 acres.*

*In addition, the Group will continue to work towards the lifting of the Company’s share trading suspension on the SGX-ST and will provide updates as and when they arise.”*

We also note the independent auditors of the Company, KPMG LLP (the “**Independent Auditors**”) had issued its Independent Auditors’ Report dated 6 January 2020 in respect of the Group’s consolidated financial statements for FY2019 (“**Independent Auditors’ Report**”) which contained a statement on material uncertainty related to the Group’s ability to continue as a going concern. We further note the following statement under note 2 to the Group’s consolidated financial statements for FY2019:

*“The Group incurred a net loss of RM113.7 million for the year ended 30 June 2019 and, as of that date, the Group recorded development properties amounting to RM467.1 million, representing the completed properties held for sale and future phases of land to be developed. Due to the slowdown in the property market in Malaysia, the Group may not be able to generate sufficient operating cash flows for the next twelve months to cover its operating costs and settle its current liabilities.*

---

## APPENDIX B – IFA LETTER

---

*Notwithstanding the above, the financial statements have been prepared on a going concern basis. To support the financial statements having been prepared on going concern basis and to ensure the adequacy of funds required to meet the Group's obligations and working capital needs, the Group has prepared a 18-month consolidated cash flow forecast from 1 July 2019. In preparing the 18-month consolidated cash flow forecast, the Group exercised judgement and made certain key assumptions including the followings:*

- (i) The Group has reached a settlement agreement with the main contractor of a project on 1 October 2019 to settle the remaining outstanding balances of RM74,379,000 (inclusive of interests) in instalments until 30 June 2020. Following the execution of the settlement agreement, the main contractor has issued a letter of withdrawal to the Group confirming the withdrawal of its claim of RM125,347,303 and all demands and claims that it had made against the Group.*
- (ii) The Group is able to sell its completed properties and launch the new projects as planned during the forecast period.*

*The above matters represent a material uncertainty that may cast a significant doubt on the ability of the Group and the Company to continue as a going concern and therefore, the Group and the Company may not be able to realise their assets and discharge their liabilities in the normal course of business. However, taking into consideration that the controlling shareholder of the Company has undertaken to provide the necessary financial support to the Group to enable it to continue its operation and to pay its debts as and when they fall due, the directors of the Company believe that the Group and the Company will be able to continue operations in the foreseeable future, and that the preparation of the accompanying consolidated financial statements on a going concern basis is appropriate."*

### **4.3 Comparison of the Key Terms of the IPT Loans vis-à-vis the Key Terms of the Existing Indebtedness of the Group**

We note that the IPT Loans are unsecured and interest is charged at a fixed rate of 8.00% per annum.

In evaluating whether the interest rate payable by the Group in relation to the IPT Loans is reasonable, we have made a comparison with the interest rates currently payable by the Group under its existing sources of 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 would 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 would 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).

## APPENDIX B – IFA LETTER

Facility size (RM' million)	Interest rate (p.a.)	Borrowing entity	Loan Tenure	Date of Entry	Security / Guaranteee
Overdraft facility with Affin Bank Berhad ("Affin Bank Overdraft Facility") (Secured)	10.0 Base Lending Rate + 0.25% <sup>(1)(2)</sup>	APSB	Repayable on demand from lender	8 May 2020 <sup>(3)</sup>	Third-party time deposit of RM10 million <sup>(4)</sup>
Loan agreement with CSCE ("CSCE Loan") (Secured)	46.5 8.50% (fixed) <sup>(5)</sup>	APSB	91 days or repayable on demand from lender <sup>(5)</sup>	12 Apr 2017	Various properties <sup>(6)</sup>
Loan agreement with Dato' Malek ("2016 DM Loan") (Unsecured)	22.3 4.00% (fixed)	APSB	Repayable on demand from lender	30 Nov 2016	Nil
IPT Loans (unsecured)	90.0 <sup>(7)</sup>	APSB	One year or repayable on demand from lender <sup>(8)</sup>	-	Nil

Source: Provided by the Company

### Notes:

- (1) The nominal interest rate based on Affin Bank Berhad's base lending rate of 5.56% as at 6 August 2020 is 5.81%.
- (2) The effective interest rate for FY2020 was 6.86%. This was computed by dividing the interest expense for the full year ended 30 June 2020 by the average daily outstanding balance of each loan (as provided by the Company, over a period of 365 days from 1 July 2019 to 30 June 2020 inclusive), adjusted to follow the 360-day convention.
- (3) This overdraft facility was originally granted on 7 October 2015 and the terms were revised on 8 May 2020.
- (4) Provided by Dato' Malek.
- (5) Interest on the CSCE Loan only start accruing from 1 July 2017 onwards. The CSCE Loan was due for repayment on 30 September 2017 or upon receipt of written demand from China State Construction Engineering (M) Sdn. Bhd. ("CSCE"). Please refer to paragraph 4.4.2 of this IFA Letter for further information on the repayment of this loan.
- (6) Comprises six 99-year leasehold lands with an aggregate area measuring approximately 279,031 m<sup>2</sup> held by a joint venture partner of the Company.
- (7) For the avoidance of doubt, the RM90 million aggregate facility of the IPT Loans is inclusive of the RM19 million from the existing DMR Loan Agreement.
- (8) Extended automatically by a year during each maturity date so long as no notice of termination is received from the lender.

---

## APPENDIX B – IFA LETTER

---

We note that the interest rate payable under the IPT Loans of 8.00% is:

- (a) above the nominal and effective interest rates of the Affin Bank Overdraft Facility of 5.81% and 6.86% respectively for FY2020;
- (b) above the interest rate of the 2016 DM Loan of 4.00%; and
- (c) below the interest rate of the CSCE Loan of 8.50%.

We further note that each of the Affin Bank Overdraft Facility and CSCE Loan requires some form of security. By comparison, the IPT Loans do not require any form of security and is accordingly, unsecured. We understand from the Company that it is generally accepted that secured lending usually carries lower interest rate than unsecured lending as a lender's risk will be significantly reduced by having priority in charges or legal claims over valuable assets/collaterals in the event of default. In addition, the IPT Loans being unsecured lending, provides the Group greater ability and flexibility in terms of future funding options especially during the ongoing COVID-19 pandemic.

Lastly, we note that the interest rate payable under the IPT Loans of 8.00% is higher than the 2016 DM Loan of 4.00%. We understand from the Company that after taking into consideration the deteriorating profitability and NTA of the Group since FY2017, Dato' Malek and DMR Holdings are of the view that they are no longer able to provide the IPT Loans at the same interest rate as the 2016 DM Loan.

#### **4.4 Other Relevant Considerations**

##### **4.4.1 Alternative sources of funding**

As stated in Section 3 of the Circular, the Directors noted the weak sentiment surrounding the Malaysian residential property sector and the disruption caused by the COVID-19 pandemic have resulted in the Group's need for more funds for its general corporate and working capital. Given the Group's recent financial performance (in particular, the losses incurred in FY2019 and FY2020) and the weak financial position with declining shareholders' equity over the years from FY2018 to FY2020, the Directors noted that it has been difficult to seek any meaningful amount of external borrowing from financial institutions. Furthermore, as the Company's shares continued to be suspended, raising funds from rights issue or share placements is not a viable option.

The Group has approached four (4) commercial banks to seek potential bank loans and only two (2) commercial banks have provided indicative financing offers, while the remaining two (2) banks did not respond to the Group's request. The Company is of the view that the terms of such financing offers were onerous as they require the provision of security at interest rates of between 4.50% and 9.83% per annum.

We noted that the financing offer with interest rates between 4.50% and 5.75% per annum (cost of funds + 1.5%) was based on an indicative term sheet from RHB Bank Berhad for a RM10 million revolving credit facility (the "**RHB RC**"). The RHB RC has a financing tenure of 3, 6, 9, and 12 months with cost of funds ranging from 3.00% for 3 months to 4.25% for 12 months. Based on a 12 months financing tenure which matches the repayment period for the IPT Loans, the RHB RC has an interest rate of 5.75%, which is 2.25% lower than the 8.00% interest rate for the IPT Loans. However, the RHB RC has several terms and conditions including but not limited to the following:

- (a) the provision of fixed deposits as security amounting to RM5 million;
- (b) the provision of joint and several guarantees for RM10 million by all directors and shareholders of APSB;
- (c) the provision of corporate guarantee for RM10 million by Astaka Padu Limited;
- (d) the provision of undertakings by all directors and shareholders of APSB to cover any shortfall in cash flow, interest servicing and loan repayment for the RHB RC;

---

## APPENDIX B – IFA LETTER

---

- (e) the subordination of all directors' and shareholders' advances to RHB Bank Berhad's facilities; and
- (f) the provision of a clearance or settlement letter from a litigation lawyer in respect of legal action against APSB in the form and contents acceptable to RHB Bank Berhad prior to the disbursement of the loan.

As such, the RHB RC is not directly comparable to the IPT Loans as the latter are unsecured and do not have any disbursement conditions. Accordingly, we believe that the provision of the IPT Loans without the need to provide any security, charge or mortgage over assets underscores the commitment to and confidence in the prospects of the Group by Dato' Malek and DMR Holdings.

In addition, we note that prior to each annual automatic extension, each of the IPT Loans provides for an Interest Rate Review, such that there is the option for the Group, Dato' Malek and/or DMR Holdings to review the interest rate payable under the IPT Loans, and to adjust the interest rates downwards, subject to the consent of Dato' Malek and/or DMR Holdings. Subsequently, should the Company be able to obtain alternative sources of funding on terms better than the IPT Loans, the Company has the flexibility to: (i) request for a downward adjustment of the interest rates of the IPT Loans to match the terms of such alternative funding; or (ii) replace the IPT Loans with the alternative funding.

As at the Latest Practicable Date, the Directors have confirmed that they were not aware of any alternative offers for funding from other banks or financial institutions which were comparable in nature, size, interest rates and scope to the IPT Loans. The Directors have also confirmed that as at the Latest Practicable Date, they are not aware of any alternative offers of capital injections in the Company from other parties.

### 4.4.2 Letter of Demand from CSCE

As announced on 2 July 2020, we noted that the Company has received a letter of demand dated 1 July 2020 ("**Letter of Demand**") from CSCE in relation to outstanding sums owed by APSB to CSCE pursuant to a settlement agreement (the "**Settlement Agreement**") which resulted in the CSCE Loan. CSCE has demanded the repayment of the outstanding sums of the CSCE Loan within seven (7) days from the date of the Letter of Demand, failing which CSCE would initiate legal proceedings against APSB to recover the outstanding sums, which includes but not limited to:

- (i) initiating adjudication in accordance with the Construction Industry Payment and Adjudication; and/or
- (ii) commencing winding up proceedings against APSB.

With regards to the above, the Malaysian government has announced a number of initiatives to ease corporate burden during the MCO. These include:

- (i) exempting all companies from the application of Section 466(1)(a) of the Companies Act 2016 of Malaysia ("**Section 466(1)(a)**"). Section 466(1)(a) states that companies who fail to respond to a statutory demand for debt owned in a sum exceeding the prescribed amount by the Minister within twenty (21) days shall be deemed "unable to pay its debts" and will be susceptible to winding up proceedings; and
- (ii) increasing the threshold of the indebtedness under Section 466(1)(a).

Pursuant to the Companies (Exemption)(No.2) Order 2020 which has been gazetted, any company shall be deemed to be unable to pay its debts under Section 466(1)(a) if the said company neglects any notice of demand by any creditor to pay its debt or to secure its debt or to compound its debt to the satisfaction of the creditor within a period of six (6) months after the statutory demand is served on the said company, provided that the statutory demand is served upon the company within the period from 23 April 2020 until 31 December 2020.

---

## APPENDIX B – IFA LETTER

---

Accordingly, CSCE may only initiate winding up action against APSB on the grounds of inability to pay the outstanding sums (together with applicable interest) after a period of six (6) months from the date of the Letter of Demand, and APSB is protected from such winding up proceedings commenced against it by CSCE until 31 December 2020. Nevertheless, we understand that the management of APSB is currently engaging CSCE to negotiate a further extension of time and/or a revised Settlement Agreement.

### 4.4.3 Support from the Controlling Shareholder

As at the Latest Practicable Date, Dato' Malek is the single largest Shareholder, holding 66.7% shareholding interest in the Company.

We note that Dato' Malek, as the Controlling Shareholder, has shown his commitment to the Company and Shareholders having provided an undertaking on 6 January 2020 to continue providing financial and other support as necessary to the Group, for at least the next 12 months such that the Group will be able to trade and meet its obligations. Accordingly, the Group's consolidated financial statements for FY2019 have been prepared on a going concern basis. We understand from the Company that this undertaking will be renewed in due course for the preparations of the Group's consolidated financial statements for FY2020 on a going concern basis. Given the Group's financial situation, the IPT Loans from Dato' Malek and DMR Holdings are the most logical and immediately available sources of funding to meet its working capital requirements, and also to continue interest payments on the CSCE Loan.

### 4.4.4 Abstention from voting by Dato' Malek, Horizon Sea Limited and DMR Holdings at the EGM

We note that as set out in Section 7 of the Circular, pursuant to Rule 919 of the Catalist Rules, Dato' Malek, Horizon Sea Limited and DMR Holdings will abstain, and have undertaken to ensure that their respective associates will abstain, from voting at the EGM in respect of the resolutions in connection with the IPT Loans, and will not accept appointments as proxies unless the independent Shareholders appointing him or it as proxy give specific instructions in the relevant proxy form on the manner in which they wish their votes to be cast for the said resolutions. The Company will disregard any votes cast by Dato' Malek, Horizon Sea Limited, DMR Holdings and their respective associates on the said resolutions.

Accordingly, the IPT Loans would be subject entirely to the approval of the independent Shareholders.

## 5 OUR OPINION AND ADVICE

In arriving at our opinion in respect of the IPT Loans, we have taken into account the following key considerations:

- (a) the rationale for and benefit of the IPT Loans, as detailed in paragraph 4.1 of this IFA Letter;
- (b) the historical financial performance and position of the Group, as detailed in paragraph 4.2 of this IFA Letter;
- (c) the comparison of the key terms of the IPT Loans *vis-à-vis* the key terms of the existing indebtedness of the Group, as detailed in paragraph 4.3 of this IFA Letter; and
- (d) the other relevant considerations, as detailed in paragraph 4.4 of this IFA Letter, as follows:
  - (i) no alternative sources of funding;
  - (ii) the Letter of Demand from CSCE;
  - (iii) support from the Controlling Shareholder; and
  - (iv) the abstentions from voting by Dato' Malek, Horizon Sea Limited and DMR Holdings at the EGM.

---

## APPENDIX B – IFA LETTER

---

Having considered the above and subject to the assumptions and qualifications set out in this IFA Letter, we are of the opinion that, on balance and from a financial point of view, the IPT Loans are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, we advise the Directors to recommend the Shareholders to vote in favour of the IPT Loans. This IFA Letter has been prepared in accordance with Rule 921(4)(a) of the Catalist Rules and are addressed to the Directors in connection with and for the purposes of their consideration of the IPT Loans. The recommendation to be made by the Directors to the Shareholders shall remain the sole responsibility of the Directors.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of SAC Capital Private Limited in each specific case, except for the forthcoming EGM and for the purposes of the IPT Loans.

Our opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and do not apply by implication to any other matter.

Yours faithfully  
For and on behalf of  
**SAC CAPITAL PRIVATE LIMITED**

Bernard Lim  
Director

Foo Siang Sheng  
Senior Manager



---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

### ASTAKA HOLDINGS LIMITED

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

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Astaka Holdings Limited (“**Company**”) will be convened and held by way of electronic means on 28 October 2020 at 11.30 a.m. (or as soon as after the conclusion or adjournment of the annual general meeting of the Company to be held at 11.00 a.m. on the same day, by way of electronic means is concluded or adjourned) (“**EGM**”) for the purpose of considering and, if thought fit, passing 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 9 October 2020 in relation to the IPT Loans (the “**Circular**”).*

#### Ordinary Resolution 1

##### **The approval of the DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) as an Interested Person Transaction**

That:

- (a) the execution of the DM Loan Agreement (the principal terms of which are set out in paragraph 1 of Appendix A to the Circular) in relation to an unsecured loan in the principal amount not exceeding RM30,000,000 in aggregate be and is hereby approved, confirmed and ratified;
- (b) approval be and is hereby given for the entry into the DM Supplemental Letter Agreement to be entered into between APSB as borrower and Dato’ Malek as lender, the principal terms of which are set out in paragraph 2 of Appendix A to the Circular;
- (c) the transactions contemplated under the DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) be and are hereby approved, confirmed and ratified; and
- (d) the Directors or any of them be and are hereby authorised to take 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 DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) (including but not limited to amending, finalising, approving and executing all such documents as may be required in connection with the DM Loan Agreement (as amended by the DM Supplemental Letter 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, and to the extent that such acts, matters or things have been done, these be approved, confirmed and ratified in all respects.

#### Ordinary Resolution 2

##### **The proposed entry into the DMR Supplemental Letter Agreement as an Interested Person Transaction**

That:

- (a) the execution of the DMR Loan Agreement (the principal terms of which are set out in paragraph 3 of Appendix A to the Circular) in relation to an unsecured loan in the principal amount not exceeding RM19,000,000 in aggregate be and is hereby approved, confirmed and ratified;
- (b) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual, for the entry into the DMR Supplemental Letter Agreement between APSB as borrower and DMR Holdings as lender (principal terms of which are set out in paragraph 4 of Appendix A to the Circular) in relation to, *inter alia*, the upsize of the existing unsecured loan from the principal amount not exceeding RM19,000,000 to RM60,000,000 in aggregate (the “**DMR Loan Upsize**”);

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

- (c) the transactions contemplated under the DMR Supplemental Letter Agreement and the DMR Loan Agreement following the DMR Loan Upsize be and are hereby approved and confirmed; and
- (d) the Directors or any of them be and are hereby authorised to take 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 Supplemental Letter Agreement and the DMR Loan Agreement (including but not limited to amending, finalising, approving and executing all such documents as may be required in connection with the DMR Supplemental Letter Agreement and the DMR 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 of Directors of  
**Astaka Holdings Limited**

Khong Chung Lun  
Executive Director and Chief Executive Officer  
9 October 2020

**Notes:**

- 1. **Poll.** All the resolutions proposed at the EGM will be voted on by way of a poll.
- 2. **Alternative Arrangements.**

Due to the current COVID-19 situation in Singapore, the EGM will be conducted only by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and Shareholders will not be able to attend the EGM in person. The Circular dated 9 October 2020 together with this Notice of EGM and the Proxy Form are made available on SGXNet and the Company's corporate website and may be accessed at the following URLs:

- (a) <https://www2.sgx.com/securities/company-announcements>; or
- (b) <http://astaka.com.my/investor-relations/>.

In particular:

- (a) **“Live” audio-visual webcast and “live” audio-only feed**

Shareholders, including investors who hold shares through the Central Provident Fund (“CPF”) and/or Supplementary Retirement Scheme (“SRS”) (“CPF/SRS Investors”), will be able to participate in the EGM by observing and/or listening to the proceedings of the EGM through a live audio-visual webcast and live audio-only feed. In order to do so, Shareholders must pre-register via the URL <https://complete-corp.com.sg/astaka-agm-egm/> (“Registration Website”), no later than **11.00 a.m. on 25 October 2020** (the “Pre-Registration Deadline”) for the Company to authenticate his/her/its status as Shareholders.

Authenticated Shareholders will receive an email containing the instruction to access the live audio-visual webcast or live audio-only feed of the EGM proceedings, no later than 11.00 a.m. on 27 October 2020.

Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50) (“Investors”) (other than CPF/SRS Investors) will not be able to pre-register for the live audio-visual webcast or live audio-only feed of the EGM. Such Investors who wish to participate in the live audio-visual webcast or live audio-only feed should approach their relevant intermediaries as soon as possible in order to make the necessary arrangements. The relevant intermediaries are required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number), via email to the Company at [astaka-agm-egm@complete-corp.com.sg](mailto:astaka-agm-egm@complete-corp.com.sg) no later than 11.00 a.m. on 25 October 2020.

Shareholders and Investors who have pre-registered by the Pre-Registration Deadline but did not receive the aforementioned email by 11.00 a.m. on 27 October 2020 should contact the Company via email at [astaka-agm-egm@complete-corp.com.sg](mailto:astaka-agm-egm@complete-corp.com.sg).

Shareholders MUST NOT forward the unique link, webinar ID or password to other persons. Recording of the live audio-visual webcast or live audio-only feed in whatever form is also strictly prohibited.

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

(b) **Prior submission of questions**

Shareholders and Investors may submit questions related to the resolutions to be tabled for approval at the EGM. All questions must be submitted no later than **11.00 a.m. on 25 October 2020** (the “**Submission Deadline**”):

- (i) via the Registration Website at the URL <https://complete-corp.com.sg/astaka-agm-egm/>; or
- (ii) by email to [astaka-agm-egm@complete-corp.com.sg](mailto:astaka-agm-egm@complete-corp.com.sg); or
- (iii) by post, to be deposited at the Company’s registered office at 3 Temasek Avenue, #21-21 Centennial Tower, Singapore 039190.

Shareholders and/or Investors must identify themselves when posting questions through email or mail by providing the following details:

- (i) full name;
- (ii) contact telephone number;
- (iii) email address; and
- (iv) the manner in which you hold shares (if you hold shares directly, please provide your CDP account number; otherwise, please state if you hold your shares through CPF or SRS, or are a relevant intermediary shareholder).

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, members are strongly encouraged to submit their questions via the pre-registration website or by email. The Company will endeavour to address to all substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM, either prior to the EGM (via an announcement on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements> and the Company’s website at the URL <http://astaka.com.my/investor-relations/>) or at the EGM.

**Please note that as shareholders will not be able to ask questions at the EGM, it is important for shareholders to submit their questions by the Submission Deadline.**

(c) **Voting by appointing Chairman of EGM as proxy only**

Shareholders **will not** be able to vote online at the EGM. Instead, **if Shareholders (whether individuals or corporates) wish to exercise their votes, they must submit a Proxy Form to appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM.**

Shareholders (whether individuals or corporates) appointing the Chairman of the EGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.

The Proxy Form (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be submitted to the Company in the following manner:

- (i) if by post, be deposited at the registered office of the Company at 3 Temasek Avenue, #21-21 Centennial Tower, Singapore 039190; or
- (ii) if submitted by email, be received by the Company at [astaka-agm-egm@complete-corp.com.sg](mailto:astaka-agm-egm@complete-corp.com.sg).

in either case, by no later than **11.30 a.m. on 26 October 2020, being 48 hours before the time appointed for holding the EGM** (the “**Proxy Deadline**”), and in default the proxy form shall not be treated as valid.

**In view of the current COVID-19 situation and the related safe distancing measure which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

Other Investors (including CPF/SRS Investors) who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries (including their respective CPF/SRS Approved Nominees) to submit their voting instructions by **11.00 a.m. on 16 October 2020, being at least seven (7) working days before the EGM**, in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by the Proxy Deadline.

Submission by a member of a valid instrument appointing the Chairman of the EGM as proxy, **by the Proxy Deadline** will supersede any previous instrument appointing a proxy(ies) submitted by that member.

The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

the appointor specified in the instrument appointing the Chairman of the EGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

In the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if such member, being the appointor, is not shown to have Shares against his/her name in the Depository Register as at 72 hours before the time appointed for the EGM, as certified by The Central Depository (Pte) Limited to the Company.

3. **Personal Data Privacy.** By submitting an instrument appointing the Chairman of the EGM to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company, or as the case may be, a Depositor (i) consents to the collection, use and disclosure of the member's, or as the case may be, the Depositor's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of Chairman of the EGM as proxy 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 or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines, and (ii) agrees that the member, or as the case may be, the Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's, or as the case may be, the Depositor's breach of warranty.

This page has been intentionally left blank.

This page has been intentionally left blank.

# PROXY FORM

## ASTAKA HOLDINGS LIMITED

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

### PROXY FORM

#### IMPORTANT

1. The Extraordinary General Meeting (“EGM” or the “Meeting”) is being convened, and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM are set out in the Notice of EGM dated 9 October 2020 which has been uploaded on SGXNet at <https://www2.sgx.com/securities/company-announcements> and the Company’s website at <http://astaka.com.my/investor-relations/> on the same day.
2. A shareholder WILL NOT be able to attend the EGM in person. If a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in this Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. For CPF, or SRS investors who wish to appoint the Chairman of the Meeting as their proxy, they should approach their respective relevant intermediaries (including their CPF and/or SRS Approved Nominees) to submit their votes at least seven (7) working days before the EGM. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. By submitting an instrument appointing the Chairman of the Meeting as proxy, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 9 October 2020.

Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a shareholder’s proxy to vote on his/her/ its behalf at the EGM.

This Proxy Form has also been made available on SGXNet and the Company’s corporate website and may be accessed at the following URLs: <https://www2.sgx.com/securities/company-announcements> and <http://astaka.com.my/investor-relations/>.

I/We(Name) \_\_\_\_\_

(NRIC/Passport/Company Registration No.) \_\_\_\_\_

of (Address) \_\_\_\_\_

being a shareholder/shareholders of Astaka Holdings Limited (the “Company”) hereby appoint the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the EGM of the Company to be convened and held by way of electronic means via the live audio-visual webcast or live audio-only feed on 28 October 2020 at 11.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 11.00 a.m. on the same day, by way of electronic means).

(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 the Chairman of the Meeting as your proxy is directed to vote “For” or “Against” or to abstain from voting. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.)

No	Ordinary Resolutions	For	Against	Abstain
1.	To approve the DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) as an Interested Person Transaction			
2.	To approve the proposed entry into the DMR Supplemental Letter Agreement as an Interested Person Transaction			

Dated this \_\_\_\_\_ day of October 2020

**Total Number of Shares Held:**

\_\_\_\_\_  
Signature(s) of Shareholder(s) or Common Seal

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

---

## 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 (Chapter 289) of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.
2. Due to the current COVID-19 situation in Singapore, a shareholder will not be allowed to attend the EGM in person. A shareholder will also not be able to vote online on the resolutions to be tabled for approval at the EGM. If a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM. The Chairman of the Meeting, as proxy, need not be a member of the Company. In appointing the Chairman of the Meeting as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in this proxy form, failing which the appointment will be treated as invalid.
3. This proxy form appointing the Chairman of the Meeting as proxy (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be submitted to the Company in the following manner:
  - (a) by post, be deposited at the registered office of the Company at 3 Temasek Avenue, #21-21 Centennial Tower, Singapore 039190; or
  - (b) if submitted by email, be received by the Company at [astaka-agm-egm@complete-corp.com.sg](mailto:astaka-agm-egm@complete-corp.com.sg).

in either case, by no later than **11.30 a.m. on 26 October 2020, being 48 hours before the time appointed for holding the EGM** (the "**Proxy Deadline**"), and in default the proxy form shall not be treated as valid.

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.**

4. This Proxy Form must be signed by the shareholder or his/her/its attorney duly authorised in writing. In the case of joint holders, all joint holders must sign this proxy form. If the shareholder is a corporation, this proxy form must be executed either under seal or under the hand of an officer or attorney duly authorised in writing. Where the proxy form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with this proxy form, failing which the proxy form may be treated as invalid.
  5. The Company shall be entitled to reject the proxy form 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 proxy form. In the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any proxy form appointing the Chairman of the Meeting as proxy lodged if such member, being the appointor, is not shown to have Shares against his/her name in the Depository Register as at 72 hours before the time appointed for holding this EGM as certified by The Central Depository (Pte) Limited to the Company.
- Personal Data Privacy**
6. By submitting this proxy form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 9 October 2020.