
ENTRY INTO DEFINITIVE AGREEMENTS FOR PROPOSED JOINT VENTURE, PURCHASE OF THE PROJECT LAND AND OTHERS

1. INTRODUCTION

- 1.1. The board of directors (the “**Board**” or “**Directors**”) of Astaka Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcements dated:
- (a) 12 July 2024 (“**Term Sheet Announcement**”) in relation to the legally binding term sheet entered into by Astaka Padu Sdn. Bhd. (“**APSB**”) with Astaka Capital Sdn. Bhd. (“**ACSB**”), Kii Amber Sdn. Bhd. (“**KIASB**”), and Seaview Holdings Sdn. Bhd. (“**SHSB**”) (each a “**Party**”, and collectively, the “**Parties**”) (the “**Term Sheet**”), whereby the provisions of the Term Sheet are to be used as basis for the Parties to enter into the SSA and SPA (collectively, the “**Definitive Agreements**”) and certain other agreements for the development of the Project and the Project Land (such certain other agreements, collectively, the “**Other Development Agreements**”);
 - (b) 9 September 2024 in relation to the extension of time to 31 October 2024 for the Parties to enter into the Definitive Agreements and the Other Development Agreements; and
 - (c) 30 October 2024 in relation to the extension of time to 30 November 2024 for the Parties to finalise and execute the Definitive Agreements and the Other Development Agreements,
- (collectively, the “**Announcements**”).
- 1.2. Unless otherwise defined, all capitalised terms used herein shall bear the meanings ascribed to them in the Term Sheet Announcement.

2. ENTRY INTO DEFINITIVE AGREEMENTS AND OTHER MATTERS

- 2.1. Further to the Announcements, the Board wishes to inform shareholders of the Company (“**Shareholders**”) that:
- (a) the JVCo, being Astaka Kimlun Sdn. Bhd. (“**AKSB**”), was incorporated on 30 July 2024, under the laws of Malaysia, as a wholly-owned subsidiary of ACSB with a total issued and paid-up share capital of RM100 comprising 100 ordinary shares;
 - (b) the Definitive Agreements and the Other Development Agreements have been entered into by the following parties:
 - (i) a subscription and shareholders’ agreement (“**SSA**”) amongst ACSB, KIASB and AKSB to, among others, govern and regulate the rights and obligations of ACSB and KIASB as shareholders of AKSB, including the development of a residential serviced apartment on the Project Land, pursuant to the Project (the “**Proposed Joint Venture**”);

- (ii) a sale and purchase agreement (“**SPA**”) amongst APSB, SHSB and AKSB for the purchase of the Project Land by AKSB from APSB (as registered proprietor of the Master Land) and SHSB (as beneficial owner of the Master Land) (the “**Proposed Acquisition**”);
 - (iii) a project management agreement (“**PMA**”) between AKSB and APSB for the appointment of APSB as the project manager for the Project (the “**Proposed Management Services**”);
 - (iv) a project sales and marketing agreement (“**PSMA**”) between AKSB and APSB for the appointment of APSB as the sales and marketing manager for the Project (the “**Proposed Marketing Services**”); and
 - (v) a tenancy agreement (“**Tenancy Agreement**”) between SHSB and AKSB for the rental by AKSB from SHSB of a sales gallery to be constructed by SHSB on part of a land located adjacent to the Project Land (the “**Sales Gallery**”), at SHSB’s own costs and expenses (the “**Proposed Tenancy**”, and together with the Proposed Joint Venture, the Proposed Acquisition, the Proposed Management Services, the Proposed Marketing Services, collectively, the “**Proposed Transactions**”);
- (c) prior to the entry of the SPA, APSB, being the registered proprietor of the Master Land, had either through itself or ACSB:
- (i) incurred certain expenses in connection with the pre-development planning of the Project Land (the “**Project Land Development Costs**”), and the Company has proposed for the Project Land Development Costs to be reimbursed by AKSB to APSB and ACSB, subject to the completion of the SPA (the “**Proposed Reimbursement**”); and
 - (ii) entered into contractual arrangements with various service providers (collectively, the “**Service Providers**”) (including via the issuance of letters of award) in connection with the development of the Project and the Project Land (collectively, the “**Contracts**”). Pursuant to the SPA, APSB has agreed and undertaken that it shall, at its own costs and expenses, execute or, where applicable, procure ACSB and the Service Providers to execute novation agreement(s) in the form and substance to be mutually agreed upon by the parties, for the purpose of novating and transferring all the rights and obligations of APSB or ACSB (as the case may be) under the Contracts to AKSB subject to applicable laws (including but not limited to compliance with the requirements of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”)) and within 60 days from the date of the SPA (the “**Proposed Novation**”).

2.2. Unless otherwise stated, the exchange rate between S\$ and RM as set out in this announcement is S\$1: RM3.3112, based on the exchange rate between S\$ and RM as at 12 November 2024.

3. INFORMATION ON THE PARTIES

The information on the parties as at the date of this announcement and as referred to in paragraph 2.1 above, is set out below:

3.1 APSB

APSB is a company incorporated in Malaysia, and is wholly-owned by Astaka Padu Limited, which is in turn 99.99%-owned by the Company. APSB is principally engaged in property development.

3.2 ACSB

ACSB is a company incorporated in Malaysia. By virtue of APSB's 51.00% shareholding interest in ACSB, ACSB is a 51.00%-owned indirect subsidiary of the Company. SHSB holds the remaining 49.00% of the shareholding interest in ACSB. The principal activity of ACSB is that of property development. Please refer to the Company's announcement dated 31 May 2023 in relation to incorporation of joint venture between APSB and SHSB for further details.

3.3 AKSB

AKSB is a company incorporated in Malaysia. As at the date of this announcement, AKSB is a wholly-owned subsidiary of ACSB. The principal activity of AKSB is that of property development.

For information purposes, following the completion of the JVCo Shares Subscription, ACSB's shareholding interest in AKSB will be diluted to 51.00%, with KIASB holding the remaining 49.00% shareholding interest in AKSB.

3.4 Dato' Malek

Dato' Dr. Daing A Malek Bin Daing A Rahaman ("**Dato' Malek**") is the Company's controlling shareholder, as he holds:

- (a) a deemed interest of 66.55% of shares in the Company by virtue of his 100% shareholding interest in Horizon Sea Limited, which holds 1,244,062,150 shares in the capital of the Company; and
- (b) a direct shareholding interest of 0.20% of shares in the Company by virtue of his holding of 3,665,000 shares in the capital of the Company.

3.5 SHSB

SHSB is a company incorporated in Malaysia. The principal activities of SHSB are to purchase, hire or acquire for the purpose of investment in any real or personal property. Dato' Malek is the ultimate sole shareholder of SHSB as he owns 100% of the shareholding interest in DMR Holdings Sdn Bhd ("**DMR Holdings**"), which in turn holds 100% of the shareholding interest in SHSB.

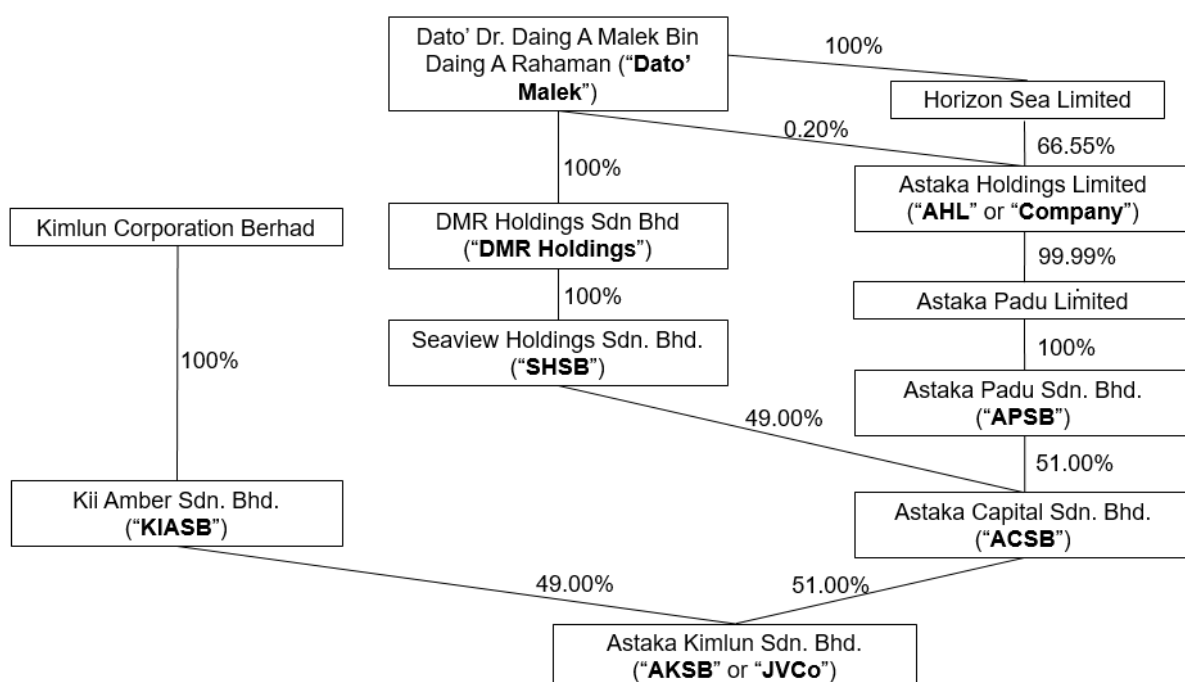
3.6 KIASB

KIASB is a company incorporated in Malaysia, and is a wholly-owned subsidiary of Kimlun Corporation Berhad, a public limited company listed on the Main Market of Bursa Malaysia Securities Berhad. KIASB is principally engaged in investment holding, property investment and property development.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, KIASB is a third party independent from the Company and its connected persons (as defined under the Catalist Rules).

3.7 Structure Chart

Assuming the Proposed Joint Venture is completed, the relationship amongst Dato' Malek, the Parties and AKSB (i.e. the JVCo) is set out in the structure chart below:



4. THE PROPOSED JOINT VENTURE

4.1. Please refer to paragraph 2.1(a) above for more details on the JVCo, being AKSB.

4.2. Salient Terms of the Proposed Joint Venture

(a) JVCo Shareholders' Loans (as defined below)

- (i) Subject to (A) compliance with applicable listing rules by each of the Company and the ultimate shareholder(s) of KIASB respectively, and (B) the agreement of the shareholders of the JVCo (each a "JVCo Shareholder", and collectively, the "JVCo Shareholders") being obtained in accordance with the terms of the SSA, the JVCo may request for the provision of shareholder loans/advances or any other advance of money, loan or debt as may be agreed between the JVCo Shareholders to be granted by the JVCo Shareholders or their related

companies to the JVCo ("**JVCo Shareholders' Loans**") by giving each of the JVCo Shareholders a 14 days' written notice ("**AKSB Funding Notice**") specifying the amount of the JVCo Shareholders' Loans required to be injected by the JVCo Shareholders and the date on which the JVCo Shareholders' Loan shall be injected by the JVCo Shareholders to the JVCo ("**AKSB Funding Date**"), provided that the AKSB Funding Date shall not be earlier than the 14th day from the date of the AKSB Funding Notice. Each of the JVCo Shareholders shall, upon the receipt of the AKSB Funding Notice, be bound to advance the JVCo Shareholders' Loans to the JVCo in their respective Shareholding Proportions on the AKSB Funding Date.

- (ii) The JVCo Shareholders' Loans shall be advanced subject to the following principal terms:
 - (A) the loans shall bear interest at the rate to be agreed upon by the JVCo Shareholders;
 - (B) the principal amount of loans made by each of the JVCo Shareholders shall be repaid in proportion to their JVCo Shareholders' Loans outstanding as at the intended date of repayment;
 - (C) the loans shall be repaid as soon as reasonably practicable having regard to the income of the JVCo and its net cash resources; and
 - (D) the JVCo must repay the principal amount of the loans together with any interest on the winding-up of the JVCo.
- (iii) Subject to the consent of the JVCo Shareholders (such consent not to be unreasonably withheld or delayed), the board of directors of the JVCo may propose additional terms on the repayment of the JVCo Shareholders' Loans.

For avoidance of doubt, the Company shall, in compliance with the requirements under Chapter 9 of the Catalist Rules, make the relevant announcement(s) or, if applicable, seek Shareholders' approval for the provision of the JVCo Shareholders' Loans.

(b) **Repayment of the Outstanding AKSB Loan (as defined below)**

Further to the Term Sheet Announcement, ACSB had on 3 September 2024 entered into a loan agreement with AKSB (the "**2024 AKSB Loan Agreement**"), whereby ACSB has agreed to extend an unsecured and interest-free loan amounting to RM10.0 million (the "**2024 AKSB Loan**") for use by AKSB as its working capital. As at the date of this announcement, AKSB has already utilised an aggregate amount of RM500,000 pursuant to the 2024 AKSB Loan and may continue to draw further amount for its working capital purpose following the execution of the SSA (such outstanding amount under the 2024 AKSB Loan, the "**Outstanding AKSB Loan**"). As part of the SSA, the JVCo Shareholders agree and covenant that following the contribution and injection of the shareholders' loans/advances by ACSB and KIASB to the JVCo, the JVCo shall immediately utilise such portion of the shareholders' loans/advances to repay the Outstanding AKSB Loan in its entirety and to terminate the 2024 AKSB Loan Agreement.

Please refer to paragraphs 5.1 to 5.8 of the Term Sheet Announcement for the other salient terms of the SSA.

4.3. **Chapter 9 of the Catalyst Rules**

As stated at paragraph 3.6 above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, KIASB is a third party independent from the Company and its connected persons (as defined under the Catalyst Rules). Accordingly, the Proposed Joint Venture does not constitute an "interested person transaction" under Chapter 9 of the Catalyst Rules.

4.4. **Chapter 10 of the Catalyst Rules**

As none of the relative figures in relation to the Proposed Joint Venture computed on the applicable bases set out in Rule 1006 of the Catalyst Rules exceeds 5%, the Proposed Joint Venture constitutes a "non-discloseable transaction" under Chapter 10 of the Catalyst Rules.

4.5. **Source of Funds for the Proposed Joint Venture**

The amount payable by ACSB for the incorporation of JVCo and the JVCo Shares Subscription is intended to be funded by capital injections from the shareholders of ACSB proportionate to their respective equity interest held in ACSB, in relation to which APSB, as a shareholder of ACSB, intends to fund by internal resources and/or loan(s) extended by shareholder(s).

5. **THE PROPOSED ACQUISITION**

5.1. **Background for the Proposed Acquisition**

As set out in the Term Sheet Announcement, the Project Land will be subdivided from the Master Land currently held under H.S.(D) 571006, PTD 233330, Mukim Plentong, District of Johor Bahru, State of Johor, Malaysia. Further to the Term Sheet Announcement, the Parties have agreed that the Project Land shall measure not less than 1.73 acres in area.

The Board refers to (i) the Company's announcement dated 14 January 2022 in relation to APSB entering into a conditional sale and purchase agreement ("**Conditional Sale and Purchase Agreement**") with SHSB for the sale of the Master Land from APSB to SHSB, (ii) the Company's announcement dated 21 February 2022 in relation to APSB and SHSB entering into a supplemental letter agreement to vary, amend and alter certain terms of the Conditional Sale and Purchase Agreement, (iii) the Company's circular dated 18 March 2022 in relation to the APSB's sale of the Master Land to SHSB, and (iv) the Company's announcement dated 27 June 2023 in relation to APSB's receipt of the final instalment tranche of the consideration under the Conditional Sale and Purchase Agreement and completion of the sale of the Master Land from APSB to SHSB.

Notwithstanding the completion of the sale of the Master Land from APSB to SHSB on 27 June 2023, APSB remains as the registered proprietor of the Master Land, with SHSB as the sole and absolute beneficial owner of the Master Land pending the registration of the transfer in favour of SHSB, pursuant to clause 7.4 of the Conditional Sale and Purchase Agreement, whereupon SHSB shall have the full rights, title and interests in and to the Master Land and is entitled to deal with the Master Land in any manner whatsoever as if SHSB is the absolute legal owner of the Master Land. Following completion, APSB continues to hold the legal title to the Master Land as bare trustee for and on behalf of SHSB pending the implementation of the

Proposed Joint Venture and the Proposed Acquisition, so as to minimise transactional delays in the execution of the Project.

5.2. The salient terms of the SPA are set out below:

(a) **SPA Conditions Precedent**

The rights and obligations of APSB, SHSB and the JVCo that are set out in the SPA, save and except for those pertaining to the Proposed Novation, costs and expenses and confidentiality obligations, are subject to and conditional upon the following conditions precedent ("**SPA Conditions Precedent**") being fulfilled or obtained or waived (as the case may be) by a business day falling six (6) months from the date of the SPA, or such later date as APSB, SHSB and the JVCo may mutually agree upon in writing:

- (i) APSB having obtained the approval of the shareholders of the Company for, amongst other matters, (1) the sale and purchase of the Project Land, and (2) the Proposed Reimbursement, each being an "interested person transaction" under Chapter 9 of the Catalist Rules, or any other rule under the Catalist Rules as may be applicable;
- (ii) SHSB having obtained the issue document of sub-divided title to the Project Land from the relevant authorities, with the Project Land having an aggregate land area of not less than 1.73 acres in area, subject to certain and such other terms and conditions which are acceptable to AKSB;
- (iii) AKSB having obtained the approval from the relevant authorities for the Project, including the planning permission (construction) "*Kebenaran Merancang (Pembinaan)*" and the planning permission (layout plan) "*Kebenaran Merancang (Susunatur)*";
- (iv) AKSB having obtained the approval from the relevant authorities for the acquisition of the Project Land by AKSB from APSB and SHSB (as vendors of the Project Land); and
- (v) the SSA having become unconditional in accordance with its terms.

(b) **Price for the Project Land**

- (i) The total purchase price of the Project Land shall be RM61,500,000, arrived at based on market value of the Project Land of approximately RM77 per square foot of the gross floor area and an allowable gross floor area of not less than 800,000 square feet, and such price shall be adjusted upward accordingly in the event the aggregate gross floor area of the Project Land shall exceed the allowable gross floor area of 800,000 square feet, with the additional gross floor area charged at a rate of RM77 per square foot ("**Adjustment**")*.

***Note:** As at the date of this announcement, based on the building plan submitted to the relevant authorities, the aggregate gross floor area of the Project Land is approximately 935,967 square feet. Pursuant to the Adjustment, the total purchase price of the Project Land shall be RM71,969,459 ("**Price**").

- (ii) The Price shall be satisfied in cash in the following manner:
 - (A) a sum of RM1,230,000, representing 2% of the Price (before any Adjustment), has been paid by ACSB and KIASB (in accordance with their Shareholding Proportions in AKSB) to SHSB upon the execution of the Term Sheet, as earnest deposit and part payment of the Price (“**Earnest Deposit**”), the receipt of which has been acknowledged by SHSB;
 - (B) a sum of RM11,070,000, representing 18% of the Price (before any Adjustment), shall be paid by AKSB to SHSB, as balance deposit and part payment of the Price upon the execution of the SPA; and
 - (C) subject to any Adjustment, the remaining sum of RM49,200,000, representing the balance of 80% of the Price (“**Balance**”), shall be paid by AKSB to SHSB’s solicitors as stakeholders on or before a business day falling three (3) months from the date the SPA becomes unconditional (“**SPA Completion Date**”) or the SPA Extended Completion Date (as defined below), as the case may be.
 - (iii) In the event AKSB is unable to pay the Balance by the SPA Completion Date, SHSB shall automatically grant to AKSB an extension of one (1) month from the SPA Completion Date (“**SPA Extended Completion Date**”) to pay the Balance, provided that AKSB shall pay to SHSB interest at the rate of 8% per annum on the Balance or any part thereof remaining unpaid, calculated on a daily basis, from the next day following the SPA Completion Date until the date of actual payment of the Balance to SHSB.
- (c) **Grant of Limited Power of Attorney Pending Completion**
- (i) Grant of Limited Power of Attorney
 - (A) Upon the execution of the SPA, APSB and SHSB agree that they shall, grant a limited power of attorney in favour of AKSB, in the form and substance as set out in the SPA, to facilitate the fulfilment of the conditions precedents under the SPA and the site preparation works to be carried out on the Project Land.
 - (B) In consideration of APSB and SHSB granting the limited power of attorney to AKSB, AKSB shall, at all times, maintain the cleanliness of the Project Land, implement security measures for the Project Land, ensure that the Project Land and activities carried out on the Project Land comply with the rules and regulations issued from time to time by the relevant authorities, and that none of its action or omission will jeopardise any rights or interest of APSB and SHSB on the Project Land or attract liabilities to be imposed on APSB and SHSB until the completion of the sale and purchase of the Project Land in accordance with the terms of the SPA.
 - (ii) AKSB’s Indemnity

AKSB shall keep APSB and SHSB fully indemnified against any liabilities, demand, action, suit, proceeding, costs, damages and expenses arising out of or in connection with or which may be taken against, sustained or incurred by APSB and SHSB by reason of or arising as a result of AKSB's breach of any power granted under the limited power of attorney.

(d) **Vacant Possession**

Vacant possession of the Project Land, free from all encumbrances and claims whatsoever, will be deemed delivered by APSB and SHSB (as vendors of the Project Land) to AKSB on the SPA Completion Date or the SPA Extended Completion Date, as the case may be.

5.3. **Chapter 9 of the Catalist Rules**

The Proposed Acquisition, being a transaction between AKSB (being a 51.00% indirect subsidiary of the Company following the completion of the JVCo Shares Subscription. that is not listed on the SGX-ST or an approved exchange and thus an "entity at risk" under Chapter 9 of the Catalist Rules) and SHSB (as the sole and absolute beneficial owner of the Master Land, and also an "associate" of Dato' Malek), constitutes an "interested person transaction" under Chapter 9 of the Catalist Rules.

Pursuant to Rule 909(1) of the Catalist Rules, in the case of a partly-owned subsidiary or associated company, the value of the transaction is an issuer's effective interest in that transaction. Pursuant to Rule 909(2) of the Catalist Rules, in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees to be given by the entity at risk. Taking into account the Company's intended interest in the JVCo by virtue of the Shareholding Proportions, the value at risk of the Proposed Acquisition to the Company as an interested person transaction is RM36,704,424, being 51.00% of the Price (being RM71,969,459) for the Project Land adjusted in proportion with the Shareholding Proportions, which represents approximately 44.26% of the audited net tangible assets ("NTA") of the Group for the financial year ended 31 December 2023 ("FY2023"), being RM82,921,869. As such, the Company is required to and intends to seek the approval of the Shareholders for the Proposed Acquisition. Further details will be set out in the circular to be despatched to Shareholders in due course.

5.4. **Chapter 10 of the Catalist Rules**

The relative figures for the Proposed Acquisition, computed on the bases set out in Rule 1006 of Catalist Rules and based on the Group's latest announced consolidated financial statements, being the unaudited interim financial statements for the nine months ended 30 September 2024, are set out below:

Rule 1006	Bases	Relative Figures (%)⁽¹⁾
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable ⁽²⁾
(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	Not applicable ⁽³⁾
(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on	16.09% ⁽⁴⁾

	the total number of issued shares in the Company, excluding treasury shares.	
(d)	Number of equity securities issued by the Company as consideration for the Proposed Joint Venture, compared with the number of equity securities previously in issue.	Not applicable ⁽⁵⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable ⁽⁶⁾

Notes:

- (1) Percentage figures are rounded to the nearest one (1) decimal place.
- (2) Not applicable as the Group is not disposing of any assets.
- (3) Not applicable as the Project Land is vacant and does not generate any income or revenue.
- (4) Paragraph 3.2(b)(iii) of Practice Note 10A of the Catalist Rules provides that, in computing the aggregate value of consideration given or received under Catalist Rules 1006(c), any additional liabilities (whether actual or contingent) to be assumed by the purchaser or waived by the seller under the terms of the transaction shall be included in computing the aggregate value of consideration. Accordingly, the Proposed Reimbursement (as set out in paragraph 11 below) of RM1,812,819.56 and remaining outstanding liabilities under the Proposed Novation (as set out in paragraph 12 below) of RM13,881,460.00 are added to determine the aggregate value of consideration.
- Based on (i) the Price (after the Adjustment, as set out in paragraph 5.2(b)(i) above) of RM71,969,459 (or approximately S\$21,735,159), (ii) the Proposed Reimbursement of RM1,812,819.56 (or approximately S\$547,481) and (iii) the Proposed Novation of RM13,881,460.00 (or approximately S\$4,192,275), the aggregate value of consideration payable for the purpose of computing the relative figure under Catalist Rule 1006(c) is RM87,663,738.56 (or approximately S\$26,474,915). The Company's market capitalisation of approximately S\$164,510,219 on 17 May 2024, being the last market day on which trades were done preceding the date of the SPA, was determined by multiplying the number of shares in issue of 1,869,434,303 shares by the weighted average price of approximately S\$0.088 per share of the Company on 17 May 2024.
- (5) Not applicable as the Company will not be issuing equity securities in connection with the Proposed Acquisition.
- (6) Not applicable as the Company is not a mineral, oil and gas company.

As one of the relative figures in relation to the Proposed Acquisition computed on the applicable bases set out in Rule 1006 of the Catalist Rules exceeds 5% but none of such relative figures exceeds 75%, the Proposed Joint Venture constitutes a "discloseable transaction" under Chapter 10 of the Catalist Rules.

5.5. Source of Funds for the Proposed Acquisition

The Project Land will be funded by external borrowings from third parties (including banks and other financial institutions), as well as loans or capital injections from each shareholder of AKSB proportionate to their respective equity interest held in the AKSB.

5.6. Value of the Project Land

The Company will appoint an independent valuer to perform a valuation of the Project Land.

The valuation report (the "Valuation Report") relating to the valuation of the Project Land by the independent valuer will be included in the circular to be despatched to Shareholders in due course.

5.7. Financial Effects of the Proposed Acquisition

(a) Illustrative Nature of Financial Effects

The pro forma financial effects of the Proposed Acquisition on the NTA per share and earnings per share (“**EPS**”) of the Group have been prepared based on the audited consolidated financial statements of the Group for FY2023 and, among others, the following assumptions:

- (i) the financial effects on the NTA per share of the Group are computed assuming that the Proposed Acquisition was completed on 31 December 2023;
- (ii) the financial effects on the EPS of the Group are computed assuming that the Proposed Acquisition was completed on 1 January 2023;
- (iii) AKSB (i.e. the JVCo) will be accounted for as an indirect subsidiary of the Company; and
- (iv) the expenses incurred in connection with the Proposed Acquisition amount to approximately RM790,000.

The financial effects set out below are purely for illustrative purposes only and do not necessarily reflect the actual results and/or financial performance and position of the Group after the completion of the Proposed Acquisition. No representation is made as to the financial position and/or results of the Company after the completion of the Proposed Acquisition.

(b) NTA

Assuming that the Proposed Acquisition had been effected on 31 December 2023, the effects on the NTA per share of the Group would be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA attributable to shareholders (RM)	82,921,869	82,131,869
Number of shares	1,869,434,303	1,869,434,303
NTA per share (RM cents)	4.44	4.39

(c) EPS

Assuming that the Proposed Acquisition had been effected on 1 January 2023, the effects of the Proposed Acquisition on the EPS of the Group would be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Net profit attributable to shareholders (RM)	3,073,536	2,283,536

Weighted average no. of shares	1,869,434,303	1,869,434,303
EPS (RM cents)	0.16	0.12

5.8. Directors' Service Contracts

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

6. RATIONALE FOR AND BENEFITS OF THE PROPOSED TRANSACTIONS

The Board is of the view that the establishment of a joint venture with KIASB to develop residential serviced apartments on the Project Land offers compelling strategic advantages that will bring together the shared expertise of reputable partners (with KIASB known for its expertise in construction and engineering, and ACSB having strong local connections, regulatory knowledge, and extensive real estate acumen), as well as enhance risk mitigation, expand market reach, and improve operational efficiencies. These factors collectively strengthen the Project's resilience and significantly enhance its long-term viability in a competitive real estate market.

Furthermore, the Board believes that aligning with KIASB as a reputable partner for the Proposed Joint Venture would enhance the Project's credibility and would boost prospective investors' and financiers' confidence in the Project, as well as facilitate smoother access to funding and regulatory approvals that are crucial for the timely and efficient execution of the Project.

7. THE PROPOSED MANAGEMENT SERVICES

7.1. Background for the Proposed Management Services

Pursuant to the PMA, APSB has agreed to manage and perform certain services and activities for AKSB in connection with the development of the Project for management fees payable by AKSB to APSB, including, but not limited to, the duties as set out below:

- (a) during the pre-development stage of the Project, APSB shall provide certain (i) pre-construction business coordination and facilitation services, and (ii) finance, accounting and corporate support services;
- (b) during the development stage of the Project, APSB shall provide certain (i) project management services, and (ii) finance, accounting and corporate support services;
- (c) during the testing and commissioning stage of the Project, APSB shall:
 - (i) coordinate the overall testing and commissioning plan for the Project;
 - (ii) ensure respective consultants manage and jointly witness the overall scheduled tests, commissioning and re-testing of system performance;

- (iii) ensure that the consultants establish a proper test documentation control system for the recording of all test results and produce relevant reports;
 - (iv) ensure the relevant consultants monitor the compliance of the testing and commissioning requirements from the contract documents for the Project;
 - (v) review and advise on the list of defects and program for rectification and maintenance;
 - (vi) review and ensure that all necessary operations and maintenance manuals are submitted;
 - (vii) ensure that training is provided to the relevant person to manage and maintain all relevant equipment and systems; and
 - (viii) manage notice of non-conformance;
- (d) APSB shall coordinate the closing of all project accounts of contractors and consultants complete with a project closure report, and make the recommendation to AKSB for the final account closure, and in the event of any dispute with regard to the final account, APSB shall evaluate and provide its recommendation to resolve such disputes to AKSB for AKSB's decision and further directions; and
- (e) during the post-development stage of the Project, APSB shall:
- (i) attend to the delivery of vacant possession of the properties to the end-purchasers in accordance with the terms of the sale and purchase agreements;
 - (ii) ensure that all complaints are properly recorded and documented in accordance with AKSB's standard procedures;
 - (iii) assess the reported defects or issues together with the main contractor and the appointed consultants;
 - (iv) oversee the implementation of appropriate remedial actions to rectify any defects of issues identified;
 - (v) conduct follow-up inspections and obtain confirmation from the end-purchasers that the defects or issues have been satisfactorily resolved; and
 - (vi) form management body of the Project and manage the Project during the developer's management period.

The rights and obligations of APSB and AKSB under the PMA, save and except for those pertaining to costs and expenses and confidentiality obligations, are subject to and conditional upon (a) APSB having obtained the approval of the shareholders of the Company for the execution of the PMA and the performance of its obligations thereunder, (b) the completion of the SPA, as well as (c) necessary approvals being obtained by AKSB for the sale and advertisement of the Project. If any of the foregoing conditions is not fulfilled/obtained or waived (as the case may be) on the expiry of the cut-off date under the PMA (being a business day falling six (6) months from the date of the PMA, or such later date as APSB and AKSB may

mutually agree upon in writing), then either APSB or AKSB shall be entitled to terminate the PMA in accordance with the terms under the PMA.

7.2. **Rationale for and Benefits of the Proposed Management Services**

In addition to the rationale for and benefits of the Proposed Transactions as set out in paragraph 6 above, as AKSB is newly incorporated as a joint venture company to undertake the Project, it is envisaged that APSB will render and/or provide, among others, including those duties set out in paragraph 7.1. In view that these are normal inter-company services provided to the Group's subsidiaries, the Group can benefit from the provision of Proposed Management Services to AKSB as it allows the Group to (a) utilise and leverage on existing resources and avoid overlapping costs as well as (b) benefit from operational efficiencies.

7.3. **Management Fee**

The project management fees (the "**Management Fee**") payable by AKSB to APSB under the PMA is the lower of (a) 3% of the actual price payable by end-purchaser(s) to AKSB for the purchase of the property comprised in the Project after deducting any cash discounts, rebates and promotional incentives (including move-in bonus and renovation package) granted or offered to such end-purchaser(s) by AKSB ("**Net Sale Price**") or (b) 3% of the minimum target net gross development value of the Project (being RM600,000,000) ("**Minimum GDV**").

The Management Fee shall be payable by instalments in the manner as prescribed under the PMA.

The Company will be commissioning an external third party consultant to prepare an independent transfer pricing benchmarking report in relation to the 3% margin applied to the lower of Net Sale Price or Minimum GDV in deriving the Management Fee. The 3% margin was determined based on industry benchmarking performed by the Group.

7.4. **The Proposed Management Services as an IPT**

The Proposed Management Services, being a transaction between APSB (being a 99.99% indirect subsidiary of the Company that is not listed on the SGX-ST or an approved exchange and thus an "entity at risk" under Chapter 9 of the Catalist Rules) and AKSB (an "associate" of Dato' Malek), constitutes an "interested person transaction" under Chapter 9 of the Catalist Rules.

Pursuant to Rule 909(1) of the Catalist Rules, in the case of a partly-owned subsidiary or associated company, the value of the transaction is an issuer's effective interest in that transaction. Pursuant to Rule 909(2) of the Catalist Rules, in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees to be given by the entity at risk. Taking into account the Company's intended interest in the JVCo by virtue of the Shareholding Proportions, the value at risk of the Proposed Management Services to the Company as an interested person transaction is at most RM9,180,000, being 51.00% of the maximum Management Fee payable (being RM18,000,000) for the Project Land adjusted in proportion with the Shareholding Proportions, which represents approximately 11.07% of the NTA of the Group for FY2023, being RM82,921,869. As such, the Company is required to, and given that the Proposed Management Services is a recurrent transaction, the Company intends to, seek the approval of the Shareholders for the Proposed Management Services. Please refer to paragraph 10 below for more details.

8. THE PROPOSED MARKETING SERVICES

8.1. Background for the Proposed Marketing Services

Pursuant to the PSMA, APSB has agreed to manage and perform certain services and activities for AKSB in connection with the sales and marketing of the properties comprised in the Project for sales commission payable by AKSB to APSB, including, but not limited to, the duties as set out below:

- (a) during the planning stage of the Project, advise AKSB on the pricing and saleability of the properties, reviewing as and when required the concept and layout plans prepared by AKSB's consultant architects;
- (b) assist AKSB in client prospecting, market research, customer acquisition, and relationship management to secure buyers for the properties;
- (c) assist AKSB in preparing sales forecast and marketing and sales budget;
- (d) assist AKSB in developing a sales and marketing plan, such as pricing strategy, sales target, marketing collaterals as well as promotional and sales strategies;
- (e) advise AKSB on the design and operations of the sales office, engagement of advertising and media agencies, sub-agents, marketing visuals and copy, advertising campaigns, online campaigns and promotions;
- (f) assist AKSB to promote and market the properties to potential end-purchasers, including by working closely with such property agents as may be appointed by AKSB from time to time to promote and market the properties;
- (g) liaise and follow-up with sub-agencies, end-purchasers, approved panel of solicitors, end-financiers and any other parties relevant and necessary to complete the sale of the properties, including follow-up with the end-purchasers on execution of the sale and purchase agreements for the properties and ensuring timely payment of deposit for the properties by the end-purchasers;
- (h) obtain the end-purchasers' consent for the processing of their personal data in connection with the sale and purchase of the properties;
- (i) assist the sub-agencies or end-purchasers in his/her/their respective loan/financing applications within 30 days from the date of booking of the properties;
- (j) liaise with all advertising agencies, public relations companies, brand consultants, social media and online consultants in relation to the Project;
- (k) prepare and maintain and submit to AKSB the following documentation and report:
 - (i) on a bi-weekly basis, a report on the booking and sales;
 - (ii) on a monthly basis, a report concerning launches for the Project and information on the latest identified end-purchasers of the properties; and
 - (iii) on a monthly basis, status updates to APSB's marketing plan;

- (l) handle any enquiries, conduct presentations, negotiate and procure the registration of interest in respect of the acquisition of the properties from sub-agencies or the end-purchasers on behalf of AKSB in accordance with the terms agreed and approved by AKSB; and
- (m) invest the necessary resources and engage its best efforts to diligently market and promote the properties and solicit potential end-purchasers via an efficient, prompt and courteous service with the highest standards of professional conduct.

The rights and obligations of APSB and AKSB under the PSMA, save and except for those pertaining to costs and expenses and confidentiality obligations, are subject to and conditional upon (a) APSB having obtained the approval of the shareholders of the Company for the execution of the PSMA and the performance of its obligations thereunder, (b) the completion of the SPA, as well as (c) necessary approvals being obtained by AKSB for the sale and advertisement of the Project. If any of the foregoing conditions is not fulfilled/obtained or waived (as the case may be) on the expiry of the cut-off date under the PSMA (being a business day falling nine (9) months from the date of the PSMA, or such later date as APSB and AKSB may mutually agree upon in writing), then either APSB or AKSB shall be entitled to terminate the PSMA in accordance with the terms under the PSMA.

8.2. **Rationale for and Benefits of the Proposed Marketing Services**

In addition to the rationale for and benefits of the Proposed Transactions as set out in paragraph 6 above, as AKSB is newly incorporated as a joint venture company to undertake the Project, it is envisaged that APSB will render and/or provide, among others, including those duties set out in paragraph 8.1. In view that these are normal inter-company services provided to the Group's subsidiaries, the Group can benefit from the provision of Proposed Marketing Services to AKSB as it allows the Group to (a) utilise and leverage on existing resources and avoid overlapping costs as well as (b) benefit from operational efficiencies.

8.3. **Sales Commission**

The sales commission (which fees are inclusive of incentive payable under any buyer-get-buyer referral scheme, and sales incentive or commission payable by APSB to third party property agents or any other parties appointed by APSB in the provision of the services under the PSMA) (the "**Sales Commission**") payable by AKSB to APSB under the PSMA is 5% of the Net Sale Price. The 5% margin was determined based on the prevailing market rates.

In addition:

- (a) APSB shall be entitled to such prorated Sales Commission to be mutually agreed upon between AKSB and APSB in the event AKSB is entitled to forfeit such portion of the purchase price paid by the end-purchaser following a cancellation, withdrawal or termination of the purchase of the property by such end-purchaser of the Project for any reason whatsoever; and
- (b) in the event that the Sale Commission or any part thereof are not paid to APSB on or before the expiry of the 21-day period from which AKSB receives the relevant invoice(s) from APSB, AKSB shall be liable to pay to APSB interest at the rate of 8% per annum on the outstanding amount, calculated on a daily basis, commencing from the next day

following the expiry of the 21-day period until the date of full payment of the outstanding amount.

The Company will be commissioning an external third party consultant to prepare an independent transfer pricing benchmarking report in relation to the 5% margin applied to the Net Sale Price in deriving the Sales Commission.

8.4. **The Proposed Marketing Services as an IPT**

The Proposed Marketing Services, being a transaction between APSB (being a 99.99% indirect subsidiary of the Company that is not listed on the SGX-ST or an approved exchange and thus an “entity at risk” under Chapter 9 of the Catalist Rules) and AKSB (an “associate” of Dato’ Malek), constitutes an “interested person transaction” under Chapter 9 of the Catalist Rules.

As the Sales Commission is computed based on the actual sale and purchase price of the property comprised in the Project, it is not possible currently to calculate the value of the Proposed Marketing Services. Given that the Proposed Marketing Services is a recurrent transaction and for the reasons set out in paragraph 10 below, the Company intends to seek the approval of the Shareholders for the Proposed Marketing Services. Please refer to paragraph 10 below for more details.

9. **THE PROPOSED TENANCY**

9.1. **Background for the Proposed Tenancy**

As set out in the Term Sheet Announcement, for the purpose of promoting the sales of the Project, SHSB had agreed to construct the Sales Gallery at its own cost and expenses.

Pursuant to the Tenancy Agreement, among others:

- (a) AKSB will rent the Sales Gallery from SHSB for a fixed period of 36 months commencing from the date next following the expiry of the Fit Out Works Period (as defined below) (such period, the “**Principal Tenancy Period**”) for a monthly rental sum of RM100,000.00 payable by AKSB to SHSB;
- (b) subject to AKSB’s due compliance with the provisions in the Tenancy Agreement, AKSB, its employees, agents, contractors and other persons involved in the fit out works shall have six (6) months commencing from the date the Sales Gallery is completely constructed and handed over by SHSB to AKSB, to conduct the fit out works (“**Fit Out Works Period**”);
- (c) on or before the commencement of the tenancy, AKSB shall pay to SHSB an amount equivalent to two (2) times of the rent payable by AKSB to SHSB (such amount, the “**Security Deposit**”) for AKSB’s due observance and performance of all of AKSB’s covenants and obligations under the Tenancy Agreement and any loss or damage relating to the Sales Gallery;
- (d) upon the expiry of the Principal Tenancy Period, AKSB has the option to renew the tenancy of the Sales Gallery for such further period of time, subject to tenancy rental and terms to be mutually agreed between SHSB and AKSB, of which the tenancy rental shall be based on the prevailing market rate not less than the last rent payable and not exceeding 10% increase of the last rent payable; and

- (e) upon the expiry of the tenancy and subject to AKSB first re-delivering vacant possession of the Sales Gallery in a good and clean condition to SHSB or its agent or agents, SHSB shall refund the Security Deposit or any balance thereof free of interest to AKSB after making the following deductions (if any):
 - (i) whatever sum that may be due to SHSB as rent;
 - (ii) any lawful outgoings payable to the relevant authorities or parties by AKSB in respect of any of the utilities provided by the relevant authorities or parties in respect of the Sales Gallery; and
 - (iii) any loss or damage suffered by SHSB as a result of AKSB's breach of any of the covenants in respect of the use or otherwise of the Sales Gallery.

The monthly rental sum payable by AKSB to SHSB pursuant to the Tenancy Agreement is commensurate with the prevailing market rental rates, based on the enquiries made by the Company and relevant reports and reviews published by property agencies as obtained by the Company. In addition, the Company will be appointing a property valuer to carry out a valuation to ascertain whether the terms of the Tenancy Agreement are supported by such valuation.

The commencement of the tenancy pursuant to the Tenancy Agreement is conditional upon (i) the Proposed Acquisition being completed in accordance with the terms of the SPA, (ii) AKSB having obtained the approval of the shareholders of the Company for the execution of the Tenancy Agreement, (iii) the completion of the construction of the Sales Gallery by SHSB and issued with a temporary permit or certificate of completion and compliance (as the case may be), at SHSB's own cost and expense, and (iv) AKSB having carried out the inspection on the Sales Gallery following completion of the construction of the Sales Gallery.

In addition, save and except for any termination arising from the default by SHSB or AKSB under the Tenancy Agreement, SHSB and AKSB agree and acknowledge that the tenancy pursuant to the Tenancy Agreement is for a fixed term and neither SHSB nor AKSB shall prematurely terminate the Tenancy Agreement prior to the expiry of the Principal Tenancy Period.

9.2. Rationale for and Benefits of the Proposed Tenancy

In addition to the rationale for and benefits of the Proposed Transactions as set out in paragraph 6 above, the Board believes that the Proposed Tenancy is beneficial to the Group as AKSB is able to rent the Sales Gallery at competitive rates and avoid any additional expenditure on construction costs which the Group would have to incur for a new sales gallery.

In addition, the Sales Gallery's location, which is adjacent to the Project Land, offers potential buyers a firsthand experience of the Project and its amenities. This proximity allows potential buyers to better visualise the Project and its surroundings, which may positively enhance their decision-making process and thereby increase the likelihood of the potential buyers making a purchase.

9.3. The Proposed Tenancy as an IPT

The Proposed Tenancy, being a transaction between AKSB (being a 51.00% indirect subsidiary of the Company that is not listed on the SGX-ST or an approved exchange and thus an "entity

at risk” under Chapter 9 of the Catalist Rules) and SHSB (an “associate” of Dato’ Malek), constitutes an “interested person transaction” under Chapter 9 of the Catalist Rules.

Pursuant to Rule 909(1) of the Catalist Rules, in the case of a partly-owned subsidiary or associated company, the value of the transaction is an issuer’s effective interest in that transaction. Pursuant to Rule 909(2) of the Catalist Rules, in the case of a joint venture, the value of the transaction includes the equity participation, shareholders’ loans and guarantees to be given by the entity at risk. Taking into account the Company’s 51.00% indirect interest in AKSB, the value at risk of the Proposed Tenancy to the Company as an interested person transaction is RM1,836,000, being 51.00% of the value of the Proposed Tenancy (being RM3,600,000), which represents approximately 2.21% of the audited NTA of the Group for FY2023, being RM82,921,869.

While the approval of Shareholders is not strictly required under Chapter 9 of the Catalist Rules, given that the Proposed Tenancy is a recurrent transaction and for the reasons set out in paragraph 10 below, the Company intends to seek the approval of Shareholders for the Proposed Tenancy. Please refer to paragraph 10 below for more details.

10. THE PROPOSED ADOPTION OF IPT GENERAL MANDATE

In view of the time-sensitive nature of the Proposed Management Services, the Proposed Marketing Services and the Proposed Tenancy and the possible frequency and/or recurrent nature of such transactions, the Company intends to adopt a general mandate from Shareholders pursuant to Chapter 9 of the Catalist Rules (the “**Proposed Adoption of the IPT General Mandate**”) which will enable the Company and its subsidiaries to enter into the mandated transactions with the mandated interested persons in the ordinary course of business, provided that such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. This would substantially reduce the administrative time and expenses which would be incurred by the Company, if it were required to convene separate general meetings on each such occasion. Further details will be set out in the circular to be despatched to Shareholders in due course.

11. THE PROPOSED REIMBURSEMENT

11.1. Background for the Project Land Development Costs

As stated in paragraph 2.1(c) above, subject to the completion of the SPA, the Company intends for the Project Land Development Costs to be reimbursed by AKSB to APSB and ACSB.

Accordingly, pursuant to the SPA, AKSB shall, within 14 days after the completion date of the SPA, reimburse and pay APSB and ACSB the Project Land Development Costs incurred as at the completion date of the SPA. In this regard, there is no mark-up of the Project Land Development Costs and no interest is payable by AKSB to APSB and/or ACSB. Accordingly, APSB and/or ACSB will do the necessary computation and charge AKSB for the relevant expenses based on the actual costs incurred.

If AKSB shall, for any reason whatsoever, fail to reimburse and pay APSB and ACSB the Project Land Development Costs in accordance with the provisions of the SPA, AKSB shall be liable to pay to APSB and ACSB interest at the rate of 8% per annum on the Project Land Development Costs or any part thereof remaining unpaid, calculated on a daily basis, from the day next following the expiry of the 14 days period after the completion date of the SPA until the date of actual payment of the entire Project Land Development Costs to APSB and ACSB.

In the event of a termination of the SPA due to the failure of the registration of the transfer of the Project Land for any reason whatsoever not due or attributable to the fault of either APSB, SHSB or AKSB, APSB agrees and undertakes to return and refund the Project Land Development Costs paid and reimbursed by AKSB within 14 days after APSB's receipt of a notice of termination issued by AKSB in accordance with the SPA.

11.2. **Rationale for and Benefits of the Project Land Development Costs**

In the interest of minimising transactional delays in the execution of the Project, APSB, being the registered proprietor of the Master Land, had either through itself or ACSB commenced pre-development planning for the Project Land and had incurred certain expenses in connection with such pre-development planning.

The Project Land Development Costs primarily allowed the Company to establish the foundation for a successful development of the Project and include expenditures for a wide range of activities necessary for compliance with local laws and regulations and obtainment of the relevant planning permission(s) for the Project.

11.3. **The Proposed Reimbursement as an IPT**

The Proposed Reimbursement, being a transaction between on one hand, APSB (being a 99.99% indirect subsidiary of the Company that is not listed on the SGX-ST or an approved exchange and thus an "entity at risk" under Chapter 9 of the Catalist Rules) or ACSB (being a 50.99% indirect subsidiary of the Company that is not listed on the SGX-ST or an approved exchange and thus an "entity at risk" under Chapter 9 of the Catalist Rules) and on the other hand AKSB (an "associate" of Dato' Malek), constitutes an "interested person transaction" under Chapter 9 of the Catalist Rules.

Pursuant to Rule 909(1) of the Catalist Rules, in the case of a partly-owned subsidiary or associated company, the value of the transaction is an issuer's effective interest in that transaction. Pursuant to Rule 909(2) of the Catalist Rules, in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees to be given by the entity at risk.

(a) **APSB**

Taking into account the Company's 99.99% indirect interest in APSB, the value at risk of the Proposed Reimbursement (in relation to APSB) to the Company as an interested person transaction as at 31 October 2024 is approximately RM1,777,243, being 99.99% of the value of the Project Land Development Costs incurred by APSB on behalf of AKSB as at 31 October 2024 (being RM1,777,420.74), which represents approximately 2.14% of the audited NTA of the Group for FY2023, being RM82,921,869.

(b) **ACSB**

Taking into account the Company's 51.00% indirect interest in ACSB, the value at risk of the Proposed Reimbursement (in relation to ACSB) to the Company as an interested person transaction as at 31 October 2024 is approximately RM18,053, being 51.00% of the value of the Project Land Development Costs incurred by ACSB as at 31 October 2024 (being RM35,398.82), which represents approximately 0.02% of the audited NTA of the Group for FY2023, being RM82,921,869.

While the approval of Shareholders is not strictly required under Chapter 9 of the Catalist Rules, for good corporate governance, the Company intends to seek the approval of Shareholders for the Proposed Reimbursement. Further details will be set out in the circular to be despatched to Shareholders in due course.

12. THE PROPOSED NOVATION

12.1. Background for the Proposed Novation

As stated in paragraph 2.1(c)(ii) above, pursuant to the SPA, APSB has agreed and undertaken that it shall execute or, where applicable, procure ACSB and the Service Providers to execute novation agreement(s) for the purpose of novating and transferring all the rights and obligations of APSB or ACSB (as the case may be) under the Contracts to AKSB within 60 days from the date of the SPA.

12.2. Rationale for and Benefits of the Proposed Novation

In the interest of minimising transactional delays in the execution of the Project, APSB, being the registered proprietor of the Master Land, had either through itself or ACSB commenced pre-development planning of the Project Land and had entered into the Contracts in connection with such pre-development planning, which allowed the Company to establish the foundation for a successful development of the Project and secure the relevant contractual obligations for a wide range of activities necessary for compliance with local laws and regulations and obtainment of the relevant planning permission(s) for the Project.

12.3. The Proposed Novation as an IPT

The Proposed Novation, being a transaction between on one hand, APSB (being a 99.99% indirect subsidiary of the Company that is not listed on the SGX-ST or an approved exchange and thus an “entity at risk” under Chapter 9 of the Catalist Rules) or ACSB (being a 50.99% indirect subsidiary of the Company that is not listed on the SGX-ST or an approved exchange and thus an “entity at risk” under Chapter 9 of the Catalist Rules) and on the other hand AKSB (an “associate” of Dato’ Malek), constitutes an “interested person transaction” under Chapter 9 of the Catalist Rules.

Pursuant to Rule 909(1) of the Catalist Rules, in the case of a partly-owned subsidiary or associated company, the value of the transaction is an issuer’s effective interest in that transaction. Pursuant to Rule 909(2) of the Catalist Rules, in the case of a joint venture, the value of the transaction includes the equity participation, shareholders’ loans and guarantees to be given by the entity at risk.

(a) APSB

Taking into account the Company’s 99.99% indirect interest in APSB, the value at risk of the Proposed Novation (in relation to the Contracts entered into by APSB with the Service Providers) to the Company as an interested person transaction as at 31 October 2024 is RM13,855,674.29, being 99.99% of the value of the Proposed Novation (in relation to the Contracts entered into by APSB with the Service Providers) as at 31 October 2024 (being RM13,857,060.00), which represents approximately 16.71% of the audited NTA of the Group for FY2023, being RM82,921,869.

(b) **ACSB**

Taking into account the Company's interest in 51.00% of the shares of ACSB, the value at risk of the Proposed Novation (for the Contracts entered into by ACSB with the Service Providers) to the Company as an interested person transaction as at 31 October 2024 is RM12,444.00, being 51.00% of the value of the Proposed Novation (for the Contracts entered into by ACSB with the Service Providers) as at 31 October 2024 (being RM24,400.00), which represents approximately 0.02% of the audited NTA of the Group for FY2023, being RM82,921,869.

The Company intends to seek the approval of Shareholders for the Proposed Novation. Further details will be set out in the circular to be despatched to Shareholders in due course.

13. TOTAL VALUE OF ALL INTERESTED PERSON TRANSACTIONS FOR THE CURRENT FINANCIAL YEAR

- 13.1. The aggregate value of the interested person transactions entered into with Dato' Malek and his associates (excluding the Proposed Acquisition, the Proposed Management Services, the Proposed Marketing Services, the Proposed Tenancy, the Proposed Reimbursement and Proposed Novation) for the current financial year beginning 1 January 2024 up to the date of this announcement are set out below:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
ACSB	An associate of Dato' Malek	RM627,300 ⁽¹⁾ RM30,600,000 ⁽²⁾	-
Bukit Pelali Properties Sdn Bhd (" BPPSB ")	An associate of Dato' Malek	RM10,200,000 ⁽³⁾	RM432,384 ⁽⁴⁾
Dato Malek	Controlling Shareholder	-	RM Nil ⁽⁵⁾
SHSB ⁽¹⁾	An associate of Dato' Malek	RM29,400,000 ⁽²⁾	-
Saling Syabas Sdn Bhd ⁽⁶⁾ (" SSSB ")	An associate of Dato' Malek	RM 9,800,000 ⁽³⁾	-

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Sukma Consortium Sdn Bhd	An associate of Dato' Malek	-	RM738,000 ⁽⁷⁾
Victor Lai Kuan Loong ("Mr Lai")	Non-Executive Chairman and Independent Director	RM637,000 ⁽⁸⁾	-

Notes:

- (1) Pursuant to Rule 909(1) of the Catalist Rules, in the case of a partly-owned subsidiary or associated company, the value of the transaction is an issuer's effective interest in that transaction. Pursuant to Rule 909(2) of the Catalist Rules, in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees to be given by the entity at risk.

Upon execution of the Term Sheet, the Earnest Deposit (as set out in paragraph 5.1(b)(ii)(A) above) of RM1,230,000 was paid by ACSB and KIASB (in accordance with their proposed Shareholding Proportions) to SHSB.

Accordingly, the Earnest Deposit payable by ACSB was RM627,300. Further, as shareholders of ACSB, each APSB and SHSB shall contribute RM319,923 and RM307,377 for the Earnest Deposit payable by ACSB, based on their respective shareholding proportions in ACSB. APSB had on 12 July 2024, paid on behalf of ACSB, the full amount of RM627,300 to SHSB (as beneficial owner of the Master Land). SHSB had on 29 July 2024, reimbursed (via ACSB) a sum of RM307,377 to APSB, based on SHSB's 49% shareholding proportions in ACSB. As ACSB and SHSB are each associate of Dato' Malek, the Earnest Deposit payable by APSB to SHSB of RM319,923 and amount paid on behalf of ACSB by APSB to SHSB of RM627,300 constitute an "Interested Person Transaction" under Chapter 9 of the Catalist Rule.

- (2) On 3 September 2024, APSB and SHSB had entered into a shareholders' loan agreement with the Company's 50.99% owned indirect subsidiary, ACSB (the "**2024 ACSB Shareholders' Loan**"), to extend an unsecured and interest-free loan to ACSB for an aggregate sum of up to RM60.0 million for the financing of ACSB's business, and ACSB may give any number of drawdown requests to APSB and SHSB, provided always that the amount of each drawing when aggregated with all previous amounts of the drawdown amount under the 2024 ACSB Shareholders' Loan shall not exceed RM60.0 million.

The 2024 ACSB Shareholders' Loan shall be repaid by ACSB to APSB and SHSB in cash and/or in kind as may be mutually agreed between ACSB with APSB and SHSB respectively within one (1) year from the drawing date (the "**Repayment Term of 2024 ACSB Shareholders' Loan**"), with an automatic extension of additional one (1) year period upon the expiry of the Repayment Term of 2024 ACSB Shareholders' Loan, and on each successive anniversary date thereafter and the maturity date for the repayment of the 2024 ACSB Shareholders' Loan shall be construed as the last day of each relevant extension.

Pursuant to Rule 909(2) of the Catalist Rules, in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees to be given by the entity at risk. Accordingly, the value of the 2024 ACSB Shareholders' Loan as an interested person transaction is RM30.6 million, being the proportion of the loan to be extended by APSB to ACSB under the 2024 ACSB Shareholders' Loan (which is in proportion with APSB's equity stake in ACSB).

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

- (3) On 20 May 2024, APSB and SSSB had entered into a shareholders' loan agreement with the Company's 50.99% owned indirect subsidiary, BPPSB (the "**2024 BPPSB Shareholders' Loan**"), to extend an unsecured and interest-free loan to BPPSB for an aggregate sum of up to RM20.0 million for the purposes of ongoing working capital requirements as well as the future developments in BPPSB, provided always that the amount of each drawing when aggregated with all previous amounts of the drawdown amount under the 2024 BPPSB Shareholders' Loan shall not exceed RM20.0 million.

The 2024 BPPSB Shareholders' Loan shall be repaid by BPPSB to APSB and SSSB in cash and/or in kind as may be mutually agreed between BPPSB with APSB and SSSB respectively within one year from the drawing date (the "**Repayment Term of 2024 BPPSB Shareholders' Loan**"), with an automatic extension of additional one (1) year period upon the expiry of the Repayment Term of 2024 BPPSB Shareholders' Loan, and on each successive anniversary date thereafter and the maturity date for the repayment of the 2024 BPPSB Shareholders' Loan shall be construed as the last day of each relevant extension.

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

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

- (4) APSB had seconded certain employees who do not have any active roles or job responsibilities in APSB to BPPSB to meet BPPSB's operational requirements. The amount incurred for the financial period beginning 1 January 2024 and up to the date of this announcement is RM432,384.
- (5) This comprises the rental payable by BPPSB to Dato Malek, for the rental of lands by BPPSB from 1 April 2024 to 31 March 2026. The amount incurred is RM325,464 (approximately S\$98,292).
- (6) There were amounts payable by BPPSB to SSSB up to the date of this announcement for the sole and exclusive right to develop the Bukit Pelali land for an aggregate consideration not exceeding RM165,000,000, which was approved by the Company's shareholders at the extraordinary general meeting on 16 December 2016. Please refer to the Company's circular to its shareholders dated 29 November 2016 for further details. The amount incurred for the financial period beginning 1 January 2024 and up to the date of this announcement is RM470,398.
- (7) This comprises the rental payable by APSB, to Sukma Consortium Sdn Bhd, an associate of Dato' Malek, for the rental of office premises by APSB from September 2024 to August 2027.
- (8) This relates to the sale of a property unit at The Aliva project by the Company's 99.99%-owned indirect subsidiary, ADSB to Mr Lai. Please refer to the Company's announcement dated 12 August 2024.

As at the date of this announcement, the current total of all interested person transactions with Dato' Malek and his associates during the same financial year from 1 January 2024 to the date of this announcement (excluding the Proposed Acquisition, the Proposed Adoption of the IPT General Mandate, the Proposed Reimbursement and the Proposed Novation (collectively, the "**Proposed Relevant IPTs**") and transactions of a value less than S\$100,000) is RM41.43 million, which represents approximately 49.96% of the audited NTA of the Group for FY2023, being RM82,921,869.

- 13.2. Save as disclosed in this announcement, there are no other interested person transactions entered into by the Group with any other interested persons for the current financial year beginning 1 January 2024 up to the date of this announcement.

14. CONVENING OF EXTRAORDINARY GENERAL MEETING TO OBTAIN SHAREHOLDERS' APPROVAL

The Company will be seeking Shareholders' approval at an extraordinary general meeting ("EGM") to be held by physical means in due course, to approve the Proposed Relevant IPTs. A circular containing, *inter alia*, the notice of the EGM, details of the Proposed Relevant IPTs, the opinion of the IFA, the Valuation Report, and the recommendations of the independent Directors and the Audit Committee, will be despatched to Shareholders in due course.

15. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Company is finalising the appointment of an independent financial adviser (the "IFA") to advise the Directors who are considered independent for the purposes of the Proposed Relevant IPTs and the audit committee of the Company (the "Audit Committee") on each of the Proposed Relevant IPTs as an interested person transaction.

16. AUDIT COMMITTEE'S STATEMENT

The Audit Committee will be obtaining an opinion from the IFA before forming its view as to whether each of the Proposed Relevant IPTs is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders, which will be set out in the circular to be despatched to Shareholders in due course.

17. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for Dato' Malek, whose interests in the Proposed Relevant IPTs are disclosed above, none of the Directors or the controlling shareholders (as defined in the Catalist Rules) of the Company has any interest, direct or indirect, in the Proposed Relevant IPTs, other than through their respective shareholdings (if any) in the Company.

18. ABSTENTION FROM VOTING

Pursuant to Rule 919 of the Catalist Rules, an interested person and any associate of the interested person must abstain from voting on the resolution approving the interested person transactions involving themselves and their associates. Such interested persons and their associates shall not act as proxies nor accept appointments as proxies in relation to such resolution unless specific voting instructions had been given by the Shareholders.

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

19. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SSA, SPA, PMA, PSMA and Tenancy Agreement is available for inspection at the registered office of the Company at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535, during normal business hours on any weekday for three (3) months from the date of this announcement.

Please contact the Company at robin.yoo@a8ile.com prior to making any visits to arrange for a suitable time slot for the inspection.

20. DIRECTORS' RESPONSIBILITY STATEMENT

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

21. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read the Announcements in conjunction with this announcement and further announcements by the Company carefully.

Shareholders and potential investors of the Company should note that the completion of the SSA and SPA are subject to conditions which may or may not be fulfilled. The Company will make the necessary announcements when there are further material developments in relation to the Definitive Agreements and the Other Development Agreements.

Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Khong Chung Lun
Executive Director and Chief Executive Officer
13 November 2024

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

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

The contact person for the Sponsor is Ms. Audrey Mok (Telephone: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.
