

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

ENTRY INTO A LOAN AGREEMENT AS AN INTERESTED PERSON TRANSACTION

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Astaka Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) would like to announce that the Company’s subsidiary, Astaka Padu Sdn Bhd (“**APSB**”), a wholly-owned indirect subsidiary of the Group has on 14 February 2020 entered into a loan agreement with Dato’ Daing A Malek Bin Daing A Rahaman (the “**Lender**”) (the “**Loan Agreement**”). Pursuant to the Loan Agreement, the Lender has agreed to grant an unsecured loan in the principal amount not exceeding Ringgit Malaysia Thirty Million (RM30,000,000) in aggregate (the “**Loan**”) to APSB, subject to the terms and conditions set out in the Loan Agreement.

2. PRINCIPAL TERMS OF THE LOAN AGREEMENT

Principal Amount	Ringgit Malaysia Thirty Million (RM30,000,000) in aggregate
Drawdown	Subject to the terms and conditions of the 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 (“ Drawing Date ”), 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)
Interest	The rate per annum of the interest payable on any principal amount outstanding for the time being of the Loan (each an “ Outstanding Tranche ”) shall be eight per cent (8%) (the “ Interest ”). 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
Repayment	(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

“**Repayment Date**”) 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.

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

Costs and Expenses

Each Party shall bear its own legal and other costs and incurred in connection with the preparation of, transactions contemplated under the Loan Agreement

Governing Law

The Loan Agreement is governed by the laws of Malaysia

3. RATIONALE FOR THE LOAN

The Loan will be utilised by APSB for general corporate and working capital purposes. The Company has used its best endeavours to explore other financing options; however in light of present market conditions, there are limited financing options available to the Group. The Loan Agreement is considered the most viable option as the Loan is unsecured and the fixed interest rate of 8% per annum is within the range of several secured loans which the Group currently has. Therefore, having reviewed the terms of the Loan Agreement, the Board is of the view that the Loan is in the interests of the Company and APSB. The Audit Committee shall review the terms, rationale and benefits of the Loan prior to the Repayment Date to determine if the Loan continues to be in the interests of the Company and APSB or if the Loan should otherwise be repaid on the Repayment Date, and where necessary, comply with the relevant Catalist Rules for the extension.

4. INFORMATION ON THE LENDER

The Lender is Dato’ Daing A Malek Bin Daing A Rahaman, a Malaysian citizen. As at the date of the Loan Agreement, the Lender has a deemed interest in approximately 66.55% of the share capital of the Company and is, therefore, a controlling shareholder of the Company. Accordingly, the Lender is deemed to be an “interested person” for the purposes of Chapter 9 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”).

5. CHAPTER 9 OF THE CATALIST RULES

Based on the latest audited consolidated financial statements of the Company for the financial year ended 30 June 2019, the Group's latest audited net tangible assets (the "NTA") is approximately RM109.9 million. Assuming that the Loan is fully drawn down on the date of the Loan 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, the transaction value of the Loan is RM2.4 million, being the interest payable on such Loan.

Details of all interested person transactions for FY2020 (as at the date of this announcement) are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during FY2020 (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' Daing A Malek Bin Daing A Rahaman ("Dato Malek")	Controlling Shareholder	RM892,914 ⁽¹⁾	Not applicable
Sharikat Sukma Kemajuan Dan Perusahaan Sdn Bhd ("Sharikat Sukma")	An associate of Dato Malek	-(²)	Not applicable
Sukma Consortium Sdn Bhd ("Sukma Consortium")	An associate of Dato Malek	-(³)	Not applicable
Saling Syabas Sdn Bhd ("SSSB")	An associate of Dato Malek	RM9,299,902 ⁽⁴⁾	Not applicable

Notes:

- (1) Dato Malek had extended loans in aggregate outstanding principal amount of RM22,322,839 to the Group at a fixed interest rate of 4% per annum repayable on demand. Assuming that such outstanding amounts remain unpaid in FY2020 and as there are no fixed repayment terms, the value of this transaction, being the interest payable on the outstanding loans for FY2020 is approximately RM892,914 (equivalent to approximately S\$297,340, based on an exchange rate of RM1 : S\$0.3330).
- (2) Sharikat Sukma had extended a loan in principal amount of RM3,293,863 to the Group at a fixed interest rate of 4% per annum repayable on demand. Assuming that the loan remains unpaid in FY2020 and as there are no fixed repayment terms, the value of this transaction, being the interest payable on the loan for FY2020 is approximately RM131,755 (equivalent to approximately S\$43,874, based on an exchange rate of RM1 : S\$0.3330).
- (3) The Group owes Sukma Consortium an aggregate amount of RM1,683,165, at a fixed interest rate of 4% per annum repayable on demand. Assuming the amount remains unpaid in FY2020 and as there are no fixed repayment terms, the value of this transaction, being the interest payable on the outstanding amount for FY2020 is approximately RM67,327 (equivalent to approximately S\$22,420, based on an exchange rate of RM1 : S\$0.3330). In addition, the Group rents its office premises from Sukma Consortium where an

aggregate amount of RM246,000 (equivalent to S\$81,918, based on an exchange rate of RM1 : S\$0.3330) is paid or payable to Sukma Consortium for the rental of office premises from 1 July 2019 to 30 June 2020.

- (4) This comprises the amount payable by the Group to SSSB as at 31 December 2019 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).

Accordingly, the aggregate value of all interested person transactions (excluding transactions of a value of less than S\$100,000) entered into by the Group and Dato Malek and his associates for FY2020 is approximately RM10,192,816, representing approximately 9.27% of the Group's NTA. Pursuant to Rule 905(2) of the Catalist Rules, an immediate announcement of the Loan and all future transactions entered into with Dato Malek and his associates during FY2020 must be made.

Pursuant to Rule 906(1)(b) of the Catalist Rules, in determining whether Shareholders' approval is required to be sought for an interested person transaction, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

As the aggregate value of all interested person transactions (including the Loan but excluding the transaction with SSSB which has been approved by Shareholders and transactions of a value less than S\$100,000) entered into by the Group and Dato Malek and his associates for FY2020 is approximately RM3,292,914, representing approximately 3.00% of the Group's NTA. Accordingly, no Shareholders' approval is required to be sought for the Loan.

6. AUDIT COMMITTEE STATEMENT

The Audit Committee, having considered, the terms, rationale and benefits of the Loan, is of the view that the Loan is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors (other than in his capacity as Director or Shareholder of the Company) nor (as far as the Directors are aware) substantial Shareholders of the Company has any interest (other than their respective shareholdings in the Company), direct or indirect, in the Loan Agreement.

8. DOCUMENTS AVAILABLE FOR INSPECTION

The Loan Agreement is available for inspection during normal business hours at the Company's registered office for a period of three (3) months from the date of this announcement.

9. 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 Loan Agreement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

ON BEHALF OF THE BOARD

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

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

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

The contact person for the Sponsor is Mr Pong Chen Yih, Chief Operating Officer, 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.
