

**ENTRY INTO AN INTEREST FREE LOAN AGREEMENT**

**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 Astaka Padu Sdn Bhd (“**APSB**” or “**Borrower**”), a 99.99% owned indirect subsidiary of the Company has on 21 February 2022 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 interest-free loan in the principal amount not exceeding Ringgit Malaysia Sixty Million (RM60,000,000.00) in aggregate (the “**Loan**”) to APSB, subject to the terms and conditions set out in the Loan Agreement.

The Loan will be utilised by APSB for general corporate and working capital purposes, and shall only be drawn only when required.

**2. PRINCIPAL TERMS OF THE LOAN AGREEMENT**

The principal terms of the Loan Agreement are summarised as follows:

<b>Principal Amount</b>	Ringgit Malaysia Sixty Million (RM60,000,000.00) in aggregate
<b>Drawdown</b>	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 during the tenure of the Loan, calls for a drawdown of the Loan or any part thereof, 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> ”). The Borrower may 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 Sixty Million (RM60,000,000.00)
<b>Interest</b>	There shall be no interest chargeable and/or payable on any principal amount outstanding for the time being of the Loan
<b>Security</b>	Loan shall be unsecured

## Repayment

- (a) Subject to paragraph (b) below, the Loan shall be repaid without interest within 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 the Loan Agreement shall be repaid by the Borrower within one calendar month from the date of demand made by the Lender.
- (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 tenure 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.

### 3. RATIONALE FOR AND BENEFITS OF THE LOAN

The Loan will be provided by Dato’ Daing A Malek Bin Daing A Rahaman, the controlling shareholder of the Company who continues to provide his support and commitment to the Group for its future growth, and in particular, after considering that the Company has been taking active steps with a view to resume trading in the Company’s securities, including the memorandum of understandings entered into by the Group for potential joint property development projects as announced on 24 January 2022 and 27 January 2022.

The Loan will be utilised by APSB for general corporate and working capital purposes. The Loan Agreement is considered the most viable option as the Loan is unsecured and is not interest chargeable.

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.

### 4. INFORMATION ON THE LENDER

The Lender is Dato’ Daing A Malek Bin Daing A Rahaman, a Malaysian citizen. As at the date of this announcement, the Lender has (i) a deemed interest of 66.55% in the Company by virtue of his 100% shareholding interest in Horizon Sea Limited, which holds 1,244,062,150 shares in the Company (the “**Shares**”), and (ii) a direct shareholding of 0.20% in the Company by virtue of his holding of 3,665,000 fully-paid Shares held through Phillip Securities Pte Ltd.

### 5. INTERESTED PERSON TRANSACTION

The Lender, being the controlling shareholder of the Company, falls under the definition of “interested person” pursuant to Chapter 9 of Singapore Exchange Securities Trading Limited’s Listing Manual Section B: The Rules of Catalist (“**Catalist Rules**”). Accordingly, the grant of the Loan by the Lender is deemed as an “interested person transaction”.

Pursuant to Rule 909(3) of the Catalist Rules which states, *inter alia*, that in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. As the Loan is interest-free, the value of this transaction (or amount at risk to the Company) is nil and

as such, no disclosure or approval from shareholders is required under Chapter 9 of the Catalist Rules for the purposes of the Loan.

## **6. BOARD AND THE AUDIT COMMITTEE STATEMENT**

The Board and the Audit Committee, having considered, the terms, rationale for and benefits of the Loan, are 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. 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.

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

The Loan Agreement is available for inspection during normal business hours at the Company's registered office at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535, for a period of three (3) months from the date of this announcement.

In light of the prevailing safe distancing measures due to the COVID-19 situation, please contact the Company at robin.yoo@a8ile.com prior to making any visits to arrange for a suitable time slot for the inspection.

By Order of the Board

Khong Chung Lun  
Executive Director and Chief Executive Officer

21 February 2022

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This announcement 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 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 Andrew Leo, Chief Executive Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.

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