
**JOINT VENTURE WITH STRAITS PERKASA SERVICES SDN. BHD. FOR A PROPOSED
PROPERTY DEVELOPMENT PROJECT IN MUKIM TEBRAU, TAMAN SETIA INDAH, DAERAH
JOHOR BAHRU, NEGERI JOHOR**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Astaka Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s press release dated 27 January 2022 and wishes to announce that its 99.99%-indirect owned subsidiary, Astaka Development Sdn. Bhd. (“**ADSB**”), had entered into a joint development agreement (the “**JD Agreement**”) with Straits Perkasa Services Sdn. Bhd. (the “**Landowner**”) on 19 April 2022 in relation to a development of a mixed commercial development project consisting of serviced apartments on a parcel of land on Mukim Tebrau, Tempat Taman Setia Indah, Daerah Johor Bahru, Negeri Johor (the “**Land**”) (the “**Project**”). The Landowner is the registered and beneficial owner of the Land, which is held under GRN 520892 Lot 152290 (formerly HS(D) 506822 PTD 165770), Mukim Tebrau, Tempat Taman Setia Indah, Daerah Johor Bahru, Negeri Johor.

2. INFORMATION ON THE LANDOWNER AND THE LAND

- 2.1. The Landowner is a company incorporated in Malaysia and its registered office is at A-3-55, Pusat Komersial Bayu Tasek, Persiaran Southkey 1, 80150 Johor Bahru, Johor with its business address at PLO 404, Jalan Perak, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor, Malaysia.
- 2.2. The Landowner was incorporated in July 1991 as a private limited company. Since 1991, the Landowner has built its reputation in the Malaysian marine and shipping industry through its mooring services.
- 2.3. To the best of the Company’s knowledge, the Landowner, its directors and its shareholders and their respective associates are not related to the Company, its directors and substantial shareholders or their respective associates. The Landowner, its directors and shareholders do not currently hold any shareholding interest (direct or indirect) in the Company.
- 2.4. The Land is currently charged to CIMB Bank Berhad (the “**Existing Financier**”) for banking facilities granted to the Landowner, with an outstanding principal amount of approximately RM4,500,000 as at the date of the JD Agreement.
- 2.5. The Landowner undertakes that it will not incur any further indebtedness so as to increase the principal amount owing to the Existing Financier in relation to the Land, and further undertakes not to further encumber or deal with the Land in any manner whatsoever for the duration of the Project.

3. KEY TERMS OF THE JD AGREEMENT

3.1. Consideration

(a) In consideration for the right to jointly develop the Land, ADSB shall pay to the Landowner a sum (the “**Landowner’s Consideration**”) equivalent to:

- (i) RM17,424,000; or
- (ii) fifteen percent (15%) of the Net Development Value (as defined below),

whichever is the higher, and subject to the terms and conditions of the JD Agreement.

“Net Development Value” is defined in the JD Agreement as the net proceeds to be received by ADSB pursuant to the sale of the relevant units or parcels within the serviced apartment building(s) to be constructed by ADSB for the Project, after deduction of (i) all applicable discounts, rebates, incentives, reductions in the price of the said units and/or parcels (howsoever carried out), and (ii) commissions, incentives, fees, payments or charges which are to be paid to third parties engaged by ADSB to assist in the sale of the said units and/or parcels and any staff of ADSB who assists in the sale of any of the said units and/or parcels.

The Landowner’s Consideration was arrived at on a willing-buyer, willing-seller basis, after taking into account various factors, including the relatively prime location of the Land, the recent transacted prices for similar properties in the vicinity of the Land and the development potential of the Land.

(b) No valuation was conducted on the Land. The book value of the Land (based on the Landowner’s Consideration) is approximately RM17.4 million.

(c) The Landowner’s Consideration shall be paid by ADSB to the Landowner in the following manner:

(i) a sum of RM1,742,400 shall be paid to the Landowner’s solicitors on the date of the JD Agreement (the “**First Payment**”), and the Landowner’s solicitors shall be authorised to release the First Payment to the Landowner upon perfection and delivery of a specific debenture to be provided to ADSB as security for the refund of monies paid to the Landowner by ADSB and/or advanced by ADSB on behalf of the Landowner in the event of the termination of the JD Agreement due to the non-satisfaction or non-fulfilment of the conditions precedent within the relevant time period(s) as set out in the JD Agreement, such debenture to be provided to ADSB within 45 days from the date of the JD Agreement;

(ii) a further sum equivalent to the Redemption Sum (as defined under Section 3.2(d) below) shall be paid to the Existing Financier after the date on which all conditions precedent are fulfilled or waived in accordance with the JD Agreement (the “**Unconditional Date**”) and within fourteen (14) days of receipt of the Redemption Statement (as defined under Section 3.2(d) below) by ADSB (the “**Second Payment**”); and

(iii) subject to the terms of the JD Agreement, ADSB shall pay to the Landowner the balance which is equivalent to fifteen percent (15%) of each Specific Payment (as defined herein) received (the “**Third Payment**”). The Third Payment shall be paid to the Landowner progressively after the commencement of the Project and upon receipt by ADSB of the Specific Payments (in cash) from the end purchasers of the relevant units in the Project or their respective financiers, as the case may be.

ADSB shall not be required to pay to the Landowner any amount pursuant to the Third Payment until and unless the aggregate of the amounts due to the Landowner exceeds the sum of the First Payment, the Second Payment and such amounts which have been advanced by ADSB on behalf of the Landowner in relation to the Project (the “**Threshold**”). ADSB shall, after the Threshold is achieved, within fourteen (14) days from the end of each calendar month, commence payment to the Landowner of the Third Payment in respect of Specific Payments received for the preceding month.

For the purposes of this Section 3, “**Specific Payments**” means, the payments to be made by the end purchasers in accordance with paragraph 2(b) to paragraph 5 (both paragraphs inclusive) of Schedule H of the Housing Development (Control and Licensing) Act 1966 of Malaysia, which is the form of sale and purchase agreements to be executed between the Landowner and/or ADSB and the end purchasers of the relevant units in the Project prescribed by the Housing Development (Control and Licensing) Act 1966 of Malaysia.

3.2. **Conditions Precedent**

Commencement of the Project is subject to and conditional upon, among other things, the fulfilment of the following conditions precedent within a six (6) months period from the date of the JD Agreement (the “**Initial Period**”), with an automatic extension of three (3) months if the conditions precedent are not fulfilled within the Initial Period (the “**Extension Period**”):

- (a) receipt by ADSB of all necessary approvals from the relevant authorities in relation to ADSB’s proposal on, among other things, the planning permission (*kebenaran merancang*) and building plan for the Project;
- (b) receipt by ADSB of the approval for change of land use of the Land to “*serviced apartment*” or similar category of land use such that it is permitted to develop and construct serviced apartments on the Land;
- (c) receipt by ADSB of letters of release(s) from the Landowner’s appointed consultants/professionals in relation to the Project or the Land, and evidence that all outstanding dues/fees to the consultants/professionals have been settled; and
- (d) receipt by ADSB of a letter from the Existing Financier addressed to the Landowner or ADSB (the “**Redemption Statement**”) indicating that the amount of the redemption sum required to be paid to the Existing Financier to redeem the Land and to release the Land from the Existing Financier’s charge (the “**Redemption Sum**”) does not exceed RM4,500,000.

3.3. **Non-fulfilment of Conditions Precedent**

In the event of non-fulfilment or non-satisfaction of the conditions precedent within the Initial Period and the Extension Period (or such other extended period as may be agreed by ADSB and the Landowner):

- (a) any payment received by the receiving parties pursuant to the JD Agreement (including any payments which have been made on behalf of any party and payments to either party’s solicitors which are held as stakeholders by the solicitor) shall be refunded without interest within ten (10) days from the date of demand;

- (b) any documents received by the receiving parties shall be returned to the other party within ten (10) days from the date of demand;
- (c) the JD Agreement shall be deemed terminated and null and void and shall have no legal effect and neither party shall have any claim of whatsoever nature against the other save and except for any antecedent breach; and
- (d) vacant possession of the Land shall be re-delivered to the Landowner on an as is where is basis at the date of the expiry of the period for fulfilment of the conditions precedent (if the same had previously been delivered),

(collectively, the “**Non-satisfaction of Conditions Precedent**”).

3.4. **Option to Purchase**

- (a) Under the JD Agreement, the Landowner has granted ADSB an option to purchase the Land at a consideration of RM17,424,000 (the “**Option to Purchase**”).
- (b) The Option to Purchase shall be exercisable by ADSB within six (6) months from the Unconditional Date by notice in writing to the Landowner, whereupon the Landowner and ADSB shall execute a sale and purchase agreement for the sale and purchase of the Land (the “**Proposed Acquisition**”) on usual commercial terms within one (1) month from ADSB exercising the Option to Purchase.
- (c) The First Payment (as defined in Section 3.1(c)(i) above) shall then be treated and be deemed as earnest deposit and part payment towards the purchase consideration for the Proposed Acquisition.
- (d) Upon execution of the relevant sale and purchase agreement for the sale and purchase of the Land by ADSB, the JD Agreement shall be terminated and the clauses on the Non-Satisfaction of Conditions Precedent (as set out at Section 3.3 above) shall apply *mutatis mutandis* (save for the requirement to refund the First Payment). For the avoidance of doubt, in the event that the JD Agreement is terminated, the clauses in the JD Agreement pertaining to the Second Payment and the Third Payment shall no longer be valid, and as mentioned previously, the clauses on the Non-Satisfaction of Conditions Precedent (as set out at Section 3.3 above) shall apply *mutatis mutandis*.

3.5. **Project Commencement**

The Project shall commence within 24 months from the Unconditional Date (the “**Commencement Period**”). Where ADSB is of the view that commencement of the Project within the Commencement Period is not feasible or viable, the Landowner and ADSB agree to negotiate in good faith on a mutually acceptable extension to the Commencement Period. The date on which the Project commences shall be known as the “**Project Commencement Date**” and shall be notified by ADSB to the Landowner.

3.6. **Completion**

The Project shall be carried out and completed in accordance with the requirements and timeline provided under the sale and purchase agreements to be entered into with the end purchasers of the units under the Project or as mutually agreed by the parties from time to time.

3.7. Others

- (a) As the Project is in the ordinary course of the Group (i.e. the business of property development in Malaysia), it does not constitute a transaction under Chapter 10 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).
- (b) The Proposed Acquisition is not in the ordinary course of business of the Group (i.e. the business of property development in Malaysia). Accordingly, it is a transaction which is subject to Chapter 10 of the Catalist Rules. Please refer to Section 5 below for further details on the relative figures computed based on Rule 1006 of the Catalist Rules, and Section 6 below for further details on the financial effects of the Proposed Acquisition.

4. RATIONALE FOR THE OPTION TO PURCHASE

The Proposed Acquisition is in line with the Group’s strategy to selectively explore investment opportunities and potential real estate acquisitions and will be beneficial to the Group’s property development business as the Group will be able to expand its property development portfolio and increase its revenue stream.

5. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES IN RELATION TO THE OPTION TO PURCHASE

Based on the latest announced audited consolidated financial statements of the Group for the financial year ended 31 December 2021 (released via SGXNet on 11 April 2022), the relative figures of the Proposed Acquisition as computed on the relevant bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases	Relative Figures
(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value	Not applicable ⁽¹⁾
(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group’s net profits	Not applicable ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	3.42% ⁽³⁾
(d)	Number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
(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 ⁽⁵⁾

Notes:

- (1) Not applicable as the transaction is in relation to a proposed acquisition of the Land and is not a disposal.
- (2) Not applicable, as the Land is currently vacant and does not generate any income or revenue.
- (3) Based on the consideration relating to the Option to Purchase of approximately RM17,400,000 (equivalent to approximately S\$5,565,862.71 based on an exchange rate of S\$1:RM3.1262 as at 18 April 2022) and the Company's market capitalisation of approximately S\$162,640,784 (rounded up to the nearest hundred). The Company's market capitalisation is determined by multiplying 1,869,434,303 issued shares of the Company (excluding treasury shares) by the volume weighted average price of approximately S\$0.087 per share of the Company on 24 June 2019, being the full market day immediately preceding the signing of the JD Agreement and prior to the suspension of the Company's trading.
- (4) There will be no issuance of consideration shares in relation to the Proposed Acquisition.
- (5) The Land is not a mineral, oil, or gas asset.

As the relative figures computed on the bases set out in Rule 1006(b) of the Catalist Rules above do not exceed 5%, the Proposed Acquisition constitutes a "non-discloseable transaction" under Chapter 10 of the Catalist Rules. Therefore, the disclosure under Section 5 of this announcement is considered a voluntary disclosure by the Company in order to present a comprehensive picture of the Project.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1. Illustrative Nature of Financial Effects

The financial effects set out below are purely for illustrative purposes only and do not necessarily reflect the actual results and financial performance and position of the Group after the Proposed Acquisition. No representation is made as to the financial position and/or results of the Group after the completion of the Proposed Acquisition. The financial effects of the Proposed Acquisition on the Group set out below were prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2021 ("FY2021")⁽¹⁾ and subject to the following main assumptions:

- (a) for the purposes of computing the net tangible assets ("**NTA**") per share of the Group after the Proposed Acquisition, it is assumed that the Proposed Acquisition had been completed on 31 December 2021 (being the end of the most recently audited financial year ended 31 December 2021);
- (b) for the purposes of computing the loss per share ("**LPS**") of the Group after the Proposed Acquisition, it is assumed that the Proposed Acquisition had been completed on 1 July 2020 (being the beginning of the most recently audited financial year ended 31 December 2021); and
- (c) the estimated expenses in relation to the Proposed Acquisition are taken into account in calculating the financial effects.

Note:

- (1) As announced on 13 July 2021, the Company has changed its financial year-end from 30 June to 31 December. Following the change of the financial year-end, the audited financial statements for the financial period ended 31 December 2021 will cover a period of 18 months from 1 July 2020 to 31 December 2021.

6.2. **Effects on NTA per Share**

	Immediately before the Proposed Acquisition	Immediately after the Proposed Acquisition
NTA (RM)	71,937,000	71,879,000
Number of shares	1,869,434,303	1,869,434,303
NTA per share (RM cents)	3.85	3.84

6.3. **LPS**

	Immediately before the Proposed Acquisition	Immediately after the Proposed Acquisition
Net loss attributable to shareholders (RM)	22,875,000	22,933,000
Weighted average no. of ordinary shares	1,869,434,303	1,869,434,303
Losses per share (RM cents)	1.22	1.23

7. **SOURCE OF FUNDS**

The Landowner's Consideration and the Proposed Acquisition (as the case may be) will be funded by internal resources of the Group and/or external bank borrowings.

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.

9. **INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed in this announcement, none of the Directors (other than in his/her capacity as Director or shareholder of the Company) nor (as far as the Directors are aware) controlling Shareholders (other than their respective shareholdings in the Company, if any) has any interest, direct or indirect, in the Proposed Acquisition.

10. DOCUMENTS FOR INSPECTION

A copy of the JD Agreement is available for inspection during normal office hours at the Company's registered office at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535, for 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.

11. CAUTIONARY STATEMENT

Shareholders of the Company should note that the disclosures relating to the Proposed Acquisition are indicative only. There is no certainty or assurance as at the date of this announcement that the Option to Purchase will be exercised and/or that the Proposed Acquisition will be completed.

The Company will make the necessary announcements when there are further developments on the Proposed Acquisition and other matters contemplated by this announcement. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By Order of the Board

Khong Chung Lun
Executive Director and Chief Executive Officer

20 April 2022

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.
