
**MASTER SUPPLEMENTAL AGREEMENT BETWEEN
BUKIT PELALI PROPERTIES SDN. BHD., JBB BUILDERS (M) SDN. BHD. AND ASTAKA
PADU SDN. BHD.
– FINANCIAL SUPPORT AGREEMENT**

Unless otherwise defined, capitalised terms used herein shall have the same meanings as ascribed to them in the Company's announcement dated 22 June 2022 (the "Announcement").

1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of Astaka Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the Announcement in relation to, *inter alia*, the Proposed Settlement pursuant to the terms of the Master Supplemental Agreement.

In connection with the Proposed Settlement, the Board wishes to inform shareholders of the Company (the "**Shareholders**") that a financial support agreement was entered into on 20 September 2022 amongst Astaka Padu Sdn. Bhd. ("**APSB**"), Saling Syabas Sdn. Bhd. ("**SSSB**") and Bukit Pelali Properties Sdn. Bhd. ("**BPP**") (the "**Financial Support Agreement**"), pursuant to which:

- (a) APSB, SSSB and BPP agree and acknowledge that:
 - (i) the provision and transfer to JBB Builders or its nominee(s) of the Contra Properties in accordance with the terms and conditions of the Master Supplemental Agreement shall be deemed as an advance for an aggregate sum of RM41,619,840.00 extended by APSB to BPP (the "**Immediate Astaka Advances**"); and
 - (ii) the provision and transfer to JBB Builders or its nominee(s) of the Escrow Properties in accordance with the terms and conditions of the Master Supplemental Agreement shall be deemed as an advance for an aggregate sum of up to RM20,610,848.00 extended by APSB to BPP (the "**Contingent Astaka Advances**" and/or the Immediate Astaka Advances (if applicable), the "**Astaka Advances**");
- (b) both shareholders of BPP, being APSB and SSSB, have agreed to extend a loan to BPP for an aggregate sum of up to RM62,230,688.00 (being the aggregate of the Immediate Astaka Advances and the Contingent Astaka Advances) (such loan, the "**Shareholders' Loan**"), the proceeds of which shall be used by BPP for the sole purpose of paying to APSB, the Astaka Advances.

By way of background, BPP was incorporated as a joint venture vehicle on 3 October 2016 between APSB and SSSB to jointly undertake property and real estate development in Malaysia, with APSB and SSSB holding 51% and 49% shareholding interests in BPP respectively. Pursuant to the joint venture agreement entered between BPP, APSB and SSSB on 3 October 2016 (the "**Joint Venture Agreement**"), BPP shall obtain financing assistance for its business from its shareholders in proportion to their respective shareholding percentages in BPP should BPP be unable to secure external borrowings from third parties.

2. SALIENT TERMS OF THE FINANCIAL SUPPORT AGREEMENT

(a) Provision of Shareholders' Loan to BPP

APSB and SSSB agree and covenant to make available to BPP the Shareholders' Loan, on or before the Immediate Astaka Advances Payment Date (as defined below) and the Contingent Astaka Advances Payment Date (as defined below) (if applicable), in accordance with their respective shareholding proportions in BPP, as set out in the table below:

Shareholders	Amount of the Shareholders' Loan to be made available	
	On or before the Immediate Astaka Advances Payment Date	On or before the Contingent Astaka Advances Payment Date (if applicable)
APSB	RM21,226,118.40	Up to RM10,511,532.50
SSSB	RM20,393,721.60	Up to RM10,099,315.50
Total	RM41,619,840.00	Up to RM20,610,848.00

There shall be no interest charged on the Shareholders' Loan and it shall be repaid by BPP to APSB and SSSB in cash and/or in kind as may be mutually agreed between BPP with APSB and SSSB respectively within one (1) year from the Drawing Date (the "**Repayment Term**"), with an automatic extension of additional one year period upon the expiry of the Repayment Term, and on each successive anniversary date thereafter. Following each such automatic extension pursuant hereto, references to the Repayment Term shall also be extended accordingly and the maturity date for the repayment of the Shareholders' Loan shall be construed as the last day of each relevant extension.

For the purposes of this announcement, the "**Drawing Date**" shall mean a day on which the amount of drawing made or to be made under the Shareholders' Loan extended by APSB and SSSB to BPP pursuant to the Financial Support Agreement, and where the context so requires, shall mean any one or more of them.

(b) Manner of Contribution of the Shareholders' Loan

In the case of APSB, a sum of RM21,226,118.40 to be contributed and injected by APSB to BPP shall be set-off against a sum equivalent to RM21,226,118.40 from the Immediate Astaka Advances payable on the Immediate Astaka Advances Payment Date, while a sum of up to RM10,511,532.50 to be contributed and injected by APSB to BPP shall be set-off against a sum equivalent to 51% of the Contingent Astaka Advances on the Contingent Astaka Advances Payment Date (if applicable) or up to RM10,511,532.50 should JBB Builders call upon all of the Escrow Properties). Following the foregoing set-off arrangements, APSB shall be deemed to have made available the Shareholders' Loan to BPP in accordance with its shareholding proportion.

In the case of SSSB, a sum of RM20,393,721.60 in cash shall be contributed and injected into BPP on or before the Immediate Astaka Advances Payment Date, while a sum equivalent to 49% of the Contingent Astaka Advances or a sum of up to RM10,099,315.50 in cash shall be contributed and injected to BPP on or before the Contingent Astaka Advances Payment Date (if applicable).

(c) Payment of the Immediate Astaka Advances

Within or on the date falling three (3) months from the Unconditional Date (“**Immediate Astaka Advances Payment Date**”), BPP shall pay to APSB in cash the Immediate Astaka Advances, failing which BPP shall pay to APSB interest at the rate of 10% per annum on the Immediate Astaka Advances or any part thereof remaining unpaid, calculated on a daily basis, from the day next following the Immediate Astaka Advances Payment Date until the date of actual payment of the full amount of the Immediate Astaka Advances.

(d) Payment of the Contingent Astaka Advances

BPP agrees and undertakes that in the event JBB Builders shall, for any reason whatsoever, call upon the Escrow Properties or any part thereof under the terms of the Master Supplemental Agreement, the Contingent Astaka Advances or such part thereof shall immediately become payable by BPP to APSB in cash within or on the date falling 3 months from the respective date of the sale and purchase agreement(s) executed between APSB and JBB Builders or its nominee(s) (“**Contingent Astaka Advances Payment Date**”), failing which BPP shall pay to APSB interest at the rate of 10% per annum on the Contingent Astaka Advances or any part thereof remaining unpaid, calculated on a daily basis, from the day next following the Contingent Astaka Advances Payment Date until the date of actual payment of the full amount of the Contingent Astaka Advances.

(e) Security for Repayment and Settlement of Astaka Advances

(i) Pending the repayment and settlement of the Immediate Astaka Advances and/or the Contingent Astaka Advances by BPP to APSB, BPP and SSSB agree that BPP shall, in pursuance to the authority conferred on it by the power of attorney granted by SSSB to BPP, furnish the Bukit Pelali Identified Properties to APSB or its nominee(s) as a continuing security, further details of which are set out below:

(A) SSSB shall charge all of its rights, title and interests in the identified lands as set out in Part A and Part B of Schedule 3 of the Financial Support Agreement and which:

(I) have an aggregate market value of not less than RM41,200,000.00 as at the date of the Financial Support Agreement;

(II) are legally and beneficially owned by SSSB; and

(III) form part of the Bukit Pelali Land (as defined in the Financial Support Agreement) and presently undeveloped by BPP,

(such identified lands collectively, the “**Bukit Pelali Identified Properties**”) in favour of APSB or its nominee(s), as continuing security for the repayment and settlement of the Immediate Astaka Advances and/or the Contingent Astaka Advances (as may be applicable).

(B) APSB agrees and undertakes that it shall not perfect the security documents in respect of the Bukit Pelali Identified Properties as set out in Part A of Schedule 3 of the Financial Support Agreement by

registering the charge in its favour or under the name of its nominee(s) until and unless BPP fails to repay and settle the Immediate Astaka Advances on or before the Immediate Astaka Advances Payment Date in accordance with the provisions of the Financial Support Agreement.

- (C) BPP may, subject to APSB's prior written consent, withdraw any of the Bukit Pelali Identified Properties as set out in Part B of Schedule 3 of the Financial Support Agreement from being part of the security to the repayment and settlement of the Contingent Astaka Advances in the event the cumulative payment made by BPP to APSB for the repayment and settlement of the Contingent Astaka Advances is equivalent to or exceeds the market value of the relevant Bukit Pelali Identified Properties.
 - (D) BPP, SSSB and APSB agree that BPP or SSSB shall, subject to APSB's prior written consent, be entitled to swap any of the Bukit Pelali Identified Properties as set out in Part B of Schedule 3 of the Financial Support Agreement with such other properties legally and beneficially owned by SSSB, provided always that such new properties shall have a market value equivalent to or exceeds the market value of the relevant Bukit Pelali Identified Properties.
- (ii) BPP further agrees and undertakes that pending the full repayment and settlement of the Immediate Astaka Advances and/or Contingent Astaka Advances (if applicable) by BPP to APSB, BPP shall not develop or commence any development on the Bukit Pelali Identified Properties or any part thereof without the prior written consent of APSB, of which APSB may decide at its sole and absolute discretion.

For the purposes of this announcement, the "**Security Arrangement**" shall mean the security arrangements described in paragraph 2(e) above.

(f) Dividend Policy

Notwithstanding any provisions contained in the Joint Venture Agreement, APSB, SSSB and BPP agree and covenant that BPP shall not declare any dividend or make any distributions to its shareholders until and unless the Astaka Advances have been fully repaid and settled by BPP to APSB.

The obligations of the relevant parties under the Financial Support Agreement are conditional upon the Master Supplemental Agreement having become unconditional in accordance with the terms and conditions contained therein. Further details of the Financial Support Agreement, including details of the Bukit Pelali Identified Properties, will be set out in the circular to be issued by the Company in relation to the Proposed Settlement (the "**Circular**").

3. THE SHAREHOLDERS' LOAN AND THE SECURITY ARRANGEMENT AS INTERESTED PERSON TRANSACTIONS

(a) The Shareholders' Loan

(i) Details of the Interested Person

Dato' Daing A Malek Bin Daing A Rahaman ("**Dato' Malek**"), is a controlling shareholder of the Company as he has: (i) a deemed interest of 66.55% in the

Company by virtue of his 100% shareholding interest in Horizon Sea Ltd., which holds 1,244,062,150 shares in the Company; and (ii) a direct shareholding interest of 0.20% in the Company by virtue of his holding of 3,665,000 shares in the Company. SSSB is wholly-owned by Dato' Malek.

Accordingly, SSSB is considered an "associate" of Dato' Malek and hence an "interested person" as defined under Rule 904(4) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst (the "Catalist Rules").

(ii) The Shareholders' Loan as an Interested Person Transaction

APSB, being a 99.99% indirect subsidiary of the Company that is not listed on the SGX-ST or an approved exchange, is considered an "entity at risk" as defined under Rule 904(2) of the Catalist Rules. Accordingly, the Shareholders' Loan, being a transaction between an entity at risk (being APSB) and an interested person (being SSSB), constitutes an "interested person transaction" under Chapter 9 of the Catalist Rules.

The amount at risk to the Company in relation to the Shareholders' Loan, being 99.99% of the quantum payable by APSB pursuant to the Shareholders' Loan, is approximately RM31,734,477.13 (equivalent to approximately S\$9,837,098.00¹), and represents approximately 44.1% of the latest audited net tangible assets of the Group as at 31 December 2021.

As the value of the Shareholders' Loan exceeds 5.0% of the latest audited net tangible assets of the Group, the Shareholders' Loan, pursuant to Rule 906 of the Catalist Rules, would be subject to approval by Shareholders who are deemed independent for the purposes of the Shareholders' Loan, unless it falls within the exception under Rule 916(3) of the Catalist Rules.

(b) **The Security Arrangement**

(i) Details of the Interested Person

SSSB, which is wholly-owned by Dato' Malek, is considered an "associate" of Dato' Malek and hence an "interested person" as defined under Rule 904(4) of the Catalist Rules.

(ii) The Security Arrangement as an Interested Person Transaction

The Security Arrangement is deemed to be a transaction between, *inter alia*, SSSB (an "interested person", being an "associate" of Dato' Malek, the controlling shareholder of the Company) and APSB (an "entity at risk", being a 99.99% indirect subsidiary of the Company that is not listed on the SGX-ST or an approved exchange) and accordingly constitutes an "interested person transaction" under Chapter 9 of the Catalist Rules. However, the value at risk to APSB in relation to such security arrangement is zero.

¹ Unless otherwise stated, the exchange rate between S\$ and RM as set out in this announcement is S\$1 : RM3.226, based on the exchange rate between S\$ and RM as at 19 September 2022.

4. RATIONALE FOR AND BENEFITS OF THE FINANCIAL SUPPORT AGREEMENT

The Board is of the view that the entry into the Financial Support Agreement (including the extension of the Shareholders' Loan) is a commercially reasonable arrangement for the Group for the following reasons:

- (a) the repayment and settlement of the Immediate Astaka Advances and the Contingent Astaka Advances will be secured by a continuing security over the Bukit Pelali Identified Properties, for which SSSB would not be charging BPP any interest;
- (b) APSB will not be required to provide any cash upfront in relation to the Shareholders' Loan. At the same time, in relation to the Contra Properties and the Escrow Properties (if applicable) that APSB will be providing as part of the Proposed Settlement, APSB will also be getting part of the Immediate Astaka Advances and the Contingent Astaka Advances back in cash (to the extent to be contributed and injected by SSSB as part of the Shareholders' Loan), and any late payment will result in interest accrued at 10% per annum; and
- (c) the Shareholders' Loan is repayable within one (1) year from the relevant Drawing Date, with an automatic extension of additional one (1) year period upon the expiry of the Repayment Term, and on each successive anniversary date thereafter.

5. USE OF PROCEEDS

Pursuant to the Financial Support Agreement and:

- (a) as set out in paragraph 2(b) above, BPP will be receiving cash of up to RM30,493,037.10 (being 49% of the Shareholders' Loan as extended by SSSB), which shall be used for the sole purpose of repaying to APSB, the Astaka Advances; and
- (b) as set out in paragraphs 2(c) and 2(d) above, APSB will be receiving cash of up to RM30,493,037.10 (being 49% of the Astaka Advances as may be repaid by BPP), the proceeds of which are intended to be utilised for the following purposes:
 - (i) as working capital of the Group;
 - (ii) to repay existing creditors, including China State Construction Engineering (M) Sdn Bhd and to reduce the loans and/or advances from Dato' Malek and his Associates as well as the corresponding interest payable (if any); and/or
 - (iii) to fund other project pipelines of the Group.

Save as disclosed above, there will be no cash received by the Group as the proceeds from the Proposed Settlement, being the Consideration, will be used to settle the Outstanding Contract Sum under the terms of the Master Supplemental Agreement.

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

For the current financial year beginning 1 January 2022 and up to 19 September 2022, the interested person transactions with Dato' Malek and his associates (excluding the Consideration for the Proposed Settlement) are as follows:²

Name of Interested Person	Nature of relationship	Aggregate value of all Interested Person Transactions (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all Interested Person Transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Dato' Malek	Controlling Shareholder	RM1,785,653 ⁽¹⁾⁽⁴⁾	Not applicable
Dato' Malek	Controlling Shareholder	RM325,464 ⁽²⁾	Not applicable
DMR Holdings Sdn. Bhd. ("DMR Holdings")	An associate of Dato' Malek	RM3,571,485 ⁽³⁾⁽⁴⁾	Not applicable
SSSB	An associate of Dato' Malek	RM845,677 ⁽⁵⁾	Not applicable

Notes:

- (1) Dato' Malek had extended unsecured loans of an aggregate principal outstanding amount of approximately RM52,322,839.00 to the subsidiary of the Company, APSB, comprising of (i) a loan in principal outstanding amount of RM22,322,839.00 at a fixed interest rate of 4% per annum extended in the financial year ended 30 June 2017, repayable on demand; and (ii) a loan in principal outstanding amount of RM30,000,000.00 pursuant to the loan agreement dated 14 February 2020 entered into between Dato' Malek and APSB (as supplemented by the supplemental letter agreement dated 3 November 2020) (the "**DM Loan Agreement**") at a fixed interest rate of 8% per annum, repayable within one year (unless automatically extended) or on demand. Please refer to the Company's circular to Shareholders dated 9 October 2020 for further details on the DM Loan Agreement.
- (2) Rental payable by BPP to Dato' Malek, for the rental of lands by BPP from 1 April 2022 to 31 March 2024 of approximately RM325,464.00 (or equivalent to approximately S\$100,888.00).
- (3) DMR Holdings (an associate of Dato' Malek) had extended unsecured loans in aggregate outstanding principal amount RM68,000,000.00 to the Group, comprising of (i) RM60,000,000.00 (as supplemented by the supplemental letter agreement dated 3 November 2020) (the "**DMR Loan Agreement**") at a fixed interest rate of 8% per annum, repayable within one year (unless automatically extended) or on demand, and (ii) RM8,000,000.00 at a fixed interest rate of 8% per annum, repayable within one year (unless automatically extended) or on demand. Please refer to the Company's circular to Shareholders dated 9 October 2020 for further details on the DMR Loan Agreement.

² As at the date of this announcement, the Company is evaluating and seeking legal advice on the categorisation of certain past and present transactions, some of which may constitute Interested Person Transactions. As the process is still ongoing, the value of these transactions has not been included in this Circular. The Company will make further announcements to update Shareholders when there are material updates in relation to this matter.

- (4) The interest expenses due to Dato' Malek and DMR Holdings amounted to an aggregate of approximately RM5,357,138.00 (or equivalent to approximately S\$1,660,613.00) for the current financial year beginning 1 January 2022 and up to the date of this announcement.
- (5) This comprises the amount payable by the subsidiary of the Company, BPP, to SSSB, which was incurred for the current financial year beginning 1 January 2022 and up to the date of this announcement for the sole and exclusive right to develop certain land, and 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.

Save as disclosed in this announcement, there are no other interested person transactions entered into by the Group with any other interested persons.

7. EXCEPTION TO THE REQUIREMENT FOR SHAREHOLDERS' APPROVAL AND STATEMENT OF THE AUDIT COMMITTEE

In respect of the Shareholders' Loan, pursuant to Rule 916(3) of the Catalyst Rules, shareholders' approval pursuant to Catalyst Rule 906 is not required for the provision of a loan to a joint venture with an interested person if:

- (a) the loan is extended by all joint venture partners in proportion to their equity and on the same terms;
- (b) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture; and
- (c) the issuer confirms by an announcement that its audit committee is of the view that:
 - (i) the provision of the loan is not prejudicial to the interests of the issuer and its minority shareholders; and
 - (ii) the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders.

In respect of paragraph 7(a) above, the Shareholders' Loan has been extended by all joint venture partners (being APSB and SSSB) in proportion to their equity in BPP and on the same terms.

In respect of paragraph 7(b) above, neither SSSB, Dato' Malek nor any of their respective associates or related corporations had any existing equity interest in BPP prior to APSB's initial investment in BPP.

In respect of paragraph 7(c) above, the audit committee of the Company has considered, *inter alia*, the terms of the Financial Support Agreement and the rationale for and benefits as set out in paragraph 4 above and is of the view that:

- (A) the provision of the Shareholders' Loan is not prejudicial to the interests of the Company and its minority Shareholders; and
- (B) the risks and rewards of the joint venture in relation to BPP are in proportion to the equity of each joint venture partner (being APSB and SSSB) and the terms of such joint venture are not prejudicial to the interests of the Company and its minority Shareholders.

The Shareholders' Loan to be provided in connection with the Financial Support Agreement has met the exception under Rule 916(3) of the Catalist Rules. Accordingly, the Company is exempted from the requirement of seeking shareholders' approval for the Shareholders' Loan.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

By Order of the Board

Khong Chung Lun
Executive Director and Chief Executive Officer

20 September 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.
