

---

**SUPPLEMENTAL AGREEMENT TO THE JOINT DEVELOPMENT AGREEMENT ENTERED  
BETWEEN ASTAKA DEVELOPMENT SDN. BHD. AND STRAITS PERKASA SERVICES SDN. BHD.  
FOR THE PROPERTY DEVELOPMENT PROJECT IN MUKIM TEBRAU, TEMPAT TAMAN SETIA  
INDAH, DAERAH JOHOR BAHRU, NEGERI JOHOR**

---

**1. INTRODUCTION**

- 1.1. The board of directors (the “**Board**” or the “**Directors**”) of Astaka Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 20 April 2022 (the “**Earlier Announcement**”) on the entry into the joint development agreement (the “**JD Agreement**”) between the Company’s 99.99%-owned indirect subsidiary, Astaka Development Sdn. Bhd. (“**ADSB**”) and Straits Perkasa Services Sdn. Bhd. (the “**Landowner**”) on 19 April 2022, in relation to the 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**”).
- 1.2. Unless otherwise defined, capitalised terms used herein shall bear the same meaning as ascribed to them in the Earlier Announcement.
- 1.3. Further to the Earlier Announcement, the Board wishes to announce that ADSB and the Landowner have, on 12 January 2023, entered into a supplemental joint development agreement (the “**Supplemental Agreement**”) to vary certain terms in the JD Agreement in the manner as set out in the Supplemental Agreement.

**2. AMENDMENTS TO THE JD AGREEMENT PURSUANT TO THE SUPPLEMENTAL AGREEMENT**

- 2.1. The principal amendments to the JD Agreement pursuant to the Supplemental Agreement are set out below.
- 2.2. **Interim Payment of Landowner’s Consideration**
- (a) As set out in paragraph 3.1(c) of the Earlier Announcement, the Landowner’s Consideration shall be paid by ADSB to the Landowner in three (3) tranches. The details of the relevant payment tranches are set out below. Please refer to paragraph 3.1(c) of the Earlier Announcement for further details on the relevant payment tranches.
- (i) The First Payment in the amount of RM1,742,400 shall be paid to the Landowner’s solicitors on the date of the JD Agreement (i.e. 19 April 2022), and the Landowner’s solicitors shall be authorised to release the First Payment to the Landowner upon

perfection and delivery of a specific debenture (the “**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.

The Specific Debenture has subsequently been replaced by a letter of guarantee (the “**Previous Guarantee**”) provided by the Landowner’s director and shareholder, Mr Ang Swee Hau (“**Mr Ang**”). Mr Ang holds 70% of the shares in the capital of the Landowner. Mr Ang’s wife and his two (2) sons each hold 10% of the shares in the capital of the Landowner. As the Company has received the Previous Guarantee on 19 June 2022, the First Payment has been released to the Landowner’s solicitors.

- (ii) The Second Payment equivalent to the Redemption Sum shall be paid to the Existing Financier after the date on which the 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 in paragraph 3.2(d) of the Earlier Announcement and paragraph 3(d) of this announcement) by ADSB. Please refer to paragraph 3.1(c)(ii) of the Earlier Announcement for further details regarding the Second Payment.
  - (iii) The Third Payment equivalent to fifteen percent (15%) of each Specific Payment received 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. Please refer to paragraph 3.1(c)(iii) of the Earlier Announcement for further details regarding the Third Payment.
- (b) As ADSB and the Landowner intend to enter into a Set-off Arrangement (as defined in paragraph 2.3(b) below) pursuant to the Supplemental Agreement, ADSB shall pay to the Landowner a sum of RM6,150,000 (the “**Interim Payment**”), forming part of the Landowner’s Consideration, prior to the Unconditional Date. For the avoidance of doubt, pursuant to the Supplemental Agreement, the Landowner’s Consideration shall be paid by ADSB to the Landowner in chronological order as follows:
- (i) The First Payment;
  - (ii) The Interim Payment;
  - (iii) The Second Payment

For avoidance of doubt, in the event that ADSB does not exercise the Option to Purchase during the Option Period, ADSB shall pay the remainder of the Second Payment (i.e. the Redemption Sum less the Total Instalment Payment (as defined in paragraph 2.4(b) of this announcement), excluding the interest of the Total Instalment Payment) within fourteen (14) days from its receipt of a fresh redemption statement (dated no earlier than the expiry date of the Option Period) (the “**Fresh Redemption Statement**”) after the expiry of the Option Period; followed by

(iv) The Third Payment (please refer to paragraph 2.2(a)(iii) above).

For the avoidance of doubt, the Interim Payment forms part of the total Landowner's Consideration and does not result in any change in the total Landowner's Consideration payable by ADSB. The total Landowner's Consideration payable by ADSB remains the same at RM17,424,000 or fifteen percent (15%) of the Net Development Value, whichever is the higher. Please refer to paragraph 3.1(a) of the Earlier Announcement for further information regarding the total Landowner's Consideration.

(c) In consideration of ADSB agreeing to the payment of the Interim Payment, the Landowner shall, within seven (7) days from the date of the Supplemental Agreement, procure Mr Ang to provide a fresh personal guarantee in favour of ADSB (the "**Fresh Guarantee**"). The Fresh Guarantee shall supersede the Previous Guarantee. Pursuant to the Fresh Guarantee, Mr Ang shall guarantee the refund of all monies paid to the Landowner by ADSB and/or advanced by ADSB on behalf of the Landowner in pursuance to and/or in accordance with the JD Agreement (including the First Payment, the Interim Payment and the Second Payment (including the Total Instalment Payment (as defined in paragraph 2.4(b) below)) furnished during the Option Period) which are to be refunded by the Landowner in the event of termination of the JD Agreement.

In light of the Company's assessment of Mr Ang's creditworthiness, the Company is of the view that Mr Ang will be able to fulfil his obligations under the Fresh Guarantee, and that the Fresh Guarantee sufficiently safeguards the Company's interests.

In addition, notwithstanding that the Interim Payment will be made via the Set-Off Arrangement (as defined under paragraph 2.3(b) below) prior to the Unconditional Date, the Company had also considered the relevant communications by the Company with the relevant government authorities, and is of the view that the possibility of not fulfilling the Conditions Precedent is slim.

### 2.3. **Sale of Astaka Condominium Units and Set-Off Arrangement**

(a) On 27 April 2022, the Company's 99.99%-owned indirect subsidiary, Astaka Padu Sdn. Bhd. ("**APSB**") and the Landowner had separately entered into three (3) sale and purchase agreements (the "**SPAs**"), in which APSB agreed to sell and the Landowner agreed to purchase three (3) units of condominiums at the prevailing market value situated within the condominium building known as "The Astaka", all situated on Lot 208600, Mukim Plentong, Daerah Johor Bahru, Negeri Johor (collectively, the "**Astaka Condominium Units**"), for an aggregate purchase consideration of RM6,150,000 (the "**Astaka Purchase Consideration**"). For avoidance of doubt, ADSB is wholly-owned by APSB.

The Astaka Condominium Units are held under:

- (i) Geran 565807/M1A/45/148 with accessory parcel A194, A1066, A1067;
- (ii) Geran 565807/M1A/45/151 with accessory parcel A77, A78, A1072, A1073; and
- (iii) Geran 565807/M1A/53/179 with accessory parcel A350, A1128, A1129.

- (b) As the Astaka Purchase Consideration constitutes a debt owing from the Landowner to APSB, such debt has been assigned by APSB to ADSB, being APSB's wholly-owned subsidiary, on the date of the Supplemental Agreement and the Landowner has acknowledged the said assignment. For the avoidance of doubt, both APSB and ADSB are subsidiaries of the Company.

Pursuant to the Supplemental Agreement, the Landowner will accept the Astaka Condominium Units as payment in kind for a portion of the total Landowner's Consideration. In connection therewith, the Interim Payment shall be set off against the Astaka Purchase Consideration (the "**Set-off Arrangement**"). Accordingly, ADSB shall not be required to furnish the Interim Payment in cash to the Landowner, and the Landowner shall not be required to furnish the Astaka Purchase Consideration to ADSB and/or APSB for the Astaka Condominium Units. For the avoidance of doubt, the Set-off Arrangement does not constitute an interested person transaction pursuant to Chapter 9 of the Catalist Rules.

- (c) Upon receiving the Fresh Guarantee, APSB shall execute in favour of the Landowner a valid and registrable memorandum of transfer in respect of the Astaka Condominium Units.
- (d) Notwithstanding the Set-off Arrangement and subject to the Fresh Guarantee, in the event that the JD Agreement is terminated, any refund to be made by the Landowner to ADSB in connection with such termination shall be made in cash. The SPAs shall not be subject to termination arising from any termination of the JD Agreement and the transactions contemplated pursuant to the JD Agreement and the SPAs are independent of each other.

#### 2.4. **Instalment Payments during the Option Period**

- (a) As set out in paragraph 3.4 of the Earlier Announcement, the Landowner has granted ADSB the Option to Purchase the Land at the consideration of RM17,424,000, which shall be exercisable by ADSB within six (6) months from the Unconditional Date, being the date all the Conditions Precedent are fulfilled or waived pursuant to the JD Agreement (the "**Option Period**"), by notice in writing to the Landowner, whereupon parties shall thereafter execute a sale and purchase agreement for the sale and purchase of the Land on usual commercial terms within one (1) month from the ADSB exercising the Option to Purchase.
- (b) Pursuant to the Supplemental Agreement, ADSB shall not be required to redeem the Land during the Option Period but shall instead furnish the monthly loan repayment amounts (each an "**Instalment Payment**" and collectively, the "**Total Instalment Payment**") payable to the Existing Financier during the Option Period. As at the date of the Supplemental Agreement, the Instalment Payment due to the Existing Financier amount to approximately RM95,000.00 at the interest rate of Base Lending Rate (BLR) + 0.25%, in accordance with the terms of the relevant loan facility. The Total Instalment Payment to be made by ADSB to the Existing Financier for the entire Option Period (i.e. six (6) months) amounts to approximately RM570,000.00.
- (c) The Instalment Payment shall first be paid by the Landowner to the Existing Financier during the Option Period. The Landowner shall subsequently serve a written notice to ADSB to inform ADSB of the amount of the relevant Instalment Payment on or before the 15<sup>th</sup> day of each

calendar month. ADSB shall, within seven (7) days of from the receipt of the said notice, reimburse the relevant Instalment Payment to the Landowner.

- (d) In the event that ADSB **exercises** the Option to Purchase during the Option Period, the First Payment, the Interim Payment and the Total Instalment Payment (excluding the interest portion payable to the Existing Financier in relation to the Total Instalment Payment), shall be deemed as part payment towards the purchase consideration for the Proposed Acquisition.
- (e) In the event that ADSB **does not exercise** the Option to Purchase during the Option Period, the Total Instalment Payment (excluding the interest portion payable to the Existing Financier in relation to the Total Instalment Payment) shall constitute partial satisfaction of the Second Payment. Accordingly, ADSB shall furnish the remainder of the Second Payment (i.e. the Redemption Sum less the Total Instalment Payment (excluding the interest portion payable to the Existing Financier in relation to the Total Instalment Payment) within fourteen (14) days from its receipt of the Fresh Redemption Statement after the expiry of the Option Period. For the avoidance of doubt, the total Landowner's Consideration payable for the Land remains unchanged as the Total Instalment Payment (excluding the interest portion payable to the Existing Financier in relation to the Total Instalment Payment) will be used to partially offset the Second Payment.

2.5. Save for the principal amendments disclosed in paragraphs 2.2 to 2.4 above, all other terms and conditions of the JD Agreement remain in full force and effect. For the avoidance of doubt, there is **no change in the total Landowner's Consideration occasioned by ADSB's entry into the Supplemental Agreement.**

### 3. **CONDITIONS PRECEDENT**

As set out in paragraph 3.2 of the Earlier Announcement, the commencement of the Project is subject to and conditional upon, among other things, the fulfilment of the following conditions precedent (the "**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**"), being 19 January 2023:

- (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.

Save for the Conditions Precedent stated in the above paragraphs 3(a) and 3(d) of this announcement, the Conditions Precedents have been fulfilled as at the date of this announcement.

#### **4. RATIONALE FOR ENTRY INTO THE SUPPLEMENTAL AGREEMENT**

- 4.1. The entry into the Supplemental Agreement allows the Group to improve its cash flow position as the Astaka Condominium Units will be used as payment in kind for a portion of the Landowner's Consideration pursuant to the Set-off Arrangement. Accordingly, ADSB shall not be required to furnish the Interim Payment to the Landowner in cash. As there is no change in the total Landowner's Consideration payable by ADSB pursuant to the Supplemental Agreement, the Group will be able to better preserve its cash resources for its future business needs. The Board and the management of the Company had also considered that the Interim Payment (equivalent to the value of the Astaka Condominium Units) is above aggregate book value of the Astaka Condominium Units and that the net prices of the Astaka Condominium Units are based on the current market selling prices which are the same as what would have been offered to a third party.
- 4.2. Further, the Total Instalment Payment payable by ADSB during the Option Period provides the Group with greater flexibility as far as its cash flow management is concerned. In addition, as ADSB is only required to fulfil the balance of the Second Payment within fourteen (14) days from its receipt of the Fresh Redemption Statement after the expiry of the Option Period, being six (6) months from the Unconditional Date, such arrangement would also provide ADSB with additional time allowance for bridging and end financing applications to be made with financial institutions in respect of the financing of the Land.
- 4.3. In addition, ADSB continues to reserve the right to exercise the Option to Purchase the Land at any time during the Option Period. Even if ADSB does not exercise the Option to Purchase the Land during the Option Period, the interest rates applicable to the Total Instalment Payment are competitive and the Total Instalment Payment (excluding the interest portion payable to the Existing Financier in relation to the Total Instalment Payment) shall constitute partial satisfaction of the Second Payment.

#### **5. THE PROPOSED ACQUISITION AS A NON-DISCLOSEABLE TRANSACTION**

As mentioned in paragraph 5 of the Earlier Announcement, as the relative figures computed on the bases set out in Rule 1006(b) of the Catalist Rules do not exceed 5%, the Proposed Acquisition constitutes a "non-discloseable transaction" under Chapter 10 of the Catalist Rules.

#### **6. FINANCIAL EFFECT**

As there are no changes to the total Landowner's Consideration and the consideration relating to the Option to Purchase, the entry into the Supplemental Agreement is not expected to have a material effect on the financial position of the Company or the Group for the financial year ending 31 December 2023. The financial effects of the Proposed Acquisition as set out in paragraph 6 of the Earlier Announcement remain unchanged.

## 7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Supplemental Agreement (other than in their capacity as Directors or shareholders of the Company).

## 8. DOCUMENTS FOR INSPECTION

A copy of the Supplemental 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.

## 9. CAUTIONARY STATEMENT

Shareholders of the Company should note that the disclosures relating to the Supplemental Agreement are indicative only. In particular, shareholders of the Company should note that there is no assurance that any business activities or transactions mentioned in this announcement and/or the Earlier Announcement will materialize. The Company will make the necessary announcements when there are further material developments to any of the transactions contemplated in this announcement and/or the Earlier Announcement. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisors.

### By Order of the Board

Khong Chung Lun  
Executive Director and Chief Executive Officer

12 January 2023

---

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.

---