
**ENTRY INTO LOAN AGREEMENTS WITH DMR HOLDINGS SDN. BHD.
AS INTERESTED PERSON TRANSACTIONS**

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Astaka Holdings Limited (the “**Company**”) and together with its subsidiaries, collectively the “**Group**”) would like to announce that:

- (a) the Company’s 50.99%-owned indirect subsidiary, Bukit Pelali Properties Sdn. Bhd. (“**BPP**”) has on 20 June 2023 entered into a loan agreement (the “**DMR BPP Loan Agreement**”) with DMR Holdings Sdn. Bhd. (“**DMR Holdings**” or the “**Lender**”), pursuant to which DMR Holdings has agreed to grant an interest-bearing unsecured loan in the principal amount not exceeding Ringgit Malaysia (“**RM**”) sixty million (RM60 million) to BPP (the “**DMR BPP Loan**”), on the terms and subject to the conditions set out in the DMR BPP Loan Agreement (the “**Entry into the DMR BPP Loan Agreement**”); and
- (b) the Company’s 50.99%-owned indirect subsidiary, Astaka Capital Sdn. Bhd. (“**ACSB**”) has on 20 June 2023 entered into a loan agreement (the “**DMR ACSB Loan Agreement**” and together with the DMR BPP Loan Agreement, collectively the “**Loan Agreements**”) with DMR Holdings, pursuant to which DMR Holdings has agreed to grant an interest-bearing unsecured loan in the principal amount not exceeding sixty million (RM60 million) to ACSB (the “**DMR ACSB Loan**”), on the terms and subject to the conditions set out in the DMR ACSB Loan Agreement (the “**Entry into the DMR ACSB Loan Agreement**” and together with the Entry into the DMR BPP Loan Agreement, collectively the “**Loan Transactions**”).

The Company had announced on 31 May 2023 (the “**ACSB Announcement**”) that, pursuant to a shareholders’ agreement entered into between the Company’s 99.99%-owned indirect subsidiary, Astaka Padu Sdn. Bhd. (“**APSB**”) and Seaview Holdings Sdn. Bhd. (“**SHSB**”) on 31 May 2023, APSB and SHSB will incorporate a joint venture company to jointly undertake a proposed property and real estate development business in Malaysia. Accordingly, ACSB has been incorporated on 31 May 2023. ACSB has an initial issued and paid-up share capital of RM100,000, comprising 100,000 ordinary shares with an issue price of RM1.00 per share (the “**JVCo Shares**”), of which 51,000 JVCo Shares (representing 51% of the shareholding in ACSB) is held directly by APSB, and the remaining 49,000 JVCo Shares (representing 49% of the shareholding in ACSB) is held directly by SHSB. Please refer to the ACSB Announcement for further details.

2. PRINCIPAL TERMS OF THE LOAN AGREEMENTS

(a) **DMR BPP Loan Agreement**

For the purposes of this paragraph (a) only, the term “Borrower” shall refer to BPP.

Pursuant to the DMR BPP Loan Agreement, the Borrower and the Lender have agreed that the grant of the DMR BPP Loan shall be on the following terms and subject to the following conditions:

Principal Amount	: RM60 million
Parties	: Lender: DMR Holdings Sdn. Bhd. Borrower: Bukit Pelali Properties Sdn. Bhd.
Purpose	: The DMR BPP Loan shall be used solely for the purposes of general corporate and working capital as well as for future development projects by the Borrower.
Conditions Precedent	: The DMR BPP Loan shall become available to the Borrower for a period of twelve (12) months or for such period as the Lender may at its absolute discretion agree in writing from time to time and upon the fulfilment of the following conditions by the parties in a manner satisfactory to the Lender (the " DMR BPP Conditions Precedent "): <ul style="list-style-type: none"> (a) the Lender shall have received the following documents in form and substance acceptable to the Lender:- <ul style="list-style-type: none"> (i) a certified true copy of the Memorandum and Articles of Association or Constitution of the Borrower; (ii) a certified true copy of each of the documentary evidence of lodgement of returns of allotment of shares, notification for change in the registered address and (the equivalent to and notification of change in the Register of Directors, Managers and Secretaries (equivalent to Forms 24, 44 and 49 under the Companies Act 1965 respectively) and such other forms prescribed under the Companies Act 2016 as required by the Lender; (iii) a certified true copy of the board of directors' resolution of the Borrower authorising the acceptance of the DMR BPP Loan and the execution of the DMR BPP Loan Agreement by the Borrower; (iv) a certified true copy of the Company's shareholders' resolution authorising the acceptance of the DMR BPP Loan; and (v) a request in writing for the utilisation of the DMR BPP Loan in accordance with the requirements as to the form, timing and accompanying documents as may be specified by the Lender and otherwise generally in accordance with the Lender's standard terms and conditions applicable to the DMR BPP Loan;

- (b) the Lender shall have obtained its board of directors' resolution authorising the grant of the DMR BPP Loan;
- (c) the Borrower shall have obtained the Company's shareholders' resolution authorising the acceptance of the DMR BPP Loan; and
- (d) the Borrower shall have complied with the other conditions precedent to the DMR BPP Drawdown (as hereinafter defined) and utilisation of the DMR BPP Loan as well as other terms and conditions as stated in the DMR BPP Loan Agreement.

Drawdown : Subject to the terms and conditions contained in the DMR BPP Loan Agreement and to the prior mutual agreement of both the Lender and the Borrower in respect of each drawdown amount, the Borrower may, during the tenure of the DMR BPP Loan, call for a drawdown of the DMR BPP Loan (the "**DMR BPP Drawdown**") or any part thereof by giving the Lender a notice in writing in the form set out in Schedule 1 of the DMR BPP Loan Agreement (the "**DMR BPP Drawdown Request**") within a minimum of three (3) business days prior to the intended date of funding (the "**DMR BPP Drawing Date**").

The Borrower may give any number of DMR BPP Drawdown Requests to the Lender, provided always that the amount of each drawing when aggregated with all previous amounts of DMR BPP Drawdown under the DMR BPP Loan shall not exceed RM60 million only.

A DMR BPP Drawdown Request shall be irrevocable and the Borrower shall borrow the amount stated in that DMR BPP Drawdown Request on the date specified therein.

Any part of the DMR BPP Loan not drawn and/or utilised at the end of the DMR BPP Repayment Period (as hereinafter defined) shall automatically be cancelled and shall not be available to the Borrower.

Repayment : (a) Subject to paragraph (c) below, the Borrower shall repay the DMR BPP Loan and interest thereon within one (1) year from the date of the first DMR BPP Drawing Date (the "**DMR BPP Repayment Period**").

(b) Notwithstanding the DMR BPP Repayment Period as stated in paragraph (a) above, the Lender shall be entitled, by way of notice in writing to the Borrower, to request for the repayment of all monies and liabilities owing to the Lender under the DMR BPP Loan Agreement at any time during the tenure of the DMR BPP Loan (the "**DMR BPP Repayment Notice**"). The Borrower may, within three (3) business days from its receipt of the DMR BPP Repayment Notice, inform the Lender in writing whether it has the available resources for such repayment of all monies and liabilities owing to the Lender under the DMR BPP Loan Agreement as

requested by the Lender. In the event that the Borrower confirms its availability of resources to repay the Lender all monies and liabilities owing to the Lender under the DMR BPP Loan Agreement, the Borrower shall ensure that the repayment is made within seven (7) business days from the date of its notice issued to the Lender.

Notwithstanding any provisions contained in the DMR BPP Loan Agreement, the Lender agrees, covenants and undertakes that it shall not, at any time during the tenure of the DMR BPP Loan,

- (i) declare an BPP Event of Default (as defined below) as prescribed in the provisions of the DMR BPP Loan Agreement; or
- (ii) declare the DMR BPP Loan payable under the DMR BPP Loan Agreement to be immediately due and payable; or
- (iii) terminate the DMR BPP Loan Agreement; or
- (iv) exercise its rights under any security documents or laws,

in the event the Borrower informs the Lender in writing that it does not have any available resources for the repayment of all monies and liabilities owing to the Lender under the DMR BPP Loan Agreement upon the Borrower's receipt of the DMR BPP Repayment Notice.

- (c) Unless the Borrower receives a notice of termination from the Lender not less than thirty (30) days from the last date of the DMR BPP Repayment Period, and provided that no BPP Event of Default has occurred, the tenure of the DMR BPP Loan shall be extended automatically by each subsequent one (1) year period. Following each such automatic extension, references to the DMR BPP Repayment Period shall also be extended accordingly and the maturity of the DMR BPP Loan shall be construed as the last day of each relevant extension.

- Prepayment** : (a) The Borrower may prepay (without interest or penalty) the DMR BPP Loan and interest thereon in whole or in part at any time provided that:-
- (i) the Borrower pays all interest (whether capitalised or not) accrued on the DMR BPP Loan up to the date of prepayment together with such prepayment; and
 - (ii) in the event the DMR BPP Loan is to be prepaid in full, the Borrower has given the Lender not less than one (1) month's notice.

(b) Any notice given under paragraph (a) above shall be irrevocable and the amount of prepayment mentioned in such notice shall become due and payable on the date of prepayment specified in the relevant notice.

Interest Rate : (a) Until such time as the Borrower shall repay the whole of the DMR BPP Loan, the Borrower shall pay to the Lender interest at the rate of eight per cent (8%) per annum (the “**DMR BPP Interest**”) on any principal amount outstanding for the time being of the DMR BPP Loan (the “**DMR BPP Outstanding Tranche**”). The DMR BPP Interest shall be calculated on the basis of the actual number of days elapsed in a year. For avoidance of doubt, no interest shall be charged on any accrued interest.

(b) The interest period for each DMR BPP Outstanding Tranche shall start on the relevant DMR BPP Drawing Date.

Utilisation Conditions : If:

(a) no BPP Event of Default in the DMR BPP Loan Agreement has occurred or would occur as a result of the utilisation of the DMR BPP Loan;

(b) the DMR BPP Conditions Precedent have been fulfilled by the Borrower to the satisfaction of the Lender;

(c) each of the representations and warranties set out under the DMR BPP Loan Agreement remains accurate at the date of utilisation as if given on that date by reference to the facts and circumstances then existing; and

(d) there has been no change in circumstances or law which may affect the ability of the Lender to grant the DMR BPP Loan or which may increase the costs to the Lender in doing so,

then, subject to the provisions of the DMR BPP Loan Agreement, the Borrower may on a business day during the tenure of the DMR BPP Loan make a DMR BPP Drawdown and/or utilise and/or continue to utilise the DMR BPP Loan.

Security : None

Event of Default : Upon the occurrence of any of the following events:

(a) **Non-Payment:** Subject always to the provisions item (b) of Repayment above, if the Borrower shall default in the payment to the Lender of any amount due under the DMR

BPP Loan or any other moneys herein covenanted to be paid or covenanted to be paid under the DMR BPP Loan Agreement after the same shall have become due by the Borrower to the Lender, and such sums due by the Borrower remain due and owing for seven (7) Business Days after the due date;

- (b) **Breach of Warranty:** if any representation or warranty made in connection with the execution and delivery of the DMR BPP Loan Agreement shall be found to have been incorrect in any respect and such breach has not been remedied within seven (7) Business Days after written notice of such breach shall have been given to the Borrower, by the Lender;
- (c) **Winding Up:** if an order of a court of competent jurisdiction is made or an effective resolution is passed for the winding up or dissolution of the Borrower or if the Borrower shall apply or petition for a winding-up or administration order in respect of itself or the Borrower is declared insolvent or consents to the appointment of a trustee, custodian or receiver for it or for a substantial part of its property or any such trustee, custodian or receiver is appointed or where a scheme of arrangement or its equivalent has been instituted against the Borrower;
- (d) **Enforcement Proceedings:** if a distress or execution or other similar or equivalent process of a court of competent jurisdiction is levied or issued against any of the properties of the Borrower and such distress or execution or other process as the case may be is not discharged, withdrawn within seven (7) Business Days from the date thereof or stayed within fourteen (14) days of application to stay or such other period as agreed by the Lender;
- (e) **Insolvency:** if the Borrower becomes insolvent or enters into any composition or arrangement with or for the benefit of creditors of the Borrower or allow any legal suit or any judgment against the Borrower to remain unsatisfied for a period of thirty (30) days from the date thereof;
- (f) **Illegality:** it is or will become unlawful for the Borrower or the Lender to perform or comply with any one or more of their respective obligations under the DMR BPP Loan Agreement; or
- (g) **Compliance with Law/Regulation:** in the event the Lender is required to do so in compliance with any law or regulation applicable to it,

(each a “**BPP Event of Default**”), the Lender may serve an immediate notice of default and may simultaneously declare that any and all of the obligations of the Lender under the DMR BPP Loan Agreement be cancelled forthwith whereupon the obligations of the Lender shall be so cancelled forthwith and all amounts outstanding under the DMR BPP Loan Agreement in respect of the DMR BPP Loan shall become immediately due and payable to the Lender together with any other amounts payable to the Lender under the DMR BPP Loan Agreement.

Indemnity : The Borrower shall indemnify the Lender from and against all actions, claims, demands, losses, liabilities, damages, costs and expenses (including all legal fees and professional consultants’ fees) which may be made or brought against or suffered or incurred by the Lender arising out of or in connection with:

- (a) any BPP Event of Default;
- (b) any failure by the Borrower to utilise the DMR BPP Loan in accordance with the terms hereunder;
- (c) the DMR BPP Drawdown of the DMR BPP Loan is not being made for any reason (excluding any default by the Lender) after the notice of DMR BPP Drawdown has been issued;
- (d) any default in payment by the Borrower of any sum under the DMR BPP Loan Agreement, when due; and
- (e) the occurrence of any default on the part of the Borrower in the performance or observance of any of its respective undertakings or covenants under the DMR BPP Loan Agreement.

Costs and Expenses : Unless otherwise provided in the DMR BPP Loan Agreement, the Borrower shall pay the costs and expenses incurred in connection with the negotiation, preparation and execution of the DMR BPP Loan Agreement including the legal fee and stamp duty, whichever is applicable.

Assignment : None of the parties to the DMR BPP Loan Agreement shall assign any of its rights and benefits under the DMR BPP Loan Agreement without the prior written consent of the other party.

Governing Law : The DMR BPP Loan Agreement shall be governed by and construed in accordance with the laws of Malaysia.

(b) **DMR ACSB Loan Agreement**

For the purposes of this paragraph (b) only, the term “Borrower” shall refer to ACSB.

Pursuant to the DMR ACSB Loan Agreement, the Borrower and the Lender have agreed that the grant of the DMR ACSB Loan shall be on the following terms and subject to the following conditions:

- Principal Amount** : RM60 million
- Parties** : Lender: DMR Holdings Sdn. Bhd.
Borrower: Astaka Capital Sdn. Bhd.
- Purpose** : The DMR ACSB Loan shall be used solely for the purposes of general corporate and working capital as well as for future development projects by the Borrower.
- Conditions Precedent** : The DMR ACSB Loan shall become available to the Borrower for a period of twelve (12) months or for such period as the Lender may at its absolute discretion agree in writing from time to time and upon the fulfilment of the following conditions by the parties in a manner satisfactory to the Lender (the “**DMR ACSB Conditions Precedent**”):
- (a) the Lender shall have received the following documents in form and substance acceptable to the Lender:-
 - (i) a certified true copy of the Memorandum and Articles of Association or Constitution of the Borrower;
 - (ii) a certified true copy of each of the documentary evidence of lodgement of returns of allotment of shares, notification for change in the registered address and (the equivalent to and notification of change in the Register of Directors, Managers and Secretaries (equivalent to Forms 24, 44 and 49 under the Companies Act 1965 respectively) and such other forms prescribed under the Companies Act 2016 as required by the Lender;
 - (iii) a certified true copy of the board of directors’ resolution of the Borrower authorising the acceptance of the DMR ACSB Loan and the execution of the DMR ACSB Loan Agreement by the Borrower;
 - (iv) a certified true copy of the Company’s shareholders’ resolution authorising the acceptance of the DMR ACSB Loan; and
 - (v) a request in writing for the utilisation of the DMR ACSB Loan in accordance with the requirements as to the form, timing and accompanying documents as may be specified by the Lender and otherwise generally in

accordance with the Lender's standard terms and conditions applicable to the DMR ACSB Loan;

- (b) the Lender shall have obtained its board of directors' resolution authorising the grant of the DMR ACSB Loan;
- (c) the Borrower shall have obtained the Company's shareholders' resolution authorising the acceptance of the DMR ACSB Loan; and
- (d) the Borrower shall have complied with the other conditions precedent to the DMR ACSB Drawdown (as hereinafter defined) and utilisation of the DMR ACSB Loan as well as other terms and conditions as stated in the DMR ACSB Loan Agreement.

Drawdown : Subject to the terms and conditions contained in the DMR ACSB Loan Agreement and to the prior mutual agreement of both the Lender and the Borrower in respect of each drawdown amount, the Borrower may, during the tenure of the DMR ACSB Loan, call for a drawdown of the DMR ACSB Loan (the "**DMR ACSB Drawdown**") or any part thereof by giving the Lender a notice in writing in the form set out in Schedule 1 of the DMR ACSB Loan Agreement (the "**DMR ACSB Drawdown Request**") within a minimum of three (3) business days prior to the intended date of funding (the "**DMR ACSB Drawing Date**").

The Borrower may give any number of DMR ACSB Drawdown Requests to the Lender, provided always that the amount of each drawing when aggregated with all previous amounts of the DMR ACSB Drawdown under the DMR ACSB Loan shall not exceed RM60 million only.

A DMR ACSB Drawdown Request shall be irrevocable and the Borrower shall borrow the amount stated in that DMR ACSB Drawdown Request on the date specified therein.

Any part of the DMR ACSB Loan not drawn and/or utilised at the end of the DMR ACSB Repayment Period (as hereinafter defined) shall automatically be cancelled and shall not be available to the Borrower.

Repayment : (a) Subject to paragraph (c) below, the Borrower shall repay the DMR ACSB Loan and interest thereon within one (1) year from the date of the first DMR ACSB Drawing Date (the "**DMR ACSB Repayment Period**").

(b) Notwithstanding the DM ACSB Repayment Period as stated in paragraph (a) above, the Lender shall be entitled, by way of notice in writing to the Borrower, to request for the repayment of all monies and liabilities owing to the Lender under the DMR ACSB Loan Agreement at any time during the tenure of the DMR

ACSB Loan (the “**DMR ACSB Repayment Notice**”). The Borrower may, within three (3) business days from its receipt of the DMR ACSB Repayment Notice, inform the Lender in writing whether it has the available resources for such repayment of all monies and liabilities owing to the Lender under the DMR ACSB Loan Agreement as requested by the Lender. In the event that the Borrower confirms its availability of resources to repay the Lender all monies and liabilities owing to the Lender under the DMR ACSB Loan Agreement, the Borrower shall ensure that the repayment is made within seven (7) business days from the date of its notice issued to the Lender.

Notwithstanding any provisions contained in the DMR ACSB Loan Agreement, the Lender agrees, covenants and undertakes that it shall not, at any time during the tenure of the DMR ACSB Loan,

- (i) declare an ACSB Event of Default (as defined below) as prescribed in the provisions of the DMR ACSB Loan Agreement; or
- (ii) declare the DMR ACSB Loan payable under the DMR ACSB Loan Agreement to be immediately due and payable; or
- (iii) terminate the DMR ACSB Loan Agreement; or
- (iv) exercise its rights under any security documents or laws,

in the event the Borrower informs the Lender in writing that it does not have any available resources for the repayment of all monies and liabilities owing to the Lender under the DMR ACSB Loan Agreement upon the Borrower’s receipt of the DMR ACSB Repayment Notice.

- (c) Unless the Borrower receives a notice of termination from the Lender not less than thirty (30) days from the last date of the DMR ACSB Repayment Period, and provided that no ACSB Event of Default has occurred, the tenure of the DMR ACSB Loan shall be extended automatically by each subsequent one (1) year period. Following each such automatic extension, references to the DMR ACSB Repayment Period shall also be extended accordingly and the maturity of the DMR ACSB Loan shall be construed as the last day of each relevant extension.

Prepayment : (a) The Borrower may prepay (without interest or penalty) the DMR ACSB Loan and interest thereon in whole or in part at any time provided that:-

(i) the Borrower pays all interest (whether capitalised or not) accrued on the DMR ACSB Loan up to the date of prepayment together with such prepayment; and

(ii) in the event the DMR ACSB Loan is to be prepaid in full, the Borrower has given the Lender not less than one (1) month's notice.

(b) Any notice given under paragraph (a) above shall be irrevocable and the amount of prepayment mentioned in such notice shall become due and payable on the date of prepayment specified in the relevant notice.

Interest Rate : (a) Until such time as the Borrower shall repay the whole of the DMR ACSB Loan, the Borrower shall pay to the Lender interest at the rate of eight per cent (8%) per annum (the "**DMR ACSB Interest**") on any principal amount outstanding for the time being of the DMR ACSB Loan (the "**DMR ACSB Outstanding Tranche**"). The DMR ACSB Interest shall be calculated on the basis of the actual number of days elapsed in a year. For avoidance of doubt, no interest shall be charged on any accrued interest.

(b) The interest period for each DMR ACSB Outstanding Tranche shall start on the relevant DMR ACSB Drawing Date.

Utilisation Conditions : If:

(a) no ACSB Event of Default in the DMR ACSB Loan Agreement has occurred or would occur as a result of the utilisation of the DMR ACSB Loan;

(b) the DMR ACSB Conditions Precedent have been fulfilled by the Borrower to the satisfaction of the Lender;

(c) each of the representations and warranties set out under the DMR ACSB Loan Agreement remains accurate at the date of utilisation as if given on that date by reference to the facts and circumstances then existing; and

(d) there has been no change in circumstances or law which may affect the ability of the Lender to grant the DMR ACSB Loan or which may increase the costs to the Lender in doing so,

then, subject to the provisions of the DMR ACSB Loan Agreement, the Borrower may on a business day during the tenure of the DMR ACSB Loan make a DMR ACSB Drawdown and/or utilise and/or continue to utilise the DMR ACSB Loan.

Security : None

Event of Default : Upon the occurrence of any of the following events:

- (a) **Non-Payment:** Subject always to the provisions of item (b) of Repayment above, if the Borrower shall default in the payment to the Lender of any amount due under the Loan or any other moneys herein covenanted to be paid or covenanted to be paid under this Agreement after the same shall have become due by the Borrower to the Lender, and such sums due by the Borrower remain due and owing for seven (7) Business Days after the due date;
- (b) **Breach of Warranty:** if any representation or warranty made in connection with the execution and delivery of the DMR ACSB Loan Agreement shall be found to have been incorrect in any respect and such breach has not been remedied within seven (7) Business Days after written notice of such breach shall have been given to the Borrower, by the Lender;
- (c) **Winding Up:** if an order of a court of competent jurisdiction is made or an effective resolution is passed for the winding up or dissolution of the Borrower or if the Borrower shall apply or petition for a winding-up or administration order in respect of itself or the Borrower is declared insolvent or consents to the appointment of a trustee, custodian or receiver for it or for a substantial part of its property or any such trustee, custodian or receiver is appointed or where a scheme of arrangement or its equivalent has been instituted against the Borrower;
- (d) **Enforcement Proceedings:** if a distress or execution or other similar or equivalent process of a court of competent jurisdiction is levied or issued against any of the properties of the Borrower and such distress or execution or other process as the case may be is not discharged, withdrawn within seven (7) Business Days from the date thereof or stayed within fourteen (14) days of application to stay or such other period as agreed by the Lender;
- (e) **Insolvency:** if the Borrower becomes insolvent or enters into any composition or arrangement with or for the benefit of creditors of the Borrower or allow any legal suit or any judgment against the Borrower to remain unsatisfied for a period of thirty (30) days from the date thereof;
- (f) **Illegality:** it is or will become unlawful for the Borrower or the Lender to perform or comply with any one or more

of their respective obligations under the DMR ACSB Loan Agreement; or

- (g) **Compliance with Law/Regulation:** in the event the Lender is required to do so in compliance with any law or regulation applicable to it,

(each an “**ACSB Event of Default**”), the Lender may serve an immediate notice of default and may simultaneously declare that any and all of the obligations of the Lender under the DMR ACSB Loan Agreement be cancelled forthwith whereupon the obligations of the Lender shall be so cancelled forthwith and all amounts outstanding under the DMR ACSB Loan Agreement in respect of the DMR ACSB Loan shall become immediately due and payable to the Lender together with any other amounts payable to the Lender under the DMR ACSB Loan Agreement.

- Indemnity** : The Borrower shall indemnify the Lender from and against all actions, claims, demands, losses, liabilities, damages, costs and expenses (including all legal fees and professional consultants’ fees) which may be made or brought against or suffered or incurred by the Lender arising out of or in connection with:
- (a) any ACSB Event of Default as prescribed in the provisions of the DMR ACSB Loan Agreement;
 - (b) any failure by the Borrower to utilise the DMR ACSB Loan in accordance with the terms hereunder;
 - (c) the DMR ACSB Drawdown of the DMR ACSB Loan is not being made for any reason (excluding any default by the Lender) after the notice of DMR ACSB Drawdown has been issued;
 - (d) any default in payment by the Borrower of any sum under the DMR ACSB Loan Agreement, when due; and
 - (e) the occurrence of any default on the part of the Borrower in the performance or observance of any of its respective undertakings or covenants under the DMR ACSB Loan Agreement.
- Costs and Expenses** : Unless otherwise provided in the DMR ACSB Loan Agreement, the Borrower shall pay the costs and expenses incurred in connection with the negotiation, preparation and execution of the DMR ACSB Loan Agreement including the legal fee and stamp duty, whichever is applicable.
- Assignment** : None of the parties to the DMR ACSB Loan Agreement shall assign any of its rights and benefits under the DMR ACSB Loan Agreement without the prior written consent of the other party.

Governing Law : The DMR ACSB Loan Agreement shall be governed by and construed in accordance with the laws of Malaysia.

3. RATIONALE FOR, AND BENEFITS OF, THE LOAN TRANSACTIONS

(a) **Competitive Terms**

Each of the DMR BPP Loan and the DMR ACSB Loan is unsecured and has a fixed interest rate of 8% per annum.

The Company is of the view that the terms of the Loan Transactions are acceptable for the following reasons:

- (i) the fixed interest rate of 8% per annum is close to (i) a secured loan which the Group currently has and (ii) the prevailing interest rates for corporate loans as offered by the other financial institutions; and
- (ii) each of the DMR BPP Loan and the DMR ACSB Loan is unsecured, and these loans will afford the Group with the ability and flexibility to quickly tap on the readily available funds as and when required for general corporate and working capital purposes as well as for future development projects, without the need to provide any security, charge or mortgage over the Group's assets.

(b) **Flexible Repayment Period**

Each Loan Transaction is subject to a repayment period of one (1) year from the date of the first draw down. However, unless a notice of termination is received from the Lender not less than 30 days prior to the last date of the repayment period, and provided that no event of default has occurred, the tenure of each Loan Transaction shall be extended automatically by each subsequent one (1) year period.

Following each such automatic extension, the repayment period in relation to the relevant Loan Transaction shall also be extended accordingly and the maturity of the relevant Loan Transaction shall be construed as the last day of each relevant extension.

Additionally, pursuant to the Loan Transactions, the Lender has agreed, among others, not to declare the DMR BPP Loan or the DMR ACSB Loan (as the case may be) to be immediately due and payable in the event that BPP or ACSB (as the case may be) informs the Lender in writing that it does not have any available resources for the repayment of all monies and liabilities owing to the Lender under the DMR BPP Loan Agreement and DMR ACSB Loan Agreement (as the case may be).

For the reasons set out in paragraph 4(c) below, the Company is, therefore, seeking shareholders' approval for the DMR BPP Loan and the DMR ACSB Loan in view that if approved and entered into, the DMR BPP Loan Agreement and DMR ACSB Loan Agreement will provide BPP and ACSB respectively with an injection of funds for working capital purposes and to meet their respective immediate to medium-term working capital requirements, and allow the Company to exclude the DMR BPP Loan and the DMR ACSB Loan from subsequent aggregations in determining whether the materiality threshold under Chapter 9 of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst (the "**Catalist Rules**") has been reached.

Shareholders should note that in the event the Entry into the DMR BPP Loan Agreement and the Entry into the DMR ACSB Loan Agreement (as the case may be) are not approved by shareholders of the Company, there is no assurance that the Group will be able to obtain alternative funding for the working capital of BPP and/or ACSB (as the case may be) on comparable terms or at all, or that any such alternative funding will be obtained in a timely manner to enable the Group to meet its immediate to medium-term working capital requirements.

4. THE LOAN TRANSACTIONS AS INTERESTED PERSON TRANSACTIONS

(a) Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be entities at risk, with the listed company's interested persons. Under Chapter 9 of the Catalist Rules, where a listed company or any of its subsidiaries or any of its associated companies, which is an entity at risk, proposes to enter into transactions with the listed company's interested persons, the listed company is required to seek shareholders' approval if the value of the transaction (either in itself or aggregated with the value of other transactions with the same interested person during the same financial year) is equal to or exceeds 5% of the Group's latest audited net tangible assets ("**NTA**"). For the avoidance of doubt, the requirement for shareholders' approval does not apply to any transaction below S\$100,000.

(b) Details of the Interested Person

The Lender is DMR Holdings Sdn. Bhd. DMR Holdings is wholly-owned by Dato' Malek, who holds:

- (i) a deemed interest of 66.55% of shares in the Company by virtue of his 100% shareholding interest in Horizon Sea Limited, which holds 1,244,062,150 shares in the capital of the Company; and
- (ii) a direct shareholding interest of 0.20% of shares in the Company by virtue of his holding of 3,665,000 shares in the capital of the Company,

As such, Dato' Malek has a total interest of approximately 66.75% of the share capital of the Company and is, therefore, a controlling shareholder of the Company. Accordingly, the Lender is an "associate" of Dato' Malek, and is deemed to be an interested person for the purposes of Chapter 9 of the Catalist Rules. Accordingly, the Loan Transactions constitute as "interested person transactions" within the meaning of Chapter 9 of the Catalist Rules.

(c) Materiality Threshold under Chapter 9 of the Catalist Rules

Under Rule 906 of the Catalist Rules, shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

- (i) 5% of the Group's latest audited NTA; or
- (ii) 5% of the Group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.

Pursuant to Rule 908(1) of the Catalist Rules, Dato' Malek and DMR Holdings are deemed to be the same interested person for the purposes of aggregation under Rule 906 of the Catalist Rules.

Pursuant to Rule 909(3) of the Catalist Rules, in the case of borrowing of funds from an interested person, the value of the transaction at risk to the issuer is the interest payable on the borrowing.

Assuming that the DMR BPP Loan is fully drawn down on the date of the DMR BPP Loan Agreement at a fixed interest rate of 8% per annum and repaid in full one (1) year from the date of the first DMR BPP Drawing Date, the transaction value of the DMR BPP Loan is RM4.8 million, being the interest payable on such DMR BPP Loan (the “**DMR BPP Loan Drawdown Basis**”).

Assuming that the DMR ACSB Loan is fully drawn down on the date of the DMR ACSB 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 DMR ACSB Loan is RM4.8 million, being the interest payable on such DMR ACSB Loan (the “**DMR ACSB Loan Drawdown Basis**” and together with the DMR BPP Loan Drawdown Basis, collectively the “**Drawdown Bases**”).

Therefore, based on the Drawdown Bases, the amount at risk to the Company in relation to the Loan Transactions is RM9.6 million, which represents approximately 12.02% of the latest audited NTA of the Group as at 31 December 2022 of approximately RM79.85 million. As there may potentially be an automatic extension of the tenure of the DMR BPP Loan and DMR ACSB Loan and the value of the Loan Transactions (based on the Drawdown Bases) exceeds 5.0% of the latest audited NTA of the Group, the Loan Transactions are, pursuant to Rule 906 of the Catalist Rules, subject to approval by the shareholders of the Company who are deemed independent for the purposes of the Loan Transactions (the “**Independent Shareholders**”).

As at the date of this announcement, the aggregate value of all transactions (inclusive of the interest payable on the Loan Transactions based on the Drawdown Bases and excluding transactions which are less than S\$100,000) entered into with the same interested person (i.e. Dato' Malek and his associates) during the same financial year from 1 January 2023 (being the start of the current financial year ending 31 December 2023) to the date of this announcement, amounts to approximately 12.72% of the Group's latest audited NTA.

(d) **Total Value of Interested Person Transactions for the Current Financial Year**

For the current financial year beginning 1 January 2023 and up to the date of this announcement, the aggregate value of transactions with Dato' Malek and his associates (excluding the DMR BPP Loan and the DMR ACSB Loan) are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions entered into (excluding transactions less than S\$100,000) –
Dato' Malek	Controlling shareholder	RM490,802 ⁽¹⁾⁽³⁾
DMR Holdings	An associate of Dato' Malek	RM69,786 ⁽²⁾⁽³⁾

Notes:

- (1) Dato' Malek, the controlling shareholder of the Company, had extended unsecured loans in aggregate principal outstanding amount of RM52,322,839 to APSB, comprising: (i) a loan in principal outstanding amount of RM22,322,839 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 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.

In respect of the DM Loan Agreement, the loan and interest are repayable within one year from the date of the first drawing date or on demand, and no interest shall be charged on any accrued interest. The tenure of the loan shall be extended automatically by each subsequent one (1) year period unless APSB receives a termination notice from Dato' Malek not less than 30 days prior to the repayment date, and provided that no event of default has occurred. The Company had obtained the approval from its shareholders on 28 October 2020 for the entry by APSB into the DM Loan Agreement as an interested person transaction under Chapter 9 of the Catalist Rules. Please refer to the Company's circular to its shareholders dated 9 October 2020 for further details on the DM Loan Agreement. Further to the financial support letter which was extended by Dato' Malek previously to not demand repayment of the amount owing by the Company to Dato' Malek until the Group's resources permit, Dato' Malek and APSB had subsequently on 29 March 2023 entered into a supplementary agreement wherein Dato' Malek has, *inter alia*, agreed to not demand repayment for the amount owing to him and his related companies until the Group and the Company have the available resources to repay such amount.

- (2) DMR Holdings (an associate of Dato' Malek) agreed to grant an unsecured loan in the principal outstanding amount not exceeding RM60,000,000 to APSB (the "**DMR Loan**") (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.

APSB shall repay the DMR Loan and interest thereon within one year from the date of the first drawing date ("**Repayment Period on DMR Loan**"), and no interest shall be charged on any accrued interest. Notwithstanding the Repayment Period on DMR Loan above, the tenure of the DMR Loan shall be extended automatically by each subsequent one year period unless APSB receives a notice of termination from DMR Holdings not less than 30 days from the last date of the Repayment Period on DMR Loan, and provided that no event of default has occurred. The Company had obtained the approval from its shareholders on 28 October 2020 for the entry into the DMR Loan Agreement by APSB as an interested person transaction under Chapter 9 of the Catalist Rules. Please refer to the Company's circular to its shareholders dated 9 October 2020 for further details on the DMR Loan Agreement.

In addition, APSB has on 8 December 2021 obtained an additional unsecured loan facility from DMR Holdings (the "**Additional Loan Facility**") of up to RM8,000,000 at a fixed interest rate of 8% per annum, repayable within one year (unless automatically extended) or on demand for general corporate and working capital purposes. APSB shall repay the Additional Loan Facility and interest thereon within one year from the date of the first drawing date (the "**Repayment Period on Additional Loan Facility**"), and no interest shall be charged on any accrued interest. Notwithstanding the Repayment Period on Additional Loan Facility above, the tenure of the Additional Loan Facility shall be extended automatically by each subsequent one year period unless APSB receives a notice of termination from DMR Holdings not less than 30 days from the last date of the Repayment Period on Additional Loan Facility, and provided that no event of default has occurred.

Further to the financial support letter provided by DMR Holdings previously to not demand repayment of the amount owing by the Company to DMR Holdings until the Group's resources permit, DMR Holdings and APSB had subsequently on 29 March 2023 entered into a supplementary agreement wherein DMR Holdings has, *inter alia*, agreed to not demand repayment for the amount owing to DMR Holdings until the Group and the Company have available resources to repay such amount.

- (3) The interest expenses due to Dato' Malek amounted to RM490,802 (or equivalent to approximately S\$142,175 based on the exchange rate of S\$1:RM3.4521 as at 19 June 2023) for the current financial year beginning 1 January 2023 and up to the date of this announcement. Taking into consideration the interest expenses due to DMR Holdings which amounted to RM69,786 (or equivalent to approximately S\$20,216 based on the exchange rate of S\$1:RM3.4521 as at 19 June 2023) for the current financial year beginning 1 January 2023 and up to the date of this announcement, the aggregate interest expenses due to Dato' Malek and DMR Holdings would amount to RM560,588 (or equivalent to approximately S\$162,390 based on the exchange rate of S\$1:RM3.4521 as at 19 June 2023) for the current financial year beginning 1 January 2023 and up to the date of this announcement.

Save as disclosed in this announcement, there were no other interested person transactions entered into by the Group with any other interested persons in the current financial year beginning 1 January 2023 and up to the date of this announcement.

5. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Company has appointed W Capital Markets Pte. Ltd. as its independent financial adviser (“**IFA**”) to advise the Directors who are independent for the purposes of the Loan Transactions (the “**Independent Directors**”) and the audit committee of the Company (the “**Audit Committee**”), on whether the Loan Transactions as interested person transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

A copy of the letter from the IFA to the Independent Directors will be included in the Circular (as defined below).

6. AUDIT COMMITTEE STATEMENT

The Audit Committee will be obtaining an opinion from the IFA before forming its view on whether the Loan Transactions as interested person transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

7. CIRCULAR TO SHAREHOLDERS

A circular to shareholders containing further information on, amongst others, the Loan Transactions as interested person transactions (the “**Circular**”), together with a notice of extraordinary general meeting of the Company (the “**EGM**”), will be despatched or disseminated (as the case may be) to shareholders in due course.

Additionally, the Company had disclosed on page 83 of the Corporate Governance Report in its annual report for the financial year ended 31 December 2022 that the Company was evaluating and seeking legal advice on Chapter 9 of the Catalist Rules in relation to certain interested person transactions of the Company and the Company will make further announcement(s) to update shareholders when there are material updates in relation to this matter. As an update, the Company would like to inform shareholders that the Company has identified certain past transactions of the Company which were inadvertently not appropriately considered as interested person transactions and for which either no announcement has been made and/or no shareholders’ approval has been obtained, as required under the relevant Catalist Rules. The Company intends to seek shareholders’ approval for the ratification of these past interested person transactions and further details will be set out in the Circular.

8. ABSTENTION FROM VOTING

Pursuant to Rule 919 of the Catalist Rules, Dato’ Malek, being a controlling shareholder of the Company and the sole shareholder of the Lender, will abstain, and will ensure that his associates will abstain, from voting on the ordinary resolutions relating to the Loan Transactions at the EGM, and will not accept any nominations to act as proxy for voting at the EGM in respect of the said ordinary resolutions unless the Independent Shareholders appointing them as proxies give specific instructions in the relevant proxy form as to how their votes are to be cast for such ordinary resolutions. The Company will disregard any votes cast by Dato’ Malek and his associates in respect to the ordinary resolutions relating to the Loan Transactions.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for Dato' Malek, whose interests in the Loan Transactions are disclosed in this announcement, none of the Directors nor the controlling shareholder(s) of the Company has any interest, direct or indirect, in the Loan Transactions, other than through their respective shareholdings (if any) in the Company.

10. DOCUMENTS AVAILABLE FOR INSPECTION

The DMR BPP Loan Agreement and the DMR ACSB Loan Agreement are 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.

11. 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 DMR BPP Loan Agreement and the DMR ACSB 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.

12. CAUTIONARY STATEMENT

Shareholders should note that there is no certainty or assurance that any of the Loan Transactions will be completed. The Company will make the necessary announcements when there are further material developments on the Loan Transactions. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

ON BEHALF OF THE BOARD

Khong Chung Lun
Executive Director and Chief Executive Officer
20 June 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.
