
**PROPOSED ACQUISITION OF THE LAND AT MUKIM TEBRAU, TEMPAT TAMAN SETIA
INDAH, DAERAH JOHOR BAHRU, NEGERI JOHOR**

1. INTRODUCTION

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

- (a) the Company’s announcement dated 20 April 2022 (the “**First Announcement**”) on the entry into the joint development agreement (the “**JD Agreement**”) between its 99.99%-indirect owned subsidiary, Astaka Development Sdn. Bhd. (“**ADSB**”) and Straits Perkasa Services Sdn. Bhd. (the “**Landowner**”) on 19 April 2022, in relation to a development of a mixed commercial development project consisting of serviced apartments on a parcel of land on Mukim Tebrau, Tempat Taman Setia Indah, Daerah Johor Bahru, Negeri Johor (the “**Land**”) (the “**Project**”) and the grant of an option by the Landowner to ADSB to purchase the Land (the “**Option to Purchase**”);
- (b) the Company’s announcement dated 12 January 2023 (the “**Second Announcement**”) on the entry into a supplemental joint development agreement between ADSB and the Landowner on 12 January 2023 (the “**Supplemental Agreement**”);
- (c) the Company’s announcement dated 18 January 2023 (the “**Third Announcement**”) on the extension of the period for the fulfilment of conditions precedent (the “**Conditions Precedent**”) of the JD Agreement; and
- (d) the Company’s announcement dated 18 April 2023 (the “**Fourth Announcement**”) on the fulfilment of the Conditions Precedent by ADSB and the Landowner on 18 April 2023; and
- (e) the Company’s announcement dated 16 October 2023 (the “**Fifth Announcement**”) on the exercise of the Option to Purchase,

(collectively, the “**Previous Announcements**”).

Unless otherwise defined, capitalized terms used herein shall bear the same meanings as ascribed to them in the Previous Announcements.

2. BACKGROUND

Please refer to the First Announcement for further information on the Land, the Landowner, the rationale for the Proposed Acquisition and details in respect of the information required under Rule 1010 of the Catalist Rules. For the avoidance of doubt, to the best of the Company's knowledge, as at the date of this announcement, the Landowner, its directors and its shareholders and their respective associates are not related to the Company, its directors and substantial shareholders or their respective associates. The Landowner, its directors and shareholders do not currently hold any shareholding interest (direct or indirect) in the Company. As set out in the Fourth and Fifth Announcements, all Conditions Precedent have been fulfilled and ADSB has exercised the Option to Purchase the Land.

3. KEY TERMS OF THE SPA

3.1. SPA

Following the exercise of the Option to Purchase on 16 October 2023, ADSB and the Landowner had on 15 November 2023 entered into a sale and purchase agreement (the "**SPA**") pursuant to which the Landowner shall sell, and ADSB shall purchase, the Land:

- (a) on an as-is where-is basis, free from all encumbrances and caveats, except caveats lodged as a result, through or attributable to ADSB and/or ADSB's financier, if any;
- (b) with vacant possession;
- (c) subject to all conditions and restrictions of title (express and implied);
- (d) subject to the terms and conditions in the SPA; and
- (e) as disclosed in the First Announcement, upon the execution of the SPA, the JDA will be terminated.

3.2. Consideration

The consideration for the Proposed Acquisition is the Purchase Price (i.e., RM17,424,000) and will be paid by ADSB to the Landowner in the following manner: -

- (a) Prior to the execution of the SPA, ADSB has paid the sum of RM8,327,012.66 comprising the First Payment, the Interim Payment and principal portion of the Instalment Payments up until the date of the SPA (collectively, the "**Initial Sums**") and such sum shall be deemed as part payment towards the Purchase Price.

As at the date of the SPA, the relevant Instalment Payments (including interest) paid by ADSB to the Existing Financier amounts to RM561,184.

- (b) Upon the execution of the SPA, ADSB shall:
- (i) Within ten (10) days from the date of the SPA, pay the Vendor a sum equivalent to RM3,000,000 (the “**Deposit**”); and
 - (ii) Continue to furnish the monthly loan instalments from the date of the SPA to the Existing Financier until the Land has been redeemed from the Existing Financier’s charge in accordance with the SPA (the “**Remaining Instalments**”).

The Deposit, the Retention Sum (as defined at paragraph 3.2(c) below) and principal portion of the Remaining Instalments shall also form payments towards the Purchase Price in the event of completion of the Proposed Acquisition.

- (c) ADSB shall, within thirty (30) days from the Unconditional Date, deposit an amount equivalent to RM522,720 (the “**Retention Sum**”) with its solicitors as stakeholder and the solicitors shall be authorized to forward the Retention Sum to the Director General of Inland Revenue of Malaysia.
- (d) The balance sum which represents the Purchase Price less the Initial Sums, the Deposit and the Retention Sum (the “**Balance Sum**”) shall be paid by ADSB to the Landowner’s solicitors as stakeholders, no later than three (3) months from the Unconditional Date (the “**Completion Date**”), or such other extended period as may be mutually agreed between the parties in writing, whereupon ADSB will be deemed to have discharged in full its obligations to pay the Balance Sum to the Landowner.

For information purposes only, ADSB and the Landowner have expressly agreed, and the Landowner’s solicitors are expressly authorized by the parties, to utilize and deal with the Balance Sum upon receipt of the same in the following manner and priority on account of the Landowner:

- (i) Firstly, to settle for and on behalf of the Landowner all sums payable for the purposes of discharging the Existing Financier’s charge and all other encumbrances and caveats (if any) over the Land;
- (ii) Secondly, towards payment of all fees, charges, expenses and other payments, if any, payable by the Landowner by virtue of the SPA;
- (iii) Thirdly, to withhold an amount equivalent to the principal portion of the Remaining Instalments (i.e., excluding the interest portion) and to release the principal portion of the Remaining Instalments to ADSB within seven (7) business days from the Completion Date; and
- (iv) Lastly, to release the remaining balance of the Balance Sum to the Landowner either: (A) ten (10) days after the relevant instrument of transfer in favour of ADSB and all other relevant documents have been presented for registration at the appropriate land office/registry (provided that the presentation for registration of the said instrument of transfer shall not be rejected by the relevant land office at

any time prior to the expiry of the said ten (10) days) OR (B) ten (10) days after the receipt of the relevant documents by the solicitors of either ADSB or its bank, whichever is the later.

Also for information purposes, the interest payable in relation to the Instalment Payments and the Remaining Instalments is equivalent to prevailing Base Lending Rate + 0.25%, in accordance with the terms of the relevant loan facility.

As stated in the First Announcement, no valuation of the Land has been conducted or commissioned as the Purchase Price is equivalent to the book value of the Land.

3.3. **Conditions Precedent**

- (a) The SPA is conditional upon and subject to:
- (i) the approval of the relevant state authority for the transfer of the Land by the Landowner to ADSB pursuant to the restriction in interest contained in the relevant document of title; and
 - (ii) the approval of the relevant state authority for the transfer of the Land by the Landowner to ADSB pursuant to section 433B of the National Land Code (Revised 2020) of Malaysia,
- (collectively, the “**Conditions Precedent**”).
- (b) In the event the Conditions Precedent are not fulfilled within six (6) months from the date of the SPA (the “**Condition Period**”), the Landowner shall grant an extension of a period of three (3) months to fulfill the Conditions Precedent (“**Extended Condition Period**”) upon request from ADSB.
- (c) In the event the Conditions Precedent are not fulfilled within the Condition Period or by the expiration of the Extended Condition Period, as the case may be, the SPA will terminate and thereafter be null and void, and in such event, ADSB shall at its own cost and expense:
- (i) re-deliver vacant possession of the Land to the Landowner (if it has already been delivered to ADSB);
 - (ii) remove all encumbrances and/or any private caveat which ADSB has lodged against the Land; and
 - (iii) return to the Landowner all documents delivered by the Landowner to ADSB and/or the solicitors of its bank under the provisions of the SPA with the Landowner’s interest in the Land remaining intact,

in exchange for the refund by the Landowner to ADSB of all moneys (save and except for the Initial Sums which shall be dealt with in accordance with the terms of the JD Agreement) paid towards account of the Purchase Price without interest, which refund must in any

event be made within fourteen (14) days from the date the SPA is terminated whereupon the SPA shall terminate and cease to be of any further effect. The SPA will become unconditional upon receipt of the original State Authority Consent.

3.4. Delivery of Vacant Possession

- (a) Vacant possession of the Land shall be delivered ADSB within five (5) business days from the Completion Date (the “**VP Date**”).
- (b) In the event the Landowner fails to deliver vacant possession of the Land or any part of it to ADSB in accordance with the SPA, ADSB will be entitled to, among other things:
 - (i) interest at the rate of six percent (6%) per annum of the Purchase Price calculated on daily rest from the expiry of the VP Date until vacant possession of the Land is delivered to ADSB; and
 - (ii) terminate the SPA in accordance with its terms.

3.5. Effect of Termination of SPA on JD Agreement

Any termination of the SPA shall not affect the terms of the JD Agreement nor the obligations of the Landowner and ADSB under the JD Agreement, and the Landowner and ADSB shall continue to be bound by the terms and conditions of the JD Agreement.

3.6. Removal of Encumbrance

If at any time during the continuance of the SPA, the Property is encumbered in any way whatsoever or subjected to any caveats other than the ADSB’s or ADSB’s Bank’s caveat, the Landowner must remove them or procure their removal at its own cost and expense without delay.

3.7. Governing law

The SPA shall be governed by the laws of Malaysia.

3.8. Other Special Conditions

- (a) Termination of JD Agreement

Notwithstanding that it has been previously announced in the First Announcement that the JD Agreement will be terminated upon the execution of the SPA, both the Landowner and ADSB have agreed that the JD Agreement shall only be deemed mutually terminated on the Completion Date.

- (b) Sale of units in the Project pending transfer of the Land to ADSB

The Landowner acknowledges that ADSB is in the process of implementing the Project, and is in advanced stages of planning and development. The Landowner further acknowledges that ADSB intends to launch the Project for sale of individual units/parcels within the Project (the "**Parcels**") to end-purchasers (the "**End-Purchasers**") as soon as possible.

Pending the transfer and registration of the Land in the name of ADSB, the Landowner has agreed to be a party to and to execute the relevant sale and purchase agreements which are to be entered into between the Landowner (in its capacity as the proprietor of the Property), ADSB and the End-Purchasers in respect of the sale and purchase of the Parcels and all other related agreements, letters and documents in relation thereto (the "**HDA Agreement**").

The Landowner further agrees, if requested by ADSB, to grant a limited power of attorney to ADSB for purposes of execution of the HDA Agreement.

For avoidance of doubt, upon the completion of the registration of the relevant instrument of transfer in favour of ADSB, the Landowner will cease to be a party to the HDA Agreement.

4. FINANCIAL EFFECTS

There are no changes to the Purchase Price (i.e., RM17,424,000). Accordingly, the financial effects of the Proposed Acquisition as set out in paragraph 6 of the First Announcement remain unchanged.

5. SOURCE OF FUNDS

The Deposit, Remaining Instalments, Retention Sum and Balance Sum will be funded by the Group's internal resources and/or bank borrowings.

6. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Acquisition.

7. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

8. DOCUMENTS FOR INSPECTION

A copy of the SPA 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 are advised to read the Previous Announcements in conjunction with this announcement and any further announcements by the Company carefully. The completion of the Proposed Acquisition is subject to, amongst others, the fulfilment of conditions as set out in the SPA and, as at the date of this announcement, there is no certainty or assurance that the Proposed Acquisition will proceed to completion.

The Company will make the necessary announcements when there are further developments on the Proposed Acquisition and other matters contemplated in this announcement. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Khong Chung Lun
Executive Director and Chief Executive Officer

15 November 2023

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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 Ms Audrey Mok (Telephone: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.
