ASTAKA HOLDINGS LIMITED
(Company Registration No.: 200814792H)
(Incorporated in the Republic of Singapore)

ENTRY INTO TERM SHEET FOR PROPOSED JOINT VENTURE AND SALE AND PURCHASE OF LAND

1. INTRODUCTION

1.1. The Board of Directors (the "**Board**") of Astaka Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company's 99.99% indirect owned subsidiary, Astaka Padu Sdn. Bhd. ("**APSB**"), has entered into a legally binding term sheet ("**Term Sheet**") with the Company's 50.99% owned indirect subsidiary, Astaka Capital Sdn Bhd ("**ACSB**"), Kii Amber Sdn. Bhd. ("**KIASB**"), and Seaview Holdings Sdn. Bhd. ("**SHSB**") (each a "**Party**", and collectively, the "**Parties**"), of which ACSB and KIASB shall establish a joint venture company ("**JVCo**") for the purpose of jointly developing an identified parcel of land measuring approximately 1.662 acres in area ("**Project Land**") (to be subdivided from a master freehold land currently held under H.S.(D) 571006, PTD 233330, Mukim Plentong, District of Johor Bahru, State of Johor, Malaysia ("**Master Land**")) into a residential serviced apartment ("**Project**"), subject to the acquisition of the Project Land by the JVCo.

1.2. The provisions of the Term Sheet are intended to be used as basis for the Parties to enter into definitive agreements ("**Definitive Agreements**") as follows:

(a) a subscription and shareholders' agreement ("**SSA**") between ACSB and KIASB for the incorporation of the JVCo and the development of the Project Land into a residential serviced apartment, pursuant to the Project ("**Proposed Joint Venture**"); and

(b) a sale and purchase agreement ("**SPA**") between the JVCo, APSB and SHSB for the sale and purchase of the Project Land by the JVCo from APSB (as registered proprietor of the Master Land) and SHSB (as beneficial owner of the Master Land) ("**Proposed Acquisition**").

1.3. As each of the relative figures in relation to the Proposed Joint Venture computed on the applicable bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") is less than 5%, the Proposed Joint Venture constitutes a "non-discloseable transaction" under Chapter 10 of the Catalist Rules.

1.4. Based on each of the relative figures set out in Rule 1006 of the Catalist Rules, the Proposed Acquisition constitutes a "discloseable transaction" under Chapter 10 of the Catalist Rules. The Proposed Acquisition is also an "interested person transaction" under Chapter 9 of the Catalist Rules, which the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year), is more than 5% of the Group's latest audited net tangible assets ("**NTA**"). Please refer to paragraph 7 of this announcement for further details. Accordingly, subject to the execution of the SPA, the Proposed Acquisition is conditional upon approval by the shareholders of the Company in a general meeting.

2. INFORMATION ON THE PARTIES TO THE TERM SHEET

2.1. Information on APSB

APSB is a company incorporated in Malaysia, and is wholly owned by Astaka Padu Limited, which is in turn 99.99%-owned by the Company. APSB is principally engaged in property development in Johor, Malaysia.

2.2. Information on SHSB

(a) SHSB is a company incorporated in Malaysia on 8 October 2013 and has an issued and paid-up share capital of RM20,000,000 comprising 20,000,000 ordinary shares. The principal activities of SHSB are to purchase, hire or acquire for the purpose of investment in any real or personal property.

(b) As at the date of this announcement, the Company's controlling shareholder, Dato' Dr. Daing A Malek Bin Daing A Rahaman ("**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,

owns 100% of the shareholding interest in DMR Holdings Sdn Bhd ("**DMR Holdings**"), which in turn holds 100% of the shareholding interest in SHSB. As such, Dato' Malek is the ultimate sole shareholder of SHSB.

(c) The directors of SHSB are Dato' Malek, Abd Aziz Bin Daing Rahman ("**Aziz**") and Daing Abd Rahim Bin Daing A Rahman ("**Rahim**"). Each of Aziz and Rahim are the brothers of Dato' Malek.

2.3. Information on ACSB

ACSB is a company incorporated in Malaysia. By virtue of APSB's 51% shareholding interest in ACSB, ACSB is a 50.99%-owned indirect subsidiary of the Company. SHSB holds the remaining 49% of the shareholding interest in ACSB. The principal activity of ACSB is that of property development. Please refer to the Company's announcement dated 31 May 2023 in relation to incorporation of joint venture between APSB and SHSB for further details.

2.4. Information on KIASB

KIASB is a company incorporated in Malaysia, and is a wholly owned subsidiary of Kimlun Corporation Berhad, a public limited company listed on the Main Market of Bursa Malaysia Securities Berhad. KIASB is principally engaged in investment holding, property investment and property development.

3. INFORMATION ON THE PROJECT LAND

3.1. Information on the Project Land

The Project Land measures approximately 1.662 acres in area, which will be subdivided from the Master Land currently held under H.S.(D) 571006, PTD 233330, Mukim Plentong, District of Johor Bahru, State of Johor, Malaysia.

The Board refers to (a) the Company's announcement dated 14 January 2022 in relation to APSB entering into a conditional sale and purchase agreement ("**Conditional Sale and Purchase Agreement**") with SHSB for the sale of the Master Land from APSB to SHSB, (b) the Company's announcement dated 21 February 2022 in relation to APSB and SHSB entering into a supplemental letter agreement to vary, amend and alter certain terms of the Conditional Sale and Purchase Agreement, (c) the Company's circular dated 18 March 2022 in relation to the APSB's sale of the Master Land to SHSB, and (d) the Company's announcement dated 27 June 2023 in relation to APSB's receipt of the final instalment tranche of the consideration under the

Conditional Sale and Purchase Agreement and completion of the sale of the Master Land from APSB to SHSB.

Notwithstanding the completion of the sale of the Master Land from APSB to SHSB on 27 June 2023, APSB remains as the registered proprietor of the Master Land, with SHSB as the sole and absolute beneficial owner of the Master Land pending the registration of the transfer in favour of SHSB, pursuant to clause 7.4 of the Conditional Sale and Purchase Agreement, whereupon SHSB shall have the full rights, title and interests in and to the Master Land and is entitled to deal with the Master Land in any manner whatsoever as if SHSB is the absolute legal owner of the Master Land. Following completion, APSB continues to hold the legal title to the Master Land as bare trustee for and on behalf of SHSB pending the implementation of the Proposed Joint Venture and the Proposed Acquisition, so as to minimise transactional delays in the execution of the Project.

3.2. Valuation

The Company will appoint an independent valuer to perform a valuation of the Project Land.

The valuation report ("**Valuation Report**") relating to the valuation of the Project Land by an independent valuer will be included in the circular on the Proposed Acquisition, subject to the execution of the SPA, to be released by the Company in due course.

4. RATIONALE

The Board is of the view that the establishment of a joint venture with KIASB to develop residential serviced apartments on the Project Land offers compelling strategic advantages that will bring together the shared expertise of reputable partners (with KIASB known for its expertise in construction and engineering, and ACSB having strong local connections, regulatory knowledge, and extensive real estate acumen), as well as enhance risk mitigation, expand market reach, and improve operational efficiencies of the Proposed Joint Venture. These factors collectively strengthen the Project's resilience and significantly enhance its long-term viability in a competitive real estate market.

Furthermore, the Board believes that aligning with KIASB as a reputable partner for the Proposed Joint Venture would enhance the Project's credibility and would boost prospective investors' and financiers' confidence in the Project, as well as facilitate smoother access to funding and regulatory approvals that are crucial for the timely and efficient execution of the Project.

5. MATERIAL TERMS OF THE TERM SHEET

5.1. Subscription for JVCo Shares and Shareholding Proportions in JVCo

ACSB shall, at any time prior to the execution of the SSA, incorporate the JVCo as its wholly-owned subsidiary with a total issue and paid-up share capital of RM100 comprising of 100 ordinary shares, under the laws of Malaysia.

ACSB and KIASB shall subscribe for and procure the JVCo to allot and issue the following number of ordinary shares in the JVCo ("**JVCo Shares**"), at the following subscription price, to the respective shareholders within 14 days from the date of the SSA ("**JVCo Shares Subscription**"):

Shareholders	Existing JVCo Shares held as at the date of the SSA	Number of JVCo Shares to be subscribed	Subscription price (RM)
ACSB	100	509,900	509,900
KIASB	NIL	490,000	490,000
Total	**100**	**999,900**	**999,900**

The anticipated resultant issued share capital of the JVCo shall be RM1,000,000, comprising 1,000,000 JVCo Shares following the completion of the JVCo Shares Subscription.

The respective shareholdings of ACSB and KIASB in the JVCo shall, after the completion of the JVCo Shares Subscription by the shareholders, at all times throughout the duration of the SSA, be maintained in the following shareholding proportions ("**Shareholding Proportions**"):

	Shareholders	Shareholding Proportions
1.	ACSB	51%
2.	KIASB	49%

5.2. SSA Conditions Precedent

(a) The rights and obligations of ACSB and KIASB (as shareholders of the JVCo) that are set out in the SSA, except for those pertaining to costs and expenses and confidentiality obligations, are subject to and conditional upon KIASB having obtained the approval of the shareholders of Kimlun Corporation Berhad, the holding company of KIASB, for the provision of shareholder's advances or guarantee (if so required) to finance the purchase of the Project Land in accordance with the terms of the SPA and the development thereof ("**SSA Condition Precedent**"), within 6 months from the date of the SSA, or such other date as ACSB and KIASB may mutually agree upon in writing ("**SSA Cut-Off Date**").

(b) If on the expiry of the SSA Cut-Off Date, the SSA Condition Precedent stipulated above shall have not been fulfilled or obtained, the following shall apply:

(i) ACSB shall procure the JVCo to refund any shareholder's advances extended by KIASB as at that date within 30 days from the date of the expiry of the SSA Cut-Off Date; and

(ii) KIASB will be entitled to sell all its JVCo Shares to ACSB at a purchase price equivalent to the total subscription price of RM490,000 paid by KIASB, and ACSB shall simultaneously use all its reasonable endeavours to procure the release of KIASB from any guarantee given by KIASB in favour of the JVCo, if applicable,

and following thereto, the SSA shall terminate immediately and thereafter the parties to the SSA shall not have any further rights under the SSA except in respect of –

(A) any obligations under the SSA which is expressed to apply after the termination of the SSA; and

(B) any rights or obligations which have accrued in respect of any breach of any of the provisions of the SSA by any of the parties to the SSA prior to such termination.

5.3. Financing Principles

(a) Each of ACSB and KIASB shall use its best endeavours to procure maximum financing for the JVCo, if required for the JVCo's operations, including the execution of the Project, in an amount solely determined by the board of directors of the JVCo and in accordance with the Shareholding Proportions.

(b) As far as possible, financing for the JVCo shall be obtained from the following sources and in the following order of priority:

(i) financing from banks and financial institutions on the most favourable terms reasonably obtainable as to the financier's interest rate margin, repayment and security, but without allowing a prospective financier a right to participate in the share capital of the JVCo as a condition of making available the financing;

(ii) subject to an agreement from ACSB and KIASB, loans/advances from the ACSB and/or KIASB or their related companies in the Shareholding Proportions, whether by way of the advance of money, the purchase of or subscription of JVCo Shares (including, where applicable, any preference shares or other classes of shares issued by the JVCo from time to time) or other securities as may be agreed upon by ACSB and KIASB;

(iii) any other source of financing to be mutually agreed by ACSB and KIASB.

(c) Any finance for the JVCo shall be procured, on the best endeavours basis, without any additional security or guarantee being provided by ACSB and KIASB and in the event any security or guarantee is required from ACSB and KIASB by the financier, such security or guarantee shall be provided by ACSB and KIASB in proportion to the Shareholding Proportions.

(d) In the event that the JVCo requires loan facilities to part finance the purchase of the Project Land and the development of the Project Land, ACSB and KIASB agree that the JVCo may charge the Project Land in favour of any financial institution.

5.4. Responsibilities of JVCo Shareholders

(a) ACSB will, on behalf of the JVCo, primarily be responsible for the following matters:

(i) overseeing the day-to-day management and operation of the JVCo;

(ii) coordinating and supervising all aspects of the Project;

(iii) preparing financial statements and reports in respect of the Project and the JVCo; and

(iv) obtaining all requisite approvals, licences and permits which are necessary for the implementation of the Project.

(b) KIASB will, on behalf of the JVCo, primarily be responsible for the following matters:

(i) ensuring that the development and construction works are properly executed by the Main Contractor (as defined below);

(ii) leading the tender committee of the JVCo in reviewing bids for the appointment of sub-contractors and suppliers for the Project;

(iii) providing all reasonable assistance and doing all such acts and things reasonably necessary to facilitate the development and construction of the Project, as well as the ongoing operation of the JVCo; and

(iv) contributing expertise and insights to support ACSB in the development and construction of the Project.

5.5. Composition of Directors of JVCo

(a) At all times while the SSA remains in force, ACSB and KIASB, as shareholders of the JVCo, shall procure that at any one time, unless otherwise expressly agreed by the ACSB and KIASB, the number of directors of the JVCo ("**JVCo Directors**") shall not be more than five (5) in number.

(b) Except as otherwise provided in the SSA –

(i) ACSB will, while it remains as shareholder of the JVCo, be entitled to nominate and appoint three (3) JVCo Directors; and

(ii) KIASB will, while it remains as shareholder of the JVCo, be entitled to nominate and appoint two (2) JVCo Directors,

and each JVCo Director shall hold office for such term as may be determined by that shareholder that appointed him and shall not be subject to retirement by rotation.

5.6. Appointment of Main Contractor of Project

ACSB and KIASB, as shareholders of the JVCo, shall procure the JVCo to appoint KIASB or its related company as the main contractor for the construction of the Project ("**Main Contractor**"), of which such appointment shall be carried out on an arm's length basis, and subject to the execution of a construction agreement in the form of a 'PAM Contract 2018' (i.e. the standard form of contract for building works issued by the Malaysian Institute of Architects) between the Main Contractor and the JVCo.

5.7. Appointment of Project Manager and Project Sales & Marketing Manager

ACSB and KIASB, as shareholders of the JVCo, shall procure the JVCo to appoint APSB as project manager and project sales and marketing manager of the Project, of which such appointment shall be carried out on an arm's length basis, and subject to the execution of a project management agreement and/or project sales and marketing agreement between APSB and the JVCo simultaneously with the execution of the Definitive Agreements, setting out, amongst others, the roles and responsibilities of APSB in its capacity as the project manager and the project sales & marketing manager and the management fee and/or sales commission payable by the JVCo to APSB, wherein the rights and obligations of the JVCo and APSB under the project management agreement and the project sales and marketing agreement are subject to and conditional upon the completion of the SPA as well as approvals being obtained for sales and advertisement of the Project.

For avoidance of doubt, the Company shall, in compliance with the requirements under Chapter 9 of the Catalist Rules, make the relevant announcement(s) or, if applicable, seek Shareholders' approval for the execution of the project management and/or project sales and marketing agreement between APSB and the JVCo.

5.8. Termination of SSA

(a) The SSA shall be deemed terminated upon occurrence of any of the following events:

(i) by mutual written consent of ACSB and KIASB (as shareholders of the JVCo); or

(ii) the winding-up of the JVCo.

(b) In the event that a shareholder of the JVCo (the "**Defaulting Shareholder**") –

(i) commits any material breach of any of its obligations under the JVCo and fails to take appropriate steps to remedy such breach (if capable of remedy) within 30 days after being given notice so to do by the other shareholder;

(ii) assigns, transfers or dispose of its JVCo Shares in violation of the terms and conditions of the JVCo;

(iii) goes into liquidation, whether compulsory or voluntary or shall cease or threaten to cease to carry on the whole or substantially all of its business (except for the purposes of a bona fide reconstruction or amalgamation); or

becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors,

then such shareholder be deemed to be in breach of the SSA and the other shareholder (i.e. the shareholder other than the Defaulting Shareholder) (the "**Non-Defaulting Shareholder**") will be entitled (but not after 30 days of the event in question first coming to the attention of the shareholder entitled to give the notice) to give a notice (a "**Default Notice**") to the Defaulting Shareholder.

At any time within 60 days of the service of the Default Notice on the Defaulting Shareholder, the Non-Defaulting Shareholder will be entitled to give written notice (a "**Default Buy-Sell Notice**") to the Defaulting Shareholder, and upon service of a Default Buy-Sell Notice, the Non-Defaulting Shareholder shall at its discretion be entitled, without prejudice to any other rights or remedies available to the Non-Defaulting Shareholder under the SSA or at law, to any one of the following remedies:

(i) require the Defaulting Shareholder to purchase all the JVCo Shares of the Non-Defaulting Shareholder in the JVCo at a purchase price to be determined by a mutually agreed independent valuer equivalent to 120% of the fair value of such JVCo Shares, provided that if the fair value of all the JVCo Shares of the Defaulting Shareholder is zero or a negative amount, the purchase price for all the JVCo Shares shall be RM1.00; or

(ii) purchase all the JVCo Shares of the Defaulting Shareholder in the JVCo at a purchase price to be determined by a mutually agreed independent valuer equivalent to 80% of the fair value of such JVCo Shares, provided that if the fair value of all the JVCo Shares of the Defaulting Shareholder is zero or a negative amount, the purchase price for all the JVCo Shares shall be RM1.00.

5.9. <u>SPA Conditions Precedent</u>

The rights and obligations of APSB, SHSB and the JVCo that are set out in the SPA, except for those pertaining to costs and expenses and confidentiality obligations, are subject to and conditional upon the following conditions precedent ("**SPA Conditions Precedent**") being fulfilled or obtained within 6 months from the date of the SPA, or such other date as APSB, SHSB and the JVCo may mutually agree upon in writing:

(a) APSB having obtained the approval of the shareholders of the Company for the SPA as required by the Catalist Rules;

(b) SHSB having obtained the issue document of sub-divided title to the Project Land from the relevant authorities, with the Project Land having an aggregate land area of approximately 1.662 acres in area, subject to an express condition for use as service apartments and the right of way endorsed pursuant to the National Land Code;

(c) the JVCo having obtained the approval from the relevant local councils in respect of the planning permission (construction) for the Project, approving the development for a gross floor area of not less than 800,000 square feet;

(d) the JVCo having obtained the approval from the relevant local councils in respect of the planning permission (layout plan) for the Project; and

(e) the SSA having become unconditional in accordance with its terms.

5.10. <u>Price for the Project Land</u>

(a) The total sale and purchase price of the Project Land shall be RM61,500,000 ("**Price**"), based on the market value of the Project Land of approximately RM77 per square foot of the gross floor area and an allowable gross floor area of not less than 800,000 square feet. In the event the aggregate gross floor area of the Project Land shall exceed the allowable gross floor area of 800,000 square feet, the Price shall be adjusted upward accordingly, with the additional gross floor area charged at a rate of RM77 per square foot ("**Adjustment**").

(b) The Price shall be satisfied by cash in the following manner:

(i) a sum of RM1,230,000, being 2% of the Price ("**Earnest Deposit**"), shall be paid by ACSB and KIASB (in accordance with their shareholding proportions in the JVCo) to SHSB upon the execution of the Term Sheet;

(ii) a sum of RM11,070,000, being 18% of the Price, shall be paid by the JVCo to SHSB upon the execution of the SPA; and

(iii) a sum of RM49,200,000, being the remaining 80% of the Price ("**Balance**"), shall be paid by the JVCo to SHSB within 3 months from the date the SPA becomes unconditional ("**SPA Completion Date**") or on the Extended SPA Completion Date (as defined below), as the case may be.

(c) The amount payable by ACSB and KIASB (as shareholders of the JVCo) and the JVCo (as the case may be) towards account of the Price shall be adjusted accordingly in the event of the Adjustment.

(d) In the event the JVCo is unable to pay the Balance by the SPA Completion Date, SHSB shall automatically grant to the JVCo an extension of one month from the SPA Completion Date ("**Extended SPA Completion Date**") to pay the Balance, provided that the JVCo shall pay to SHSB interest at the rate of 8% per annum on the Balance or any part thereof remaining unpaid, calculated on a daily basis, from the day next following the SPA Completion Date until the date of actual payment of the Balance to SHSB.

5.11. <u>Rent of Sales Gallery</u>

For the purpose of promoting the sales of the Project, SHSB agrees to construct a sales gallery ("**Sales Gallery**"), on part of a land located adjacent to the Project Land, at its own cost and expenses.

Upon completion of the construction of the Sales Gallery, SHSB (as landlord) and the JVCo (as tenant) shall enter into a tenancy agreement for renting the Sales Gallery on 'shell and core' basis, at an annual rental equivalent to an amount representing 15% of the total construction cost incurred by SHSB for the construction of the Sales Gallery, for which such rental fee shall be payable by the JVCo on monthly basis. Subject to any renewal of the term of tenancy to be agreed upon between the JVCo and SHSB, the principal tenancy period for the Sales Gallery shall be a minimum period of 36 months, commencing from a date to be mutually agreed upon by the JVCo and SHSB.

For avoidance of doubt, the Company shall, in compliance with the requirements under Chapter 9 of the Catalist Rules, make the relevant announcement(s) or, if applicable, seek Shareholders' approval for the execution of the tenancy agreement between SHSB and the JVCo.

5.12. Vacant Possession

Vacant possession of the Project Land, free from all encumbrances and claims whatsoever, shall be delivered or caused to be delivered by SHSB to the JVCo on the SPA Completion Date or the Extended SPA Completion Date (as the case may be).

5.13. Execution of Definitive Agreements

(a) The Parties shall enter into the Definitive Agreements simultaneously within 60 days from the date of the Term Sheet, or such further date as may be mutually agreed between the Parties ("**Expiry Date**").

(b) If the Definitive Agreements are not executed by the Expiry Date, the Term Sheet shall terminate. Upon termination of the Term Sheet, no party shall have any continuing obligation as provided in the Term Sheet to the other save for any antecedent breaches or outstanding obligations as provided in the Term Sheet (including the obligation of SHSB in refunding the Earnest Deposit to ACSB and KIASB, free of interest).

5.14. Exclusivity Period of Term Sheet

The Parties agree, covenant and undertake that they will not, and will ensure that their related corporations will not, directly or indirectly (whether jointly or in conjunction with another party), initiate, solicit or entertain any discussion, negotiation, agreement or arrangement or otherwise deal in any way with any other person other than the other party in connection with the terms and conditions of any agreement governing the subject matter of the Term Sheet, including without limitation, the Definitive Agreements, at any time prior to the Expiry Date.

5.15. Governing Law

The Term Sheet and the Definitive Agreements shall be governed by and construed in accordance with the laws of Malaysia.

6. SOURCE OF FUNDS

The incorporation of JVCo and the amount payable by ACSB for the JVCo Shares Subscription are intended to be funded by capital injections from each shareholder of the ACSB proportionate to their respective equity interest held in the ACSB.

The Project Land will be funded by external borrowings from third party (including banks and other financial institutions), as well as loans or capital injections from each shareholder of the JVCo proportionate to their respective equity interest held in the JVCo.

7. THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION

7.1. As set out in paragraphs 2.2 and 2.3 above, Dato' Malek is the controlling shareholder of the Company. By virtue of Dato' Malek's deemed interest of 66.55% of shares in the Company (through his 100% shareholding interest in Horizon Sea Limited, which holds 1,244,062,150 shares in the Company), his direct shareholding interest of 0.20% shares in the Company, and indirect shareholding interest by ACSB through his 100% of the shareholding interest in DMR Holdings (which in turn holds 100% of the shareholding interest in SHSB), the JVCo would upon its incorporation be considered an associate (as defined under the Catalist Rules) of Dato' Malek. With reference to paragraph 2.2 above, as Dato' Malek is the ultimate sole shareholder of SHSB, SHSB (as the sole and absolute beneficial owner of the Master Land) also constitutes an "associate" of Dato' Malek. As such, both the JVCo upon its incorporation and SHSB would each be an "interested person" under Chapter 9 of the Catalist Rules. Accordingly, the Proposed Acquisition of Project Land from SHSB (as beneficial owner of the Master Land) would be an "interested person transaction" under Chapter 9 of the Catalist Rules.

7.2. Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2023, the Group's latest audited NTA is approximately RM82,921,869.

The current total of all interested person transactions (excluding interested person transactions less than S$100,000) for the period from 1 January 2024 up to the date of this announcement is set out in the table below:

		Before Completion of the Proposed Acquisition		**After Completion of the Proposed Acquisition**	
Name of interested person	**Nature of relationship**	**Amount**	**As a percentage of the Group's latest audited NTA**	**Amount**	**As a percentage of the Group's latest audited NTA**
SHSB	An associate of Dato' Malek	-	-	RM31,365,000[(1)]	37.8%
Bukit Pelali Properties Sdn Bhd ("**BPPSB**")	An associate of Dato' Malek	RM10,200,000[(2)]	12.3%	RM10,200,000[(2)]	12.3%
Total		RM10,200,000	12.3%	RM41,565,000	50.1%

Notes:

(1) Pursuant to Rule 909(1) of the Catalist Rules, in the case of a partly-owned subsidiary or associated company, the value of the transaction is an issuer's effective interest in that Transaction. Pursuant to Rule 909(2) of the Catalist Rules, in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees to be given by the entity at risk.

Taking into account the Company's intended interest in the JVCo by virtue of the Shareholding Proportions, as well as the financing principles of the Term Sheet as set out in paragraph 5.3, the value of the Proposed Acquisition as an interested person transaction is RM31,365,000, being 51% of the Price for the Project Land (being RM61,500,000) adjusted in proportion with the Shareholding Proportions.

(2) On 20 May 2024, APSB and Saling Syabas Sdn Bhd ("**SSSB**") had entered into a shareholders' loan agreement with the Company's 50.99% owned indirect subsidiary, BPPSB (the "**2024 BPPSB Shareholders' Loan**"), to extend an unsecured and interest-free loan to BPPSB for an aggregate sum of RM20.0 million for the purposes of ongoing working capital requirements as well as the future developments in the joint venture, and shall only be drawn as and when required.

The 2024 BPPSB Shareholders' Loan shall be repaid by BPPSB to APSB and SSSB in cash and/or in kind as may be mutually agreed between BPPSB with APSB and SSSB respectively within one year from the drawing date (the "**Repayment Term of 2024 BPPSB Shareholders' Loan**"), with an automatic extension of additional one year period upon the expiry of the Repayment Term of 2024 BPPSB Shareholders' Loan, and on each successive anniversary date thereafter and the maturity date for the repayment of the 2024 BPPSB Shareholders' Loan shall be construed as the last day of each relevant extension.

Pursuant to Rule 909(2) of the Catalist Rules, in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees to be given by the entity at risk. Accordingly, the value of the 2024 BPPSB Shareholders' Loan as an interested person transaction is RM10,200,000, being the proportion of the loan to be extended by APSB to BPPSB under the 2024 BPPSB Shareholders' Loan (which is in proportion with APSB's equity stake in BPPSB).

Pursuant to Rule 916(3) of the Catalist Rules, shareholders' approval is not required for the provision of a loan to a joint venture with an interested person as the 2024 BPPSB Shareholders' Loan is extended by APSB and SSSB to BPPSB in proportion to their equity and on the same terms.

8. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES IN RELATION TO THE PROPOSED ACQUISITION

8.1. The relative figures computed on the bases set out in Catalist Rule 1006 for the Proposed Acquisition are as follows:

Catalist Rule 1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.(1)	Not Applicable(2)
Catalist Rule 1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net loss.(3)	Not applicable(4)
Catalist Rule 1006(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	5.5%(5)
Catalist Rule 1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable(6)
Catalist Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the	Not Applicable(7)

	SGX-ST may permit valuations to be used instead of volume or amount.	

Notes:

(1) "Net assets" means total assets less total liabilities.

(2) Not applicable as the Proposed Acquisition is an acquisition of assets.

(3) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

(4) Not applicable as the Project Land is vacant and does not generate any income or revenue.

(5) Based on the Company's market capitalisation of approximately S$164,510,219 on 11 July 2024, being the last full market day on which trades were done preceding the date of the Term Sheet. The Company's market capitalisation was determined by multiplying the number of shares in issue of 1,869,434,303 shares by the volume weighted average price of approximately S$0.088 per share of the Company on 17 May 2024.

(6) No equity securities will be issued by the Company in connection with the Proposed Acquisition.

(7) The Company is not a mineral, oil and gas company.

9. AUDIT COMMITTEE STATEMENT

The Company will be appointing an independent financial advisor ("**IFA**") to advise the Audit Committee on the Proposed Acquisition as an interested person transaction. The Audit Committee of the Company will be obtaining an opinion from the IFA before forming its view as to whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders, which will be set out in the circular, subject to execution of the SPA, to be distributed to shareholders in due course.

10. FINANCIAL EFFECTS

10.1. The pro forma financial effects of the Proposed Acquisition on the NTA per ordinary share in the share capital of the Company ("**NTA per Share**") and the earnings per Share ("**EPS**") of the Group have been prepared based on the audited consolidated financial statements of the Group for FY2023.

10.2. For the purposes of illustrating the financial effects of the Proposed Acquisition, the financial effects have been prepared based on, *inter alia*, the following assumptions:

(a) the financial effects on the NTA per Share of the Group are computed assuming that the Proposed Acquisition was completed on 31 December 2023;

(b) the financial effects on the EPS of the Group are computed assuming that the Proposed Acquisition was completed on 1 January 2023;

(c) the JVCo will be accounted for as an indirect subsidiary of the Company; and

(d) the expenses incurred in connection with the Proposed Acquisitions amount to approximately RM790,000.

10.3. Financial Effects on the NTA per Share of the Group

	Before Completion of the Proposed Acquisition	**After Completion of the Proposed Acquisition**
NTA attributable to owners of the Company as at 31 December 2023 (RM)	82,921,869	82,131,869
Number of Shares in the issued and paid-up share capital of the Company, excluding shares and subsidiary holdings (RM)	1,869,434,303	1,869,434,303
NTA per Share (RM'sen)	4.44	4.39

10.4. Financial Effects on the EPS of the Group

	Before Completion of the Proposed Acquisition	**After Completion of the Proposed Acquisition**
Net Profit attributable to owners of the Company for FY2023 (RM)	3,073,536	2,283,536
Weighted average number of Shares in the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings (RM)	1,869,434,303	1,869,434,303
EPS (RM'sen)	0.16	0.12

10.5. The financial effects presented above are for illustrative purposes only and are not intended to reflect the actual future results and/or financial position of the Company and/or the Group. No representation is made as to the actual future results and/or financial position of the Company and/or the Group after the completion of the Proposed Acquisition.

11. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Joint Venture or the Proposed Acquisition and no service contracts in relation thereto is proposed to be entered into by the Company.

12. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the directors and/or the substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Joint Venture or Proposed Acquisition, other than through their respective shareholdings in the Company, if any.

13. EXTRAORDINARY GENERAL MEETING AND CIRCULAR

The Company intends to seek shareholders' approval for the Proposed Acquisition, subject to the execution of the SPA. A circular setting out the relevant information on the Proposed Joint Venture and Proposed Acquisition (including the opinion of the IFA), together with a notice of the extraordinary general meeting to be convened, will be despatched to the Company's shareholders in due course.

14. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Joint Venture and the Proposed Acquisition upon the execution of the Definitive Agreements, subject to shareholders' approval, or where there are any material developments.

15. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Term Sheet may be inspected at the registered office of the Company located at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535 during normal business hours for three months from the date of this announcement.

16. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company should note that there is no certainty or assurance as at the date of this announcement that the Proposed Joint Venture or the Proposed Acquisition will be completed. In particular, the Parties' entry into the Definitive Agreements are subject to further negotiations, and the execution and completion of the SSA and SPA are subject to conditions which may or may not be fulfilled.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Khong Chung Lun
Executive Director and Chief Executive Officer

12 July 2024

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.
