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## PROPOSED CAPITAL REDUCTION TO WRITE-OFF ACCUMULATED LOSSES

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### 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 is proposing to undertake a capital reduction exercise pursuant to Section 78A read with Section 78C of the Companies Act 1967 of Singapore ("**Companies Act**"), to reduce the share capital of the Company comprising a write off of part of the accumulated losses of the Company to the extent of S\$451,275,249 (the "**Accumulated Losses**") as at 31 December 2025 (the "**Proposed Write-Off Related Capital Reduction**").
- 1.2 The Company intends to convene an extraordinary general meeting ("**EGM**") to seek the approval of the shareholders of the Company ("**Shareholders**") for the Proposed Write-Off Related Capital Reduction.
- 1.3 Further information on, *inter alia*, the Proposed Write-Off Related Capital Reduction will be provided in a circular to be issued by the Company in due course for the purpose of convening the EGM ("**Circular**").

### 2. DETAILS OF THE PROPOSED WRITE-OFF RELATED CAPITAL REDUCTION

- 2.1 The Company intends to undertake the Proposed Write-Off Related Capital Reduction to write off the Accumulated Losses of the Company.
- 2.2 As at the date of this announcement, the Company's issued and fully paid-up share capital (excluding treasury shares) is S\$477,554,589 divided into 1,869,434,303 ordinary shares in the capital of the Company ("**Shares**").
- 2.3 The Proposed Write-Off Related Capital Reduction will be effected in the following manner:
- (a) reducing the issued and paid-up share capital of the Company by S\$449,657,725 from S\$477,554,589 to S\$27,896,864; and
  - (b) an amount of S\$449,657,725 will be applied to write off the Accumulated Losses.

The amount of S\$449,657,725 to be applied to write off the Accumulated Losses comprises the issued and paid-up share capital of the Company which has been lost or unrepresented by available assets.

- 2.4 The Proposed Write-Off Related Capital Reduction will not result in a change in the total number of Shares in issue by the Company immediately after the Proposed Write-Off Related Capital Reduction, nor will the Proposed Write-Off Related Capital Reduction involve the payment to any Shareholders of any paid-up share capital of the Company. Each Shareholder will hold the

same number of Shares before and immediately after the Proposed Write-Off Related Capital Reduction.

### 3. RATIONALE OF THE PROPOSED WRITE-OFF RELATED CAPITAL REDUCTION

3.1 The Directors are of the view that undertaking the Proposed Write-Off Related Capital Reduction to write off the Accumulated Losses would serve to rationalise and better present the balance sheet of the Company to reflect the financial position of the Company and its underlying assets. In addition, the writing-off of the Accumulated Losses will facilitate future equity-related fund raising exercises to recapitalise and strengthen the balance sheet of the Company. The Proposed Write-Off Related Capital Reduction, if effected, would result in the Company having a more efficient capital structure, thereby also improving Shareholders' return on equity.

#### 3.2 Conditions for the Proposed Write-Off Related Capital Reduction

The Proposed Write-Off Related Capital Reduction is subject to, *inter alia*:

- (a) the approval of the Shareholders by way of a special resolution for the Proposed Write-Off Related Capital Reduction (that is, approval by a majority of not less than three-fourths of Shareholders present and voting) ("**Capital Reduction Resolution**") at the EGM, of which not less than 21 days' notice shall be given;
- (b) compliance by the Company with the relevant publicity requirements as prescribed in the Companies Act;
- (c) no application having been made for the cancellation of the Capital Reduction Resolution by any creditor of the Company within the timeframe prescribed in the Companies Act, or if such application was made, the withdrawal or dismissal thereof by the judicial authorities; and
- (d) the Company lodging with the Accounting and Corporate Regulatory Authority of Singapore after the end of six (6) weeks (but before the end of eight (8) weeks) beginning with the date of the Capital Reduction Resolution:
  - (i) a statement made by the directors of the Company confirming that the requirements under section 78C(1)(c) of the Companies Act have been complied with, and that no application for the cancellation of the Capital Reduction Resolution has been made; and
  - (ii) a notice containing information in relation to the Proposed Write-Off Related Capital Reduction specified under the Companies Act.

The Company will make an immediate announcement to update Shareholders if any of the conditions for the Proposed Write-Off Related Capital Reduction as set out in this paragraph is not met.

#### 3.3 Creditor Objections

In the event that during the six (6) weeks commencing from the date of the Capital Reduction Resolution, one (1) or more applications for the cancellation of the Capital Reduction Resolution has been made under Section 78D(2) of the Companies Act, the following conditions must be satisfied for the Proposed Write-Off Related Capital Reduction to take effect:

- (a) the Company must give the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") notice of the application(s) for the cancellation of the Capital Reduction Resolution as soon as possible after such application(s) have been served on the Company by the creditor(s);

- (b) the proceedings in relation to each application for the cancellation of the Capital Reduction Resolution must be brought to an end by either the dismissal of the application under Section 78F of the Companies Act, or without determination (for example, because the application has been withdrawn); and
- (c) the Company must, within 15 days beginning with the date on which the last such proceedings were brought to an end in accordance with Section 3.4(b) above, lodge with ACRA:
  - (i) a statement made by the Directors confirming that the requirements under Section 78C(1)(c) and Section 78D(4) of the Companies Act have been complied with, and that the proceedings in relation to each such application have been brought to an end by either the dismissal of the application, or without determination;
  - (ii) in relation to each such application which has been dismissed by the General Division of the High Court of Singapore ("**Court**"), a copy of the order of the Court dismissing the application; and
  - (iii) a notice containing the Proposed Write-Off Related Capital Reduction information.

#### 4. FINANCIAL EFFECTS OF THE PROPOSED WRITE-OFF RELATED CAPITAL REDUCTION

- 4.1 The Proposed Write-Off Related Capital Reduction is an accounting procedure that reduces the existing share capital of the Company to write off the Accumulated Losses. The Proposed Write-Off Related Capital Reduction represents a change in the composition of reserves and does not entail any reduction or distribution of cash or other assets of the Company.
- 4.2 For illustrative purposes only and based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2025, and disregarding the transaction costs and expenses for the Proposed Write-Off Related Capital Reduction, a summary of the financial effects of the Proposed Write-Off Related Capital Reduction is set out below. The financial effects of the Proposed Write-Off Related Capital Reduction as illustrated are based on, *inter alia*, the assumption that the Proposed Write-Off Related Capital Reduction was completed on 31 December 2025.

##### (a) Share Capital

Share Capital	Before the Proposed Write-Off Related Capital Reduction	After the Proposed Write-Off Related Capital Reduction
No. of Shares (including treasury shares)	1,869,434,303	1,869,434,303
S\$'000	477,555	27,897

(b) **Equity attributable to Shareholders**

	Group		Company	
	Before the Proposed Write-Off Related Capital Reduction	After the Proposed Write-Off Related Capital Reduction	Before the Proposed Write-Off Related Capital Reduction	After the Proposed Write-Off Related Capital Reduction
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Share Capital	85,129	85,129	477,555	27,897
Treasury Shares	-	-	-	-
Capital Reserves	-	-	466	466
Merger Reserves	(3,534)	(3,534)	-	-
Reserves	(61,119)	(61,119)	(451,275)	(1,618)
<b>Shareholders' funds</b>	<b>20,476</b>	<b>20,476</b>	<b>26,745</b>	<b>26,745</b>

(c) **NTA, EPS and Gearing**

As there will be no changes to the number of issued Shares of the Company following the Proposed Write-Off Related Capital Reduction, the Proposed Write-Off Related Capital Reduction will not have any impact on the net tangible assets (NTA) per Share, the earnings per Share (EPS) and the gearing ratio of the Company and the Group.

**5. FURTHER ANNOUNCEMENTS AND CIRCULAR**

5.1 The Company will release such further announcements, in compliance with the requirements of the Catalist Rules, as and when appropriate.

5.2 The Circular setting out further information on, *inter alia*, the Proposed Write-Off Related Capital Reduction, and the notice to convene the EGM for the purpose of seeking Shareholders' approval for the aforementioned matters will be despatched to Shareholders in due course.

**6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or the controlling shareholders (as defined in the Catalist Rules) of the Company has any interest, direct or indirect, in the Proposed Write-Off Related Capital Reduction, other than through their respective shareholdings (if any) in the Company.

## 7. 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 Proposed Write-Off Related Capital Reduction, 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.

## 8. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. The Proposed Write-Off Related Capital Reduction is subject to the fulfilment of certain conditions set out in paragraph 3.2 of this announcement, and there is no certainty or assurance that the Proposed Write-Off Related Capital Reduction will be completed. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors 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  
25 May 2026

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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, #21-01, AIA Tower, Singapore 048542.

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