

IFA to the Directors of Astaka Holdings Limited in Relation to IPT Loans

On 14 February 2020, Astaka Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) announced that Astaka Padu Sdn Bhd (“**APSB**”), a wholly-owned subsidiary of the Company, had entered into a loan agreement with Dato’ Daing A Malek Bin Daing A Rahaman (“**Dato’ Malek**”) (the “**DM Loan Agreement**”). Pursuant to the DM Loan Agreement, Dato’ Malek had agreed to grant an unsecured loan in the principal amount not exceeding RM30 million in aggregate to APSB (the “**DM Loan**”), subject to the terms and conditions set out in the DM Loan Agreement.

To ensure that the DM Loan remains in the best interests of the Group on a continuing basis, APSB proposed to enter into a supplemental letter agreement with Dato’ Malek in respect of the DM Loan Agreement (the “**DM Supplemental Letter Agreement**”), to provide that the parties agree to review (an “**Interest Rate Review**”), in good faith, the interest rate under the DM Loan Agreement prior to each automatic extension of the DM Loan in accordance with the terms of the DM Loan Agreement, and that following such review, the interest rate may, at APSB’s request and subject to the consent of Dato’ Malek, be adjusted downwards, but shall in no event, be adjusted upwards. Upon entry into the DM Supplemental Letter Agreement, there will be no change to the amount of the DM Loan under the DM Loan Agreement.

On 17 June 2020, the Company announced that APSB had entered into a loan agreement with DMR Holdings Sdn Bhd (“**DMR Holdings**”) (the “**DMR Loan Agreement**”), pursuant to which DMR Holdings agreed to grant an unsecured loan in the principal amount not exceeding RM19 million to APSB (the “**DMR Loan**”), subject to the terms and conditions set out in the DMR Loan Agreement. As at the Latest Practicable Date, APSB has drawn down RM9.7 million of the loan under the DMR Loan Agreement. In anticipation of the Group’s need for additional working capital, APSB intends to enter into a supplemental letter agreement with DMR Holdings in respect of the DMR Loan Agreement (the “**DMR Supplemental Letter Agreement**”), to upsize the DMR Loan from RM19.0 million to RM60.0 million in aggregate (“**DMR Loan Upsize**”) and to provide for an Interest Rate Review. Save for the DMR Loan Upsize and Interest Rate Review, all other terms and conditions of the DMR Loan Agreement remain the same.

Dato’ Malek is a Controlling Shareholder of the Company, with a deemed interest in approximately 66.7% of the share capital of the Company. DMR Holdings is wholly-owned by Dato’ Malek, and is deemed an “associate” of Dato’ Malek. Accordingly, Dato’ Malek and DMR Holdings are deemed to be “interested persons”, and the DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) and DMR Supplemental Letter Agreement (collectively, the “**IPT Loans**”) constitute “interested person transactions” under Chapter 9 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of the Catalist (the “**Catalist Rules**”).

Pursuant to Rule 906 of the Catalist Rules, approval by shareholders of the Company (“**Shareholders**”) was required to be sought for the proposed entry into the DMR Supplemental Letter Agreement. Notwithstanding that the DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) and the DMR Supplemental Letter Agreement will not be entered into the same financial year, but given the potential automatic extension of the tenure of the DM Loan Agreement (as amended by the DM Supplemental Letter Agreement) and in the interests of good corporate governance, Shareholders’ approval was sought for the DM Loan Agreement and the proposed entry into the DMR Supplemental Letter Agreement as an interested person transaction.

SAC Capital acted as the Independent Financial Adviser (the “**IFA**”) to advise the directors of the Company (the “**Directors**”) to provide an opinion on whether the IPT Loans are on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. The circular containing, inter alia, SAC Capital’s opinion letter addressed to the Directors, the recommendation of the Directors and relevant information pertaining to the IPT Loans for the consideration of Shareholders, was despatched to Shareholders on 9 October 2020.

On 28 October 2020, the Company held its Extraordinary General Meeting, at which all resolutions in respect of the IPT Loans were approved and duly passed.

For more information on our past transactions, click [here](#)

About SAC Capital

SAC Capital enjoys a long-standing reputation as a specialist in corporate finance, and we have been a trusted advisor to our clients and partners since 2004.

As an expert in the small-medium enterprise space across various disciplines – Initial Public Offerings (IPOs), mergers and acquisitions (M&As), corporate transactions for listed companies, underwriting and share placement, fund raising and Catalist Sponsorship – we understand our clients’ needs very well, and we are able to steer them in the right direction.

Financial Advisory - acting as FA and IFA

We provide financial advisory services for corporate exercises, taking into account the various compliance requirements, working alongside our clients to achieve their objectives.

Acting as Financial Adviser or Independent Financial Adviser, we have wide ranging experiences spanning Reverse Takeovers, General Offers, Interested Person Transactions and Delistings. The accumulated experiences from all the advisory engagements completed since 2004, numbering in excess of 150, gives us in depth knowledge of a broad spectrum of corporate advisory services.

Fundraising, M&A and Underwriting

Our Capital Markets (CM) unit assists our clients in fund-raising activities in both private and public equity markets. Our services include IPOs, secondary placements, rights issues, convertible bonds, pre-IPO financing, strategic equity and M&A. We deal with each client’s specific requirements and provide customised capital markets solutions.

We are a leading placement agent and underwriter of equity and equity-linked offerings in Singapore, having completed offerings in the Lifestyle, Consumers, Healthcare, Technology, Media and Telecom (TMT), Real Estate, Manufacturing, Mineral, Oil and Gas (MOG) and Specialised Engineering sectors. Notwithstanding the above, the CM unit is sector agnostic with a wide range of expertise. CM unit also assists our clients in their communications with the equity markets.

Mainboard & Catalist Listing

We advise our clients on equity fund raising which includes IPOs. Our work involves advising on, amongst others, restructuring exercises and compliance requirements of the Singapore Exchange and other regulatory authorities for the purpose of equity fund raising.

We also advise on Reverse Takeovers and secondary listings. We seek to understand our client’s long term business plan and strategy so as to provide the appropriate advice to tailor to their needs and requirements.

Catalist Sponsorship

We are one of the leaders in the market in the Catalist Sponsorship space, with a view to support the growth of our sponsored issuers. Our principal scope of services as a Catalist Sponsor is to advise and guide our sponsored issuers in relation to their continuing listing obligations, on an ongoing basis under the Catalist Rules. Our experienced team of professionals work closely with the directors and management team of the sponsored issuers and assist them in disclosure and compliance matters for corporate actions and developments.

Research

With comprehensive knowledge of the local capital market, our experience and access to information means that the company is well placed to produce research reports. We seek to fill the gap in the industry where there is minimal research coverage for small and medium enterprises (SMEs) listed on the SGX. SAC Capital aims to provide a platform which assists investors in making informed decision when investing in these high-growth small/medium companies while promoting awareness and educating the general public of the merits of investing in listed SMEs.

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