

09 February 2024

Aseana Properties Limited
("Aseana" or the "Company")

Publication of Circular and General Meeting

Aseana Properties Limited (LSE: ASPL), a property developer in Malaysia listed on the Main Market of the London Stock Exchange, announces that further to the notification dated 29 January 2024 relating to the Company entering into of the conditional settlement agreement with Ireka Corporation Berhad ("ICB") following the withdrawal of legal action, the Company has today published and posted to Shareholders a circular convening a general meeting to be held at 11.30 a.m. on 27 February 2024 at the registered office address of the Company at Osprey House, 5-7 Old Street, St. Helier, Jersey, JE2 3RG, Channel Islands.

A copy of the circular will shortly be available on the Company's website at <http://www.aseanaproperties.com> and will be available for inspection at the National Storage Mechanism located at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Capitalised terms used but not defined in this announcement have the meanings set out in the Circular. Further details of the recommended Proposals, extracted from the Circular, are set out below.

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Set out below is a reproduction, without material adjustment, of the key sections of the Chairman's letter to Shareholders which are contained within the Circular:

Part 1

1 Background

On 21 October 2022, a civil suit was filed in the Malaysian Courts by ASPL M9, a subsidiary of the Company, against Ireka Corporation Berhad ("ICB"). The suit related to the joint venture agreement between ASPL M9, ICB and Urban DNA (an indirect subsidiary of the Company) for the development and construction of The RuMa Hotel & Residences (the "**Claim**").

As announced on 29 January 2024, the Company and ASPL M9 have entered into a conditional Settlement Agreement with ICB pursuant to which the Company has agreed to withdraw the Claim in consideration of:

- (i) the transfer of all of ICB's shares in Urban DNA to ASPL M9;
- (ii) the transfer of all of ICB's shares in The RuMa Hotel KL, a joint venture set up for the management of The RuMa Hotel and Residences to ASPL M9; and
- (iii) the transfer of 38,837,504 Shares in the Company held by ICB to the Company (the "**ICB Buyback Shares**").

A summary of the Settlement Agreement is set out in Part 2 of this announcement.

The transfer of the ICB Buyback Shares would be effected by way of a share buyback by the Company, which requires the approval of Independent Shareholders (being Shareholders other than ICB). Accordingly, the purpose of this letter is to provide you with information about the background to and reasons for the Proposed Transaction, to convene a General Meeting at which the Resolutions required to implement the Proposed Transaction will be proposed and explain why the Directors recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

2 The Proposed Transaction

The value of the Claim is RM 109.8 million (US\$23.2 million, as at 26 January 2024). The Directors have significant doubts as to whether ICB would be in a position to pay the Company such sums were the

significant doubt as to whether ICB would be in a position to pay the Company such sums hence the Board is recommending that Shareholders approve the Resolutions as a means to allow the Company to settle the Claim to be successful due to the fact that ICB is classified as a financially distressed company under Practice Note 17 status in accordance with the listing regulations of Bursa Malaysia.

Pursuant to the Proposed Transaction, the Company would buy back the ICB Buyback Shares from ICB for US\$1. A summary of the Share Buyback Agreement to effect the Proposed Transaction is set out in Part 2 of the Circular. As at close of business on 26 January 2024, the date of signing of the Settlement Agreement, the mid-market Share price was US\$0.085 which valued the ICB Buyback Shares at US\$3,301,188.

ICB is currently the largest Shareholder in the Company owning 45,837,504 Shares representing 23.07 per cent. of the number of Shares in issue (excluding Shares held in treasury).

Following the transfer to the Company of the ICB Buyback Shares, ICB would continue to hold 7,000,000 Shares in the Company, being 4.38 per cent. of issued share capital (excluding shares held in treasury). Subject to Resolution 3 being passed at the General Meeting, the ICB Buyback Shares would be held in treasury upon acquisition by the Company and therefore the number of Shares held in treasury would be 52,171,504 and the number of Shares in issue (excluding Shares held in treasury) by the Company would fall to 159,853,496.

The impact of the Settlement Agreement would be to decrease the Group's Net Asset Value from US\$69.1 million reported in the unaudited half year results as at 30 June 2023, to a pro forma unaudited Net Asset Value of US\$63.4 million as at the same date. Following the buyback of the ICB Buyback Shares, the Net Asset Value per Share would increase from US\$0.35 as at 30 June 2023 to *pro forma* Net Asset Value per Share of approximately US\$0.40.

As well as the approval of Shareholders of Resolutions 1 and 2 at the General Meeting, the Proposed Transaction is conditional on ICB obtaining approval of the transactions contemplated pursuant to the Settlement Agreement in the Winding Up Court in Malaysia within 30 days of signing of the Settlement Agreement ("**Leave of Court**").

The Proposed Transaction is also subject to the Directors providing a solvency statement in accordance with the requirements of Jersey law that the Company will be able to pay its debts as they fall due for the twelve-month period following completion of the Proposed Transaction. The Directors currently anticipate being able to make this statement.

In the event that ICB fails to fulfil any of its obligations under the Settlement Agreement and/or if Shareholders do not pass the Resolutions required for the Proposed Transaction and/or if ICB does not obtain Leave of Court, then ICB has agreed under the Settlement Agreement to be liable to pay immediately an aggregate sum of RM 109.8 million. As noted above, the Directors have significant doubts as to whether ICB would be in a position to pay the Company such sums hence the Board is recommending that Shareholders approve the Resolutions as a means to allow the Company to settle the Claim in a manner that will deliver value to Shareholders.

3 Company update

Divestment Investment Policy

The Company adopted the Divestment Investment Policy in June 2015. In 2022, the Company exited its investment in City International Hospital and International Healthcare Park located in Vietnam. There remain five assets still to be sold, namely The RuMa Hotel and the unsold RuMa residences in Kuala Lumpur, the hotel and the shopping mall in Sandakan and one plot of undeveloped land in Kota Kinabalu. The Net Asset Value of the Company as at 30 June 2023 was US\$69.1 million.

Debt facilities

As at the date of the Circular, the Group currently had, in aggregate, approximately RM 134 million of outstanding bank loans from two different banking arrangements which financed The RuMa Hotel and the two properties in Sandakan. Each loan provides the relevant banks with security over certain of the Group's assets and the Company has granted corporate guarantees in respect of the Sandakan loans. In addition, the Company has a RM 6.75 million facility with OSK Capital.

The Board is negotiating certain of the Group's loan facilities in order to amend their scheduled repayment dates in order to make them coincide with the expected sale dates of the assets that they have financed. This process is ongoing.

4 General Meeting

The implementation of the Proposed Transaction is conditional on the outcome of the votes cast by Independent Shareholders in connection with the Resolutions 1 and 2 to be proposed at the General Meeting. A notice convening the General Meeting, which is to be held at 11.30 a.m. on 27 February 2024, is set out at the end of the Circular.

The Proposed Transaction requires the passing of Resolutions 1 and 2, to be proposed at the General Meeting. In addition, for the ICB Buyback Shares to be held in treasury, Shareholders are asked to approve Resolution 3 to be proposed at the General Meeting:

- Resolution 1 - the Buyback Resolution will be proposed as a special resolution of Shareholders (excluding ICB) and will require not less than two thirds of the votes cast to be voted in favour of

generating 100, and will require not less than two-thirds of the votes cast to be voted in favour of it in order to be validly passed **The Directors are unanimously recommending that you vote FOR the Buyback Resolution;** and

- Resolution 2 - the Share Buyback Agreement Resolution will be proposed as an ordinary resolution of Shareholders (excluding ICB) and will require a vote in favour by Shareholders holding a majority of the Shares represented at the General Meeting to be voted in favour of it in order to be validly passed. **The Directors are unanimously recommending that you vote FOR the Share Buyback Agreement Resolution.**
- Resolution 3 - the Treasury Share Resolution will be proposed as an ordinary resolution of Shareholders and will require a vote in favour by Shareholders holding a majority of the Shares represented at the General Meeting to be voted in favour of it in order to be validly passed. **The Directors are unanimously recommending that you vote FOR the Treasury Share Resolution.**

For the avoidance of doubt, the Shares to be bought back by the Company from ICB on the terms of the Share Buyback Agreement are considered to be purchased by the Company otherwise than on a stock exchange for the purposes of Jersey Companies Law, with the consequence that ICB will be precluded from voting on Resolutions 1 and 2 to be proposed at the General Meeting by virtue of Article 57 of the Jersey Companies Law.

Completion of the Proposed Transaction is conditional upon Resolutions 1 and 2 being passed.

Action to be taken by Independent Shareholders

Shareholders will find enclosed with the Circular a Form of Proxy for use in connection with the General Meeting. Shareholders are requested to complete and return the enclosed Form of Proxy as soon as possible.

To be valid, Forms of Proxy for use at the General Meeting must be completed and returned in accordance with the instructions printed thereon to the registered office of the Company at Osprey House, 5-7 Old Street, St. Helier, Jersey, JE2 3RG, Channel Islands by post as soon as possible and, in any event, so as to arrive no later than 11.30 a.m. on 26 February 2024 (or, in the case of an adjournment, not later than 24 hours before the time fixed for the holding of the adjourned meeting).

The results of the votes cast at the General Meeting will be announced as soon as possible, once known, through a Regulatory Information Service.

5 Recommendation and voting intentions

The Directors consider the Proposed Transaction to be in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

Yours faithfully

Nicholas John Paris

Chairman

for and on behalf of

Aseana Properties Limited

Part 2

Summary of the Share Buyback Agreement and the Settlement Agreement

(i) Share Buyback Agreement

The Share Buyback Agreement was entered into on 26 January 2024 between the Company and ICB. Pursuant to its terms, ICB has agreed to sell the ICB Buyback Shares and the Company has agreed to purchase the ICB Buyback Shares in consideration for US\$1.

Completion of the Proposed Transaction is conditional upon (i) the passing by the Independent Shareholders of Resolutions 1 and 2 set out in the Notice of General Meeting at the General Meeting; and (ii) the Directors giving a solvency statement in accordance with the laws of Jersey in connection with the Proposed Transaction prior to Completion.

If the conditions set out in the Share Buyback Agreement are not satisfied by 5.00 p.m. (London time) on 29 February 2024, then the Share Buyback Agreement shall be capable of termination by either the Company or ICB.

Completion shall take place immediately after the date on which the conditions set out above have been fulfilled or waived or at such other time as shall be mutually agreed in writing between the Company and ICB.

The Share Buyback Agreement is governed by the laws of England and Wales.

A copy of the Share Buyback Agreement shall be available for inspection at the Company's registered office from the date of the Circular until, and during, the General Meeting.

(ii) *Settlement Agreement*

The Settlement Agreement was entered into on 26 January 2024 between the Company, ASPL M9 and ICB.

Pursuant to the Settlement Agreement, ICB has agreed that:

- (i) conditional upon the approval of the Shareholders of Resolutions 1 and 2 at the General Meeting, ICB shall transfer the ICB Buyback Shares pursuant to the Share Buyback Agreement (the "**Aseana Share Transfer**") and to do all things necessary for this purpose;
- (ii) ICB shall transfer 300,000 ordinary shares in Urban DNA to ASPL M9 (**Urban DNA Share Transfer**) within 30 days of the date of the Settlement Agreement, and to do all things necessary for this purpose;
- (iii) ICB shall transfer 105,003 ordinary shares in The RuMa Hotel KL to ASPL M9 (**RuMa Hotel Share Transfer**) within 30 days of the date of the Settlement Agreement, and to do all things necessary for this purpose; and
- (iv) ICB shall obtain leave pursuant to Section 472 of the Companies Act 2016 from the Winding Up Court in Petition No. WA-28NCC-15-01/2024 within 30 days of the date of the Settlement Agreement for the Aseana Share Transfer, the Urban DNA Share Transfer and the RuMa Hotel Share Transfer ("**Leave of Court**").

The Company and ICB shall take all necessary steps (including but not limited to filing a duly signed notice of discontinuance) to achieve and conclude the withdrawal of the Claim with no order as to costs and without liberty to file afresh.

The Settlement Agreement shall constitute a full and final settlement of any and all disputes, claims, demands, causes of action and/or complaints that ICB, its directors, shareholders, servants, agents, employees, affiliates, subsidiaries and/or related companies have or may have against the Company, ASPL M9, their respective directors, shareholders, servants, agents, employees, affiliates, subsidiaries and/or related companies in respect of any and all matters whether directly or indirectly relating to the Claim, the Company, Urban DNA, The RuMa Hotel KL or otherwise.

Subject to below, the Settlement Agreement shall constitute a full and final settlement of any and all disputes, claims, demands, causes of action and/or complaints that the Company, ASPL M9, their respective directors, shareholders, servants, agents, employees, affiliates, subsidiaries and/or related companies have or may have against ICB, its directors, shareholders, servants, agents, employees, affiliates, subsidiaries and/or related companies in respect of any and all matters whether directly or indirectly relating to the Claim, the Company, Urban DNA, The RuMa Hotel KL or otherwise.

If ICB fails to fulfil any of its obligations under the Settlement Agreement and/or if Shareholders do not pass the Resolutions required for the Aseana Share Transfer and/or if ICB does not obtain Leave of Court, then ICB acknowledges and admits that it will be immediately liable to pay the following sums ("**Sums**"):

- (i) RM41,620,338 to Urban DNA;
- (ii) RM11,646,903 to The RuMa Hotel KL;
- (iii) RM41,694,589 to ASPL M9; and
- (iv) RM14,880,705 to ASPL M9,

and Urban DNA, The RuMa Hotel KL and ASPL M9, respectively, shall be entitled to take such steps as they each deem fit against ICB (including but not limited to legal action) to recover the Sums due and payable to each of them, respectively, together with interest thereon and all costs (including legal costs on an indemnity basis), charges and expenses which they may incur.

Pursuant to the Settlement Agreement, ICB has warranted that no approval is required from any party (including ICB's shareholders or regulators) for the Aseana Share Transfer, the Urban DNA Share Transfer and the RuMa Hotel Share Transfer, apart from the approval of ICB's board of directors and Leave of Court.

ICB has agreed to bear the stamp duty payable in respect of the Settlement Agreement.

The Settlement Agreement is governed by the laws of Malaysia.

Expected Timetable of Principal Events

Latest time and date for receipt of Forms of Proxy: 11.30 a.m. on 26 February 2024

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| Latest time and date for receipt of Forms of Proxy | 11.30 a.m. on 26 February 2024 |
| General Meeting | 11.30 a.m. on 27 February 2024 |
| Results of General Meeting announced | 27 February 2024 |
| Completion of the Proposed Transaction | Expected to be on or around 28 February 2024 |

Notes:

- (i) *The times and dates set out in the timetable above and mentioned throughout the Circular are indicative only and may be adjusted by the Company without further notice. Any changes will be notified to Shareholders through an RIS.*
- (ii) *References to times in the Circular are to Jersey time (GMT) unless otherwise stated.*

Part 3

Definitions

The following definitions apply throughout the Circular unless the context otherwise requires:

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| "ASPL M9" | ASPL M9 Limited, a subsidiary of the Company |
| "Board" or "Directors" | the directors of the Company |
| "Buyback Resolution" | Resolution 1 to be proposed as a special resolution at the General Meeting to approve the Proposed Transaction |
| "Circular" | the circular to Shareholders, explaining the Proposed Transaction and incorporating the Notice of General Meeting |
| "Claim" | legal proceedings instituted by ASPL M9 against ICB through Kuala Lumpur High Court Civil Suit No. WA-22NCC-531-10/2022 in respect of: (i) a joint venture agreement dated 31 December 2009 between ASPL M9, ICB and Urban DNA; and (ii) a joint venture agreement dated 31 December 2009 between ASPL M9 and ICB for the management of The RuMa Hotel and Residences |
| "Company" | Aseana Properties Limited |
| "Completion" | means completion of the Proposed Transaction in accordance with the terms of the Share Buyback Agreement |
| "Divestment Investment Policy" | the divestment investment policy of the Company adopted on 22 June 2015 |
| "Form of Proxy" | the form of proxy for use by Independent Shareholders in connection with the General Meeting |
| "General Meeting" | the general meeting of the Company to be held on 27 February 2024 at 11.30 a.m. (or any adjournment thereof), notice of which is set out at the end of this Circular |
| "Group" | the Company and its subsidiaries from time to time |
| "ICB" | Ireka Corporation Berhad |
| "ICB Buyback Shares" | 38,837,504 Shares held by ICB in the Company |
| "Independent Shareholders" | the Shareholders, excluding ICB |
| "Jersey Companies Law" | Companies (Jersey) Law 1991, as amended |
| "Net Asset Value" | the net asset value of the Company calculated in accordance with the Company's adopted accounting policies |
| "Notice of General Meeting" | the notice convening the General Meeting set out on pages 12 to 14 of this Circular |
| "Proposed Transaction" | the proposed buyback by the Company of the ICB Buyback Shares transaction as more fully described in Part 1 of this Circular |
| "Regulatory Information Service" | a service approved by the London Stock Exchange plc for the distribution to the public of announcements and included within the list maintained on the London Stock Exchange plc's website |

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| "Resolutions" | the Buyback Resolution, the Share Buyback Agreement Resolution and the Treasury Share Resolution |
| "Settlement Agreement" | the conditional agreement entered into between the Company and Ireka on 26 January 2024 further details of which are set out in Part 2 of this Circular |
| "Share Buyback Agreement" | the conditional share buyback agreement entered into between the Company and ICB on 26 January 2024 to document the buyback by the Company of the Shares held by ICB, further details of which are set out in Part 2 of this Circular |
| "Share Buyback Agreement Resolution" | Resolution 2 to be proposed as an ordinary resolution at the General Meeting to approve the Share Buyback Agreement |
| "Shareholder" | a holder of Shares |
| "Shares" | ordinary shares of US\$0.05 in the capital of the Company |
| "The RuMa Hotel KL" | The RuMa Hotel KL Sdn Bhd |
| "Treasury Share Resolution" | Resolution 3 to be proposed as an ordinary resolution at the General Meeting to approve the holding of the ICB Buyback Shares in treasury |
| "United States" | the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia |
| "Urban DNA" | Urban DNA Sdn Bhd |
| "US Dollars" or "US\$" | United States Dollars, the lawful currency of the United States |

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