

15 May 2025

ASEANA PROPERTIES LIMITED
("Aseana" or the "Company")

**Posting of 2024 Annual Report, Notice of Annual General Meeting
and Notice of General Meeting**

Notice of Annual General Meeting

Aseana (LSE: ASPL), a property developer in Malaysia listed on the main market of the London Stock Exchange, announces that its 2024 Annual Report and a Notice of Annual General Meeting were posted to shareholders yesterday.

The Annual General Meeting will be held at Level 6M Boardroom, The RuMa Hotel and Residences, 7 Jalan Kia Peng, 50450 Kuala Lumpur, Malaysia on 30 May 2025 at 4.30 p.m. Malaysia time (9.30 a.m. British Summer Time).

Notice of General Meeting

The Company also confirms that it posted a circular yesterday (containing a notice of general meeting) (the "Circular") and a form of proxy to the Company's shareholders setting out further details on the discontinuation resolution for 2025 (the "2025 Discontinuation Resolution"), pursuant to the Company articles (the "Articles").

The General Meeting will be held at Level 6M Boardroom, The RuMa Hotel and Residences, 7 Jalan Kia Peng, 50450 Kuala Lumpur, Malaysia on 30 May 2025 at 4.00 p.m. Malaysia time (9.00 a.m. British Summer Time).

Extracts from the Circular are appended to this announcement.

The 2024 Annual Report, Notice of Annual General Meeting and Notice of General Meeting can be obtained on the Company's website at <https://aseanapropertieslimited.com/> and have been submitted to the National Storage Mechanism to be made available for public inspection at: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

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LETTER FROM THE CHAIRMAN

1 Introduction and background to the Proposal

When the Company was launched in 2007 the Board considered it desirable that Shareholders should have an opportunity to review the future of the Company at appropriate intervals. Accordingly, at shareholder meetings held since 2015, and most recently held on 30 May 2023 (the "**2023 General Meeting**"), in accordance with the Articles, the Board put forward a resolution to Shareholders to determine if the Company should continue in existence.

At the 2023 General Meeting, Shareholders voted in favour of the Company to continue in existence and to operate in accordance with the divestment investment policy adopted by the Company at the 2015 AGM to enable the controlled, orderly and timely realisation of the Company's assets, with the objective of achieving a balance between periodically returning cash to Shareholders and maximising the realisation value of the Company's investments (the "**Divestment Investment Policy**"). At that meeting, Shareholders also voted to approve certain amendments to the Articles requiring a further resolution for Shareholders to determine whether the Company should continue, to be proposed at a general meeting of the Company to be held in May 2025 (the "**2025 Discontinuation Resolution**").

The notice of general meeting appended to this circular convenes that general meeting and this letter seeks to provide you with some further updates and information in relation to the Company to help inform your decision on how to vote on the 2025 Discontinuation Resolution to be proposed at the General Meeting.

2 Company update

Recent Developments and Strategic Priorities

Prior to 1 October 2024, the routine operations of the Group were supervised by the Chairman and the Board (the "**Previous Board**"), supported by a small team of finance professionals directly engaged to manage the

Group's finances and operations. A Divestment Director was also designated from among the Previous Board members, with a specific focus on selling the Group's remaining assets in accordance with the Divestment Investment Policy (collectively referred to as the "**Previous Management Team**").

Between July 2024 and December 2024, significant changes occurred in the composition of the Board. These included the departures of Mr Robert Donald Minty (and his alternate director, Mr Mark George Nisbet), Mr Hock Chye Tan, Mr Nicholas John Paris, Mr Thomas Holland, Ms Helen Wong Siu Ming (**Helen Wong**) and Ms Clare Mariam Binti Muhiudeen, as well as the appointments of current board members, Dato' Dr Thong Kok Cheong ("**Dr Thong**") and Mr Lim Tian Huat ("**Mr Lim**"). The small team of finance professionals and the divestment team also left the Group following Helen Wong's departure.

In the fourth quarter of 2024, the Group was barely operational, having been unable to recruit new professional managers and advisers due to the financial position of the Company at that time. During this period, the proposed sale of the Sandakan Hotel asset and the Harbour Mall Sandakan (together, the "**Sandakan Assets**") was aborted due to lack of progress with the purchaser (as announced by the Company on 9 October 2024). This led to ICSD Ventures Sdn Bhd ("**ICSD**"), the owner of the Sandakan Assets and an ultimate subsidiary of the Group, being placed into receivership on 5 November 2024, following a default on a Medium Term Notes programme by Silver Sparrow Berhad ("**SSB**"), another ultimate subsidiary of the Group, rendering the outstanding principal sum of RM61.0 million (c.US 13.5 million) and accrued interest due and payable immediately.

During the same period, the short-term Directors' Loan (c.US 1.0 million), raised by the Company in March 2024 from Helen Wong, Ms Jenny Lee Gyn Li (spouse of Mr Thomas Holland) and RSMC Investment Inc. (collectively the "**Lenders**"), was alleged to be in default on 29 November 2024, and the Lenders indicated their intention to apply for an order to foreclose and force sell 30 units at the Ruma Hotel and Residences, owned by Urban DNA Sdn Bhd, an operating subsidiary of the Group.

Both the aforementioned defaulted loans were due and payable immediately. The Group was far from having sufficient cash to meet the repayment demands, as such, is clearly in a financially distressed situation as at end of 2024.

Notwithstanding these challenges, with effect from 16 December 2024, Mr Lim assumed the role of Independent Non-Executive Chairman and Dr Thong as a Non-Executive Director of the Company while Leong Kheng Cheong, Chief Executive Officer of the Company, joined the board with effect from 10 February 2025 (together referred to as the "**New Board**"). The New Board have made relentless efforts to steer the Company and the Group in the right direction during this critical period and forward in order to preserve value for shareholders.

In light of the above, the business priorities of the Group are therefore preserving its limited cash balances, safeguarding ownership of the remaining assets to prevent destruction of value from distressed force sale activities and critically raising funds and bank refinancing to elevate the Group from its financial distress position. Asset divestment remains a strategic option to the Board, but in a measured manner so as not to compromise shareholder value.

Fund Raising Initiatives and Repayment of Bank Facilities

In light of the Group's financial performance, the need to recapitalise the Group's balance sheet was intensified.

Accordingly, the Company has urgently executed fundraising initiatives comprising the share subscription by the strategic investor, Neuchatel Investment Holdings Limited ("**Neuchatel**"), and the disposal of treasury shares in February 2025 and March 2025 respectively. These initiatives have collectively raised approximately US 6.5 million for the Company.

A significant part of the net proceeds have been used to partially repay the defaulted debt owed by SSB, reducing the outstanding loan principal to RM37.0 million (c.US 8.2 million) to forestall foreclosure actions initiated by the Receivers and Managers of ICSD. The remaining balance of the repayment on the defaulted debt owing by SSB is intended to be sourced through a new debt financing from a local bank, of which the Company is at the stage of finalizing the salient terms of the facility agreement.

The Group is also actively pursuing other new debt re-financing with other financial institutions, and the progress of such discussions are promising which the Group expects to finalise in the next few months.

Outlook

The participation of the strategic investor Neuchatel brings the Group additional resources including business networks and banking relationships. The New Board are working closely with the operating teams of The RuMa Hotel and Residences and Harbour Mall Sandakan and the Group is now gaining momentum to execute plans to re-finance the existing loans, re-open the Sandakan Hotel and further improve the operating performances of The RuMa Hotel and Residences as well as the Harbour Mall Sandakan. These efforts are expected to significantly restructure the Group's debt profile and enhance its underlying profitability and cash flow position. The New Board is seeing promising early progress and is confident that the Group's financial health will be resuscitated and emerge stronger.

3 2025 Discontinuation Resolution

Notwithstanding the obligation on the Board to propose the 2025 Discontinuation Resolution pursuant to the

Notwithstanding the obligation on the Board to propose the 2025 Discontinuation Resolution pursuant to the Existing Articles, the Board firmly believes that placing the Company into liquidation (which could be the result of passing the 2025 Discontinuation Resolution) would have a significant adverse impact on Shareholder value for the reasons set out below.

The Company believes that, in the event that the 2025 Discontinuation Resolution is passed, an event of default under the lending covenants of certain of the Company's facility arrangements could be triggered. If an event of default is triggered, the relevant loans would become immediately repayable, and this could result in security given to secure those loans being enforced. This could lead to the banks foreclosing on the Group's loan facilities and the Group's remaining assets being disposed of on behalf of the banks rather than Shareholders at significantly lower prices than anticipated. Further, this could force the Company to enter liquidation due to having insufficient liquid assets to repay the facilities if proceeds from the security that has been enforced are insufficient. The Group does not currently have sufficient available cash to be able to repay the entirety of its loans in the event they are accelerated.

The Company may not be able to achieve full value for the Company's remaining assets if the 2025 Discontinuation Resolution is passed as prospective buyers may seek a reduction to the prices at which they are willing to acquire the assets in the knowledge that: (a) the Board would be under pressure to take steps to wind up the Company as soon as practicable; and/or (b) if the passing of the 2025 Discontinuation Resolution results in an event of default under, and acceleration of, a loan secured by the Group's assets, such security may be enforced and the assets may be realised at a value lower than that which could be expected to be obtained if the assets were sold/offered to the market in the Group's ordinary course of business.

In light of the severity of the possible consequences for Shareholder value, the Directors are unanimously recommending that you vote **AGAINST** the 2025 Discontinuation Resolution.

Instead, the Board recommends that Shareholders allow the Company to continue for a further 2 years in order to enable the Company to execute plans which would significantly improve the Group's debt profile and enhance its underlying profitability and cash flow position in the medium term. Asset divestment remains a strategic option to the Board, but in a measured manner so as not to compromise shareholder value.

The Board is clear that enabling the Company to continue, rather than placing the Company into liquidation or seeking a "fire sale" of the Company's portfolio at potentially significantly depressed prices, is in the best interests of the Company and Shareholders as a whole.

In order to implement this proposal, the Existing Articles will need to be amended. A blacklined version of the proposed amendment to the Existing Articles is set out in the Appendix to this circular. The Existing Articles and the amended Articles (together with a comparison document showing the changes between the two) are available for inspection on the Company's website at aseanapropertieslimited.com and during normal business hours on any weekday (public holidays excepted) at the registered office of the Company at 1st Floor, Osprey House, 5-7 Old Street, St. Helier, Jersey, JE2 3RG, Channel Islands.

The Directors are unanimously recommending that you vote **FOR** the resolution to amend the Existing Articles which will allow the Company to continue until May 2027 and will be proposed as a special resolution.

4 Additional considerations for Shareholders

In connection with the Proposal, Shareholders should be aware of the following additional considerations:

- there can be no guarantee that the result of implementing the Proposal will provide the returns or realise the capital sought by Shareholders. The Company's investments are illiquid. Accordingly, if they are disposed of they may be disposed at a discount to their current valuations. The eventual disposal price of the Company's remaining assets is unknown, and it is possible that the Company may not be able to realise some investments at any value; and
- returns of cash will be made at the Directors' sole discretion, as and when they deem that the Company has sufficient assets available to return cash to Shareholders, subject to applicable Jersey law. Shareholders will therefore have little certainty as to when their capital will be returned. Distributions pursuant to the orderly realisation programme are subject, amongst other things, to the Board being able to give the necessary declaration(s) of solvency required by Jersey law. Distributions under the orderly realisation programme are subject to the Board continuing to be satisfied, on reasonable grounds, that the Company will, at the time of distribution and for a period of 12 months thereafter, in respect of each distribution, continue to satisfy the statutory solvency test. Returns of cash may also in certain circumstances be subject, amongst other things, to the Company obtaining the consent of one or more lenders to the Group.

5 General Meeting

A notice convening the General Meeting, which is to be held at Level 6M Boardroom, The RuMa Hotel and Residences, 7 Jalan Kia Peng, 50450 Kuala Lumpur, Malaysia at 4.00 p.m. Malaysia time (9.00 a.m. British Summer Time) on 30 May 2025, is set out at the end of this document.

At the General Meeting, the 2025 Discontinuation Resolution will be proposed as an ordinary resolution and will require a vote in favour by Shareholders holding a majority of the Shares represented at the General Meeting, either in person or by proxy, to be validly passed. **The Directors are unanimously recommending that you vote AGAINST Resolution 1 (the 2025 Discontinuation Resolution).**

that you vote AGAINST Resolution 1 (the 2025 Discontinuation Resolution),

Resolution 2 (the proposed amendment to the Existing Articles to allow the Company to continue until May 2027) will be proposed, conditional on the failure of Resolution 1 (the 2025 Discontinuation Resolution), as a special resolution and will require a vote in favour by Shareholders holding not less than two thirds of votes cast in order to be validly passed. **The Directors are unanimously recommending that you vote FOR Resolution 2.**

Action to be taken by Shareholders

Shareholders are strongly encouraged to exercise their votes on the matters of business at the General Meeting, either by attending the meeting in person, by submitting a proxy appointment and giving voting instructions as set out on the Form of Proxy or CREST members can also vote by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the Notice.

6 Directors' recommendation

The Directors consider that the Proposal is in the best interests of the Company and Shareholders as a whole.

Accordingly, the Directors unanimously recommend that you vote (1) **AGAINST** Resolution 1 (the 2025 Discontinuation Resolution) to be proposed at the General Meeting and (2) **FOR** Resolution 2 (to amend the Existing Articles).

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