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If you have sold or transferred all of your holding of Shares, please forward this document and the accompanying Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



*(Incorporated in Jersey under the Companies (Jersey) Law 1991 (as amended)  
with registered number 94592)*

**Recommended Proposals regarding the future of the Company**

**and**

**Notice of a General Meeting**

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**This document should be read in its entirety. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document and the recommendations made by the Board in connection with the Proposals detailed therein.**

Implementation of the Proposals described in this document is conditional on the outcome of the votes to be cast by Shareholders at a General Meeting to be held at 4 p.m. on 30 May 2023. The notice of General Meeting is set out at the end of this document.

Shareholders are requested to complete and return their Forms 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 1<sup>st</sup> Floor, 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 4 p.m. on 29 May 2023.

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## Part 1

### Letter from the Chairman

# ASEANA PROPERTIES LIMITED

*(Incorporated in Jersey under the Companies (Jersey) Law 1991 (as amended)  
with registered number 94592)*

*Directors:*

Nicholas John Paris (Chairman)

Thomas Holland

Monica Lai Voon Huey

Hock Chye Tan

Helen Siu Ming Wong

*Registered office:*

1<sup>st</sup> Floor Osprey House, Old Street

St. Helier

Jersey

JE2 3RG

Channel Islands

12 May 2023

Dear Shareholder

## **RECOMMENDED PROPOSALS REGARDING THE FUTURE OF THE COMPANY**

### **1 Introduction and background to the Proposals**

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 in 2015, 2018, 2019 and 2021, in accordance with the Company's articles of association then in force, the Board put forward resolutions to Shareholders to determine if the Company should continue in existence.

Most recently, at the general meeting held on 28 May 2021, Shareholders again voted for the Company to continue in existence, continuing 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 2023 (the "**2023 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 Resolutions which are to be proposed at the General Meeting.

### **2 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 beachfront land in Kota Kinabalu. The Net Asset Value of the Company as at 31 December 2022 was US\$67.8 million.

The disposal of the remaining assets in the portfolio has been slower than anticipated since the last discontinuation vote in 2021, mainly attributed to the global pandemic and the resulting lockdowns and Movement Control Orders in effect for most of 2020, 2021 and finally lifted in April 2022. Since the lifting of the Covid restrictions, the recovery in Malaysia from Covid related restrictions has been slower than expected.

To date, net sale proceeds from disposals have largely been used to pay down project debts across the portfolio, to fund the Company's working capital requirements and to finance the construction of The RuMa Hotel and Residences, which was the Company's final asset to have been developed and, although the hotel was technically opened in 2018, handover of all the hotel units to the hotel operator did not occur until late 2019. As a result of the previous asset disposals, approximately US\$10 million was also returned to Shareholders via a share buyback conducted in January 2017.

The Board is aware that Shareholders are eager for a more expeditious disposal programme and it is this which prompted the restructuring of the Board and the Company's management arrangements in 2019 and 2020. With these new arrangements in place, a new sales strategy was adopted and the Board has prioritised the divestment of the Company's assets as soon as possible to ensure that further capital can be returned to Shareholders.

Since internalising the management and disposal process for the remaining assets, the Board has revised all of the sale due diligence processes and marketing documentation for each of the Company's remaining assets, the result being that there is now extensive information available in virtual data rooms for qualified buyers interested in the assets in the portfolio. The Board has identified those assets which it deems to be of highest priority to sell, on the basis of those properties being more readily saleable and that the proceeds of those sales would be sufficient to settle the Company's most significant debt facilities. The early settlement of those debt facilities would then enable the Company to use the disposal proceeds of further asset sales thereafter to return cash to Shareholders.

The new sales strategy for the Company's assets commenced externally in mid-September 2019. Since then numerous prospective investors have been approached and non-disclosure agreements have been signed with interested buyers in respect of three of the Company's principal assets and active sale discussions continue on them. As a result, the Company's two assets in Vietnam were sold in March 2022.

The Board is working to complete the next asset sales during 2023 and will be pragmatic in its approach. However, there can be no guarantee that these sales will successfully conclude within this timeframe. As a result, the Board is not currently able to provide Shareholders with any indication as to when further capital distributions can be expected from the Company, but reiterates that this is the Board's key objective.

The Board is keen to ensure that valuations of the Company's assets are reflective of the current market environment and a review of the value of all of the assets within the portfolio was undertaken as part of the preparation of the 2022 Accounts. The portfolio revaluation was being conducted using a number of external valuers (each a specialist in the relevant market of the relevant asset).

### *Debt facilities*

The Group currently has, in aggregate, approximately US\$32.9 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 bank with security over certain of the Group's assets and the Company has granted corporate guarantees on the Sandakan loans.

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

### **3 2023 Discontinuation Resolution**

Notwithstanding the obligation on the Board to propose the 2023 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 2023 Discontinuation Resolution) would have a significant adverse impact on Shareholder value for the reasons set out below.

#### *Possible breach of banking covenants*

The Company believes that, in the event that the 2023 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 into 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.

#### *Impact on asset sale values*

The Company may not be able to achieve full value for the Company's remaining assets if the 2023 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 2023 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. Proposals

In light of the severity of the possible consequences for Shareholder value, the Directors are unanimously recommending that you vote **AGAINST** the 2023 Discontinuation Resolution.

Instead, the Board recommends that Shareholders allow the Company to continue for a further 2 years in order to allow the divestment strategy to deliver results and sell the majority of the Company's assets. The Board therefore proposes that the next discontinuation vote take place at a general meeting to be held in May 2025.

The Board is clear that enabling the Company to continue to pursue the Divestment Investment Policy, 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 [www.aseanaproperties.com](http://www.aseanaproperties.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 2025, which will be proposed as a special resolution.

#### **4 Additional considerations for Shareholders**

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

- there can be no guarantee that the result of implementing the Proposals will provide the returns or realise the capital sought by Shareholders. The Company's investments are illiquid. Accordingly, they may be disposed of 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**

The implementation of the Proposals is conditional on the outcome of the votes cast by Shareholders in connection with the Resolutions to be proposed at the General Meeting. A notice convening the General Meeting, which is to be held at 4 p.m. on 30 May 2023, is set out at the end of this document.

At the General Meeting, Resolution 1 (the 2023 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, and voting on Resolution 1, to be validly passed. **The Directors are unanimously recommending that you vote AGAINST Resolution 1.**

Resolution 2 (the proposed amendment to the Existing Articles to allow the Company to continue until May 2025) will be proposed, conditional on the failure of Resolution 1 (the 2023 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 or by submitting a proxy appointment and giving voting instructions as set out on the Form of Proxy. We also encourage the submission of questions to us in writing in advance of the General Meeting and, where appropriate, those questions, and our answers to them, will be published on our website <https://www.aseanaproperties.com> following the General Meeting.

**6 Directors' recommendation**

The Directors consider that the Proposals are 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 2023 Discontinuation Resolution) to be proposed at the General Meeting and (2) **FOR** Resolution 2 (to amend the Existing Articles).

Yours faithfully

**Nicholas John Paris**  
*Chairman*  
for and on behalf of  
**Aseana Properties Limited**

## Part 2

### Definitions

The following definitions apply throughout this document unless the context otherwise requires:

<b>"2015 AGM"</b>	the Company's annual general meeting held on 22 June 2015
<b>"2022 Accounts"</b>	the annual report and financial statements of the Company for the financial year ending on 31 December 2022
<b>"2023 Discontinuation Resolution"</b>	the ordinary resolution required to be proposed at the General Meeting pursuant to the Existing Articles that the Company cease trading as presently constituted
<b>"Amended Articles"</b>	the amended Articles to be adopted (subject to Shareholder approval at the General Meeting) in connection with the Proposals
<b>"Articles"</b>	the articles of association of the Company, as amended from time to time
<b>"Board" or "Directors"</b>	the directors of the Company
<b>"Company"</b>	Aseana Properties Limited
<b>"Divestment Investment Policy"</b>	the divestment investment policy of the Company adopted on 22 June 2015
<b>"Existing Articles"</b>	the Articles in force as at the date of this document
<b>"Form of Proxy"</b>	the form of proxy for use by Shareholders in connection with the General Meeting
<b>"General Meeting"</b>	the general meeting of the Company to be held on 30 May 2023 at 4 p.m. (or any adjournment thereof), notice of which is set out at the end of this document
<b>"Group"</b>	the Company and its subsidiaries from time to time
<b>"Proposals"</b>	the proposals set out in this document to (i) vote against the 2023 Discontinuation Resolution; and (ii) conditional on the failure of the 2023 Discontinuation Resolution, to amend the Existing Articles
<b>Resolution 1"</b>	the 2023 Discontinuation Resolution
<b>"Resolution 2"</b>	the special resolution to be proposed at the General Meeting that the Company's Existing Articles be amended as set out in the Appendix to this document
<b>"Resolutions"</b>	Resolution 1 and Resolution 2
<b>"Shareholder"</b>	a holder of Shares
<b>"Shares"</b>	ordinary shares of US\$0.05 in the capital of the Company



**"United States"**

the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

**"US\$"**

United States Dollars, the lawful currency of the United States

## **Appendix**

A blacklined version of Article 46 (*Duration*) of the Existing Articles is set out below, showing the proposed changes to that Article (being the only changes proposed to be made to the Existing Articles) as described in this document.

### **Article 46: Duration**

The Board shall procure that, at a general meeting of the Company to be held in May 2025, an ordinary resolution will be proposed to the effect that the Company shall cease to continue as presently constituted. If, at such meeting, such resolution is passed, the Board shall, within four months of such meeting, convene a general meeting of the Company at which a special resolution shall be proposed requiring the Company to be wound up voluntarily. In connection with, or at the same time as, the proposal that the Company be wound up voluntarily the Board shall be entitled to make proposals for the reconstruction of the Company.

**Notice of General Meeting**

**ASEANA PROPERTIES LIMITED**

*(Incorporated in Jersey under the Companies (Jersey) Law 1991 (as amended)  
with registered number 94592)*

**NOTICE IS HEREBY GIVEN** that a General Meeting of the Shareholders of Aseana Properties Limited (the "**Company**") will be held at 1st Floor, Osprey House, 5-7 Old Street, St. Helier, Jersey, JE2 3RG, Channel Islands on 30 May 2023 at 4 p.m. to consider and, if thought fit, pass the following resolutions:

**RESOLUTION 1 - ORDINARY RESOLUTION**

**THAT**, the Company shall cease to continue as presently constituted.

**RESOLUTION 2 – SPECIAL RESOLUTION**

**THAT**, conditional on the failure of Resolution 1 above, Article 46 of the Company's articles of association as in force at the date of this notice be amended with effect from the date of this Resolution in accordance with the amendments set out in the Appendix to the circular to Shareholders dated 12 May 2023 to which this Notice is attached.

Dated: 12 May 2023

*Registered Office*  
1<sup>st</sup> Floor, Osprey House  
5-7 Old Street  
St. Helier  
Jersey  
JE2 3RG  
Channel Islands

*By Order of the Board*  
  
ICECAP Limited

**Notes:**

- (a) A member of the Company entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint a proxy to attend and, on a poll, to vote in his or her place. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion, provided each proxy is appointed to exercise rights attached to different shares.
- (b) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited with the Company's registered office at 1st Floor, Osprey House, 5-7 Old Street, St. Helier, Jersey, JE2 3RG, Channel Islands, or at such other place as is specified for that purpose in the notice of the meeting or in the instrument of proxy issued by the Company, so as to be received as soon as possible and, in any event, by no later than 4 p.m. (Jersey time (GMT)) on 29 May 2023 or, in the case of a poll, at least 24 hours before the time appointed for taking the poll and, in default the instrument of proxy shall not be treated as valid.
- (c) Details of how to appoint a proxy are set out in the notes to the Form of Proxy.
- (d) Unless a poll is demanded a declaration by the chairman of the General Meeting that a resolution has been carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A resolution put to vote of a meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands, a poll is duly demanded. A proxy may demand, or join in demanding, a poll. At the General Meeting, and as is the usual practice of the Company, resolutions will be put to vote on a poll by the chairman of the General Meeting.
- (e) On a poll every member present in person or by proxy shall have one vote for every share of which he is the holder. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members of the Company.
- (f) A corporation (whether or not a company within the meaning of the Companies (Jersey) Law 1991 (as amended)) which is a member would, by resolution of its Directors or other governing body, be able to authorise such person as it thinks fit to act as its representative at any meeting of the Company.
- (g) As permitted by Article 40(1) of the Companies (Uncertificated Securities) (Jersey) Order 1999, only persons entered on the register of members of the Company not later than 24 hours before the time appointed for the meeting (or any adjournment thereof) are entitled to attend and/or vote at the meeting (or any adjournment thereof) in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend and/or vote at the meeting (or any adjournment thereof).
- (h) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given in the Form of Proxy, a proxy may vote or abstain from voting at his or her discretion. If a member selects two or more voting preferences, the member's vote will be discontinued. If members wish to vote differently in respect of different shares, they will need to complete additional Forms of Proxy. A proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matters which are put before the meeting.

- (i) To change instructions relating to a proxy, members must submit a new proxy appointment. Any amended proxy appointment received after the time for holding the meeting or any adjourned meeting will be disregarded. If a member submits more than one valid proxy appointment, the latest appointment received prior to the deadline for the receipt of proxies will take precedence.
  
- (j) In order to revoke a proxy instruction, members will need to inform the Company by sending a signed hard copy notice clearly stating their intention to revoke their proxy appointment to the Company. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed by a duly authorised officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a notarially certified copy of such power of attorney) must be included with the revocation notice. The revocation notice must be received by the Company no later than the commencement of the meeting or adjourned meeting at which the vote is given or, in the case of a poll taken more than 24 hours after it has been demanded, before the time appointed for taking the poll. If a member attempts to revoke a proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly before, the member's proxy appointment will remain valid.