

## Kerjaya Prospek Property to jointly develop Penang plot with Aspen group

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KUALA LUMPUR (May 9): Property developer Kerjaya Prospek Property Bhd (KL:KPPROP) will jointly develop a piece of freehold land in Aspen Vision City, Batu Kawan, Penang into a mixed development that will include a hotel and serviced apartments.

The land, which measures 221,198 sq feet and has a net book value of RM25.1 million, will be developed by a 70:30 special purpose vehicle (SPV) owned by Kerjaya Prospek Property's wholly-owned Kerjaya Property JV Sdn Bhd (KPJV) and Aspen Vision City Sdn Bhd (AVC), the master developer of Aspen Vision City, according to KPPROP's bourse filing.

AVC will transfer the land to the SPV for the project. In return, AVC will be entitled to receive RM46.14 million from the SPV. KPJV and AVC have inked a joint venture agreement (JVA) for the project.

Transfer of the land, which is currently charged to AVC's financiers, is contingent upon approval from the Penang State Authority and Penang Development Corp. AVC will have to redeem the land from its financiers at about RM3.3 million within a month after the conditions in the JVA are met, including obtaining the approvals mentioned.

"The proposed development is a mixed development comprising hotel, residences, serviced apartments, retail units and/or office blocks in accordance with development approvals," said KPPROP, adding the expected gross development value and costs cannot be determined at this juncture.

"The commencement of the development is subject to the delivery of vacant possession of the land and consequently, all approvals from the relevant authorities having first been obtained," it said. The project's completion date is yet to be determined.

KPJV will invest about RM33 million into the SPV to subscribe for its shares and RPS (redeemable preference shares). The sum will be funded by cash via internal funds and/or bank borrowings, said KPPROP.

“The JVA will enable KPPROP to focus on its core business of property development, [while] the proposed development will add on to KPPROP’s future project pipeline and income streams,” added the group.

Datuk Tee Eng Ho and Datuk Tee Eng Seng — major shareholders of KPPROP by virtue of their shareholdings in Javawana Sdn Bhd, which controls 72.07% in KPPROP — hold a 2.22% stake in Aspen (Group) Holdings Ltd via a company jointly controlled by Eng Ho and Eng Seng. Aspen, which is listed on the Mainboard of Singapore Exchange Securities Trading Ltd, is the penultimate holding company of AVC.

Eng Ho's wife, Datin Toh Siew Chuon, is currently executive chairman of KPPROP. She is also a major shareholder by virtue of her stake in Javawana.

Shares of KPPROP closed unchanged at 82 sen on Thursday, giving it a market capitalisation of RM442.92 million. Year to date, it has risen over 10%.

Edited By Tan Choe Choe