

ASPEN (GROUP) HOLDINGS LIMITED

*Company Registration No.: 201634750K
(Incorporated in the Republic of Singapore)*

ACCEPTANCE OF TENDER FOR REDEVELOPMENT OF A PIECE OF LAND IN SERI KEMBANGAN, SELANGOR VIA A JOINT VENTURE

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Aspen (Group) Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Selangor Agricultural Development Corporation (“**PKPS**”), an independent unrelated third party, has accepted a tender by Aspen Vision Development Sdn. Bhd. (“**AV Development**”), a wholly owned subsidiary of the Company, for the redevelopment of a piece of land in Seri Kembangan, in the State of Selangor (“**Land**”) (the “**Project**”) via a joint venture with PKPS (the “**Tender**”).

The acceptance of the Tender is subject to the terms and conditions of a joint venture agreement to be entered into between PKPS and AV Development (“**JVA**”) in due course.

2. INFORMATION ON PKPS

PKPS is a body corporate established by the state government of Selangor, Malaysia, to develop the plantation industry and farms in order to increase the socio-economic growth of the State of Selangor while developing commercial projects for the benefit of citizens.

3. INFORMATION ON THE PROJECT

The Land is situated in a matured residential township known as Seri Kembangan, off the Damansara-Puchong Expressway, a major expressway in Klang Valley, Selangor. The areas surrounding the Land are fully developed with ready infrastructures and amenities and the Land is in a state that is ready for development.

AV Development intends to develop the Land into a residential development consisting of service apartments complete with facilities. The gross development value of the Project is estimated to be RM300.0 million. Based on current plans, sale of the development is expected to take place from 2019.

4. TERMS OF TENDER

The salient terms of the Tender are as follows: -

(i) The Land
A piece of leasehold commercial land measuring 12,185 square meters held under PN 91582, Lot 100012, Mukim Petaling, District of Petaling, State of Selangor.

(ii) Return to PKPS
The return to PKPS shall be a sum of RM58,835,300 (exclusive of GST) equivalent to approximately 20% from the gross development value (“**GDV**”) of the Project (the “**Return**”).

The Return is calculated based on a plot ratio of 6 and such Return shall be adjusted accordingly in the event that the plot ratio is fixed lower than 6, as determined by the local council. If the plot ratio is fixed higher than 6, 15% of the increased GDV shall be payable to PKPS.

(iii) Development Timeline
The development is to be completed within four (4) years from the date of the JVA.

(iv) Payment Terms
RM47,585,300 shall be payable to PKPS in cash while the remaining amount of RM11,250,000 shall be payable by way of apartment units at market rate after a discount of 10% in accordance with the payment schedule as follows: -

Stage of Project	Percentage of Return (%)	Amount (RM)
After execution of the JVA	11.28	6,633,530
After the approved planning permission has been obtained	10.0	5,883,530
By way of instalment over a period of 36 months commencing from the date of the first sale and purchase agreement with an end purchaser	59.60	35,068,240
Hand-over of apartment units to PKPS	19.12	11,250,000
Total	100.0	58,835,300

(v) Other Terms
The Land is allowed to be charged to any licensed bank in Malaysia after 25% of the Return, which amounts to RM14,708,825, has been paid to PKPS in cash and a corporate guarantee is issued by the Company for the balance cash payment to PKPS.

5. RATIONALE

The Land is situated in a prime location within a matured residential township with ready infrastructures and amenities. Neighbouring the Land is a major hypermart, an integrated commercial development and retail shop lots. The Land is also within close proximity to international schools and two proposed MRT stations.

The Land is easily accessible via major roads and highways including the Damansara-Puchong Expressway, Putrajaya-KLIA Expressway, Puchong-Sungai Besi Highway, North South Expressway and SKVE Expressway.

Further, the payment terms, in particular the progress payment over the development timeline and the payment in kind, is beneficial to the Group as it accords flexibility to AV Development's project cash flow.

The Project also gives the opportunity for the Group to venture into developments within the Central Region of Malaysia and to establish itself within the said region.

In view of the above, the Board believes that entering into the joint venture with PKPS is in the best interest of the Company and will maximise the interest of the shareholders of the Company.

6. FUNDING

The Company intends to utilise RM6,633,530 (approximately SGD2,211,176) of the net proceeds from the initial public offering ("IPO"), out of the SGD8.36 million unutilised and allocated for the acquisition of land banks and future developments, to satisfy the initial payment to be paid upon execution of the JVA. The balance cash payment of RM40,951,770 (approximately SGD13,650,590) is expected to be funded by internal resources and/or bank borrowings of the Group.

7. FINANCIAL EFFECTS

The acceptance of the Tender is not expected to have any material impact on the consolidated net tangible assets per share or earnings per share of the Group for the financial year ending 31 December 2018.

8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or the controlling shareholders of the Company has any interests, direct or indirect in the Tender (other than through their respective effective shareholding interests in the Company).

9. FURTHER UPDATES

The Company will update shareholders in due course as and when there are further material developments in connection with the joint venture and the Project.

BY ORDER OF THE BOARD

Aspen (Group) Holdings Limited

Dato' Murly Manokharan

Executive Director, President and Group Chief Executive Officer

15 January 2018

Aspen (Group) Holdings Limited (the "**Company**") is listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 28 July 2017. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined nor approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this announcement.

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