

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

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**ENTRY INTO A SUBSCRIPTION AGREEMENT FOR SUBSCRIPTION OF SERIES A REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN THE SHARE CAPITAL OF DELIVEREAT SDN. BHD.**

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**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 Aspen Vision All Sdn. Bhd. (“**AV All**”), a direct wholly-owned subsidiary of the Company, has entered into a subscription agreement (the “**Subscription Agreement**”) with Delivereat Sdn. Bhd. (“**Delivereat**”), for the purpose of investment by way of subscription of 138,750 Series A redeemable convertible preference shares (“**Subscription Shares**” and “**Subscription Share**” shall be construed accordingly) in the share capital of Delivereat for an aggregate subscription price of RM5,000,000 (“**Subscription Price**”) (“**Investment**”) payable by cash, subject to the terms and conditions of the Subscription Agreement. Further to the Subscription Agreement, AV All has also entered into a shareholders agreement with the existing shareholders of Delivereat.

The Subscription Price was derived on a “willing buyer willing seller basis”, taking into account the gross merchandise volume of Delivereat and the potential of the business.

On issuance of the Subscription Shares to AV All and on the assumption that (i) the Subscription Shares are fully converted into ordinary shares (“**Scenario 1**”); (ii) other existing preference shares held by existing shareholders are fully converted into ordinary shares; and (iii) shares allocated for Delivereat’s employees shares option plan is fully issued, AV All shall hold an equity of 25.0% of the issued share capital of Delivereat. Assuming that only Scenario 1 takes place, AV All shall hold an equity of 31.62% of the issued share capital of Delivereat.

**2. SALIENT TERMS OF SUBSCRIPTION SHARES, THE SUBSCRIPTION AGREEMENT AND THE SHAREHOLDERS AGREEMENT**

|                                     |   |  |
|-------------------------------------|---|--|
| Total number of Subscription Shares | : | 138,750  |
| Tenure                              | : | Five (5) years   |
| Ranking                             | : | The preference shares shall rank pari passu among themselves in all respects. The rights attaching to the preference shares shall not be varied or abrogated in any way whether directly or indirectly without the prior consent of all preference shareholders. |
| Redemption                          | : | On or at any time after the fifth (5th) anniversary from the date of allotment of the preference shares, at the option of the holders of at least a majority of the outstanding preference shares, the preference shareholders may, but shall not be             |

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|                      |   | <p>obliged to, require the redemption of all or such part of the preference shares as they shall at such time decide by notice in writing to Deliverat.</p> <p>The redemption price shall be at the subscription price per preference share plus an amount equal to 5.0% of the subscription price per preference share, compounded annually from the date of issuance.</p>   |
| Conversion           | : | <p>(a) Deliverat does not have the right to convert the preference shares into ordinary shares at its option. The preference shares will be convertible into ordinary shares at any time at the option of the preference shareholders with the subscription price paid by the preference shareholder for the preference shares as the initial conversion price, subject to anti-dilution adjustment.</p> <p>(b) A preference shareholder shall from time to time and at any time have the right to convert the preference shares into ordinary shares at the rate of one (1) ordinary share.</p> <p>(c) The preference shares shall be automatically converted into ordinary shares immediately prior to the occurrence and completion of a qualifying initial public offering.</p> |
| Voting Rights        | : | <p>The preference shareholder shall be entitled to (i) receive notice of all general meetings of Deliverat and (ii) vote on any matter in a general meeting of Deliverat and shall be entitled to attend (in person or by proxy or attorney or in the case of a corporation, by a representative) any general meeting of Deliverat and to be counted for the purposes of a quorum at such general meeting and, in a poll thereat, to be entitled to one vote for each ordinary share into which such preference share held by such holder thereof which could then be converted.</p>  |
| Board Representation | : | <p>The Company is entitled to appoint a nominee as a director of Deliverat</p>  |

### 3. PAYMENT OF SUBSCRIPTION PRICE

#### 3.1 First tranche of RM2,500,000: -

- (a) AV All has paid to Deliverat RM500,000 as a refundable deposit (forming part of the Subscription Price);
- (b) upon the fulfilment of the condition in paragraph 4(a) hereinbelow, AV All shall pay an additional RM500,000 to AV All's solicitors to be held for the account of Deliverat as a refundable deposit (forming part of the Subscription Price); and
- (c) after all the conditions precedent set out in the Subscription Agreement have been met or waived, subject to allotment and issuance of the Sub-

scription Shares and fulfilment of other requirements set out under the Subscription Agreement, AV All shall pay to Deliverat a sum of RM1,500,000 being the remainder of half of the aggregate Subscription Price for the Subscription Shares.

- 3.2 The second tranche of RM2,500,000 for the Subscription Shares already issued and allotted to AV All, shall be paid to Deliverat on condition of Deliverat achieving an agreed revenue milestone after the completion of the subscription of the Subscription Shares and within 18 months from the date of the Subscription Agreement (“**Revenue Milestone**”). The payment will be made to Deliverat within 90 days from AV All’s receipt of the Deliverat’s auditor’s statement verifying the Revenue Milestone.
- 3.3 If the Revenue Milestone is achieved and AV All fails to pay the second tranche of RM2,500,000 in accordance with the payment terms in paragraph 3.2 above, AV All shall transfer an amount of the Subscription Shares proportionate to the Subscription Price remaining unpaid to all the other shareholders in proportion to their respective shareholdings, wherein AV All will cease to be the shareholder of the relevant amount of Subscription Shares.
- 3.4 If the Revenue Milestone is not achieved:
- (a) the Subscription Price shall be decreased to RM2,500,000 divided by 138,750 for each Subscription Share of Deliverat; and
  - (b) Deliverat shall deem the Subscription Shares as fully paid-up.

#### **4. CONDITIONS PRECEDENT**

The obligation of AV All to subscribe for the Subscription Shares is conditional upon and subject to, inter alia, the following conditions precedents: -

- (a) the results of the due diligence investigation conducted by AV All and/or their advisers in respect of the business, legal and financial conditions of Deliverat being satisfactory in all respects to AV All at their absolute discretion, and the due and complete fulfilment of any conditions imposed by AV All at their discretion as a result of such investigation; and
- (b) all consents, approvals, authorisations and waivers necessary to approve the issue of the Subscription Shares

#### **5. INFORMATION ON DELIVEREAT**

Deliverat is an online food ordering and delivery platform founded in 2012 in Penang, Malaysia. Deliverat has since established extensive partnerships with over 1000 restaurants of which approximately 80% are international and local chain restaurants. In addition to being a food ordering and delivery platform, Deliverat has also ventured into various other delivery services involving delivery of groceries, parcels, documents, e-commerce etc. Based on the latest available audited financial statements of Deliverat for the financial year ended 31 December 2018, Deliverat has a negative net asset value of RM1.84 million and a negative net tangible asset value of RM1.96 million.

The existing shareholders of Deliverat apart from the founders include two venture capital companies i.e. Crystal Horse Investments Pte Ltd (“**Crystal Horse Investments**”) and Gobi Mavcap Asean Investment Management Limited (for and on behalf of Gobi Mavcap Asean Superseed Fund, LP) (“**SuperSeed**”).

Crystal Horse Investments is involved in angel investments dealing mainly with Singaporean and Malaysian technology companies.

SuperSeed is a vintage 2016 venture capital fund, launched by the venture capital firm Gobi Partners in collaboration with Malaysia Venture Capital Management Berhad (MAVCAP), dedicated to investing in Southeast Asia's next generation of tech startups. Founded in 2002, Gobi Partners is one of the first venture capital firms with a regional presence across China, Hong Kong, and ASEAN with over US\$1.1 billion in assets under management (AUM). The firm, headquartered in Shanghai and Kuala Lumpur, supports entrepreneurs from the early to growth stages and focuses on emerging and underserved markets.

The SuperSeed fund had invested in several promising startups, such as Carsome, ASEAN's largest C2B car platform; Jirnexu, a FinTech platform with presence in Malaysia and Indonesia; AVANA, a social commerce platform, and ZOOM, an on-demand delivery specialist.

Deliverat has also received two grants from Cradle, an agency under the Ministry of Finance Malaysia which funds tech startups.

Deliverat has in 2018 expanded its operations to Klang Valley, Malaysia and intends to explore regional expansion. The shareholders of Deliverat also intends to explore to list Deliverat on the Malaysian stock exchange via an initial public offering.

## **6. RATIONALE**

The Group is constantly seeking for new investment opportunities that could potentially maximise the interest of the shareholders of the Company. The Board is of the view that diversification of business is important in order to expand the business to reach long-range financial goals while mitigating risks.

The Investment involves one of the fastest growing online food ordering and delivery brands which has established itself in its existing business territories with extensive partnerships with some of the popular foreign and local brands within the food and beverage industry and with immediate plans to expand to new territories as well as new delivery services thereby demonstrating a strong and versatile business model.

The Board is of the view that the Investment is a valuable opportunity for the Group to diversify and expand its business. The Board is also of the view that the business model of Deliverat can be synergised by the Group, amongst others the opportunity for cross marketing and branding.

The Investment is not expected to change the business risk profile of the Group. However, in the event that the Investment will progress to a stage which would result in a significant

change in the business risk profile of the Group, the Company will seek its shareholders' approval prior to entering into such stage.

## **7. FUNDING**

The Company intends to satisfy the payment of the Investment via internal resources.

## **8. FINANCIAL EFFECTS**

The Group does not expect the Investment to have any material impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2019.

## **9. 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 Investment (other than through their respective effective shareholding interests in the Company).

## **10. FURTHER UPDATES**

The Company will make such appropriate announcements to keep the Shareholders updated as and when there are material developments in respect of the Investment.

### **BY ORDER OF THE BOARD**

Aspen (Group) Holdings Limited

Dato' Murly Manokharan  
President and Group Chief Executive Officer  
26 August 2019

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This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Ms. Jennifer Tan, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg)).