

ASPEN (GROUP) HOLDINGS LIMITED

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

SALE AND DEVELOPMENT OF A DESIGNATED LAND IN BANDAR CASSIA, BATU KAWAN, PENANG, MALAYSIA

1. INTRODUCTION

The Board of Directors of Aspen (Group) Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that, Aspen Vision City Sdn. Bhd. (“**AV City**”), a subsidiary of Aspen Vision Land Sdn. Bhd. (“**AV Land**”) has on 31 July 2017 entered into a Purchase and Development Agreement and a Supplemental Letter (collectively referred to as the “**PDA**”) with Pendang Pembangunan Sdn. Bhd. (Company No. 671197-M) (“**PPSB**”), an independent unrelated third party, in respect of a sale and development of a designated land measuring approximately one (1) acre i.e. 43,560 square feet (Plot 1A) (“**Plot 1A**”) located in Aspen Vision City, Bandar Cassia, Batu Kawan, Penang at a consideration of RM6,534,000 (the “**Sale Price**”) (the “**Sale and Development**”).

The entering of the PDA has been particularised on page 131 of the Final Offer Document dated 19 July 2017.

2. DESCRIPTION OF PLOT 1A

AV Land had entered into a Purchase and Development Agreement dated 3 September 2014 (“**Principal PDA**”) with the Penang Development Corporation (“**PDC**”) in respect of a piece of freehold land measuring approximately 245 acres situated in Bandar Cassia, Batu Kawan, which shall be subdivided into and consist of Parcels 1A, 1B, 2, 3, 4, 5 and 6. Thereafter, AV Land had entered into a Sale and Purchase Agreement dated 3 September 2014 (“**SPA**”) with AV City and PDC, for the sale to AV City of part of the land measuring approximately 170 acres in aggregate which shall consist of Parcels 2, 3, 5 and 6 (collectively the “**Mixed Development Land**”).

Parcel 2 and part of Parcel 3 forming part of the Mixed Development Land have since been issued with one separate title known as P.T. No. 5929, Mukim 13, Daerah Seberang Perai Selatan, Negeri Pulau Pinang held under Hakmilik Sementara No. H.S. (D) 47981 (the “**Master Lot**”). Plot 1A which forms part of the Master Lot, has an area of approximately one (1) acre and is a freehold land with a plot ratio limited to 1.0.

The title to the Master Lot, which is issued to AV City, is currently undergoing a process of surrender and re-alienation for the issuance of a separate title for Plot 1A, amongst others.

3. INFORMATION ON PPSB

PPSB is a subsidiary of PEN Petroleum Sdn. Bhd. (“PEN”), one of the largest branded marketer for Caltex under Chevron Malaysia with links to established petrol stations and owns 130 Caltex petrol stations in Malaysia.

4. INFORMATION RELATING TO THE SALE AND DEVELOPMENT

4.1 Plot 1A is intended solely for the operation of a petrol kiosk under the Caltex brand with a drive-thru food and beverage outlet operated either by McDonalds or Starbucks or alternatively, such other renowned fast food and beverage brands as agreed by both parties (“**the Purpose**”).

4.2 According to the PDA, the Sale Price will be satisfied in the following manner:-

- (a) 10% of the Sale Price being the earnest deposit i.e. RM653,400 upon PPSB’s acceptance of the AV City’s offer in writing;
- (b) 10% of the Sale Price being the balance deposit i.e. RM653,400 upon execution of the PDA; and
- (c) the remaining 80% of the Sale Price amounting to RM5,227,200 shall be paid by PPSB within ninety (90) days from the fulfilment of the following conditions precedent within six (6) months from the date of the PDA or such extended date as may be agreed by PPSB in writing:-
 - (i) AV City shall apply for a subdivision of Plot 1A and obtain separate title for Plot 1A at its own cost; and
 - (ii) AV City shall apply for and obtain consent of PDC and consent of the State Authority of Penang for the disposal/transfer of Plot 1A to PPSB at the cost and expense of PPSB.

4.3 The Sale and Development is also subject to the following terms and conditions, amongst others:-

- (a) the relevant development approvals for the use and development of Plot 1A in accordance with the Purpose to be obtained by PPSB;
- (b) discharge of the existing charge in favour of OCBC Bank (Malaysia) Berhad;
- (c) execution of limited Power of Attorney and delivery of a Performance Bond by PPSB in favour of AV City as guarantee of due observance and performance of PPSB’s obligations in respect of the Purpose; and
- (d) execute a deed of adherence and/or any other documents as may be required by PDC which may include such conditions as PDC may impose such as the condition restricting it from selling, assigning, transferring, leasing or otherwise

dealing with Plot 1A or any part thereof without the prior written consent of PDC.

5. CONSIDERATION

The consideration was arrived at arm's length and commercial negotiations between PPSB and AV City on a willing-buyer willing-seller basis, after taking into consideration:-

- (i) the current market prices of land parcels in the surrounding area together with the relevant cost of earth filling and soil improvement works which has since been completed for Plot 1A by AV City; and
- (ii) relevant cost of planning and the works towards the common infrastructure for the Master Lot by AV City which also serve and benefit Plot 1A.

The total consideration for Plot 1A calculated at RM150.00 per square foot for the land size of 43,560 square feet is RM6,534,000 (exclusive of GST).

6. FINANCIAL EFFECTS

The Sale and Development is expected to result in a gain of approximately RM2.9 million (the "Gain") after taking into account other estimated related costs. The earnings per share and net tangible assets per share of the Group for the current financial year ending 31 December 2017 is expected to be positively affected by the Gain.

7. RATIONALE

The Sale and Development takes place in a timely manner as the proposed development of the first petrol kiosk in the entire Bandar Cassia, complete with a drive-thru food and beverage outlet of a renowned brand, is concurrent with the construction of the Group's development projects in Bandar Cassia so as:-

- (i) to cater to the developments in Bandar Cassia and primarily the Group's development during the construction stages and upon completion;
- (ii) to further facilitate Aspen Vision City as a major commercial hub;
- (iii) to create a vibrant commercial precinct due to expected high frequency of visits at the petrol kiosk and drive-thru food and beverage; and
- (iv) to constitute an important node in the road networks by providing amenities, guiding road users as well as providing necessary repair and maintenance services for vehicles.

In view of the above, the Board believes that the Sale and Development will maximise the interests of shareholders as it will provide the Group with greater financial flexibility for its operations and to provide core amenities to a comprehensive master plan development, thus increasing the value and potential of future developments within the Mixed Development Land. After careful consideration, the Board is of the view that the Sale Price

is fair and reasonable and that the Sale and Development is in the best interests of the Company and its shareholders.

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 Sale and Development (other than through their respective effective shareholding interests in the Company).

9. COMPLIANCE WITH RULE 703 OF THE CATALIST RULES

The Sale and Development is within the ordinary course of the Company's business and this announcement is made pursuant to and for the purpose of compliance with Rule 703 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist.

BY ORDER OF THE BOARD

Aspen (Group) Holdings Limited

Dato' Murly Manokharan
Executive Director, President and Group Chief Executive Officer
31 July 2017

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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