

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

ENTRY INTO SALE AND PURCHASE AGREEMENT FOR THE ACQUISITION OF FREEHOLD LANDS AT PAYA TERUBONG, PULAU PINANG, MALAYSIA BY ASPEN PARK HILLS SDN. BHD.

All capitalised terms used but not defined herein shall have the meaning ascribed to such term as defined in the announcements by the Company dated 3 June 2019 and 22 June 2019 respectively (the “Announcements”).

1. INTRODUCTION

The Board of Directors of Aspen (Group) Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its indirect subsidiary, Aspen Park Hills Sdn. Bhd. (“**APH**”), has on 22 June 2019 entered into a conditional sale and purchase agreement (“**SPA**”) and other ancillary agreements (“**Transaction Documents**”) with Geo Valley Sdn. Bhd. (“**GVS**”) for the acquisition and development of seven (7) pieces of freehold lands situated at Paya Terubong, Penang collectively measuring approximately 29.046 acres in total as more particularly described hereinbelow (collectively known as the “**Lands**”) at an aggregate consideration of RM165.0 million (“**Purchase Price**”) (“**Acquisition**”).

2. SALIENT TERMS OF THE TRANSACTION DOCUMENTS

2.1 Particulars of the Lands:-

- (a) the Lands are freehold and sold on “as is where is” basis, free from all encumbrances, with vacant possession and with the right of development thereon;
- (b) the particulars of the Lands are as follows:-
 - (i) No. PT 4108 held under No. H. S. (D) 19919;
 - (ii) No. PT 4109 held under No. H. S. (D) 19920;
 - (iii) No. PT 4110 held under No. H.S.(D) 19921;
 - (iv) Lot No. 10290 held under Geran (First Grade) No. 91836;
 - (v) Lot No. 10292 held under Geran (First Grade) No. 91838;
 - (vi) Lot No. 11257 held under Geran (First Grade) No. 102198; and
 - (vii) Lot No. 20344 held under Geran (First Grade) No. 167863, all in Mukim 13, Daerah Timor Laut, Pulau Pinang;
- (c) the Lands (other than Lot 10290, Lot 10292 and Lot 11257) are presently charged to MBSB Bank Berhad; and
- (d) GVS has obtained a planning permission and building plan approval from the local council for a mixed development on part of the Lands and the construction of a paired road known as Jalan Bukit Kukus connecting Thean Teik Highway to Jalan Paya Terubong.

2.2 Conditions Precedent

APH intends to submit for approvals from the relevant approving authorities of a new development scheme (including to re-design the paired roads) for the Lands and to acquire parts of neighbouring lands from the State Authority which shall form part of the development lands ("**New Scheme**"). The SPA is conditional upon the fulfilment of such conditions precedent pertaining to the obtainment of all relevant approvals from the relevant authority in respect of the New Scheme with all existing benefits and waivers granted by the relevant approving authorities to GVSB under the existing planning permission, within twelve (12) months from the date of the SPA or within such extended period as may be mutually agreed between APH and GVSB. However, APH shall also be entitled to waive any of the said conditions precedent as more particularly described in the SPA.

2.3 Payment Terms

		Particulars	RM	RM
(a)	Deposit	(i) Earnest Deposit (paid prior to execution of SPA)	1,000,000	
		(ii) Balance Deposit to be paid on signing of the SPA	9,000,000	10,000,000
(b)	Further Payment	By way of conveyance of parcels in a completed project known as Vervea, developed by Aspen Vision City Sdn. Bhd., a subsidiary of the Company, to be completed within 14 days from the date of the SPA		10,000,000
(c)	Balance Purchase Price	To be paid within a period of 12 months from the unconditional date or within 30 days from the presentation of the transfer and charge documents and the discharge documents in respect of the Acquisition at the relevant proper land registry/land office for registration, whichever is later.		145,000,000
		TOTAL		165,000,000

2.4 Other Terms

- (a) GVSB will partake in the development as a joint venture partner, taking up 25% equity in APH via its nominees;
- (b) GVSB's directors shall provide personal guarantees in favour of Aspen Vision Homes Sdn. Bhd. (the holding company of APH) guaranteeing GVSB's obligation to refund such payments to APH in the event of termination of the SPA; and
- (c) APH shall procure the Company to issue a corporate guarantee in favour of GVSB guaranteeing APH's payment obligations to GVSB.

3. CONSIDERATION

The Purchase Price for the Lands at RM165,000,000 was arrived at arm's length and commercial negotiations between GVSB and APH on a willing-buyer willing-seller basis, after taking into consideration (i) the current market prices of land parcels in the surrounding area; and (ii) the existing approved planning permission and building plan.

4. RATIONALE AND FURTHER INFORMATION RELATING TO THE LANDS

The Lands are strategically located within a matured neighbourhood in the middle of Air Itam, Farlim and Paya Terubong in central Penang Island, with close proximity to well-known lifestyle amenities such as schools, hospitals, eateries, wet markets, retail shops, supermarket, tourist spots and services and with an area population of approximately 400,000 people.

Other than the conveniences of the existing amenities, the proposed development will also benefit from the existing infrastructure and accessibility, including the widened 100-foot road at Jalan Paya Terubong, junction improvement of Thean Teik Highway and the ongoing RM545.6mil Jalan Bukit Kukus Paired Roads project. Under the Penang Transport Master Plan, the residents in this community can easily access to all parts of Penang Island via three major roads, which are Pan Island Link Highway between Gurney Drive to Bayan Lepas, Ayer Itam to Tun Dr Lim Chong Eu Expressway and Jalan Bukit Kukus Paired Road to Balik Pulau and Bayan Lepas.

Due to the flexible condition precedents, sizable area and location of the Lands and the opportunity to increase the Group's land banks, the Board believes that entering into the SPA with GVSB is in the best interest of the Company and will maximise the interest of the shareholders of the Company.

The gross development value for the Proposed Development will be determined once the development plan is finalised in the near future.

5. SOURCE OF FUND

The Acquisition is expected to be funded by the investment fund raised through the Joint Venture and bank borrowings.

6. FINANCIAL EFFECTS

The Acquisition 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 current financial year ending 31 December 2019.

7. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Oxley Holdings (Malaysia) Sdn. Bhd., an indirect wholly owned subsidiary of Oxley Holdings Limited, is interested in 40% of the total number of ordinary voting shares of AV Homes which is interested in 75% of the total number of ordinary voting shares of APH. Mr Ching Chiat Kwong, a Non-Independent Non-Executive Director of the Company is interested in 42% of the total number of ordinary voting shares of Oxley Holdings Limited. Mr. Ching Chiat Kwong thereby has an indirect interest in the said investment and entry into the Joint Venture.

Save as disclosed above, none of the directors or the controlling shareholders of the Company have any interests, direct or indirect, in the Acquisition (other than through their respective effective shareholding interests in the Company, if any).

BY ORDER OF THE BOARD

Aspen (Group) Holdings Limited

Dato' Murly Manokharan
President and Group Chief Executive Officer
22 June 2019

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 Company's 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 Catalist.

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).