

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

- (1) **THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE MANUFACTURING AND DISTRIBUTION OF RUBBER GLOVES AND OTHER RELATED ACTIVITIES ("PROPOSED NEW BUSINESS")**
 - (2) **ACQUISITION OF INDIRECT SUBSIDIARY IN MALAYSIA**
 - (3) **JOINT VENTURE WITH CMY CAPITAL SDN. BHD.**
 - (4) **ACCEPTANCE OF LETTER OF OFFER AND FIRST RIGHT OF REFUSAL WITH KULIM TECHNOLOGY PARK CORPORATION SDN. BHD. IN RELATION TO THE LEASING OF INDUSTRIAL LANDS IN KULIM HI-TECH PARK TOTALING 66.362 ACRES**
 - (5) **ENTRY INTO MEMORANDUM OF UNDERSTANDING WITH INVEST KEDAH BERHAD, A KEDAH STATE GOVERNMENT-LINKED COMPANY (GLC) TO FACILITATE THE ESTABLISHMENT OF THE PROPOSED NEW BUSINESS**
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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**") is pleased to announce the following:-

- (a) the Group intends to diversify its existing scope of core business ("**Existing Business**") to include the business comprising the manufacturing and distributing of rubber gloves and other related activities ("**Proposed New Business**") (the "**Proposed Diversification**");
- (b) in connection with the Proposed Diversification and to undertake the Proposed New Business, the Company on 11 August 2020, via its wholly-owned subsidiary Aspen Vision All Sdn. Bhd. ("**AVA**"), acquired from Dato' Murly Manokharan, the Group's President and Chief Executive Officer, a dormant company known as Aspen Glove Sdn. Bhd. (Malaysian company registration no. 202001022163 (1378483-U)) ("**AGSB**");
- (c) for the purposes of undertaking the Proposed New Business, AVA, CMY Capital Sdn. Bhd. ("**CMY Capital**") and Encik Iskandar Basha Bin Abdul Kadir ("**Mr. Iskandar**") (collectively known as the "**Parties**", and each a "**Party**"), have agreed to participate in a joint venture arrangement in which AGSB shall act as the joint venture vehicle / special purpose vehicle for operations of the Proposed New Business; and
- (d) in connection with the Proposed New Business, AGSB had, on 12 August 2020, entered into the following transactions:

- (i) acceptance of a binding letter of offer (“**LO**”) from Kulim Technology Park Corporation Sdn. Bhd. (“**KTPC**”) to lease a piece of industrial land measuring 29.331 acres located at Kulim Hi-Tech Park, Bandar Lunas, Daerah Kulim, Kedah Darul Aman (“**Land A**”) and a first right of refusal (“**FRR**”) with KTPC for the lease of a piece of industrial land measuring 37.031 acres located adjacent to Land A, at Bandar Lunas, Daerah Kulim, Kedah Darul Aman (“**Land B**”), both lands totalling 66.362 acres; and
- (ii) entry into a memorandum of understanding (“**MOU**”) with Invest Kedah Berhad (“**IKB**”), a state government linked company (“**GLC**”) to provide the necessary support and facilitation for the establishment and operation of the Proposed New Business;

(collectively, the “**Proposed Transactions**”).

2. THE PROPOSED DIVERSIFICATION

2.1 Information regarding the Proposed Diversification

Subject to the approval of shareholders of the Company (“**Shareholders**”) for the Proposed Diversification being obtained at an extraordinary general meeting (“**EGM**”) to be convened, the Group intends to expand its Existing Business to include the Proposed New Business as described below, as and when appropriate opportunities arise:

- (a) expansion into the business of the manufacture, sale and distribution of latex and nitrile gloves for medical and industrial use and any other related products (“**Products**”); and
- (b) to carry out research and development in connection with the Proposed New Business and the Products.

2.2 Rationale of the Proposed Diversification

In line with the Board’s position to explore potential investment and business opportunities, the Group proposes to diversify the Existing Business to include the Proposed New Business for the following reasons:

- (a) ***Reducing reliance on and mitigating against volatility of the Existing Business***

The proposed diversification of the Group’s business to include the manufacturing, sale and distribution of rubber gloves is expected to provide additional revenue streams for the Group, enable the Group to expand its revenue base, reduce the Group’s reliance on the Existing Business, which remains competitive, and offer new business opportunities so as to enhance Shareholders’ value for the Company.

- (b) ***Benefit from the increasing demand and possible global shortage of gloves***

The medical gloves market is expected to grow at a compound annual growth rate of over 15% during the period 2019–2025¹. The increasing usage of gloves to protect healthcare professionals from the risk of contamination and infections like Covid-19 and the improving hygiene standards at F&B establishments, hospitality and travel sectors are major factors contributing to the growth. According to CGS CIMB’s analyst research, even as nations emerge from lockdown, demand for personal protective equipment (“PPE”) such as rubber gloves will remain strong as a protective measure².

Latex and nitrile medical examination gloves are commonly used in healthcare settings, F&B establishments, as well as the hospitality and travel sectors. Currently, Malaysia is the world’s largest source of medical gloves, with a global market share of about 65%³. According to the Department of Statistics Malaysia, the highest exports by item in April 2020 was rubber gloves with a value of RM1,984.4 million, an increase of 11.6% compared to March 2020⁴.

Even after recovery from the Covid-19 pandemic, the Group can reasonably expect the demand of gloves to continue as it has become an important and essential product. This is based on the fact that the use of gloves has been adopted as a standard operating procedure across sectors to prevent contamination of products. For instance, the use of gloves is envisaged to increase substantially for restaurants and foodservice workers as well as the hospitality and travel sector in the post-Covid-19 era due to heightened emphasis on hygiene.

According to the Malaysian Rubber Glove Manufacturers Association (“MARGMA”), there will be a global shortage of rubber gloves due to a coronavirus-driven surge in demand which will carry over into the next year⁵. The increased demand is due to the Covid-19 pandemic, as well as stock piling and new users following the pandemic⁶. MARGMA expects the global demand for rubber medical gloves to be about 345 billion in 2020 against 298 billion in 2019⁷.

With the demand exceeding supply currently, the urgency of securing orders led to higher prices being offered to secure inventory⁸. As a result, glove makers are no longer pricing their healthcare gloves using the typical cost-plus mechanism.

¹ https://www.researchandmarkets.com/reports/5067356/medical-gloves-market-global-outlook-and?utm_source=dynamic&utm_medium=GNOM&utm_code=bwvvgbl&utm_campaign=1397492+-+Insights+on+the+Global+Medical+Gloves+Industry+to+2025+-+Key+Drivers%2c+Trends+and+Restrains+&utm_exec=jamu273gnomd

² <https://api2.sgx.com/sites/default/files/2020-06/CGS-CIMB%20-%20Medical%20Equipment%20%26%20Svc%20%20Jun%202020.pdf>

³ <https://kenanga.com.my/wp-content/uploads/2020/07/Rubber-Gloves-200708-3Q20-StrategyKenanga.pdf>

⁴ <https://www.malaymail.com/news/malaysia/2020/06/26/covid-19-gave-malaysian-rubber-products-a-lift-govt-data-shows/1879146>

⁵ <https://www.reuters.com/article/us-health-coronavirus-malaysia-gloves/top-supplier-malaysia-sees-no-quick-end-to-shortages-in-8-billion-gloves-industry-idUSKBN23B105>

⁶ <https://kenanga.com.my/wp-content/uploads/2020/07/Rubber-Gloves-200708-3Q20-StrategyKenanga.pdf>

⁷ <https://sme.asia/rubber-glove-industry-to-step-up-productivity/>

⁸ <https://api2.sgx.com/sites/default/files/2020-06/CGS-CIMB%20-%20Medical%20Equipment%20%26%20Svc%20%20Jun%202020.pdf>

Instead, selling prices have been on a sequential uptrend, despite raw material prices trending lower⁹.

With new daily cases of Covid-19 still on an uptrend worldwide, the Group believes that the demand for PPE such as gloves will continue and provide support for the current average selling price.

Despite most existing glove makers in Malaysia running at full capacity, there are still production backlogs of 4–6 months in fulfilling orders¹⁰. Hence, the Group believes that the demand for gloves is likely to remain firm till end 2021, especially from the healthcare, F&B establishments, as well as the hospitality and travel sectors.

(c) ***Readily available resources***

The Group, having its main operations in Malaysia, has the opportunity to tap into the readily available infrastructure and resources required for the Proposed New Business to capitalise on the demand. Malaysia has ample resources which are essential to the production of rubber gloves. Malaysia also has ample raw materials used in production of rubber gloves such as latex and petrochemicals which are used to make synthetic latex. It is no surprise that the rubber glove industry in Malaysia has seen a steady growth since the 1980s. MARGMA expects Malaysia's glove industry to continue to dominate global glove exports in the years to come¹¹. The glove industry is expecting to grow at a firm pace of around 12% per annum in the years to come¹².

(d) ***Marketability***

The Company has been in discussions with various global market supply chain buyers from diverse geographical locations who have shown strong interest to buy and commit to forward purchase up to the capacity of AGSB productions. To this end, AGSB will continue to engage buyers from various countries from the private sector to the public sector to secure sales on a forward booking basis as we finalize the project milestone in months to come. The Company will make further announcement(s) as and when we have entered into significant sales contracts.

2.3 Further Details of Proposed New Business

(a) **Leadership and Board Representation**

AGSB will be led by its board of directors consisting of (i) Tan Sri Dato' Chua Ma Yu ("**Tan Sri Dato' Chua**") and (ii) Datuk Chua Sai Men, both of CMY Capital, (iii) Dato' Murly Manokharan and (iv) Dato' Seri Nazir Ariff bin Mushir Ariff ("**Dato' Seri**

⁹ https://api2.sgx.com/sites/default/files/2020-06/CGS-CIMB%20-%20Medical%20Equipment%20%26%20Svcs_22%20Jun%202020.pdf

¹⁰ <https://www.adb.org/sites/default/files/publication/579121/ppe-covid-19-supply-chains-bottlenecks-policy.pdf>

¹¹ <https://sme.asia/rubber-glove-industry-to-step-up-productivity/>

¹² <https://www.thestar.com.my/business/business-news/2019/11/14/rubber-gloves-industry-to-see-continued-growth-in-2020>

Nazir Ariff) both Executive Directors of the Group, (v) Mr Lim Soo Aun, Chief Financial Officer of the Group and (vi) Mr. Iskandar.

Tan Sri Dato' Chua who is the founder and a director of CMY Capital shall be appointed as the Non-Executive Chairman of the Board.

AGSB's Board members are experienced in various areas of business and management, some with direct involvement in commodities trading, manufacturing and export, notably:-

Dato' Seri Nazir Ariff, who is currently the Chairman of Small Medium Enterprise Development Bank Malaysia Berhad and an independent director of Texchem Resources Berhad, a business which includes the supply of latex chemical to the glove manufacturing industry, started his working career in 1974, holding various key positions at Escoy Holdings Berhad (formerly known as Datuk Keramat Holdings Berhad), which was one of the largest tin smelting company in the world, until the end of his tenure as the Managing Director in 2006. He was the Chairman of the Malaysian International Chamber of Commerce and Industry (Northern Branch) from 1995 to 2018. He served as a board member of the Kuala Lumpur Commodities Exchange and as the founding Board member and Chairman of The Kuala Lumpur Tin Market.

Mr Lim Soo Aun who has over 15 years experience in the manufacturing and industrial sector including food products, tools, moulding and machinery manufacturing, steel products, minerals and mining, will be overseeing the financial management of the Proposed New Business.

Meanwhile, AGBS is in the process of finalising the appointment of Mr. Iskandar as the Managing Director of AGBS. An accomplished veteran in the business and government sector, Mr. Iskandar, aged 60 has a string of achievements in leading and executing large scale projects, process improvements, manpower planning, financial planning, listing his consultancy firm in the Amsterdam Stock Exchange (Euronext), government infra projects and fiscal policy advisory.

Mr. Iskandar was previously the Deputy General Manager of Penang Development Corporation, a Finance Manager/Treasurer in ExxonMobil, Managing Director of Euronext listed software consulting firm (SAP software) and have held other portfolios in banking and shipyard.

In the government sector, Mr. Iskandar held an advisory role in the Economic Planning Unit (EPU) of the Malaysian Prime Minister's Department covering a variety of development projects. He has accumulated an invaluable network with the various ministries.

Mr. Iskandar's proven track record provides assurance that he will assemble the best skill sets needed to build and execute a world-class glove manufacturing plant.

Dato' Murly Manokharan will lead the key management team of AGBS as its Chief Executive Officer whilst Mr Iskandar will, upon finalisation of his appointment, act as Managing Director.

(b) Management Team

The Board and key management of AGSB will be supported by an experienced senior management team from various areas of the glove manufacturing industry to oversee the day-to-day operation of the business. Currently, the recruitment process is underway to hire key personnel with at least 20 years of relevant experience and further announcements on their appointments will be made when their appointments are finalised and approved by the Nominating Committee of the Group.

(c) Technology and Sustainability

AGSB will leverage on the latest available technology which would efficiently use the required natural resources and energy i.e. water, gas and electricity in the production of gloves. The latest technology will streamline complex processes to increase productivity and profitability. The Group recognises the importance of building a sustainable manufacturing facility to minimize the environmental and health concerns, and conserve energy and natural resources. To that end, the manufacturing factories to be built will have rainwater harvesting tanks for reuse. Further, solar panels that can transform the light energy to electricity will also be installed to reduce the operating cost associated with manufacturing. In addition, AGSB will also leverage on an Energy Management System (EMS) to achieve continual improvement of energy performance, including energy efficiency, energy use and consumption. AGSB will also be committed to continuously improve the health, safety, and environmental performance of the company to prevent wastage, ill health, injury and pollution.

(c) R&D

An internal research and development (“**R&D**”) team will be set up to carry out intensive research in collaboration with both local and international universities to formulate a more sustainable and environment-friendly manufacturing processes that can add value to the environment, society and the economy.

(d) Industry 4.0

High on Malaysia’s national economic growth agenda¹³ is the development of its future generations to prepare for the Fourth Industrial Revolution (“**Industry 4.0**”). Moving forward, AGSB will also embrace Industry 4.0 which is driven by the digital revolution and the Internet-of-Things to gain a competitive edge in the global arena. Industry 4.0 helps to optimize production, maximize productivity, save costs, increase profitability and efficiency, reduce waste and can increase automation to prevent errors and delays. It can also intervene faster in case of production issues and enhance quality of the products.

¹³ https://www.miti.gov.my/miti/resources/National%20Policy%20on%20Industry%204.0/Industry4WRD_Final.pdf

(e) Production

AGSB intends to manufacture high quality latex and nitrile gloves for the medical industry and industrial use. The focus for phase 1 of the Proposed New Business will be on examination gloves which will cater solely for the export market. The operations of the Proposed New Business will be carried out in phases for risk mitigation purposes.

Proposed Production at Land A

Under Phase 1(a) of the Proposed New Business, AGBS targets to bring to market 1.1 billion pieces of gloves per annum. AGBS is expected to complete the facilities, commence operations and market the products under Phase 1(a) by 3Q 2021. AGBS expects to invest approximately RM105 million to complete Phase 1(a).

For Phase 1(b), AGBS intends to ramp-up the capacity to 3.5 billion pieces of gloves per annum by 2Q 2022. AGBS anticipates a further investment of RM40 million to complete Phase 1(b).

Phase	Expected Completion	Investment (RM)	Total Annual Output Capacity
1(a)	3Q 2021	105 million	1.1 billion
1(b)	2Q 2022	40 million	3.5 billion

Subsequently, depending on market demand, AGBS may complete another 3 phases within the next three years whereby upon completion of Phases 1, 2, 3 and 4, AGBS can expect to produce a total of 14 billion gloves annually.

In the event there is further market demand, AGBS will seek to negotiate with KTPC for the lease of the adjacent Land B and to increase production capacity up to 28 billion pieces of gloves per annum by including more production lines at Land B within the next three to five years.

(f) Investment Requirements

The initial investment of RM105 million required to complete Phase 1(a) is expected to be funded through capital injection by shareholders of AGBS.. For the funding requirement of Phase 1(b), AGBS may consider the option of bringing in new investors, at higher valuation.

As and when necessary and deemed appropriate, the Group may explore secondary fund raising exercises by tapping into the capital markets including but not limited to share placements and/or issuance of debt instruments.

(g) Incentives

In Malaysia, tax incentives, both direct and indirect, are provided for in the Promotion of Investments Act 1986, Income Tax Act 1967, Customs Act 1967, Excise Act 1976 and Free Zones Act 1990. These Acts cover investments in the manufacturing, agriculture, tourism and approved services sectors as well as R&D, training and environmental protection activities.

The direct tax incentives grant partial or total relief from income tax payment for a specified period, while indirect tax incentives are in the form of exemptions from import duty and excise duty.

AGSB intends to apply for the relevant and applicable incentives for the Proposed New Business.

AGSB will also apply for a Pioneer Status ("**PS**") to enjoy a five-year partial exemption from the payment of income tax where unabsorbed capital allowances incurred during the pioneer period can be carried forward and deducted from the post pioneer income of the company. Accumulated losses incurred during the pioneer period can also be carried forward and deducted from the post pioneer income of the company for a period of seven consecutive years.

(h) Strategic Location

As two thirds of the global supply for rubber gloves comes from Malaysia, Malaysia is the ideal location to set up the Proposed New Business where the entire supply chain and supporting industries are within Malaysia and easily connected through good highway, seaport and airport infrastructure.

The Company has identified two pieces of industrial leasehold land measuring a combined area of approximately 66.362 acres i.e. Land A and Land B in Kulim Hi-Tech Park. The land is favoured due to its prime location and immediate readiness for construction of a plant. Further details of the executed LO and FRR are disclosed at paragraph 5 of this announcement.

(i) Strategic Alliances

Considering the tangible economic and social benefits that are engendered due to the establishment of the Proposed New Business by AGBS in Kedah Darul Aman, IKB shall use its best endeavours to extend the necessary support, direct consultation and facilitation to AGBS in relation to the establishment and operation of the Proposed New Business.

Although being a new entrant during a period of strong market demand, the Board believes that global demand for the gloves will steadily increase in the long run and with strategic planning around pricing, competitors, marketing strategies and distinctive positioning, the Group will be able to penetrate the market and gain a reasonable market share.

2.4 Shareholders' Approval

The Proposed Diversification will involve a new business which is substantially different from the Existing Business. It is envisaged that the Proposed Diversification will change the existing risk profile of the Group. Pursuant to the Listing Manual (Section B: Rules of Catalist) of the SGX-ST ("**Catalist Rules**"), Shareholders' approval is required for the Proposed Diversification. Accordingly, an EGM will be convened by the Company to seek approval from the Shareholders for the Proposed Diversification.

Further details on the Proposed Diversification and the Proposed New Business will be set out in a circular to be issued by the Company to the Shareholders in due course (“Circular”), for the purpose of obtaining the approval of Shareholders in respect of the Proposed Diversification at the EGM to be convened. The EGM will allow Shareholders the opportunity to communicate their views on the Proposed Diversification, and consider, if thought fit, to approve the Proposed Diversification.

3. ACQUISITION OF NEW SUBSIDIARY IN MALAYSIA

In anticipation of the Proposed New Business, the Company via AVA, had on 11 August 2020 acquired 100% interest in AGSB, a dormant company, from Dato’ Murly Manokharan, the Group’s President and Chief Executive Officer for a cash consideration of RM2.

AGSB was incorporated on 6 August 2020 with an issued and paid-up capital of RM2.00 comprising 2 ordinary shares. The principal activity of AGSB is for investment holdings and manufacturing and is intended as the joint venture vehicle / special purpose vehicle for the Proposed New Business.

The acquisition of AGSB was funded through internal resources and is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2020.

4. JOINT VENTURE

4.1 Information on CMY Capital

CMY Capital, incorporated in Malaysia, is an active global capital market investor. The principal activities of CMY Capital involve investment holdings, equity investments, hotel and real estate developments.

Prior to the joint venture and save as disclosed in the foregoing, CMY Capital and its shareholders are independent and unrelated parties to the Group, and the Company’s directors, chief executive officers and controlling shareholders, and have had no prior business, commercial or trade dealings with the Group.

4.2 Summary of the Joint Venture

The Parties intend to jointly develop the Proposed New Business and the Parties agree that AGSB shall act as the joint venture vehicle / special purpose vehicle through which the Parties shall jointly operate the Proposed New Business. AVA and CMY Capital will contribute to the capital requirements of AGSB in such manner to be determined by the AVA and CMY Capital in due course while Mr. Iskandar will contribute to the joint venture by spearheading the Proposed New Business.

Parties shall enter into a formal joint venture and shareholders agreement to regulate the joint venture and their relationship as shareholders in due course.

4.3 Subscription of Shares by AVA, CMY Capital and Mr. Iskandar in AGSB

The Parties have on 11 August 2020 made a joint investment into AGSB by way of acquisition and subscription of AGSB's ordinary shares at RM1.00 per ordinary share in the following proportions:-

Shareholders	Acquired Shares	Subscription Shares	Shareholding Proportions
AVA	2	68	70%
CMY Capital	-	25	25%
Mr. Iskandar	-	5	5%
Total	2	98	100%

Further issuance of ordinary shares and redeemable preference shares will be issued to the Parties in due course, in anticipation of the funding requirements for the Proposed New Business.

4.4 Rationale for the Joint Venture

The Board believes that the joint venture is in the best interests of the Group as it will further the Group's intention to carry out the Proposed New Business in connection with the Proposed Diversification, the rationale for which has been explained in paragraph 2.2 above. In addition, the Board believes that the joint venture will enable the Group to leverage off the expertise, business networks and resources of the Parties, as well as to reduce risks and capital requirements of the Proposed New Business on the Group.

4.5 Financial effects of the Joint Venture

The subscription of AGSB's ordinary shares by AVA will be funded through internal resources and, at present, is not expected to have any material impact on the earnings per share and/or net tangible assets per share of the Group for the current financial year ending 31 December 2020, as the subscription value into AGSB is negligible.

5 ACCEPTANCE OF LETTER OF OFFER AND FIRST RIGHT OF REFUSAL WITH KULIM TECHNOLOGY PARK CORPORATION SDN. BHD. IN RELATION TO LEASING OF INDUSTRIAL LANDS IN KULIM HI-TECH PARK

5.1 Background

Kulim Hi-Tech Park ("KHTP") is Malaysia's premier and fully integrated high technology park and is located in the state of Kedah, neighbouring the state of Penang within the Northern Economic Corridor. KHTP is fully funded by the Malaysian Federal Government through the Ministry of Finance and is developed and managed by KTPC, which is wholly owned by the Kedah State Development Corporation.

KHTP is about 20 minutes away from Penang Port via the Butterworth-Kulim Expressway. Penang Port will be the main port of commission for the export of the Products. Setting up in KHTP provides a key advantage as industrial lands in KHTP comes ready with high quality infrastructure, ready utilities of international standards up to the boundary of the

plot of lands therein including dedicated electricity supply regulated by Energy Commission, dedicated main water supply from Sungai Muda and water quality per World Health Organisation, dedicated water treatment plant for sewerage treatment, piped-in natural gas and high speed telecommunication infrastructure, which will expedite the commencement of the Proposed New Business

5.2 Salient Terms of the LO

In connection with the Proposed Diversification and to carry out the Proposed New Business, AGSB had on 12 August 2020 accepted the LO from KTPC to lease Land A for the purpose of constructing an industrial factory thereon to manufacture latex and nitrile gloves.

In accordance with the terms and conditions of the LO and subject further to parties mutually agreeing to the terms and conditions to be contained in the lease agreement to be executed between AGSB and KTPC ("**Lease Agreement**"), AGSB shall lease Land A from KTPC for a period of 60 years for a consideration sum of RM51,107,040, calculated at a rate of RM40 per square foot ("**Consideration Sum**"). KTPC further irrevocably grants AGSB an option to renew the lease for a further 39 years, upon terms and conditions to be mutually agreed between the parties then and further subject to KTPC obtaining the necessary approval from the respective authorities.

The Consideration Sum is calculated based on the current fixed lease rates of RM40 per square foot for industrial lands in KHTP. The Consideration Sum is to be paid to KTPC in the following manner:-

No.	Payment Schedule	Amount (RM)
1.	1% of the Consideration Sum on execution of the LO	511,070.40
2.	9% of the Consideration Sum on execution of the Lease Agreement, but no later than 3 September 2020	4,599,633.60
3.	10% of the Consideration Sum on or before 28 February 2021	5,110,704.00
4.	20% of the Consideration Sum on or before 31 December 2021	10,221,408.00
5.	30% of the Consideration Sum on or before 30 June 2022	15,332,112.00
6.	30% of the Consideration Sum on or before 31 December 2022	15,332,112.00
	TOTAL	51,107,040.00

The LO further provides that AGSB shall within 6 months from the date of the Lease Agreement, submit building plans to the relevant authority for the approval of the construction of the industrial factory and to commence construction within 3 months from approval.

KTPC shall at its own cost and expense, render all the necessary assistance and support to AGSB to facilitate AGSB in obtaining the relevant consents and approvals for the use of Land A.

Relative figures computed on the bases set out in Rule 1006 in relation to the lease of Land A

The relative figures computed on the bases set out in Rule 1006 of the Catalyst Rules in respect of the leasing of the Land are as follows:

Rule	Bases of computation	Size of relative figure
1006(a)	Net asset value of assets being disposed of, compared with the Group's net asset value	Not applicable ⁽¹⁾
1006(b)	Net profit/(loss) attributable to the assets acquired, compared with the Group's net profits	Not applicable ⁽²⁾
1006(c)	Aggregate value of consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	28.88% ⁽³⁾
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
1006(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate to the Group's proven and probable reserves. This basis is applicable to a disposal of mineral, oil and gas company, but not to an acquisition of assets.	Not applicable ⁽⁵⁾

Notes:

- (1) Not applicable as the transaction is not a disposal.
- (2) Not applicable as this relates to a land lease.
- (3) Based on the Consideration Sum of RM51,107,040 and the Company's market capitalisation of approximately RM176,963,788 (based on the exchange rate of S\$1.00: RM3.0556), being the issued ordinary share capital of the Company of 983,269,594 shares ("Shares") (excluding treasury shares) at the volume weighted average price of S\$0.0589 per Share on 11 August 2020, which is the market day preceding the date of the LO.
- (4) Not applicable as there are no equity securities issued as consideration.
- (5) Not applicable as the Company is not a mineral, oil and gas company.

As the relative figure under Catalyst Rule 1006(c) exceeds 5% but does not exceed 75%, the lease of Land A constitutes a discloseable transaction within the meaning of Chapter 10 of the Catalyst Rules.

5.3 Salient terms of the FRR

In furtherance to the LO, AGSB has also been given by KTPC the FRR for a period of 1 year up to 11 August 2021, commencing 12 August 2020 to lease Land B for a period of 60 years with an option to extend for a further term of 39 years, at the consideration sum

of RM64,523,200, calculated at a rate of RM40 per square foot, for the future expansion of the Proposed New Business.

6 ENTRY INTO MEMORANDUM OF UNDERSTANDING WITH INVEST KEDAH BERHAD TO FACILITATE THE ESTABLISHMENT OF THE PROPOSED NEW BUSINESS

AGSB has, on 12 August 2020, entered into a MOU with IKB to engage in the discussions to explore the parameters of the co-operation in the facilitation of activities relating to the Proposed New Business.

IKB is a Government-Linked Company (GLC) entrusted to attract, facilitate and support business investments in Kedah. IKB plays the key role of working with government agencies and local authorities to ensure a seamless set up process for local and international investors.

In accordance with the terms and conditions of the MOU, IKB shall use its best endeavours to facilitate, promote and/or assist AGBS in the submission and approval relating to the Proposed New Business, including the fast-track channel by engaging with the relevant authorities at the state level.

7 PRO FORMA FINANCIAL EFFECTS OF THE LEASING OF LAND A

Assuming the lease of Land A (the “**Lease**”) was effected at the end of the most recently completed financial year ended 31 December 2019, the Lease would not have had any material impact on the net tangible assets per share of the Group for the financial year ended 31 December 2019.

Assuming the Lease was effected at the beginning of the most recently completed financial year ended 31 December 2019, the Lease would not have had any material impact on the earnings per share of the Group for the financial year ended 31 December 2019.

8 CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in the shares of the Company. In the event of any doubt as to the action they should take, Shareholders should consult their stockbrokers, solicitors, accountants or other professional advisers. The leasing of Land A and Land B are subject to the execution of the definitive agreements and there is no certainty or assurance that the definitive agreements will be entered into, that the completion of the leasing of Land A and Land B will take place or that Shareholders’ approval of the Proposed Diversification will be obtained. The Company will make the necessary announcements as and when there are material developments on the Proposed Diversification, Joint Venture and Lease of Land A and Land B and other matters contemplated by this announcement.

9 EGM AND CIRCULAR TO SHAREHOLDERS

Implementation of the Proposed Diversification and the entering into the Lease Agreement is conditional upon Shareholders' approval of the Proposed Diversification to include the Proposed New Business as part of the Group's existing core business, at the EGM. A circular containing, inter alia, the notice of the EGM and the details of the Proposed Transactions will be dispatched to Shareholders in due course.

10 INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save and except for the acquisition of AGSB from Dato' Murly Manokharan as provided in Paragraph 3 of this Announcement, none of the directors or the controlling shareholders of the Company has any interests, direct or indirect in the Proposed Transactions (other than through their respective effective shareholding interests in the Company).

11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the LO and FRR are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 80 Robinson Road, #02-00, Singapore, 068898 for a period of three (3) months from the date of this announcement.

12 RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Transactions and the Company, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

Aspen (Group) Holdings Limited

Dato' Murly Manokharan
President and Group Chief Executive Officer
12 August 2020

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).