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## PROPOSED DIVESTMENT OF ENTIRE 30% INTEREST IN GLOBAL VISION LOGISTICS 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 the Company’s indirect subsidiary, Aspen Vision Properties Sdn. Bhd. (“**AVP**”), has on 24 March 2023 entered into a sale and purchase agreement (“**SPA**”) with Hartamas Mentari Sdn Bhd (“**HMSB**”) and Swift Haulage Bhd. (“**SHB**”) (collectively the “**Purchasers**”) for the sale of its entire shareholding of 30% of the issued and paid-up share capital, comprising of 750,000 ordinary shares (“**OS**”) and 2,248,500 redeemable preference shares (“**RPS**”) (collectively the “**Sale Shares**”), in Global Vision Logistics Sdn. Bhd. (“**GVL**”) to the Purchasers for an aggregate cash consideration of RM32,851,017.00 (approximately S\$9,829,024.29) (“**Consideration**”) (the “**Proposed Divestment**”).

Pursuant to the SPA, SHB will acquire 437,500 OS and 1,311,625 RPS, whereas HMSB will acquire 312,500 OS and 936,875 RPS representing 17.5% and 12.5% of the issued and paid-up share capital in GVL, respectively. The Purchasers will also cause GVL to repay the shareholder’s advance made by AVP amounting to RM7,148,983.00 (the “**Shareholder’s Advance**”) to AVP.

The Proposed Divestment will constitute a major transaction under Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Listing Manual**”). Please refer to paragraph 5 of this announcement for further details.

Accordingly, the Proposed Divestment is subject to the approval of the shareholders of the Company (“**Shareholders**”) under Rule 1014 of the Listing Manual by way of an ordinary resolution. The Company will be seeking the approval of its Shareholders for the Proposed Divestment at an extraordinary general meeting (“**EGM**”) to be convened.

### 2. BACKGROUND OF THE PROPOSED DIVESTMENT

#### 2.1 Information on GVL

GVL was incorporated in Malaysia on 27 October 2017. The principal activity of GVL is warehousing and storage services.

As at the date of this announcement, GVL has an issued and paid-up share capital of RM75.2 million divided into: (i) RM2.5 million OS of RM0.10 each; and (ii) 7,495,000 RPS of RM10 each. AVP holds 30% of the issued share capital in GVL while the remaining 70% is held by the Purchasers and Ideal Force Sdn. Bhd (“**IFSB**”).

The shareholding breakdown of GVL is as follows:-

Shareholders	Percentage of shareholdings	No of shares	
		OS <sup>(*)</sup>	RPS <sup>(*)</sup>
AVP	30%	750,000	2,248,500
HMSB	30%	750,000	2,248,500
SHB	25%	625,000	1,873,750
IFSB	15%	375,000	1,124,250

*Note:*

<sup>(\*)</sup> OS is at RM0.10 per shares

<sup>(\*)</sup> RPS is at RM10.00 per shares

Based on the Group's unaudited consolidated financial statements for the six months ended 31 December 2022 ("**HY2023**"), being the latest announced consolidated financial statements of the Company, the Company's total investment in GVL was RM22,560,000.00 consisting of ordinary shares amounting to RM75,000.00 and RPS amounting to RM22,485,000.00.

GVL intends to launch a phased development of an integrated logistics and warehousing facility on 3 pieces of land collectively measuring approximately 71 acres situated in Section 16, Shah Alam, Selangor (the "**Project**"). The Project is set to be the first green-certified logistics hub in Malaysia and one of ASEAN's largest that is expected to be completed over 2 phases. Phase 1 of the Project is expected to be completed by mid-2025 and will have a total net lettable area of 2.8 million square feet. The remaining phases of the Project are expected to be completed by the end of 2028.

Based on the Group's unaudited consolidated financial statements for HY2023, the book value attributable to the Sale Shares is approximately RM95.2 million.

## 2.2 Information about the Purchasers

HMSB is a private limited company incorporated in Malaysia and its principal activities are that of an investment holding company and electrical power supplier.

SHB is incorporated in Malaysia and listed company on Bursa Malaysia. SHB's principal activities are investment holding and the provision of integrated logistics services comprising container haulage, land transportation, warehousing and freight forwarding agency services.

## 2.3 Rationale of the Proposed Divestment

The Board, after careful consideration, is of the view that it is in the best interests of the Group to undertake the Proposed Divestment for the following reasons:

- i. Based on GVL's initial cost estimation, the Project is expected to cost GVL RM2.1 billion (the "**Project Cost**"). As previously announced by the Company on 8 March 2023, GVL has lodged with the Securities Commission Malaysia an Islamic medium-term notes (the "**ASEAN Green SRI Sukuk Murabahah**") programme of up to RM1.5 billion in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) based on the Securities Commission Malaysia's Sustainable and Responsible Investment Sukuk framework and the ASEAN Capital Markets Forums ASEAN Green Bond Standards (the "**Programme**"). Based on the terms and conditions of the Programme, the total Project cost will be funded up to 70% by the

proceeds raised from the issuance of the ASEAN Green SRI Sukuk Murabahah under the Programme. Whereas the remaining 30% of the total Project cost will be funded by a proportionate equity contribution by the existing shareholders of GVL including AVP. The equity contribution is required to be contributed upfront before the commencement of each tranche of the Programme. The first tranche comprising RM620 million in nominal value ASEAN Green SRI Sukuk Murabahah is expected to be issued in Q2 2023.

An estimated RM104 million upfront equity contribution will be required from the shareholders of GVL for the Programme. Accordingly, in proportionate to AVP's 30% shareholding in GVL, the Group will be required to invest a further RM31.2 million in GVL for the purposes of the Programme.

GVL intends to initiate a rights issue to raise the required equity contribution from the shareholders for the Programme ("**Proposed Rights Issue**"). If AVP does not take part in the Proposed Rights Issue to contribute the required capital investment, AVP's shareholding in GVL will be diluted.

Given the high investment value of the Project, GVL is only expected to be profitable after the completion of the Project and achieving a steady flow of income which will be very much dependent on market conditions and demand. Hence, the Proposed Divestment will provide the Company a clean exit with all cash proceeds up front instead of holding an investment asset that requires significant capital investment and is subject to longer gestation periods before realising any potential profits.

- ii. The Proposed Divestment presents a good opportunity for the Group to realise cash flow to improve the Group's cash position to better combat any risks of a global economic recession and meet short-term commitments.
- iii. The constitution of GVL stipulates that RPS in GVL may only be transferred to existing RPS holders. Hence, AVP is unable to offer the RPS together with the OS to other third parties to get better terms.
- iv. The Proposed Divestment will also allow the management to better focus its time and attention on its core property development business.

## 2.4 Valuation

The open market value of the Sale Shares is not available as the Sale Shares are not listed or traded on any securities exchange.

Based on the latest unaudited financial statements of GVL, the Land represents 96.2% of GVL's total asset value, whereas other assets are 3.8%. Given that currently GVL does not have any business except the intended Project, the Company is of the view that the valuation of the Land would be an appropriate indicator/approximation of the value of the Sale Shares for the purpose of the Proposed Divestment and no valuation of the Sales Shares was commissioned for the purpose of the Proposed Divestment. Accordingly, pursuant to Rule 1014(5) of the Listing Manual, the Company had appointed One Asia Property Consultants (Pg) Sdn. Bhd. (the "**Independent Valuer**"), an independent firm of professional valuers registered with The Board of Valuers, Appraisers and Estate Agents Malaysia and Property Managers, to value the Land to determine the approximate value of the Sale Shares .

The Independent Valuer has valued the Land at RM435 million ("**Valuation**"). Further details of the Valuation will be provided in the circular that will be despatched to

Shareholders in due course.

## 2.5 Use of Sale Proceeds

The proceeds arising from the Proposed Divestment will be utilised for the general working capital of the Group.

## 3. PRINCIPAL TERMS OF THE PROPOSED DIVESTMENT

### 3.1 Consideration

The Consideration was arrived at after arm's length negotiations between AVP and the Purchasers and on a willing-buyer and willing-seller basis, taking into account, inter alia, the following factors:

- i. the Valuation of the Land as appraised by the Independent Valuer;
- ii. the current market conditions and the growing threat of global recession; and
- iii. the rationale for and benefits to the Group arising from the Proposed Divestment, details of which are set out in paragraph 2.3 of this announcement.

Pursuant to the terms of the SPA, the Consideration shall be paid in the following manner:-

- (a) Upon signing of the SPA, the Purchasers shall pay RM4,000,000.00 to AVP; and
- (b) Within seven (7) business days from the Unconditional Date (as defined herein), the Purchasers shall pay RM28,851,017.00 ("**Balance Purchase Price**") to AVP

Simultaneously with the payment of the Balance Purchase Price, the Purchasers shall cause GVL to repay the Shareholder's Advance to AVP.

### 3.2 Condition Precedent

The SPA is conditional upon the approval of Shareholders of the Company being obtained at an EGM of the Company to be convened in relation to the Proposed Divestment ("**AGH EGM Approval**") ("**Condition Precedent**").

The Condition Precedent shall be fulfilled within sixty (60) days from the date of the SPA, with an automatic extension of a further thirty (30) days, or such other date as may be mutually agreed upon by the parties.

The SPA shall become unconditional on the date the Purchasers receive a certified true extract of the AGH EGM Approval ("**Unconditional Date**").

Completion of the SPA will be upon payment of the Balance Purchase Price and repayment of the Shareholders Advance to AVP, within seven (7) business days from the Unconditional Date.

## 4. FINANCIAL EFFECTS OF THE PROPOSED DIVESTMENT

### 4.1 Assumptions

The pro forma financial effects in this section have been prepared based on the most recently audited consolidated financial statements of the Group for the financial year ended 30 June 2022 and under the following assumptions:

- (a) that the Proposed Divestment had been completed on 1 January 2021 for the purposes of illustrating the financial effects on the Group's earnings per share ("**EPS**"); and
- (b) that the Proposed Divestment had been completed on 30 June 2022 for the purposes of illustrating the financial effects on the Group's net tangible assets ("**NTA**") per share.

The pro forma financial effects presented below are for illustrative purposes only and should not be taken as an indication of the actual financial performance or position of the Group following the Proposed Divestment nor a projection of the future financial performance or position of the Group after the completion of the SPA.

#### 4.2 NTA per Share

	Before the Proposed Divestment	After the Proposed Divestment
NTA (RM'000)	384,471	322,100
Number of Shares ('000)	1,083,270	1,083,270
NTA per Share (RM cent)	35.49	29.73

#### 4.3 EPS

	Before the Proposed Divestment	After the Proposed Divestment
Net profit attributable to shareholders after tax from continuing operations (RM'000)	(180,026)	(242,397)
Number of weighted average shares ('000)	1,083,270	1,083,270
Earnings per share (RM cent)	(16.62)	(22.38)

#### 4.4 Deficit of Proceeds over the Book Value

The expected loss arising from the Proposed Divestment will be approximately RM62.4 million, which represents the deficit of proceeds over book value, based on the Group's unaudited consolidated financial statements for HY2023. Despite the expected loss in consolidated financial statements, the Group earns a gain amounting to RM10.3 million from the principal investment of RM22.6 million in GVL. Further, the Board believes that it is in the best interests of the Company to proceed with the Proposed Divestment for the reasons set out in paragraph 2.3 of this announcement.

### 5. **RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL**

The relative figures of the Proposed Divestment computed on the bases set out in Rule

1006(a) to (d) of the Listing Manual based on the latest unaudited consolidated financial statements of the Company for HY2023, being the latest announced consolidated financial statements of the Company are as follows:

Listing Rule	Bases of Calculation	Relative Figure (%)
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	16.18% <sup>(1)</sup>
1006(b)	The net profits/loss attributable to the assets acquired or disposed of, compared with the Group's net profits/loss.	(9.05%) <sup>(2)</sup>
1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	27.62% <sup>(3)</sup>
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable <sup>(4)</sup>
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable <sup>(5)</sup>

Note:

- (1) Under Rule 1002(3)(a) of the Listing Manual, "net assets" means total assets less total liabilities. Based on 30% of the net asset value of the investment of approximately RM242.5 million as at HY2023 and the net assets value of the Group of RM449.7 million as at HY2023.
- (2) Based on 30% of the net loss attributable to the Proposed Divestment approximately RM3.8 million as at HY2023 and the net loss value of the Group of RM12.6 million as at HY2023. Net profit/loss is defined to be profit or loss before income tax, minority interests and extraordinary items.
- (3) The aggregate amount to be received by AVP is RM40 million, being Consideration of RM32,851,017.00 and repayment of Shareholder's Advance of RM7,148,983.00 ("**Adjusted Consideration**"). The Adjusted Consideration expressed as a percentage of the Company's market capitalisation of approximately RM144.8 million (based on the exchange rate of S\$ 1 : RM3.3422) on 24 March 2023 being the last full market day on which shares of the Company were traded on the SGX-ST prior to this announcement. The Company's market capitalisation was determined by multiplying the number of shares in issue (1,083,269,594) by the weighted average price of such shares transacted on 24 March 2023 (S\$0.04).

- (4) The Proposed Divestment is a disposal of asset not an acquisition of assets. No equity securities will be issued by the Company in connection with the Proposed Divestment.
- (5) The Company is not a mineral, oil and gas company.

Having regard to the above, the Proposed Divestment is classified as a “major transaction” under Chapter 10 of the Listing Manual as the relative figure under Rule 1006(c) of the Listing Manual exceeds 20%. Accordingly, the Proposed Divestment must be made conditional upon approval by shareholders in a general meeting.

The Company will be seeking specific Shareholders' approval for the Proposed Divestment at an EGM to be convened and further details of the Proposed Divestment will be provided in a circular that will be despatched to Shareholders in due course.

## **6. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial shareholders of the Company (other than in their capacity as Directors or shareholders of the Company) has any interest, direct or indirect, in the Proposed Divestment.

## **7. SERVICE CONTRACTS**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Divestment. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## **8. DIRECTORS' 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 Divestment, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in the 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 its proper form and context.

## **9. DOCUMENTS FOR INSPECTION**

A copy of the SPA will be available for inspection during normal business hours at the registered office of the Company at 80 Robinson Road #02-00 Singapore 068898 for a period of three (3) months commencing from the date of this announcement.

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

Aspen (Group) Holdings Limited

Dato' Murly Manokharan  
President and Group Chief Executive Officer  
24 March 2023