

## **ACCEPTANCE OF A NON-BINDING LETTER OF INTENT FOR SUB-LEASE OF PART OF ASPEN GLOVE SDN BHD'S LEASE LAND WITH FACTORY BUILDINGS**

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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 Glove Sdn. Bhd. (“**AGSB**”), is in negotiations with a wholly owned subsidiary of a Europe-headquartered multinational company (“**Potential Sub-Lessee**”), to sub-lease part of all that piece of land held under Geran No. 218490 Lot 60230 Seksyen 11 (formerly known as Hakmilik Sementara No. H.S.(D) 73801, No. PT 4065) Seksyen 11, Bandar Lunas, Daerah Kulim, Negeri Kedah measuring approximately 117,200.00 square meters together with all factory buildings, ancillary buildings and infrastructures erected thereon bearing municipal address No. 9, Lebuhraya Perdana, Fasa IV, Kulim Hi-Tech Park, 09090 Kulim Kedah (“**Proposed Sub-Lease**”), following the acceptance of a Non-Binding Letter of Intent (“**LOI**”) from the Potential Sub-Lessee by AGBS on 28 April 2023.

The LOI is intended to be a basis for further negotiations and does not give rise to a legally binding obligation on the parties to execute a definitive sub-lease agreement.

### **2. INFORMATION ON THE PROPOSED SUB-LEASE**

Some of the key provisions of the LOI are as set out below, which remain subject to the execution of a definitive sub-lease agreement:-

- (a) **Tenure of the sub-lease:** 15 years (consisting of an initial term of 5 years with an automatic extension of a further second and third term of 5 years each);
- (b) **Rental:** The aggregate gross rental for the full tenure of 15 years will be approximately RM197 million. The aggregate gross rental for the initial term of 5 years and second term of 5 years will be a fixed amount of approximately RM51million and RM64 million respectively, the aggregate gross rental for the third term of 5 years will be approximately RM82 million or such other sum based on the prevailing market rate on year 11 of the tenure, subject to the parties’ negotiations;
- (c) **Exclusivity Period:** Both parties will negotiate the terms of the definitive sub-lease agreement within the exclusive negotiation period ending on 31 May 2023;
- (d) **Projected date of execution of sub-lease agreement:** 1 June 2023;
- (e) **Projected date of delivery of vacant possession to Potential Sub-Lessee:** 1 July 2023; and
- (f) **Projected date of commencement of Proposed Sub-Lease and commencement of rental payment:** 1 August 2023.

### **3. CONFIDENTIALITY**

The Potential Sub-Lessee has requested confidentiality with respect to the negotiations of the Proposed Sub-Lease until the signing of the definitive sub-lease agreement and therefore, the Company will announce further information regarding the Proposed Sub-Lease upon the signing of the definitive sub-lease agreement.

### **4. FINANCIAL EFFECTS OF THE PROPOSED SUB-LEASE**

Upon finalization and execution of the definitive sub-lease agreement by AGSB and the Potential Sub-Lessee, the Proposed Sub-Lease is expected to contribute positively to the earnings of the Group during the 15-year tenure of the sub-lease.

### **5. 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 Sub-Lease.

### **6. FURTHER ANNOUNCEMENT**

The Company will make further announcements to keep shareholders and potential investors informed, as and when there are further updates pertaining to the above matter, or, if there are any material developments.

### **7. CAUTIONARY STATEMENT**

Shareholders and potential investors should note that there is no assurance that a definitive sub-lease agreement will be entered into following the acceptance of the LOI. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully and to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take, should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

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

Aspen (Group) Holdings Limited

Dato' Murly Manokharan  
President and Group Chief Executive Officer  
28 April 2023