



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

(1) ENTRY INTO JOINT VENTURE CUM SHAREHOLDERS' AGREEMENT BY ASPEN VISION DEVELOPMENT SDN. BHD.

(2) ENTRY INTO A LEGALLY BINDING HEADS OF AGREEMENT WITH RAILWAY ASSETS CORPORATION

1. INTRODUCTION

The Board of Directors (the "**Board**") of Aspen (Group) Holdings Limited (the "**Company**") and together with its subsidiaries, "**Aspen**") is pleased to announce that:

- 1.1** the Company's indirect wholly owned subsidiary, Aspen Vision Development Sdn. Bhd. ("**AVD**") has on 11 November 2024 entered into a Joint Venture cum Shareholders' Agreement ("**JVSHA**") with Futuprop Sdn. Bhd. ("**FSB**"), in relation to a joint venture between AVD and FSB to undertake the development of the lands comprising part of land held under HSD 28162 known as Lot 286, lands held under GRN 157615 and GRN 157616 known as Lot 65 and Lot 67, all within town of Prai, Seberang Perai Tengah, Pulau Pinang respectively and measuring a total land area of approximately 36.025 acres ("**Said Land**") via Rivanis Ventures Sdn. Bhd., a special purpose vehicle incorporated under the laws of Malaysia for the purpose of the aforesaid joint venture ("**JV Co**"); and
- 1.2** the JV Co has on 11 November 2024 entered into a legally binding Heads of Agreement ("**HOA**") with the owner of the Said Land, Perbadanan Aset Keretapi (Railway Assets Corporation) ("**RAC**"), in relation to the development of the Said Land by the JV Co ("**the Project**"). Further details of the Project are stated below in paragraph 3.1.

2. ENTRY INTO JVSHA BY AVD

2.1 Information On FSB

FSB is a company incorporated under the laws of Malaysia and is a wholly owned subsidiary of Kerjaya Prospek Group Bhd. ("**KPGB**"). KPGB is a company listed on the Main Market of Bursa Malaysia Securities Berhad and is principally involved in construction of high-end commercial and high-rise residential buildings, property development and manufacturing of lighting and kitchen solutions.

To the best knowledge of the Board, FSB is not related to the Directors or controlling Shareholders of the Company and their respective associates save and except that, as disclosed in KPGB's announcement to Bursa Malaysia dated 11 November 2024 in relation to the entry into the JVSHA, Dato' Seri Tee Eng Ho ("**DSTEH**") and Dato' Tee Eng Seng ("**DTES**"), the major shareholders of KPGB by virtue of their shareholdings in Javawana Sdn. Bhd, holds 2.22% shares in the Company via a company jointly controlled by DSTEH and DTES.

2.2 Principal Terms of the JVSHA

a) The JV Co

The primary business of the JV Co is to undertake the Project.

b) Subscription of Ordinary Shares in the JV Co

Upon execution of the JVSHA, the capital of the JV Co shall be RM100.00 to be subscribed by FSB and AVD in the following proportions:

Party	Paid-up Capital	Ordinary Shares	Equity Proportions
FSB	RM55.00	55	55%
AVD	RM45.00	45	45%
TOTAL	RM100.00	100	100%

Following the subscription of the ordinary shares in the JV Co by FSB and AVD, the equity interest of FSB and AVD in the share capital of the JV Co shall be 55% and 45% respectively, making JV Co an associate of the Company.

c) Board Composition

The board of JV Co shall comprise of seven (7) Directors of which four (4) Directors shall be nominated by FSB and three (3) Directors shall be nominated by AVD. The post of chairman shall be appointed by the single holder of the largest number of shares in JV Co and the chairman shall have no casting vote.

d) Board Reserved Matters

Amongst others, the following matters shall require the approval of all the directors of the JV Co:

- (i) Block sale of development units exceeding value of RM10,000,000.
- (ii) Approval of business plan and variations to any approved business plan.
- (iii) Establishment of any special reserves, provisions or retention not in ordinary course of business and application or utilisation of the same.
- (iv) Approval of annual accounts.
- (v) Establishment of the financial frameworks and policies for the JV Co.
- (vi) Any recommendation or determination as to further working capital.
- (vii) Approval of annual budget of the JV Co.
- (viii) Acquisition, lease, disposition, sale, transfer, conveyance, mortgage, charge, license, exchange or acts of any other description of, over, or howsoever concerning the property or assets of the JV Co which are not in the ordinary course of business and which exceed a value of RM10,000,000 in any single transaction.
- (ix) Initiate, compromise or settle any legal or arbitration proceedings by or against the JV Co other than debt collection in the ordinary course of business.
- (x) Declaration and manner of payment of dividend.
- (xi) Incurrence of borrowings in whatsoever manner.

- (xii) Make any loan or advance or give credit (other than normal trade credit) to any person in whatsoever manner.
- (xiii) Give any guarantee or indemnity or power of attorney or performance bond (other than guarantee or indemnity or power of attorney or performance bond in the ordinary course of business) to any person in whatsoever manner.
- (xiv) Create any fixed or floating charge, lien or other encumbrance over the whole or part of the undertaking, property or asset of the JV Co.

e) Shareholders' Reserved Matters

Amongst others, the following matters shall require the approval of both FSB and AVD:

- (i) Sale or purchase of substantial assets (equal to or exceeding 25% of the JV Co's net tangible assets) that are not in the ordinary course of business.
- (ii) Merger, consolidation or amalgamation of the JV Co with any other company, association, partnership or legal entity and the acquisition of any shares in any body corporate or participation in any partnership or joint venture agreement, provided that approval, affirmative vote or consent shall not be unreasonably withheld or refused.
- (iii) Redemption, purchase or cancellation of any shares or issue of further shares or other dilution of the interests of the shareholders of the JV Co or variation of any rights attaching to any shares of the JV Co.
- (iv) Application for listing or quotation of the shares of JV Co on any stock exchange.
- (v) Alteration in the share capital of the JV Co including issuance of any securities, consolidation or subdivision.
- (vi) Acquisition or incorporation of any subsidiary or any shares in another company, partnership or venture.
- (vii) Change in constitution of the JV Co.
- (viii) Voluntary winding up of the JV Co.
- (ix) Any board matter on which the board is unable to reach a decision in the manner provided by the JVSHA.

2.3 Financial Effects of the JVSHA

The JVSHA does not have any material impact on the consolidated net tangible assets and earnings per share of the Company and Aspen for the financial year ended 30 June 2024 as the total cost of investment of the Company in the JV Co is RM45.00 only.

3 ENTRY INTO HOA WITH RAC

3.1 Information on the Project

RAC had on 24 August 2023 issued an open tender vide Request for Proposal for the development of the Said Land. AVD and KPGB submitted a joint proposal, which was subsequently accepted by RAC. The HOA was entered into between RAC and the JV Co to formally record the parties' intention to carry out the Project and set out each party's obligations prior to the execution of a sale and development agreement in relation to the sale and development of the Said Land ("**Definitive Agreement**").

The Said Land, located in Perai, Penang, and measuring a total area of approximately 36.025 acres is strategically positioned between the Perai River and Taman Inderawasih. It offers direct connectivity to Butterworth, Bukit Mertajam and Penang Island via the Penang Bridge and is accessible from the northern region, including Bertam and Batu

Kawan, through the North-South Expressway.

The Said Land is also in close proximity to Penang Sentral, a major transportation hub that will feature a Light Rail Transit (“**LRT**”) terminal as part of the Penang LRT project, a key initiative under the recently announced Malaysian Government’s 2025 Budget. With construction slated to commence in December 2024, the LRT expansion at Penang Sentral, together with the upcoming Juru-Sungai Dua Elevated Highway, would further enhance regional accessibility and improve connectivity to the Said Land.

The JV Co will undertake the development of the Said Land comprising of 338 units of affordable housing, 1,680 residential units, 1,680 serviced apartments, and commercial retail shops and offices, subject to approvals from relevant authorities and the terms of the Definitive Agreement (“**Proposed Development**”). The Proposed Development is planned to be completed in stages over a period of seven years and it will also involve the relocation of current occupiers on the Said Land to the affordable housing units to be developed on the Said Land.

As the next phase to the Proposed Development, the JV Co will be given the first right of refusal to develop the adjacent land measuring approximately 19.68, on the terms and conditions to be agreed in the Definitive Agreement.

3.2 Information on RAC

RAC is a federal statutory body which has the function by virtue of the Railways Act 1991 [Act 463] to *inter alia*, manage, administer and maintain the assets related to railway and its ancillary facilities as well as to undertake projects for the development or redevelopment of the railway industry in Malaysia.

To the best knowledge of the Board, RAC is not related to the Directors or controlling Shareholders of the Company and their respective associates.

3.3 Principal Terms of the HOA

a) Requisite Approval

RAC shall apply for and use all reasonable endeavour to procure the statutory approval of the Minister of Transport and/or the Cabinet of Malaysia for the development of the Said Land (“**Requisite Approval**”) within sixty (60) days from the date of the HOA or such extended period of time as RAC and JV Co may mutually agree (“**Approval Period**”).

b) Definitive Agreement

RAC and JV Co shall endeavour to execute the Definitive Agreement within sixty (60) days from the date of the HOA or such extended period of time as RAC and JV Co may mutually agree (“**Agreement Period**”).

c) Sale and Development of the Said Land

Subject to the Requisite Approval being obtained, and the execution of the Definitive Agreement between RAC and JV Co, RAC shall sell and permit JV Co to develop, and JV Co shall acquire and carry out the Proposed Development on the Said Land, the specific terms of which shall be agreed in the Definitive Agreement.

d) First Right of Refusal

RAC shall also give JV Co the first right of refusal to develop the adjacent land forming part of Lot 286 and Lot 287 located on Bandar Prai, Seberang Prai Tengah, Pulau Pinang measuring approximately 19.68 acres on the terms and conditions to be agreed in the Definitive Agreement.

e) Consideration

As consideration for the sale of the Said Land to JV Co to carry out the Proposed Development, JV Co shall provide RAC the following returns estimated at RM156,490,000.00 in total:

- (i) Cash return in the sum of RM54,100,000.00 (“**Cash Return**”); and
- (ii) 338 units of affordable housing in accordance with *Rumah Mampu Milik Kategori C3* (Affordable Housing Category C3) specifications established by the State Government of Penang (“**RMM**”) estimated to be worth RM102,390,000.00, taking into account the construction cost and costs associated with the relocation of the current occupiers on the Said Land.

Upon the execution of the Definitive Agreement, JV Co shall provide RAC with corporate guarantees from AVD and KPGB to guarantee the payment of the Cash Return and completion of the Project in accordance with the terms of the Definitive Agreement.

f) Cash Return Payment Terms

The Cash Return shall be paid by JV Co to RAC as follows:

No.	Cash Return Payment Stages	Terms
1.	Advance Payment	Advance Payment in the sum of Ringgit Malaysia One Million and Eighty-Two Thousand (RM1,082,000.00) only, equivalent to 2% of the Cash Return, upon execution of the HOA.
2.	First Payment	The sum of Ringgit Malaysia Four Million Three Hundred and Twenty-Eight Thousand (RM4,328,000.00) only, equivalent to 8% of the Cash Return, to be paid on the 12 th month from the date of the Definitive Agreement or upon development order for the Proposed Development is obtained, whichever is earlier.
3.	Second Payment	The sum of Ringgit Malaysia Thirteen Million Sixty-Four Thousand Four Hundred Ninety-Four and Twenty-Nine Sen (RM13,064,494.29) only, equivalent to 24.15% of the Cash Return, to be paid on the 24 th month from the date of the Definitive Agreement.

4.	Third Payment	The sum of Ringgit Malaysia Ten Million One Hundred Seven Thousand Seven and Fifty-Two Sen (RM10,107,007.52) only, equivalent to 18.68% of the Cash Return, to be paid on the 36 th month from the date of the Definitive Agreement.
5.	Fourth Payment	The sum of Ringgit Malaysia Twenty-Five Million Five Hundred Eighteen Thousand Four Hundred Ninety-Eight and Nineteen Sen (RM25,518,498.19) only, equivalent to 47.17% of the Cash Return, to be paid on the 84 th month from the date of the Definitive Agreement.

g) Termination

The HOA may be terminated by either party in the event:

- (i) the Requisite Approval is obtained but the Definitive Agreement is not executed within the Agreement Period; or
- (ii) the Requisite Approval is not obtained within the Approval Period not due to any default on RAC's part.

In such events, either party may terminate the HOA by giving the other party a written termination notice and RAC shall refund the Advance Payment to the JV Co within thirty (30) days from the date of termination.

3.4 Financial Effects of the HOA

The HOA is not expected to have any material impact on the consolidated net tangible assets and earnings per share of Aspen for the past financial year ended 30 June 2024.

4 RATIONALE FOR THE JVSHA AND HOA

The formation of the JV Co with FSB and the subsequent entry of the JV Co into a HOA with RAC, aligns with Aspen's focus on its core business expansion and growth in developments beyond Aspen Vision City, Batu Kawan. The Project also aligns with Aspen's goal of developing affordable residential and mixed development properties.

Further, the JV Co leverages the synergies between KPGB and Aspen as well as the business and commercial networks of KPGB, which may potentially benefit Aspen. By entering into the SHA, FSB and AVD will jointly commit resources, thereby optimising Aspen's financial resources and enhancing its ability to pursue growth opportunities with reduced capital expenditure impact.

5 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 JVSHA and HOA respectively (other than through their respective effective shareholding interests in the Company).

6 CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in the shares of the Company as the HOA is subject to, amongst others, the execution of a Definitive Agreement and there is no certainty or assurance that the definitive agreement will be entered into. In the event of any doubt as to the action they should take, Shareholders should consult their stockbrokers, solicitors, accountants or other professional advisers.

7 FURTHER UPDATES

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.

BY ORDER OF THE BOARD

Aspen (Group) Holdings Limited

Dato' Murly Manokharan
President and Group Chief Executive Officer
11 November 2024