



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

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## GLOBAL SETTLEMENT WITH TIALOC MALAYSIA SDN. BHD.

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### 1. INTRODUCTION

1.1 The Board of Directors (the “**Board**”) of Aspen (Group) Holdings Limited (the “**Company**”) and together with its subsidiaries, “**Aspen**”) refers to the Company’s announcement dated 30 August 2023 and 27 December 2023 (collectively, the “**Announcements**”) in relation to the:

1.1.1 the lawsuit in the High Court of Malaya at Penang filed by Tialoc Malaysia Sdn. Bhd. (“**Tialoc**”) against; (a) the Company’s indirect subsidiary, Aspen Glove Sdn. Bhd. (in liquidation) (“**AGSB**”); (b) the former directors of AGSB, (c) the Company; and (d) the Company’s direct subsidiaries, Aspen Vision All Sdn. Bhd. (“**AVA**”) and KHTP Assets Sdn. Bhd.; and

1.1.2 the lawsuit in the High Court of Malaya at Penang filed by the Company, AVA and the former directors of AGSB appointed by the Aspen against; (a) Tialoc; (b) its shareholder and related companies concerned; and (c) the respective directors of Tialoc, its shareholder and related companies concerned

(collectively referred to as the “**Legal Proceedings**”).

*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Announcements.*

1.2 The Board wishes to announce that the Company and AVA had on 31 March 2024 reached a global settlement with Tialoc to fully and finally settle all claims and disputes arising from, in connection with and consequent to the Legal Proceedings by way of executing a settlement agreement (the “**Settlement Agreement**”) between Tialoc, the Company, AVA and its indirect subsidiary, Aspen Vision Development (Central) Sdn. Bhd. (“**AVDC**”).

### 2 KEY SALIENT TERMS OF THE SETTLEMENT AGREEMENT

2.1 The key salient terms of the Settlement Agreement are summarised as follows:

2.1.1 Aspen shall pay Tialoc a settlement sum of RM40,000,000.00 (subject to variation, in accordance with paragraph 2.2 below) (“**Settlement Sum**”);

2.1.2 The Settlement Sum shall be paid from the proceeds of the disposal of a piece of land held by AVDC (the “**Land**”)<sup>1</sup>;

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<sup>1</sup> The Board is of the view that it is in the best interests of Aspen that the specific details of the Land be kept confidential to avoid any adverse effect on the potential disposal of the Land including the disposal price.

- 2.1.3 Tialoc shall assign all its rights, benefits, title and interests in the sum of RM84,348,615.31 together with financing and other charges payable by AGSB to Tialoc pursuant to the Adjudication Decision under CIPAA 2012 dated 28 July 2023, as announced by the Company on 1 August 2023 ("**Debt**") to AVA together with all remedies for enforcing the same. Pursuant to the assignment, AVA shall have the absolute right to deal with the Debt as it deems fit;
- 2.1.4 Tialoc and Aspen shall release and discharge each other from all claims and liabilities in relation to the Legal Proceedings and the Legal Proceedings shall be discontinued. The Settlement Agreement shall constitute a full and final settlement of all claims between the parties.
- 2.2 In relation to the potential disposal of the Land:-
- 2.2.1 Tialoc shall use its best effort to identify a suitable purchaser ("**Potential Purchaser**") for the Land. AVDC shall enter into a sale and purchase agreement with the Potential Purchaser for the disposal of the Land ("**SPA**");
- 2.2.2 Tialoc shall be entitled to a sum equivalent to 53% of the proceeds from the sale of the Land. Unless otherwise agreed by Tialoc and Aspen, the minimum selling price of the Land shall be RM75,000,000.00. Tialoc and Aspen shall agree to the sale of the Land at a reduced selling price of not less than RM 67,500,000.00 after six (6) months from the date of the Settlement Agreement ("**Reduced Selling Price**");
- 2.2.3 In the event that the disposal of Land is not achieved within twelve (12) months from the date of the Settlement Agreement ("**the Long Stop Date**"):-
- a) If due to Aspen's disagreement for the Land to be sold at the Reduced Selling Price, Aspen shall pay Tialoc a sum equivalent to 53% of the Reduced Selling Price;
  - b) If due to Tialoc's disagreement for the Land to be sold at the Reduced Selling Price, Tialoc (or its nominee) shall purchase the Land from AVDC at the Reduced Selling Price by paying AVDC a sum equivalent to 47% of the Reduced Selling Price;
  - c) If due to Aspen's refusal to dispose the Land in accordance to the terms of the Settlement Agreement or failure to obtain the approval of the shareholders of the Company for the potential disposal of the Land, Aspen shall pay Tialoc the sum of RM40,000,000.00;
  - d) If not due to the fault of any party, such as a Potential Purchaser cannot be secured within the Long Stop Date, then:
    - i. If Tialoc notifies AVDC within twenty-one (21) days from the Long Stop Date of its intention to purchase the Land ("**Tialoc's Notification Period**"), then AVDC and Tialoc shall within fourteen (14) days from such notification enter into an SPA for the sale of the Land at the Reduced Selling Price, wherein Tialoc shall pay AVDC a sum equivalent to 47% of the Reduced Selling Price. The SPA shall be conditional upon the approval of the shareholders of the Company;
    - ii. if Tialoc does not notify AVDC of its intention to purchase the Land within Tialoc's Notification Period, then Aspen shall have the option to pay Tialoc

a sum equivalent to 53% of the Reduced Selling Price within twenty one (21) days from the expiry of Tialoc Notification Period (“**Payment Period**”); and

- iii. if Tialoc does not notify AVDC of its intention to purchase the Land within Tialoc’s Notification Period and Aspen does not opt to pay Tialoc a sum equivalent to 53% of the Reduced Selling Price within the Payment Period, AVDC shall issue such number of redeemable preference shares equivalent to RM40,000,000.00 (“**RPS**”) to Tialoc within sixty (60) days from the expiry of the Payment Period and the RPS will be redeemed by AVDC based on profits to be derived from the development of the Land. The RPS will be without any interest and will rank in priority over the ordinary shares in AVDC.

2.3 In the event of paragraphs 2.2.3 (a), (c) or (d)(ii), the Company intends to fund the amount payable to Tialoc through internal resources.

### **3 SHAREHOLDERS’ APPROVAL**

3.1 The potential disposal of the Land is subject to an SPA being entered between AVDC and the Potential Purchaser or Tialoc (or its nominees).

3.2 The Company will make appropriate announcement when the SPA is entered into. In the event the potential disposal of the Land is classified as a “major transaction” under Chapter 10 of the Listing Manual, the Company will seek the approval of its shareholders via an extraordinary general meeting then.

3.3 Aspen Vision Group Sdn. Bhd.<sup>2</sup> and Intisari Utama Sdn. Bhd.<sup>3</sup> have provided irrevocable undertakings to Tialoc that Aspen Vision Group Sdn. Bhd. and Intisari Utama Sdn. Bhd. will vote in favour of the resolution to be tabled at the extraordinary general meeting to approve the potential disposal of the Land if an SPA is entered into pursuant to the terms of the Settlement Agreement.

### **4 RATIONALE FOR THE SETTLEMENT AGREEMENT**

The Settlement Sum was arrived following a series of negotiations between Aspen and Tialoc as part of the Settlement Agreement for the purposes of resolving the Legal Proceedings.

The Settlement Agreement is primarily motivated by the overriding concern to preserve shareholders' value and, by extension, to resolve the Legal Proceedings. It is the Board’s view that protracted legal proceedings with Tialoc is undesirable and that entering into the Settlement Agreement is in the best interest of Aspen as it provides an opportunity to put an end to the Legal Proceedings and obviate the need for Aspen to expend costly resources and enormous unproductive time on the resolution of the same and enables Aspen to focus its resources on revenue-generating activities instead.

### **5 FINANCIAL EFFECTS OF THE SETTLEMENT AGREEMENT**

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<sup>2</sup> Aspen Vision Group Sdn. Bhd. holds 495,602,146 ordinary shares (45.75%) in the Company.

<sup>3</sup> Intisari Utama Sdn. Bhd. holds 10,275,806 ordinary shares (0.95%) in the Company.

The pro forma financial effects in this section have been prepared based on the last audited consolidated financial statements of Aspen for the financial year ended 30 June 2023, taking into consideration the Settlement Sum and under the following assumptions:

- (a) that the Settlement Agreement had been completed on 1 July 2022 for the purpose of illustrating the financial effects on Aspen's Earnings per Share ("**EPS**"); and
- (b) that the Settlement Agreement had been completed on 30 June 2023 for the purpose of illustrating the financial effects on Aspen's Net Tangible Assets ("**NTA**") per share.

EPS

	<b>Before Settlement Agreement</b>	<b>After Settlement Agreement</b>
Total comprehensive loss for the year attributable to the owner of the company (RM'000)	(195,487)	(166,987)
Number of weighted average shares ('000)	1,083,270	1,083,270
Earnings per Share (RM cent)	(0.18)	(0.15)

NTA per share

	<b>Before Settlement Agreement</b>	<b>After Settlement Agreement</b>
NTA (RM'000)	190,770	219,270
Number of Shares ('000)	1,083,270	1,083,270
NTA per Share (RM cent)	17.61	20.24

The Settlement Agreement represents a full and final settlement with Tialoc, covering all claims and disputes. Based on 75% (representing AVA's shareholding in AGSB), the estimated gain arising from the Settlement Agreement will be approximately RM28.5 million.

Hence, the Settlement Agreement is expected to have a material financial impact on the consolidated net tangible assets or earnings per share of Aspen for the financial year ending 30 June 2024.

**BY ORDER OF THE BOARD**

Aspen (Group) Holdings Limited

Dato' Murly Manokharan  
 President and Group Chief Executive Officer  
 1 April 2024