

PRESS RELEASE - FOR IMMEDIATE RELEASE

Aspen Glove expects to complete the manufacturing facility in March 2021

- *Aspen Vision All Sdn Bhd (“AVA”) has entered into a formal joint venture and shareholders’ agreement to regulate the joint venture for the manufacturing and distribution of rubber gloves and other related activities (“Proposed New Business”) with an initial investment of RM105 million for Phase 1A*
- *Aspen Glove Sdn Bhd (“AGSB”) has entered into lease agreement with Kulim Technology Park Corporation Sdn Bhd (“KTPC”) to lease industrial land totalling to 66.362 acres located at Kulim Hi-Tech Park which can support a total production capacity of 28 billion pieces of gloves annually*
- *AGSB has submitted application for development order and building plan to local authority for the construction of the manufacturing facility, where approval is expected to be approved on a fast-track basis. The piling work is to commence by the third week of September and the overall construction of the manufacturing facility is slated for completion in March 2021*
- *AGSB has officially appointed the Managing Director to spearhead the Proposed New Business and is in the midst of finalising the appointment of a qualified person with over 20 years’ experience predominantly in the rubber glove manufacturing industry for the position of AGBS’s Chief Operating Officer (“COO”)*

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Singapore, 2 September 2020 – Aspen (Group) Holdings Limited (“**Aspen**” and together with its subsidiaries, the “**Group**”), co-developer of Aspen Vision City at Batu Kawan Penang with IKEA Southeast Asia, today announced its wholly-owned subsidiary AVA has officially entered into a joint venture cum shareholders’ agreement with CMY Capital Sdn. Bhd. (“**CMY**”) and AGSB for the Proposed New Business to be undertaken pursuant to the proposed diversification of the Group’s business. The Group’s subsidiary AGSB has also executed a lease agreement with Kulim Technology Park Corporation Sdn Bhd (“**KTPC**”) to lease land in relation to the Company’s intention to diversify into manufacturing and distributing of high-quality latex and nitrile gloves for the medical industry and industrial use (“**Proposed New Business**”).

The Joint Venture Agreement

AGSB is a joint venture company with CMY which AGSB shall act as the special purpose vehicle through which AVA and CMY shall jointly operate the Proposed New Business.

AGSB expects to invest approximately RM105 million to complete Phase 1A and targets to bring to market 1.1 billion pieces of gloves per annum by 3Q 2021. For Phase 1B, AGSB intends to ramp-up the production capacity to 3.5 billion pieces of gloves per annum by 2Q 2022. AGSB anticipates a further investment of RM40 million to complete Phase 1B.

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

The Proposed New Business is part of the Group’s corporate strategy to diversify for long-term growth, by adding to the Group new revenue and earning streams which the Group believes will serve to enhance shareholders’ value.

AGSB will focus on the manufacturing of high-quality latex and nitrile gloves for the medical industry and industrial use and the production for Phase 1A is intended to cater for the export market. The operations of the Proposed New Business will be carried out in phases for risk mitigation purposes.

With the increasing demand of gloves exceeding the global supply currently¹, 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.

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

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The glove industry is expecting to grow at a firm pace of around 12% per annum in the years to come². Presently, AGSB has been in discussions with various global market supply chain buyers from diverse geographical locations, including United States, United Kingdom, Europe, Middle East and Japan; who have shown strong interest to buy and commit to forward purchase up to the capacity of AGSB productions.

The Lease Agreement

AGSB has on 1 September executed a lease agreement with KTPC, to lease Land A measuring 29.331 acres for 60 years with an option to extend for a further term of 39 years. Prior to such date, on 12 August, AGSB has also obtained a First Right of Refusal (“**FRR**”) for the lease of Land B measuring 37.031 acres for the purpose of constructing an industrial factory to manufacture latex and nitrile gloves. The consideration sum for both Land A and Land B, totalling 66.362 acres, are calculated at a fixed rate of RM40 per square foot based on the current fixed lease rates for industrial lands in Kulim High-Tech Park.

The development of Phase 1A and Phase 1B will be carried out at Land A. In the event there is further market demand, AGSB will seek to negotiate with KTPC for the lease for an adjacent land of which AGSB has a first right of refusal from KTPC to increase production capacity by including more production lines within the next three to five years.

The industrial lands are strategically located at Kulim High-Tech Park (“**KHTP**”), which is only 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, water supply, 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.

Construction Milestone

AGSB has submitted the application of development order and building plan approval to Kulim Municipal Council, the local council in Kulim High Tech Park, for the construction of the manufacturing facility at Land A. The development order and building plan approval is expected to be approved on a fast-tracked basis.

The piling works of the manufacturing facility is expected to commence by 21 September 2020 upon shareholders’ approval of the Proposed Diversification in an extraordinary meeting to be convened and be completed within one month. The overall construction of the manufacturing facility is slated for completion in March 2021.

² <https://www.thestar.com.my/business/business-news/2019/11/14/rubber-gloves-industry-to-see-continued-growth-in-2020>

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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, 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, AGBS will also leverage on an Energy Management System (EMS) to achieve continual improvement of energy performance, including energy efficiency, energy use and consumption. AGBS will also be committed to continuously improve the health, safety, and environmental performance of the company to prevent wastage, ill health, injury and pollution.

Appointment of Key Management

The Group has officially appointed Mr. Iskandar Basha Bin Abdul Kadir (“Mr. Iskandar”) as the Managing Director of AGBS. Mr. Iskandar has a string of achievements in leading and executing large scale projects including listing his consultancy firm on the Amsterdam Stock Exchange (Euronext). He was previously the Deputy General Manager of Penang Development Corporation and held an advisory role in the Economic Planning Unit (EPU), Prime Minister’s Department covering a variety of development projects. His depth of experience and capability will enable him to carry out the responsibility of the Managing Director of AGBS.

Meanwhile, AGBS is in the midst of finalising the appointment of a qualified person with over 20 years’ experience predominantly in the rubber glove manufacturing industry for the position of AGBS’s COO. The candidate has previously, amongst others, served in one of the top 3 leading glove manufacturing companies in the world and held various senior management positions including as Managing Director and General Manager. His vast experience, networks and skill sets in the rubber glove industry will enable the efficiency on the setting up of the manufacturing facility and executing the day to day operations.

Currently, the recruitment process is underway to hire other key personnel with at least 10 years of relevant experience and further announcements on their appointments will be made when their appointments are finalised.

“We are grateful for the confidence and support given by the Kedah government and its local authorities. We are committed to complete the construction of the glove manufacturing facility by March 2021 and deliver our first batch of export products by 3Q 2021.

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With the inception of AGSB, we will be creating approximately 3,500 job opportunities to the Kedahans and neighbouring states in stages. We look forward to creating value and boosting the economy of the Kedah state with our presence in Kulim High-Tech Park,” said Dato’ M. Murly, President and Group Chief Executive Officer of Aspen Group.

This press release should be read in conjunction with Aspen’s announcement released on 1 September 2020 on the SGXNET.

About Aspen (Group) Holdings Limited

Listed on the SGX-Catalist in 2017, Aspen (Group) Holdings Limited is a Malaysia-based property group developing residential and mixed development properties at strategic locations with good infrastructure and amenities at affordable price points. The Group’s flagship project, Aspen Vision City, a 245-acres freehold mixed development project well-located in Bandar Cassia, Batu Kawan – Penang’s third satellite city, is a joint-partnership with IKEA Southeast Asia. With a gross development value of over RM13 billion, of which the Group has launched over RM2.17 billion of properties; Aspen Vision City features the first IKEA Store in the Northern Region of Malaysia and a state-of-the-art regional integrated shopping centre. In addition, the Group also has several property developments in Penang Island and Central Region of Malaysia, which captured a total gross development value of over RM2.5 billion. Combining its vision and powered by a dynamic team, Aspen Group is poised to make a significant impact in the marketplace and soar to greater heights in the years to come. For more information about the Group and its projects, please visit <http://aspen.sg>.

This announcement has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “Exchange”) and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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