



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

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- A. **UPDATE ON CONSULTATION ON THE APPLICABILITY OF CHAPTER 10 OF THE LISTING MANUAL FOR THE ENTRY OF LEASE AGREEMENT BETWEEN KHTP ASSETS SDN. BHD AND KULIM TECHNOLOGY PARK CORPORATION**
  - B. **PROPOSED DIVESTMENT OF ENTIRE 70% SHAREHOLDING INTEREST IN KHTP ASSETS SDN. BHD.**
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A. **UPDATE ON CONSULTATION ON THE APPLICABILITY OF CHAPTER 10 OF THE LISTING MANUAL FOR THE ENTRY OF LEASE AGREEMENT BETWEEN KHTP ASSETS SDN. BHD AND KULIM TECHNOLOGY PARK CORPORATION**

The Board of Directors (the “**Board**”) of Aspen (Group) Holdings Limited (the “**Company**”) and together with its subsidiaries, “**Aspen**”) refers to the Company’s announcements dated 6 June 2023 (collectively, the “**Announcements**”) in relation to the; (i) Entry of Deed of Mutual Termination of Lease Agreement; (ii) Entry into Subscription cum Shareholders’ Agreement; and (iii) Entry of Lease Agreement (“**Transactions**”) and wishes to update that the Company had submitted to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) a consultation on the applicability of Chapter 10 of the Listing Manual for the Entry of Lease Agreement. According to SGX-ST’s reply, the Entry of Lease Agreement was considered not within the ordinary course of business of Aspen, hence Chapter 10 of the Listing Manual is applicable, requiring the approval of the shareholders of the Company (“**Shareholders**”) for the Entry of the Lease Agreement.

Additionally, SGX-ST noted that the Transactions involved the same counterparty, that is, Kulim Technology Park Corporation Sdn. Bhd. (“**KTPC**”). Pursuant to Rule 1005 of the Listing Manual (“**Listing Manual**”), SGX-ST had required the Company to aggregate all the three Transactions as if they were one transaction and seek the Shareholders’ approval at an extraordinary general meeting (“**EGM**”) in accordance with the requirements under Chapter 10 of the Listing Manual.

SGX-ST is also of the view that the Deed of Mutual Termination of Lease Agreement is, by itself, a major transaction and has required the Company to seek Shareholders’ ratification of the Deed of Mutual Termination at the same EGM for seeking Shareholders’ approval for the other Transactions.

Consequently, the Company, had on 6 May 2024, obtained clearance from SGX-ST for the circular to Shareholders in relation to the above Transactions and will in due course dispatch the said circular and convene an EGM to obtain the Shareholders’ ratification for the Entry of Deed of Mutual Termination and Shareholders’ approval for the Entry into Subscription Cum Shareholders’ Agreement and the Entry of the Lease Agreement.

## **B. PROPOSED DIVESTMENT OF ENTIRE 70% SHAREHOLDING INTEREST IN KHTP ASSETS SDN. BHD**

### **1. INTRODUCTION**

The Board wishes to announce that, subject to the Shareholders' ratification and approval for the Transactions, the Company had on 8 May 2024 entered into a conditional share purchase agreement ("**SPA**") with KTPC for the sale of its entire shareholding of 70% of the equity interest, comprising of 700 ordinary shares (the "**Sale Shares**") in KHTP Assets Sdn. Bhd. ("**KASB**"), to KTPC for a purchase consideration of RM74,080,888.00 (approximately SGD21,015,061.23) ("**Consideration**") (the "**Proposed Divestment**").

The Proposed Divestment will constitute a major transaction under Chapter 10 of the Listing Manual. Please refer to section 5 of this announcement for further details.

Accordingly, the Proposed Divestment is subject to the Shareholders' approval 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 EGM to be convened.

### **2. BACKGROUND OF PROPOSED DIVESTMENT**

#### **a) Information on KASB**

KASB (formerly known as Dynamic Tune Sdn. Bhd.) was incorporated in Malaysia on 2 March 2023. The principal activity of KASB is that of an investment holding company.

As at the date of this announcement, KASB has an issued and paid-up share capital of RM46,171,160 divided into: (i) RM1,000 of Ordinary Shares ("**OS**") of RM1 each; and (ii) 46,170,160 redeemable non-convertible preference shares ("**RPS**") at issue price of RM1 each.

The shareholding breakdown of KASB is as follows:-

Shareholders	Percentage of shareholdings	No of shares	
		OS	RPS
The Company	70%	700	-
KTPC	30%	300	46,170,160

The Company owns 70% of the OS in KASB. KTPC owns 30% of the OS and 100% of the RPS in KASB.

As disclosed in the Company's announcement dated 6 June 2023 in relation to the Entry of Lease Agreement, KASB had entered into a lease agreement with KTPC in respect of a portion of land measuring approximately 12.15 acres held under part of Geran No. 218490, Lot No. 60230 of Section 11, City of Lunas, District of Kulim, State of Kedah within Industrial Zone Phase 4, Kulim Hi-Tech Park, Kedah together with the factory buildings ("**Demised Premises**") for a period of 60 years, at a lease consideration of RM46,170,160.00 which was satisfied by KASB by way of allotment and issuance of the RPS in KASB to KTPC.

As disclosed in the Company's announcement dated 6 June 2023 in relation to the Entry of Sub-Lease Agreement, the Demised Premises is sub-leased to a reputable multi-

national company for up to 20 years at a monthly rent of at least RM800,000.00 per month (“Sub-Lease”).

**b) Information about KTPC**

*The information on KTPC below was provided to the Company by KTPC and its representatives. The Directors have not conducted an independent review or verification of the accuracy of the statements and information below.*

KTPC is a private limited company wholly owned by Kedah State Development Corporation (PKNK), a government body responsible for promoting development in Kedah.

KTPC is entrusted with the development and management of Kulim Hi-Tech Park (“KHTP”), a national project fully funded by the Malaysian Federal Government through the Ministry of Finance. KHTP, spanning 4,736 acres is an industrial park for high technology enterprises located in the district of Kulim – a growing township in the state of Kedah, the northern region of Peninsular Malaysia.

Essentially, as the developer and manager of KHTP, KTPC is responsible for developing and managing the whole ecosystem of KHTP, promoting and facilitating the investment in KHTP and providing corporate and management support services.

**c) Rationale of the Proposed Divestment**

The Board is of the view that the Proposed Divestment is in the best interests of Aspen and the Shareholders, as it will enable Aspen to realise the value attributable to the Sale Shares. The Proposed Divestment presents a good opportunity for Aspen to redeploy the proceeds towards its core business activities or potentially higher yielding assets and will significantly strengthen Aspen’s liquidity and cash flow position to ensure that adequate resources are available for sustainable growth and future investment needs, to optimise returns to the Shareholders.

Based on the Sub-Lease, the Company is expected to generate a gross income of at least RM128.2 million over the unexpired Sub-Lease term of approximately 19 years, through its equity interest in KASB. In contrast, the Proposed Divestment would enable the Company to realise an expected gain of RM72.6 million at present.

This strategic move will enable the Company to withstand and navigate potential economic slowdowns and prolonged periods of high interest rates with resilience and financial stability.

**d) 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 statement of KASB, the Demised Premises represent 96% of KASB’s total asset value, whereas other assets are 4%. Given that currently KASB does not have any business except the Sub-Lease, the Company is of the view that the valuation of the Demised Premises 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 Sale Shares was commissioned for the purpose of the Proposed Divestment. Accordingly, 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, in their valuation report dated 15 February 2024, valued the Demised Premises at RM175 million based on both the comparison approach and depreciated replacement cost method (“**Valuation**”). Further details of the summary of the Valuation report will be provided in the circular that will be despatched to Shareholders in due course. A separate valuation on the Demised Premises was commissioned by KTPC by appointing CBRE WTW Valuation & Advisory Sdn. Bhd. and in their valuation report dated 6 May 2024, a value of RM152 million was indicated for the Demised Premises.

Taking into consideration both valuations and after a series of negotiations, the parties have agreed to RM152 million as the basis of the value for the Consideration.

The Consideration of RM74,080,888.00 is determined at 70% (representing the Company’s equity interest in KASB) of the agreed value of RM152 million less the RPS of RM46,170,160.

Prior to the Proposed Divestment, the Company, together with KTPC had explored and negotiated the potential disposal of the Demised Premises with various third parties, including pension funds and listed real estate investment trusts (REITs). No formal offers were received for the Demised Premises. The highest indicative offer during the series of negotiations was less than RM152 million and with additional conditions that were untenable.

Hence, the Board, after careful consideration of both the valuation reports and the previous negotiations with third parties, is of the view that the Consideration offered by KTPC, without additional untenable conditions, is fair and reasonable.

**e) Use of Sale Proceeds**

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

**3. PRINCIPAL TERMS OF THE PROPOSED DIVESTMENT**

**a) Consideration**

The Consideration was arrived at after arm’s length negotiations between the Company and KTPC and on a willing-buyer and willing-seller basis, taking into account the rationale for and benefits to Aspen arising from the Proposed Divestment, details of which are set out in paragraph 2(c) of this announcement.

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

<b>No.</b>	<b>Due Date</b>	<b>Amount</b>
(i)	Upon execution of SPA	RM7,408,088.80
(ii)	By 30 May 2024	RM14,816,177.60
(iii)	By 15 June 2024	RM25,928,310.80

(iv)	By 31 July 2024	RM25,928,310.80
	<b>Total</b>	<b>RM74,080,888.00</b>

Based on Aspen's unaudited consolidated financial statements for the period ended 31 December 2023 ("HY2024"), no book value is attributed to the Sale Shares.

**b) Condition Precedent**

The SPA is conditional upon the approval of the Shareholders being obtained at an EGM of the Company to be convened to approve the Proposed Divestment.

The Condition Precedent is to be satisfied within 45 days from the date of SPA, failing which, an automatic extension of 30 days will be granted, or such other date as may be mutually agreed by KTPC and the Company ("**Long Stop Date**").

In the event the Shareholders approval is not obtained by the Company, the Company shall refund KTPC the Consideration paid within 14 days from the expiry of the Long Stop Date.

**4. FINANCIAL EFFECTS OF THE PROPOSED DIVESTMENT**

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 and under the following assumptions:

- (i) that the Proposed Divestment had been completed on 1 July 2022 for the purpose of illustrating the financial effects on Aspen's Earnings per Share ("**EPS**"); and
- (ii) that the Proposed Divestment 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 Transaction</b>	<b>After Transaction</b>
Total comprehensive loss for the year attributable to the owner of the company (RM'000)	(195,487)	(122,888)
Number of weighted average shares ('000)	1,083,270	1,083,270
Earnings per Share (RM cent)	(18.05)	(11.34)

## NTA per share

	<b>Before Transaction</b>	<b>After Transaction</b>
NTA (RM'000)	190,770	263,369
Number of Shares ('000)	1,083,270	1,083,270
NTA per Share (RM cent)	17.61	24.31

The Proposed Divestment will result in an estimated gain of RM72.6 million after its completion.

### **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 (e) of the Listing Manual based on the latest unaudited consolidated financial statements of the Company for financial period ended HY2024, being latest announced unaudited consolidated financial statements of the Company are as follows:

<b>Listing Rule</b>	<b>Bases of Calculation</b>	<b>Relative Figure (%)</b>
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.	0.00% <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.	-0.11% <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.	38.23% <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. There is no book value recorded to the Sale Shares as at HY2024 and the net asset value of Aspen of RM357.9 million as at HY2024.
- (2) The net loss attributable to the assets disposed of is RM0.1 million as at HY2024 and the net profits of Aspen of RM94.3 million as at HY2024.
- (3) Consideration of RM 74.1 million expressed as a percentage of the Company’s market capitalisation of approximately RM193.8 million (based on the exchange rate of S\$ 1 : RM3.5075) on 7 May 2024, being the last full market day on which shares of the Company were traded on the SGX-ST prior to the date of signing of the SPA. 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 7 May 2024 (S\$0.051).
- (4) The Proposed Divestment is 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.

## **6. SHAREHOLDERS’ APPROVAL**

The Proposed Divestment will constitute a major transaction under Chapter 10 of the Listing Manual and is subject to the approval of the 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 EGM to be convened.

Aspen Vision Group Sdn. Bhd.<sup>1</sup> and Intisari Utama Sdn. Bhd.<sup>2</sup> have provided undertakings to KTPC that Aspen Vision Group Sdn. Bhd. and Intisari Utama Sdn. Bhd. will vote in favour of the resolution to be tabled at the EGM.

## **7. 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, save and except as follows:

- i. Dato’ Murly, a substantial shareholder of the Company and director of the Company, is a director of KASB as a nominee director of the Company.
- ii. Ir. Anilarasu Amaranazan, a director of the Company, is a director of KASB as a nominee director of the Company.
- iii. Dato’ Haji Mohd Sahil Bin Zabidi, a director of KTPC, is a director of KASB as a nominee director of KTPC. For avoidance of doubt, Dato’ Sahil is not a shareholder of the Company.

## **8. DIRECTORS’ RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the

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<sup>1</sup> Aspen Vision Group Sdn. Bhd. holds 495,602,146 ordinary shares (45.75%) in the Company.

<sup>2</sup> Intisari Utama Sdn. Bhd. holds 10,275,806 ordinary shares (0.95%) in the Company.

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 and the Valuation report will be available for inspection during normal business hours at the registered office of the Company at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619 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  
10 May 2024