
ENTRY INTO SUBSCRIPTION AGREEMENT FOR A PROPOSED JOINT VENTURE

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning as ascribed to them in the announcements dated 10 August 2020, 5 October 2020 and 4 November 2020 (“Announcements”).

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Aspen (Group) Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its Announcements in relation to the entry of Global Vision Logistics Sdn. Bhd. (“**GVL**”), the Group’s 30% associated company into a Term Sheet in relation to the Proposed Joint Venture with Logos SE Asia Pte. Ltd. (“**LOGOS**”).
- 1.2 Further to the Announcements, the Board wishes to announce that GVL and the existing shareholders of GVL (the “**Existing Shareholders**”) have, on 18 January 2021, entered into a subscription agreement (the “**Subscription Agreement**”) with LOGOS pursuant to which LOGOS will subscribe for 3,750,000 ordinary shares in GVL (the “**Subscription Shares**”) at an issue price of RM79.11 per Subscription Share, for an aggregate subscription consideration of RM296,670,306.00 (the “**Subscription Shares Consideration**”) subject to the terms and conditions of the Subscription Agreement (the “**Subscription**”).
- 1.3 Upon completion of the Subscription, the Existing Shareholders and LOGOS or its nominee (collectively, the “**Parties**”) will also enter into a shareholders’ agreement (“**Shareholders’ Agreement**”) to set out their respective rights and obligations as shareholders in the conduct of the business and affairs of GVL, including the conduct of the phased development of an integrated logistics and warehousing facility (the “**Project**”) on 3 pieces of lands collectively measuring approximately 71 acres situated in Section 16, Shah Alam, Selangor (the “**Land**”). The Shareholders’ Agreement will become effective on the completion of the Subscription Agreement.

2. INFORMATION ON LOGOS

LOGOS is a leading Asia Pacific logistics real estate specialist with operations across nine countries.

3. DETAILS OF THE PROJECT

The Land is strategically situated in Section 16 of Shah Alam, Selangor, off the Batu Tiga Toll along the Federal Highway with easy access to major roads and highways as well as public amenities. It also has direct access to the Kampung Jawa KTM station and is parallel to the railway track.

The Land will be developed into a sustainable integrated logistics, warehousing and e-commerce hub consisting of warehouses, storage facilities, distribution centres, offices, ecommerce

services, transportation hub and packaging facilities. The Project consists of a total development area of 745,000 sqm and the gross leaseable area for the intended five (5) warehouse blocks will be approximately 505,000 sqm, to be completed in phases.

The facility will be designed with flexibility to cater to multiple tenants, featuring driveway and ramps for traffic management. The facility will also have cross-docking features that enable minimal inventory holding and fast movements of goods, presenting both cost benefits and logistics efficiencies for tenants.

The Project is conceptualised as a sustainable development, with vast eco-inspired features such as electric vehicle charging stations and natural ventilation to meet the Green Mark Certification.

The Project will also include a drone landing pad, common canteen, workers dormitory, separation between pedestrian and heavy trucks movement and performance-based engineering for fire-fighting system as well as an ideal forklift travel path between dock area and the warehouse depth design.

Upon its completion, the facility is expected to be one of the largest one stop logistics solutions provider in Malaysia.

4. SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT AND SHAREHOLDERS' AGREEMENT

4.1 Subscription of Shares by LOGOS

Pursuant to the Subscription Agreement, the Parties have agreed that LOGOS shall subscribe for the Subscription Shares in GVL such that upon completion of the Subscription, the shareholding proportion of GVL shall be as follows: -

Party	Shareholding proportion in GVL on completion of the Subscription
Ideal Force Sdn. Bhd.	6%
Swift Haulage Sdn. Bhd.	10%
Aspen Vision Properties Sdn. Bhd.	12%
Hartamas Mentari Sdn. Bhd.	12%
LOGOS	60%
Total	100%

Upon completion of the Subscription, Aspen Vision Properties Sdn. Bhd.'s ("**Aspen Vision Properties**") voting rights in GVL would fall to below 20% and the Group's investment in GVL will be reclassified from "Investment in Associates" to "Investment in Financial Assets" in the Group's Statement of Financial Position.

4.2 Conditions Precedent

The Subscription is conditional upon certain condition precedents mutually agreed upon by the Parties, including amongst others, the rezoning of the Land from commercial to industrial; the submission of the planning permission for the Project; and the approval of LOGOS' investment committee to proceed to completion of the Subscription on the terms of the Subscription

Agreement; with a longstop date of three (3) months from the date of the Subscription Agreement, subject to an extension of one (1) month.

4.3 Subscription Shares Consideration

The aggregate consideration for the Subscription is RM296,670,306.00 which will be satisfied fully in cash by LOGOS upon completion of the Subscription.

The consideration was arrived at, after arm's length negotiations between the Parties, on a willing buyer, willing seller basis, after taking into account the agreed transaction value of the Land at RM494,450,000 and the business prospects of GVL which will undertake the Project.

The net asset value and net tangible asset value of GVL is RM200,600,540.00 as at 31 December 2020.

The Subscription Shares Consideration of RM296,670,306.00 will be utilised by GVL for debt restructuring purposes which, amongst others, includes the settlement of existing banking facilities and redemption of existing redeemable preference shares in GVL.

4.4 Board of Directors of GVL

Pursuant to the Shareholders' Agreement, the initial board of directors of GVL shall comprise up to five (5) directors, whereby three (3) of them shall be nominated by LOGOS and two (2) of them shall be nominated by the Existing Shareholders.

4.5 Reserved Matters

Under the Shareholders' Agreement, certain customary matters require the unanimous approval of the shareholders of GVL prior to them being undertaken by GVL, including but not limited to, altering the rights attaching to any of the shares in GVL, material amendments to the business plan of GVL, entry into any additional credit facilities, changing the nature of the business or commencing any business by GVL which is not ancillary or incidental to its business and making any acquisition or disposal of any material asset(s) otherwise than in the ordinary course of GVL's business.

5. RATIONALE FOR THE SUBSCRIPTION

The Board is of the view that the collaboration with LOGOS is beneficial to the Group as the Group will be able to tap on the expertise of LOGOS to manage the construction and operations of the Project. The Existing Shareholders of GVL will also be partially relieved from the capital investment commitments required to fully execute the Project.

6. FINANCIAL EFFECTS

The Subscription will not have a material impact on the consolidated earnings per share and net tangible assets per share of the Group for the current financial year ending 31 December 2021.

GVL is expected to redeem the existing preference shares in GVL held by the Existing Shareholders and undertake a dividend distribution to its Existing Shareholders in due course, where Aspen Vision Properties is expected to receive an aggregate of approximately RM84 million ("**Settlement Sum**"). The Settlement Sum will enhance the Group's cash flow position and will be utilised primarily for the working capital of the Group's existing property development projects and investment in the Group's subsidiary, Aspen Glove Sdn. Bhd.

7. SERVICE CONTRACTS

No person will be appointed as a Director of the Company in connection with the Subscription. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company or their respective associates has any interest, directly or indirectly, in the Subscription, save for their shareholdings in the Company (if any).

9. RESPONSIBILITY STATEMENT

The Board accepts full responsibility for the accuracy of the information given in this announcement and confirms after making all reasonable enquiries that, to the best of the Board's knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Subscription, the Company and its subsidiaries, and the Board is not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Board has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

10. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should note that there is no certainty or assurance that the Subscription will be completed or be proceeded with. As such, shareholders and potential investors are advised to exercise caution when dealing or trading in the shares of the Company. When in doubt as to the action they should take, shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

11. FURTHER ANNOUNCEMENT

The Company will make the relevant update announcements in compliance with the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist as and when there are material developments on the Proposed Joint Venture and other matters contemplated by this announcement.

BY ORDER OF THE BOARD

Aspen (Group) Holdings Limited

Dato' Murly Manokharan
President and Group Chief Executive Officer
18 January 2021

This announcement has been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. 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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