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## PROPOSED DISPOSAL OF LAND BY ASPEN VISION CITY SDN. BHD.

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### 1. INTRODUCTION

The Board of Directors (the “**Board**”) of Aspen (Group) Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s indirect subsidiary, Aspen Vision City Sdn. Bhd. (“**AVC**”), has on 6 December 2021 entered into a purchase and development agreement (the “**PDA**”) with Pixel Valley Sdn. Bhd. (the “**Purchaser**”) for the disposal of a freehold land situated in Bandar Cassia, Batu Kawan, Penang, Malaysia (the “**Land**”) for an aggregate cash consideration of RM27,565,720.00 (approximately SGD8,928,457.60) (“**Consideration**”) (the “**Proposed Disposal**”).

### 2. BACKGROUND OF THE PROPOSED DISPOSAL

#### 2.1 Rationale of the Disposal

Proposed Disposal provides an attractive avenue to raise funds at this prevailing time that enables the Group to realise the value of the Land and thereby generate cash inflow expeditiously to cater to the financial needs of the Group.

The Proposed Development (as defined herein) will accelerate growth and development of Aspen Vision City.

#### 2.2 Information on the Land

The Land is piece of freehold land held under Hakmilik Sementara HS(D) 50861 known as PT 6025 in Mukim 13, Daerah Seberang Perai Selatan, Negeri Pulau Pinang measuring 1.97 hectare. The Land is presently charged to a financier (“**AVC’s Financier**”) as security for banking facilities granted to AVC.

Currently, the Land is vacant, and AVC does not conduct any operations at the Land. There is, therefore, no income from the Land, and no profits being derived from the Land.

The book value of the Land as at 30 June 2021 is RM21.3 million.

#### 2.3 Information on the Purchaser

The Purchaser is a company incorporated under the laws of Malaysia and is a wholly owned subsidiary of Kerjaya Prospek Property Berhad (“**KPPROP**”). KPPROP is principally engaged in investment holding activities whilst its subsidiaries are principally involved in property development and hotel operations.

The Purchaser is not related to the Directors or controlling Shareholders of the Company and their respective associates.

## 2.4 Valuation and Use of Sale Proceeds

In terms of the valuation of the Land, the Group had relied on similar land sales currently available in the market as a reference. The Group is of the view that such reference price is sufficient in light of the fund raising opportunity arising from the Proposed Disposal in the current economic environment whereby there may be a limited number of buyers in the market and the ability to complete the deal in a relatively short period of time is crucial to unlock its value to the Group.

The proceeds arising from the Proposed Disposal will be utilised for general working capital of the Group.

## 3. PRINCIPAL TERMS OF THE DISPOSAL

### 3.1 Consideration

The Consideration was arrived at after arm's length negotiations between AVC and the Purchaser on a willing buyer willing seller basis, taking into account, inter alia, the market value of the Land and prevailing market conditions.

Prior to the execution of the PDA, the Purchaser has paid to AVC an earnest deposit equivalent to two percent (2%) of the Consideration amounting to Ringgit Malaysia Five Hundred Fifty-One Thousand Three Hundred Fourteen and Sen Forty (RM551,314.40) only. Upon the execution of the PDA, the Purchaser has paid to AVC the balance deposit equivalent to eight percent (8%) of the Consideration amounting to Ringgit Malaysia Two Million Two Hundred Five Thousand Two Hundred Fifty-Seven and Sen Sixty (RM2,205,257.60) only.

The Purchaser shall pay the balance ninety percent (90%) of the Consideration amounting to Ringgit Malaysia Twenty-Four Million Eight Hundred Nine Thousand One Hundred and Forty-Eight (RM24,809,148.00) only, within ninety (90) days from the Unconditional Date (as defined herein) to AVC.

### 3.2 Conditions Precedent

The PDA is conditional upon the fulfilment of the following conditions ("**Condition Precedent**"):

- i. the consent of Penang Development Corporation ("**PDC**") to the disposal/transfer of the Land by AVC to the Purchaser ("**PDC's Consent**"); and
- ii. the consent of the State Authority to the disposal/transfer of the Land by AVC to the Purchaser ("**State's Consent**"),

within one hundred and twenty (120) days from the date of the PDA or such extended period as may be mutually agreed by the parties ("**Cut-Off Period**").

The PDA shall become unconditional on the date of receipt within the Cut-Off Period: (a) PDC's Consent and (b) State's Consent by the Purchaser or the Purchaser's solicitors, whichever is the later, and such date shall be referred to as the "**Unconditional Date**".

### 3.3 Other terms and conditions of the PDA

The PDA is also subject to the following terms and conditions, amongst others:-

- i. The Purchaser shall at its own cost and expense construct and develop a mixed-use development ("**Proposed Development**") within the stipulated time in the PDA; and
- ii. AVC shall redeem the Land from AVC's Financier by utilising its own funds, within one (1) month from the Unconditional Date.

## 4. **FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL**

### 4.1 Assumptions

The pro forma financial effects in this section have been prepared based on the most recently audited consolidated financial statements of the Group for the financial year ended 31 December 2020 and under the following assumptions:

- (a) that the Proposed Disposal had been completed on 1 January 2020 for the purposes of illustrating the financial effects on the Group's earnings per share ("**EPS**"); and
- (b) that the Proposed Disposal had been completed on 31 December 2020 for the purposes of illustrating the financial effects on the Group's net tangible assets ("**NTA**") per share.

The pro forma financial effects presented below are for illustrative purposes only and should not be taken as an indication of the actual financial performance or position of the Group following the Proposed Disposal nor a projection of the future financial performance or position of the Group after the Completion.

### 4.2 NTA per Share

	Before the Proposed Disposal	After the Proposed Disposal
NTA (RM'000)	566,283	571,721
Number of Shares ('000)	1,083,270	1,083,270
NTA per Share (RM cent)	52.28	52.78

### 4.3 EPS

	Before the Proposed Disposal	After the Proposed Disposal
Net profit attributable to shareholders after tax from continuing operations (RM'000)	72,712	78,150
Number of weighted average shares	996,401	996,401
Earnings per share (RM cent)	7.30	7.84

#### 4.4 Gain from the Proposed Disposal

The estimated gain from the Proposed Disposal is approximately RM5.7 million before tax and approximately RM5.4 million after tax, contributing 21% and 20% to net the profit before tax and after tax respectively.

#### 5. **RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL**

The relative figures of the Proposed Disposal computed on the bases set out in Rule 1006(a) to (d) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (“**Listing Manual**”) based on the latest unaudited consolidated financial statements of the Company for the period ended 30 June 2021 (“**HY2021**”), being the latest announced 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.	2.73% <sup>(1)</sup>
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	Not applicable <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.	7.02% <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. Based on 80% of the net asset value of the Land of approximately RM21.3 million as at HY2021 and the net assets value of the Group of RM623.5 million as at HY2021. The Company currently holds 80% of AVC's shares.

(2) Not applicable as the Land is vacant thus does not generate any income or revenue.

- (3) Consideration is RM27,565,720.00. The Consideration expressed as a percentage of the Company's market capitalisation of approximately RM392.6 million (based on the exchange rate of S\$ 1 : RM3.0874) on 3 December 2021, 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 PDA. 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 3 December 2021 (S\$0.1174).
- (4) The Proposed Disposal is a disposal of assets not an acquisition of assets. No equity securities will be issued by the Company in connection with the Proposed Disposal.
- (5) The Company is not a mineral, oil and gas company.

As the relative figure in respect of the Proposed Disposal calculated pursuant to Rule 1006(c) of the Listing Manual exceeds 5% but does not exceed 50%, the Proposed Disposal is classified as a "disclosable transaction" within the meaning of Rule 1010 of the Listing Manual.

## **6. 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 Disposal.

## **7. SERVICE CONTRACTS**

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

## **8. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the 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 Disposal, 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 PDA will be available for inspection during normal business hours at the registered office of the Company at 80 Robinson Road #02-00 Singapore 068898 for a period of three (3) months commencing from the date of this announcement.

## **10. CAUTIONARY STATEMENT**

Shareholders and potential investors are advised to exercise caution in trading their securities in the Company as the Proposed Disposal is subject to Conditions Precedent and there is no certainty or assurance as at the date of this Announcement that all of the Conditions Precedent will be satisfied (or waived, as the case may be) or that the Proposed Disposal will be completed. The Company will make the necessary announcements when there are further developments on the Proposed Disposal. Shareholders and potential investors are advised to read this Announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors if they have any doubt about the actions they should take.

### **BY ORDER OF THE BOARD**

Aspen (Group) Holdings Limited

Dato' Murly Manokharan  
President and Group Chief Executive Officer  
6 December 2021