
RESPONSE TO QUERY FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") IN RELATION TO THE COMPANY'S ANNOUNCEMENT TITLED "RECEIPT OF NOTICE PURSUANT TO SECTION 466 OF THE COMPANIES ACT" DATED 9 NOVEMBER 2022 ("ANNOUNCEMENT")

The Board of Directors (the "**Board**") of Aspen (Group) Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce the following in response to the queries raised by the SGX-ST on 10 November 2022 in relation to the Announcement.

SGX-ST's Query

In the Company's announcement on 9 November 2022, it is disclosed that its subsidiary, Aspen Glove Sdn Bhd ("**AGSB**") has received a notice from JR Engineering and Medical Technologies (M) Sdn Bhd ("**JR**") demanding payment of RM22.4 million from AGBS within 21 days, failing which JR shall proceed to commence winding-up proceedings against AGBS.

In view of the Company's announcement on 6 October 2022 and the announcement on 9 November 2022, we wish to draw the Company's attention to Listing Rule 1303(3) which provides that trading of the Company's listed securities should be suspended if it is unable to demonstrate to the Exchange and its shareholders that it is able to continue as a going concern. Additionally, the Company shall also comply with Listing Rule 704(23) which provides that where an application has been filed with a court to wind up the Company or any of its subsidiaries, the Company shall provide a monthly update regarding its financial situation. If any material development occurs between the monthly updates, it must be announced immediately. Please confirm compliance.

Company's Response

In relation to the Company's announcement on 6 October 2022, as updated by the Company in its announcement dated 3 November 2022, AGBS has:

- (i) on 2 November 2022 commenced arbitration proceedings against Multi Purpose Metal Tech Sdn. Bhd. ("**MPMT**") (the "**Arbitration Proceedings**") to challenge its claim under the notice issued by the solicitors acting for MPMT pursuant to Section 466(1)(a) of the Companies Act 2016 (the "**MPMT Notice**") and to claim for the losses and damages sustained by AGBS as a result of the incomplete and/or defective works undertaken by MPMT, which AGBS currently estimates to be in the amount of RM448,948,854.00, together with interest thereon; and
- (ii) on 3 November 2022 filed an application to stay the winding up petition filed by MPMT in Shah Alam High Court for a winding up order ("**Winding Up Petition**") against AGBS.

In relation to the Company's announcement on 9 November 2022, as stated in the said announcement, AGBS intends to vigorously contest the notice issued by the solicitors acting for JR Engineering and Medical Technologies (M) Sdn Bhd ("**JR**") pursuant to Section 466(1)(a) of the Companies Act 2016 (the "**JR Notice**"). AGBS intends to file counterclaims against JR for breach of the agreement between JR and AGBS in due course.

The Board wishes to emphasise that the above claims are brought against the Company's subsidiary, AGSB, and not the Company, arising from contractual disputes between AGSB and MPMT and JR respectively. The Company has no contingent liabilities arising from or in connection with the operations of AGSB save for the following corporate guarantees:

1. Proportionate corporate guarantee (75% by the Company and 25% by AGSB's other shareholder) of up to RM60 million to Standard Chartered Bank Berhad ("**SCB**") in relation to the banking facility (of which the current outstanding principal amount is approximately RM46 million) granted by SCB to AGSB as stated in the Company's announcement dated 12 November 2021; and
2. Corporate guarantee of up to RM5 million to Pac Lease Berhad ("**PAC**") in relation to a hire purchase facility (of which the current outstanding principal amount is approximately RM2 million) granted by PAC to AGSB.

As stated in the Company's announcement dated 7 October 2022, AGSB has taken steps to sell its rights, title and interest in all that piece of land held under Geran No. 218490 Lot 60230 Seksyen 11 (formerly known as Hakmilik Sementara No. H.S.(D) 73801, No. PT 4065) Seksyen 11, Bandar Lunas, Daerah Kulim, Negeri Kedah ("**Lease Land**") and the factory building erected thereon to Cambridge Real Estate Partners Pte Ltd for an aggregate cash consideration of RM200 million ("**Proposed Sale Proceeds**"). The Proposed Sale Proceeds of RM200 million are more than sufficient to fully satisfy the aggregate principal outstanding amount of approximately RM48 million under the abovementioned SCB and PAC facilities, and interests accrued thereon.

Taking into consideration the above, the Board is of the view that the Winding Up Petition and JR Notice have no immediate financial impact on the Company and accordingly the Company's going concern status is not and will not be affected. Furthermore, the outcome of the Winding Up Petition, Arbitration Proceedings and JR Notice will not have any adverse impact on the Company.

The Board is also of the view that Listing Rule 704(23) is not applicable as no winding up order has been made against AGSB, and AGSB is in discussions with SCB and PAC regarding early settlement of the SCB and PAC facilities from the Proposed Sale Proceeds. Upon full settlement of the said facilities by AGSB, there will be no further contingent liabilities to the Company arising from AGSB's operations.

The Company will make announcements to update the shareholders via SGXNET as and when there are any material developments.

BY ORDER OF THE BOARD

Aspen (Group) Holdings Limited

Dato' Murly Manokharan
President and Group Chief Executive Officer
15 November 2022