



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

MATERIAL VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcement dated 29 August 2022 in relation to its unaudited financial results for the financial year ended 30 June 2022.

The Board of Directors (the "**Board**") of Aspen (Group) Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the unaudited full year financial results for the financial year ended 30 June 2022 ("**FY2022**") (the "**Unaudited Financial Statements**"). Further reference is made to the audited financial statements of the Company for FY2022 (the "**Audited Financial Statements**") and the report thereon by the Company's independent auditor included in the Company's annual report for FY2022 which will be released on the SGXNet and the Company's corporate website at URL <https://aspen.listedcompany.com/newsroom.html> on or by 16 October 2022.

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board would like to announce that subsequent to the release of the Unaudited Financial Statements, certain adjustments and reclassifications were made to the Unaudited Financial Statements following the finalisation of the audit by the Company's external auditor.

The material variances between the Audited Financial Statements and the Unaudited Financial Statements with the relevant explanatory notes are shown below:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Group

	Audited	Unaudited	Variance	Note
	RM'000	RM'000	RM'000	
Non-current assets				
Property, plant and equipment	343,103	411,297	(68,194)	1
Development properties	369,586	369,586	-	
Intangible assets	1,786	1,786	-	
Investment in associates	96,357	96,357	-	
Other receivables	7,926	7,926	-	
Deferred tax assets	37,171	37,171	-	
Total non-current assets	855,929	924,123	(68,194)	
Current assets				
Development properties	425,141	390,654	34,487	2
Contract costs	29,028	61,767	(32,739)	3
Contract assets	60,013	60,013	-	
Inventories	15,025	15,164	(139)	NM
Trade and other receivables	86,856	86,856	-	
Current tax assets	5,590	5,590	-	
Cash and cash equivalents	31,807	31,807	-	
Total current assets	653,460	651,851	1,609	
Total Assets	1,509,389	1,575,974	(66,585)	
Current liabilities				
Loans and borrowings	182,477	182,477	-	
Trade and other payables	472,986	472,986	-	
Contract liabilities	31,872	31,872	-	
Current tax liabilities	10,872	10,872	-	
Total current liabilities	698,207	698,207	-	
Non-current liabilities				
Loans and borrowings	221,227	221,227	-	
Trade and other payables	114,365	114,365	-	
Provision for restoration	-	-	-	
Non-current tax liabilities	22,736	22,736	-	
Deferred tax liabilities	10,490	10,490	-	
Total non-current liabilities	368,818	368,818	-	
Equity				
Share capital	316,786	316,786	-	
Reserves	69,471	119,410	(49,939)	4
Non-controlling interests	56,107	72,753	(16,646)	5
Total equity	442,364	508,949	(66,585)	
Total equity and liabilities	1,509,389	1,575,974	(66,585)	

STATEMENT OF FINANCIAL POSITION

Company

	Audited	Unaudited	Variance	Note
	RM'000	RM'000	RM'000	
Non-current assets				
Property, plant and equipment	-	-	-	
Development properties	-	-	-	
Intangible assets	-	-	-	
Investment in subsidiaries	223,632	223,632	-	
Investment in associates	-	-	-	
Other receivables	-	-	-	
Deferred tax assets	-	-	-	
Total non-current assets	223,632	223,632	-	
Current assets				
Development properties	-	-	-	
Contract costs	-	-	-	
Contract assets	-	-	-	
Inventories	-	-	-	
Trade and other receivables	167	84,614	(84,447)	6
Current tax assets	-	-	-	
Cash and cash equivalents	416	416	-	
Total current assets	583	85,030	(84,447)	
Total Asset	224,215	308,662	(84,447)	
Current liabilities				
Loans and borrowings	4,732	4,732	-	
Lease liabilities	-	-	-	
Trade and other payables	2,562	2,562	-	
Contract liabilities	-	-	-	
Current tax liabilities	-	-	-	
Total current liabilities	7,294	7,294	-	
Equity				
Share capital	316,786	316,786	-	
Reserves	(99,865)	(15,418)	(84,447)	6
Non-controlling interests	-	-	-	
Total equity	216,921	301,368	(84,447)	
Total equity and liabilities	224,215	308,662	(84,447)	

EXTRACT OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited	Unaudited	Variance	Note
	RM'000	RM'000	RM'000	
Revenue	379,550	379,550	-	
Cost of sales	(350,309)	(350,309)	-	
Gross profit	29,241	29,241	-	
Other income	12,432	12,432	-	
Administrative expenses	(112,624)	(112,624)	-	
Selling & distribution expenses	(16,307)	(16,307)	-	
Other operating expenses	(100,112)	(33,527)	(66,585)	4, 5
Results from operating activities	(187,370)	(120,785)	(66,585)	
Finance income	1,000	1,000	-	
Finance costs	(9,509)	(9,509)	-	
Net finance cost	(8,509)	(8,509)	-	
Share of results of equity-accounted investees, net of tax	(2,106)	(2,106)	-	
Profit before tax	(197,985)	(131,400)	(66,585)	
Tax expense	(15,097)	(15,097)	-	
Profit for the year	(213,082)	(146,497)	(66,585)	
Foreign currency translation differences for foreign operations	119	119	-	
Other comprehensive income, net of tax	119	119	-	
Total comprehensive income for the year	(212,963)	(146,378)	(66,585)	
Profit for the year attributable to:				
Owners of the Company	(180,145)	(130,206)	(49,939)	4
Non-controlling interests	(32,937)	(16,291)	(16,646)	5
	(213,082)	(146,497)	(66,585)	
Total comprehensive income for the year attributable to:				
Owners of the Company	(180,026)	(130,087)	(49,939)	4
Non-controlling interest	(32,937)	(16,291)	(16,646)	5
	(212,963)	(146,378)	(66,585)	

EXTRACT OF CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited	Unaudited	Variance	Note
	RM'000	RM'000	RM'000	
Net cash generated from/(used in) operating activities	261,091	283,121	(22,030)	7
Net cash used in investing activities	(204,653)	(227,612)	22,959	8
Net cash generated from financing activities	(113,001)	(112,072)	(929)	NM
Cash and cash equivalents at end of period	26,687	26,687	-	

Notes:

NM – Not material for variance below 5%

1. (i) Due to the scaling down of the Group's healthcare segment, an impairment review had been undertaken by the Group to assess the recoverable amount of the leasehold land, factory building and plant and machinery (which comprises both completed and under construction production lines). The Group had engaged a professional independent valuer to assist the management in determining the recoverable amount of the said assets. Based on the concluded valuation, the Group had to provide a further impairment loss on factory building and plant and machinery amounting to RM26.2 million and RM40.4 million respectively.

(ii) Reclassification of property, plant and equipment to development properties due to cost apportionment overstated amounting to RM1.6 million.

2. (i) Reversal of contract costs over-classified to development properties amounting to RM32.7 million.

(ii) Refer to Note 1(ii).

(iii) Reclassification of RM0.1 million of inventories to development properties.

3. Refer to Note 2(i).

4. Refer to Note 1(i).

A further impairment loss amounting to RM66.6 million was provided for on factory building and plant and machinery owned by a subsidiary in which the Group holds 75% interest.

5. Refer to Note 1(i).

Adjustment of impairment loss shared by the shareholder of the balance 25% interest of the Group's subsidiary referred to in Note 4 amounting to RM16.6 million.

6. Amount owing by subsidiaries was written down by RM84.4 million due to provision for expected credit loss.

7. (i) "Acquisition of property, plant and equipment in investing activity" amounting to RM38.2 million was overstated and adjusted to "changes in development properties".

(ii) Reclassification of "proceeds from sale of an associate in investing activity" to "changes in trade and other receivables" amounting to RM15.2 million for repayment of advance by an associate.

(iii) Reclassification from "proceeds from sale of an associate in investing activity" to "changes in trade and other payables" amounting to RM2.5 million for repayment of payable owed to associate.

(iv) Reclassification from "changes in trade and other payables" to "contribution from non-controlling interest upon additional capital injection of a subsidiary in financing activity" amounting to RM5.2 million.

(v) Reclassification from "changes in trade and other payables" to "interest paid in financing activity" amounting to RM8.6 million.

8. (i) Refer to Note 7(i), (ii) and (iii).

(ii) Reclassification from “capital injection from non-controlling interest in financing activity” to “acquisition of non-controlling interests in subsidiaries” amounting to RM2.5 million for detailed presentation purposes.

BY ORDER OF THE BOARD

Aspen (Group) Holdings Limited

Dato' Murly Manokharan
President and Group Chief Executive Officer
16 October 2022