



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 31 DECEMBER 2020

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcement dated 1 March 2021 in relation to its unaudited financial results for the financial year ended 31 December 2020.

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 31 December 2020 (“**FY2020**”) (the “**Unaudited Financial Statements**”). Further reference is made to the audited financial statements of the Company for FY2020 (the “**Audited Financial Statements**”) and the report thereon by the Company's independent auditor included in the Company's annual report for FY2020 which will be released on the SGXNet and the Company's corporate website at URL <https://aspen.listedcompany.com/newsroom.html> by 4th April 2021.

Pursuant to Rule 704(6) of the Listing Manual: Rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), 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	236,773	236,773	-	
Development properties	368,657	368,656	1	NM
Intangible assets	1,807	1,807	-	
Investment in associates	147,156	164,848	(17,692)	1
Trade and other receivables	20,833	913	19,920	2
Deferred tax assets	10,620	10,620	-	
Total non-current assets	785,846	783,617	2,229	
Current assets				
Development properties	514,519	514,475	44	NM
Contract costs	11,966	12,006	(40)	NM
Contract assets	97,148	97,148	-	
Inventories	17,799	17,799	-	
Trade and other receivables	49,722	49,727	(5)	NM
Current tax assets	6,125	6,125	-	
Cash and cash equivalents	86,565	86,565	-	
Total current assets	783,844	783,845	(1)	NM
Total Assets	1,569,690	1,567,462	2,228	
Current liabilities				
Loans and borrowings	160,692	143,808	16,884	3
Lease liabilities	-	16,884	(16,884)	3
Trade and other payables	304,511	304,511	-	
Contract liabilities	2,434	2,434	-	
Current tax liabilities	2,752	2,752	-	
Total current liabilities	470,389	470,389	-	
Non-current liabilities				
Loans and borrowings	335,690	301,138	34,552	4
Lease liabilities	-	47,712	(47,712)	5
Trade and other payables	124,771	110,938	13,833	6
Provision for restoration	-	673	(673)	7
Deferred tax liabilities	10,781	10,781	-	
Total non-current liabilities	471,242	471,242	-	
Equity				
Share capital	316,786	316,786	-	
Treasury shares	(21)	(21)	-	
Reserves	249,518	247,290	2,228	1
Non-controlling interests	61,776	61,776	-	
Total equity	628,059	625,831	2,228	
Total equity and liabilities	1,569,690	1,567,462	2,228	

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	217,970	221,647	(3,677)	8
Investment in associates	-	-	-	
Other receivables	-	-	-	
Deferred tax assets	-	-	-	
Total non-current assets	217,970	221,647	(3,677)	
Current assets				
Development properties	-	-	-	
Contract costs	-	-	-	
Contract assets	-	-	-	
Inventories	-	-	-	
Trade and other receivables	91,472	87,795	3,677	8
Current tax assets	-	-	-	
Cash and cash equivalents	29,148	29,148	-	
Total current assets	120,620	116,943	3,677	
Total Asset	338,590	338,590	-	
Current liabilities				
Loans and borrowings	28,091	28,091	-	
Lease liabilities	-	-	-	
Trade and other payables	2,792	2,792	-	
Contract liabilities	-	-	-	
Current tax liabilities	-	-	-	
Total current liabilities	30,883	30,883	-	
Equity				
Share capital	316,786	316,786	-	
Treasury shares	(21)	(21)	-	
Reserves	(9,058)	(9,058)	-	
Non-controlling interests	-	-	-	
Total equity	307,707	307,707	-	
Total equity and liabilities	338,590	338,590	-	

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

	Audited	Unaudited	Variance	Note
	RM'000	RM'000	RM'000	
Revenue	282,832	282,840	(8)	NM
Cost of sales	(199,430)	(199,430)	-	
Gross profit	83,402	83,410	(8)	
Other income	3,355	3,992	(637)	9
Administrative expenses	(49,647)	(49,647)	-	
Selling & distribution expenses	(6,164)	(6,164)	-	
Other operating expenses	(3,891)	(3,891)	-	
Results from operating activities	27,055	27,700	(645)	
Finance income	1,825	1,180	645	10
Finance costs	(3,102)	(3,102)	-	
Net finance cost	(1,277)	(1,922)	645	
Share of results of equity-accounted investees, net of tax	61,510	60,144	1,366	11
Profit before tax	87,288	85,922	1,366	
Tax expense	(11,492)	(11,492)	-	
Profit for the year	75,796	74,430	1,366	
Foreign currency translation differences for foreign operations	(19)	(19)	-	
Other comprehensive income, net of tax	(19)	(19)	-	
Total comprehensive income for the year	75,777	74,411	1,366	
Profit for the year attributable to:				
Owners of the Company	72,731	71,365	1,366	
Non-controlling interests	3,065	3,065	-	
	75,796	74,430	1,366	
Total comprehensive income for the year attributable to:				
Owners of the Company	72,712	71,346	1,366	
Non-controlling interest	3,065	3,065	-	
	75,777	74,411	1,366	

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	6,273	(6,359)	12,632	12
Net cash used in investing activities	(37,496)	(35,039)	(2,457)	13
Net cash generated from financing activities	54,442	63,740	(9,298)	14
Cash and cash equivalents at end of year	83,788	82,912	876	NM

Notes:

NM – Not material for variance below 5%

1. (i) Understated on fair value gain on investment properties due to change of accounting policy with respect to the subsequent measurement of investment properties from cost model to the fair value model, with changes in fair value recognised in profit or loss.

(ii) Reclassification from investment in associates to trade and other receivables due to un-allotted shares caused by timing difference shall be recognised as receivables.
2. Refer to note 1(ii).
3. Lease liabilities combined into loans and borrowings.
4. (i) Refer to note 3.

(ii) Reclassification from loans and borrowings amounting to RM13.16 million to trade and other payables due to un-allotted redeemable preference shares caused by timing difference shall be recognised as advances.
5. Refer to note 3.
6. (i) Provision for restoration combined into trade and other payables.

(ii) Refer to note 4(ii).
7. Refer to note 6(i).
8. Reclassification from investment in subsidiaries to trade and other receivables due to un-allotted shares caused by timing difference shall be recognised as receivables.
9. (i) Reclassification of other income amounting to RM0.65 million in accordance with Malaysian Financial Reporting Standards (“MFRS”) 15 to finance income.

(ii) Reclassification of management and licence income amounting to RM0.01 million from revenue.
10. Refer to note 9(i).
11. Refer to note 1(i).
12. (i) Understated on adjustment for interest expense and changes in trade and payables amounting to RM13.17 million.

(ii) Other miscellaneous reclassification from operating to investing activities amounting to RM0.54 million.
13. (i) Reclassification from investing to financing activities for capital injection from non-controlling interest amounting to RM3.00 million.

(ii) Other miscellaneous reclassification from operating to investing activities amounting to RM0.54 million.
14. (i) Refer to note 13(i).

(ii) Understated on interest paid amounting to RM13.17 million.

(iii) Understated changes in fixed deposit pledged amounting to RM0.88 million.

BY ORDER OF THE BOARD

Aspen (Group) Holdings Limited

Dato' Murly Manokharan

President and Group Chief Executive Officer

1 April 2021