

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 2019

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcement dated 29 February 2020 in relation to its unaudited financial results for the financial year ended 31 December 2019.

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 2019 ("**FY2019**") (the "**Unaudited Financial Statements**"). Further reference is made to the audited financial statements of the Company for FY2019 (the "**Audited Financial Statements**") and the report thereon by the Company's independent auditor included in the Company's annual report for FY2019 which will be released on the SGXNet and the Company's corporate website at URL <https://aspen.listedcompany.com/newsroom.html> by 15 May 2020.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist 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, and the explanations thereon, are set out as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited	Unaudited	Variance	Note
	RM'000	RM'000	RM'000	
Non-current assets				
Property, plant and equipment	159,375	159,252	123	NM
Development properties	352,054	139,409	212,645	1
Intangible assets	1,502	1,502	-	
Investment in associates	86,727	86,762	(35)	NM
Deferred tax assets	7,504	7,352	152	NM
Total non-current assets	607,162	394,277	212,885	
Current assets				
Development properties	484,586	585,301	(100,715)	2
Contract costs	13,852	16,633	(2,781)	3
Contract assets	36,461	36,461	-	
Inventories	17,603	119,563	(101,960)	4
Trade and other receivables	109,403	94,639	14,764	5
Current tax assets	9,427	8,998	429	NM
Cash and cash equivalents	67,663	67,329	334	NM
Total current assets	738,995	928,924	(189,929)	
Total Asset	1,346,157	1,323,201	22,956	
Current liabilities				
Loans and borrowings	121,973	111,168	10,805	6
Lease liabilities	2,235	2,235	-	
Trade and other payables	315,098	297,757	17,341	7
Contract liabilities	10,113	10,112	1	NM
Current tax liabilities	455	-	455	8
Total current liabilities	449,874	421,272	28,602	
Non-current liabilities				
Loans and borrowings	310,589	321,394	(10,805)	NM
Lease liabilities	12,553	12,553	-	
Trade and other payables	108,383	108,383	-	
Deferred tax liabilities	9,733	9,108	625	9
Total non-current liabilities	441,258	451,438	(10,180)	
Equity				
Share capital	237,241	237,241	-	
Treasury shares	(21)	(21)	-	
Reserves	162,094	157,561	4,533	NM
Non-controlling interests	55,711	55,710	1	NM
Total equity	455,025	450,491	4,534	
Total equity and liabilities	1,346,157	1,323,201	22,956	

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

	Audited	Unaudited	Variance	Note
	RM'000	RM'000	RM'000	
Revenue	287,936	287,938	(2)	NM
Cost of sales	(189,799)	(191,934)	2,135	NM
Gross profit	98,137	96,004	2,133	
Other income	1,798	1,796	2	NM
Administrative expenses	(39,953)	(43,266)	3,313	10
Selling & distribution expenses	(12,779)	(12,830)	51	NM
Other operating expenses	(4,023)	(1,089)	(2,934)	11
Results from operating activities	43,180	40,615	2,565	
Finance income	3,052	3,052	-	
Finance costs	(6,878)	(6,878)	-	
Net finance cost	(3,826)	(3,826)	-	
Share of loss of equity-accounted investee, net of tax - associate	(582)	(3,047)	2,465	12
Profit before tax	38,772	33,742	5,030	
Tax expense	(17,006)	(16,507)	(499)	NM
Profit for the year	21,766	17,235	4,531	
Foreign currency translation differences for foreign operations	(11)	-	(11)	NM
Other comprehensive income, net of tax	(11)	-	(11)	
Total comprehensive income for the year	21,755	17,235	4,520	
Profit for the year attributable to:				
Owners of the Company	16,747	12,216	4,531	
Non-controlling interests	5,019	5,019	-	
	21,766	17,235	4,531	
Total comprehensive income for the year attributable to:				
Owners of the Company	16,736	12,216	4,520	
Non-controlling interest	5,019	5,019	-	
	21,755	17,235	4,520	

EXTRACT OF CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited	Unaudited	Variance	Note
	RM'000	RM'000	RM'000	
Net cash used in operating activities	(287,440)	(265,388)	(22,052)	13
Net cash used in investing activities	(61,848)	(88,608)	26,760	14
Net cash from financing activities	255,596	259,970	(4,374)	15
Cash and cash equivalents at end of year	60,540	60,206	334	NM

Notes:

NM – Not material for variance below 5%

1. Reclassification on cost and inter-company's transaction elimination due to changes on common cost allocation among property, plant and equipment, non-current development properties, current development properties and contract costs. The common cost on infrastructure and land rights was allocated to the entire development cost instead of individual current development properties. Therefore, the common cost of development properties in current assets was reclassified to non-current development properties.
2. (i) Refer to note 1.
(ii) Reversal of marketing fee expense due to sales adjustment.
(iii) Refer to note 7(iii).
(iv) Land right over-amortised due to changes on common cost allocation.
3. Refer to note 1.
4. Reclassification from inventories to non-current and current development properties.
5. (i) The RM14.98 million increase is due to reclassification of advances received from receivables to trade and other payables.
(ii) The RM0.22 million decrease is due to reclassification of bank balance to cash and cash equivalent.
6. Reclassification of loan and borrowing payable within 12 months to current liabilities.
7. (i) Refer to note 5(i).
(ii) The RM0.12 million increase is due to deposit received from purchaser being omitted.
(iii) Accruals under-stated.
8. (i) Income tax under-provisioned for other business income.
(ii) The RM0.45 million increase is due to netting off on current tax assets and liabilities.

9. (i) The RM0.40 million increase is due to the deferred tax impact on inter-company's transaction elimination due to changes on common cost allocation as per note 1.
- (ii) The RM0.18 million increase is due to netting off on deferred tax assets and liabilities.
- (iii) The RM0.05 million increase is due to deferred tax expenses under-provisioned.
10. (i) The RM2.88 million decrease is due to reclassification of project's staff cost to cost of sales.
- (ii) The RM0.43 million decrease is due to reclassification of other miscellaneous tax expenses to other operating expenses.
11. (i) Refer to note 10(ii).
- (ii) The RM2.50 million increase is due to reclassification of impairment loss on investment in associates to other operating expenses.
12. Refer to note 11(ii).
13. (i) The RM0.22 million increase is due to reclassification of bank balance to cash and cash equivalent.
- (ii) Refer to note 7(ii).
- (iii) Refer to note 1.
- (iv) The RM25.18 million decrease is due to reclassification of issuance of redeemable preference shares to non-controlling interest by a subsidiary to financing activities.
- (v) The RM0.60 million decrease is due to reclassification of payment of lease liabilities from financing activities.
- (vi) The RM3.15 million increase is due to reclassification of interest paid to financing activities.
14. (i) Refer to note 1
- (ii) The RM27.00 million increase is due to reclassification of capital injection from non-controlling interest from financing activities.
15. (i) Refer to note 13(iv).
- (ii) Refer to note 13(v).
- (iii) Refer to note 13(vi).
- (iv) Refer to note 14(ii).

BY ORDER OF THE BOARD

Aspen (Group) Holdings Limited

Dato' Murly Manokharan
President and Group Chief Executive Officer
11 May 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules

*226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual
Section B: Rules of Catalyst.*

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Jennifer Tan, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).