Aspen (Group) Holdings Limited

And its subsidiaries

Registration Number: 201634750K

Condensed Interim Financial Statements

For the six months ended 30 June 2021

Table of Contents **Page**

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		Group		
		6 months ended		%
	Note	30.06.21	30.06.20	Change
		Unaudited	Unaudited	
		RM'000	RM'000	
Revenue	4	122,700	108,162	13
Cost of sales		(101,232)	(88,790)	14
Gross profit		21,468	19,372	11
Other income		1,273	1,335	(5)
Administrative expenses		(30,327)	(24,565)	23
Selling and distribution expenses		(6,859)	(3,054)	125
Other operating expenses		(1,078)	(2,069)	(48)
Results from operating activities		(15,523)	(8,981)	73
Finance income		113	1,069	(89)
Finance costs		(2,171)	(3,748)	(42)
Net finance costs		(2,058)	(2,679)	(23)
Share of results of equity-accounted investees, net of tax		(1,202)	(547)	120
Loss before tax	6	(18,783)	(12,207)	54
Tax expense	7	(1,689)	(836)	102
Loss for the period		(20,472)	(13,043)	57
Other comprehensive income, net of tax				
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations		129	(8)	(1,713)
Other comprehensive income, net of tax		129	(8)	(1,713)
Total comprehensive loss for the period		(20,343)	(13,051)	56
Loss for the period attributable to:				
Owners of the Company		(16,169)	(12,655)	28
Non-controlling interests		(4,303)	(388)	1,009
		(20,472)	(13,043)	57
Total comprehensive loss for the period attributable to:				
Owners of the Company		(16,040)	(12,663)	27
Non-controlling interests		(4,303)	(388)	1,009
		(20,343)	(13,051)	56
Earnings per share (cents)				
- Basic	9	(1.49)	(1.29)	
- Diluted	9	(1.49)	(1.29)	

B. Condensed interim statements of financial position

	Note	Group		Company	
		30.06.21 Unaudited RM'000	31.12.20 Audited RM'000	30.06.21 Unaudited RM'000	31.12.20 Audited RM'000
Non-current assets					
Property, plant and equipment	11	390,101	236,773	-	-
Intangible assets	12	1,918	1,807	-	-
Subsidiaries		-	-	223,632	217,970
Associates	13	161,195	147,156	-	-
Development properties		372,505	368,657	-	-
Trade and other receivables		6,728	20,833	-	-
Deferred tax assets		10,248	10,620	-	-
		942,695	785,846	223,632	217,970
Current assets					
Development properties		544,530	514,519	-	-
Contract costs		17,445	11,966	-	-
Contract assets		6,908	97,148	-	-
Tax recoverables		8,500	6,125	-	-
Inventories		16,769	17,799	-	-
Trade and other receivables		80,418	49,722	109,487	91,472
Cash and cash equivalents		68,064	86,565	107	29,148
		742,634	783,844	109,594	120,620
Total assets		1,685,329	1,569,690	333,226	338,590
Current liabilities					
Loans and borrowings	14	155,246	160,692	24,912	28,091
Trade and other payables		434,950	304,511	2,899	2,792
Contract liabilities		30,525	2,434	-	-
Current tax liabilities		129	2,752	-	-
		620,850	470,389	27,811	30,883
Non-current liabilities					
Loans and borrowings	14	308,158	335,690	-	-
Trade and other payables		122,195	124,771	-	-
Deferred tax liabilities		10,618	10,781	-	-
		440,971	471,242	-	-
Total liabilities		1,061,821	941,631	27,811	30,883
Equity					
Share capital	15	316,786	316,786	316,786	316,786
Reserves		233,457	249,497	(11,371)	(9,079)
Equity attributable to owners of the Company		550,243	566,283	305,415	307,707
Non-controlling interests		73,265	61,776	-	-
Total equity		623,508	628,059	305,415	307,707
Total equity and liabilities		1,685,329	1,569,690	333,226	338,590

C. Condensed interim statements of changes in equity

Group	Share capital RM'000	Translation reserve RM'000	Reserve for own shares RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2021	316,786	(30)	(21)	37,442	212,106	566,283	61,776	628,059
Loss for the year	-	-	-	-	(16,169)	(16,169)	(4,303)	(20,472)
Other comprehensive income, net of tax	-	129	-	-	-	129	-	129
Total comprehensive income for the period	-	129	-	-	(16,169)	(16,040)	(4,303)	(20,343)
Issuance of redeemable convertible preference shares	-	-	-	-	-	-	15,792	15,792
At 30 June 2021	316,786	99	(21)	37,442	195,937	550,243	73,265	623,508

Group	Share capital RM'000	Translation reserve RM'000	Reserve for own shares RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2020 (restated)	237,241	(11)	(21)	37,442	140,922	415,573	55,711	471,284
Loss for the year	-	-	-	-	(12,655)	(12,655)	(388)	(13,043)
Other comprehensive income, net of tax	-	(8)	-	-	-	(8)	-	(8)
Total comprehensive income for the period	-	(8)	-	-	(12,655)	(12,663)	(388)	(13,051)
Issuance of scrip dividend	7,350	-	-	-	(1,547)	5,803	-	5,803
At 30 June 2020 (restated)	244,591	(19)	(21)	37,442	126,720	408,713	55,323	464,036

C. Condensed interim statements of changes in equity (cont'd)

Company	Share capital RM'000	Reserve for own shares RM'000	Retained losses RM'000	Total equity RM'000
At 1 January 2021	316,786	(21)	(9,058)	307,707
Total comprehensive loss for the period	-	-	(2,292)	(2,292)
At 30 June 2021	316,786	(21)	(11,350)	305,415

Company	Share capital RM'000	Reserve for own shares RM'000	Retained earnings/(losses) RM'000	Total equity RM'000
At 1 January 2020	237,241	(21)	1,406	238,626
Issuance of scrip dividend	7,350	-	(1,547)	5,803
Total comprehensive loss for the period	-	-	(6,434)	(6,434)
At 30 June 2020	244,591	(21)	(6,575)	237,995

D. Condensed interim consolidated statement of cash flows

	Group	
	6 months ended	
	30.06.21	30.06.20
	Unaudited	Unaudited
	RM'000	RM'000
Cash flows from operating activities		
Loss before tax	(18,783)	(12,207)
Adjustments for:		
Depreciation of property, plant and equipment	7,139	6,910
Amortisation of intangible assets	109	8
Finance costs	17,317	11,212
Finance income	(113)	(1,069)
Share of results of equity-accounted investees	1,202	547
Unrealised loss on foreign exchange	992	2,562
	7,863	7,963
Changes in:		
- development properties	(32,831)	(33,946)
- contract costs	(5,482)	1,425
- contract assets	90,240	(22,247)
- trade and other receivables	(30,778)	40,614
- trade and other payables	38,874	4,154
- contract liabilities	28,092	13,573
Cash generated from operations	95,978	11,536
Tax (paid)/refund	(6,478)	636
Net cash generated from operating activities	89,500	12,172
Cash flows from investing activities		
Acquisition of property, plant and equipment	(67,615)	(432)
Acquisition of intangible assets	(186)	-
Interest received	113	1,069
Additional investment in associates	(1,050)	(1,800)
Net cash used in investing activities	(68,738)	(1,163)

D. Condensed interim consolidated statement of cash flows (cont'd)

	Group	
	6 months ended	
	30.06.21 Unaudited RM'000	30.06.20 Unaudited RM'000
Cash flows from financing activities		
Changes in fixed deposit pledged	(17)	(728)
Proceeds from loans and borrowings	21,328	20,771
Repayment of loans and borrowings	(49,833)	(29,741)
Payment of lease liabilities	(6,847)	(844)
Capital contribution by non-controlling interests	2,632	-
Advances from non-controlling interests	9,212	-
Interest paid	(15,536)	(9,703)
Net cash used in financing activities	(39,061)	(20,245)
Net decrease in cash and cash equivalents	(18,299)	(9,236)
Effect of exchange rate changes on cash and cash equivalents	(219)	163
Cash and cash equivalents at 1 January	83,788	60,540
Cash and cash equivalents at 30 June	65,270	51,467

Cash and cash equivalents included in the consolidated statement of cash flows comprises the followings:

	Group	
	30.06.21 Unaudited RM'000	30.06.20 Unaudited RM'000
Cash and cash equivalents	68,064	59,318
Less: Fixed deposits pledged to financial institutions	(2,794)	(7,851)
	65,270	51,467

E. Notes to the condensed interim consolidated financial statements

1. Domicile and activities

Aspen (Group) Holdings Limited (the "Company") is incorporated in the Republic of Singapore. The address of the Company's registered office is 80 Robinson Road #02-00 Singapore 068898.

The Company was listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGXST") on 28 July 2017. With effect from 28 January 2021, the Company was transferred to the Mainboard of the SGX-ST.

The principal activity of the Company is that of investment holding. The Group is principally engaged in (i) property development, (ii) restaurants and (iii) manufacturing of gloves. The immediate and ultimate holding company is Aspen Vision Group Sdn. Bhd., a company incorporated in Malaysia.

The condensed interim financial statements of the Group as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

2. Basis of preparation

The unaudited condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

These financial statements are presented in Malaysian ringgit ("RM"), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

2.1 New and amended standards adopted by the Group

During the current financial period, the Group and the Company have adopted the following amendments to SFRS(I)s which took effect from financial year beginning 1 January 2021:

- Amendments to SFRS(I) 16 *Covid-19-Related Rent Concessions*
- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 *Interest Rate Benchmark Reform – Phase 2*

The adoption of the above amendments to SFRS(I)s did not result in material changes to the Group's accounting policies and is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the current or prior reporting periods. Accordingly, it has no material impact on the earnings per share of the Group and of the Company.

2.2 Use of estimates and judgements

The preparation of the condensed financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets within the next interim period are included in the following note:

Note 4 – Revenue recognition - Measurement of stage of property development
Note 13 – Fair value of investment properties held by associates

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest). The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 5 – financial instruments
Note 13 – Fair value of investment properties held by associates

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker ("CODM"). The CODM is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by management.

The following summary describes the operations in each of the Group's reportable segments:

Property development	Development of residential and commercial properties
Healthcare	Manufacturing of gloves
Others	Includes sales of food and beverages and investment holdings

4.1. Reportable segments

	Property development RM'000	Healthcare RM'000	Others RM'000	Total reportable segment RM'000	Elimination RM'000	Consolidation RM'000
1 January 2021 to 30 June 2021						
External revenue	116,129	2,270	4,301	122,700	-	122,700
Inter-segment revenue	313	-	15,875	16,188	(16,188)	-
Interest income	96	-	17	113	-	113
Interest expenses	(1,023)	(238)	(3,544)	(4,805)	2,634	(2,171)
Depreciation and amortisation	(1,982)	(495)	(4,831)	(7,308)	60	(7,248)
Segment profit/(loss) before tax	5,506	(15,059)	(8,812)	(18,365)	(418)	(18,783)
Share of loss of equity-accounted investees	-	-	(1,202)	(1,202)	-	(1,202)
Reportable segment assets	1,266,866	252,066	1,380,787	2,899,719	(1,214,390)	1,685,329
Equity-accounted investees	-	-	149,849	149,849	11,346	161,195
Capital expenditure	530	157,796	904	159,230	1,139	160,369
Reportable segment liabilities	1,040,749	199,629	383,419	1,623,797	(561,976)	1,061,821

4.1. Reportable segments (cont'd.)

	Property development RM'000	Healthcare RM'000	Others RM'000	Total reportable segment RM'000	Elimination RM'000	Consolidation RM'000
1 January 2020 to 30 June 2020						
External revenue	106,250	-	1,912	108,162	-	108,162
Inter-segment revenue	69	-	11,745	11,814	(11,814)	-
Interest income	844	-	225	1,069	-	1,069
Interest expenses	(8,247)	-	(4,277)	(12,524)	8,776	(3,748)
Depreciation and amortisation	(3,012)	-	(3,966)	(6,978)	60	(6,918)
Segment loss before tax	(2,832)	-	(17,422)	(20,254)	8,048	(12,206)
Share of loss of equity-accounted investees	-	-	(547)	(547)	-	(547)
Reportable segment assets	1,171,714	-	1,214,353	2,386,067	(1,024,391)	1,361,676
Equity-accounted investees	-	-	78,150	78,150	26,091	104,241
Capital expenditure	13	-	490	503	(71)	432
Reportable segment liabilities	959,235	-	332,146	1,291,381	(393,741)	897,640

4.2 Disaggregation of revenue

Segment revenue is disaggregated into geographical location and timing of recognition.

	Group			
	Property development RM'000	**Healthcare RM'000**	**Others RM'000**	**Total RM'000**
1 January 2021 to 30 June 2021				
Geographical location				
Malaysia	116,129	2,270	-	118,399
Singapore	-	-	4,301	4,301
	116,129	2,270	4,301	122,700
Timing of recognition				
Over time (properties under development)	79,028	-	-	79,028
At a point in time (mainly completed units)	37,101	-	-	37,101
Sale of food and beverages	-	-	4,301	4,301
Sale of gloves	-	2,270	-	2,270
	116,129	2,270	4,301	122,700

4.2 Disaggregation of revenue (cont'd)

	Group			
	Property development RM'000	Healthcare RM'000	Others RM'000	Total RM'000
1 January 2020 to 30 June 2020				
Geographical location				
Malaysia	106,250	-	-	106,250
Singapore	-	-	1,912	1,912
	106,250	-	1,912	108,162
Timing of recognition				
Over time (properties under development)	96,092	-	-	96,092
At a point in time (mainly completed units)	10,158	-	-	10,158
Sale of food and beverages	-	-	1,912	1,912
Sale of gloves	-	-	-	-
	106,250	-	1,912	108,162

5. Financial assets and financial liabilities

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are set out below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value			
	Amortised costs RM'000	Other financial liabilities RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group							
30 June 2021							
Financial assets not measured at fair value							
Redeemable preference shares – associates	69,075	-	69,075	-	-	71,801	71,801
Trade and other receivables*	77,174	-	77,174				
Deposit	998	-	998	-	938	-	938
Cash and cash equivalents	68,064	-	68,064				
	215,311	-	215,311				
Financial liabilities not measured at fair value							
Trade and other payables^	-	(556,453)	(556,453)	-	-	(557,189)	(557,189)
Loans and borrowings							
- Term loans and bridging loans	-	(322,711)	(322,711)	-	(327,908)	-	(327,908)
- Revolving credit	-	(18,510)	(18,510)	-	(18,510)	-	(18,510)
- Redeemable preference shares	-	(38,140)	(38,140)	-	-	(40,330)	(40,330)
- Convertible loan	-	(24,912)	(24,912)	-	-	(24,912)	(24,912)
	-	(960,726)	(960,726)				

* Excluding prepayments and non-current deposits.

^ Excluding booking fee received and provision for reinstatement costs.

5. **Financial assets and financial liabilities (cont'd.)**

	Carrying amount			Fair value			
	Amortised costs RM'000	**Other financial liabilities RM'000**	**Total RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Group							
31 December 2020							
Financial assets not measured at fair value							
Redeemable preference shares – associates	53,835	-	53,835	-	-	55,510	55,510
Trade and other receivables*	65,506	-	65,506				
Deposit	913	-	913	-	883	-	883
Cash and cash equivalents	86,565	-	86,565				
	206,819	-	206,819				
Financial liabilities not measured at fair value							
Trade and other payables^	-	(428,474)	(428,474)	-	-	(429,717)	(429,717)
Loans and borrowings							
- Term loans and bridging loans	-	(356,352)	(356,352)	-	(362,013)	-	(362,013)
- Revolving credit	-	(9,203)	(9,203)	-	(9,203)	-	(9,203)
- Redeemable preference shares	-	(38,140)	(38,140)	-	-	(41,467)	(41,467)
- Convertible loan	-	(28,091)	(28,091)	-	-	(28,091)	(28,091)
	-	(860,260)	(860,260)				

* Excluding prepayments and non-current deposits.
^ Excluding booking fee received and provision for reinstatement costs.

5. **Financial assets and financial liabilities (cont'd.)**

	Carrying amount			Fair value			
	Amortised costs RM'000	Other financial liabilities RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Company							
30 June 2021							
Financial assets not measured at fair value							
Trade and other receivables*	109,487	-	109,487				
Cash and cash equivalents	107	-	107				
	109,594	-	109,594				
Financial liabilities not measured at fair value							
Trade and other payables^	-	(2,899)	(2,899)				
Convertible loan	-	(24,912)	(24,912)	-	-	(24,912)	(24,912)
	-	(27,811)	(27,811)				
Company							
31 December 2020							
Financial assets not measured at fair value							
Trade and other receivables*	91,472	-	91,472				
Cash and cash equivalents	29,148	-	29,148				
	120,620	-	120,620				
Financial liabilities not measured at fair value							
Trade and other payables^	-	(2,792)	(2,792)				
Convertible loan	-	(28,091)	(28,091)	-	-	(28,091)	(28,091)
	-	(30,883)	(30,883)				

* Excluding prepayments.

6. Loss before taxation

6.1. Significant items

The following items have been included in arriving at profit before tax for the six months ended:

	Group	
	6 months ended	
	30.06.21	30.06.20
	RM'000	RM'000
Audit fees paid to:		
- Auditors of the Company	60	36
- Other member firms of the auditors	37	17
Depreciation of property, plant and equipment	7,139	6,910
Amortisation of intangible asset	109	8
Government grant income	(157)	(126)
Employee benefit expense*:		
Salaries, bonus and other costs	10,062	7,140
Contributions to defined contribution plans	1,077	865

* Employee benefit expense excluding directors' remuneration.

6.2. Related party transactions

Transactions with key management personnel comprised:

	Group	
	6 months ended	
	30.06.21	30.06.20
	RM'000	RM'000
Progress billings		
Key management personnel	281	112
Companies in which directors and key management personnel have substantial interests	264	-
	545	112

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended	
	30.06.21	30.06.20
	RM'000	RM'000
Current income tax expense	1,474	355
Deferred tax expense		
Origination and reversal of temporary differences	215	481
Total tax expense	1,689	836

8. Dividends

No dividend was paid for the current financial period reported on.

On 21 January 2020, 19,699,494 ordinary shares were issued and allotted at an issue price of SGD0.124 per share to entitled shareholders who had elected to participate in the Aspen Group Scrip Dividend Scheme in respect of the dividend for the third quarter ended 30 September 2019.

9. Earnings per share

	Group	
	6 months ended	
	30.06.21	30.06.20
Loss attributable to equity holders of the Company (RM'000)	(16,169)	(12,655)
Weighted average number of ordinary shares ('000)[1]	1,083,270	981,105
Basic and diluted earnings per share ("EPS") (RM cents) [2]	(1.49)	(1.29)

Notes:

1) EPS have been computed based on the weighted average share capital of 1,083,269,594 shares and 981,104,814 shares for the respective six months ended 30 June 2021 and 30 June 2020.

2) The diluted earnings per share for six months ended 30 June 2021 and 30 June 2020 is the same as the basic earnings per share assuming that no potential ordinary shares are to be issued under the Convertible Loan (where up to 50% of the loan is convertible into ordinary shares at SGD 0.35 per share at the option of the lender in one or multiple tranches at any time during the loan tenure) as the conversion price is higher than the prevailing market price as at 30 June 2021 and 30 June 2020.

10. Net asset value

	Group		Company	
	30.06.21	**31.12.20**	**30.06.21**	**31.12.20**
Net asset value (RM'000)	550,243	566,283	305,415	307,707
Number of ordinary shares in issue ('000)	1,083,270	1,083,270	1,083,270	1,083,270
Net asset value per ordinary share (RM cents)	50.79	52.28	28.19	28.41

11. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to RM158,780,000 (30 June 2020: RM432,000) and disposed of assets amounting to nil (30 June 2020: nil).

12. Intangible assets

	Group RM'000
Cost	
At 1 January 2021	2,031
Additions	186
Effect of movement in exchange rate	38
At 30 June 2021	2,255
Accumulated Amortisation	
At 1 January 2021	224
Amortisation charge	109
Effect of movement in exchange rate	4
At 30 June 2021	337
Carrying amounts at 30 June 2021	1,918
At 31 December 2020	
Cost	2,031
Accumulated amortisation	(224)
Carrying amount	1,807

Amortisation

The amortisation of franchise license is included in 'administrative expenses'.

13. Associates

	Group	
	30.06.21	**31.12.20**
	RM'000	**RM'000**
Interest in associates	92,120	93,321
Redeemable preference shares	69,075	53,835
	161,195	147,156

Total assets of associates include investment properties held to earn rental income or for capital appreciation or both. Investment properties also includes property that is being constructed or developed for future use.

Investment properties of associates are leased to non-related parties under operating leases.

13.1 Valuation of investment properties of associates

The Group's policy is for investment property to be measured at fair value for which the Group appoints independent registered valuers to undertake property valuations at least annually at the end of the financial year. The Group did not engage an independent valuer to determine the fair value of the investment properties as at 30 June 2021. However, the Management had taken into consideration those underlying factors that would have an impact to the fair value of the investment properties since the last valuations completed in December 2020 and concluded that there are no major aspects that could affect the fair value of the investment properties as at 30 June 2021.

The fair value measurement for the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 2.2).

14. Borrowings

	Group	
	30.06.21	**31.12.20**
	RM'000	**RM'000**
Amount repayable in one year or less, or on demand		
Secured	155,246	160,692
Unsecured	-	-
Amount repayable after one year		
Secured	270,018	297,550
Unsecured	38,140	38,140

The loans and borrowings are secured over the freehold land, fixed and floating charges over certain subsidiaries' present and future assets, fixed deposits placed by the subsidiaries, corporate guarantees by subsidiaries, pledge of shares held by the holding company, deed of assignment of benefits of certain contract proceeds, and joint and several guarantee by certain directors of the subsidiaries.

15. Share capital

	Company			
	30.06.21		31.12.20	
	Number of shares ’000	Amount RM’000	Number of shares ’000	Amount RM’000
Beginning of interim period (excluding treasury shares)	1,083,270	316,786	983,270	244,570
Add: Share placement	-	-	100,000	72,642
Transaction costs	-	-	-	(426)
End of interim period (excluding treasury shares)	1,083,270	316,786	1,083,270	316,786

<u>Treasury Shares</u>

The Company had 47,800 treasury shares as at 30 June 2021 and 30 June 2020. The treasury shares held constitute 0.004% and 0.005% of the total number of ordinary shares outstanding as at 30 June 2021 and 30 June 2020 respectively.

There were no sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

<u>Outstanding Convertibles</u>

As at 30 June 2021, the Company has a convertible loan due of an aggregate amount of USD6,000,000 (30 June 2020: USD10,000,000) (“Convertible Loan”), of which 50% of the Convertible Loan may be converted to approximately 11,506,286 (30 June 2020: 19,177,143) new fully paid ordinary shares of the Company based on a fixed conversion price of S$0.35 per share (assuming an exchange rate of US$1: S$1.3424). Further details on this Convertible Loan can be found in the Company’s SGXNET announcement dated 20 May 2018. Save for the Convertible Loan, the Company did not have any other outstanding options and convertibles as at 30 June 2021 and 30 June 2020.

There were no subsidiary holdings as at 30 June 2021 and 30 June 2020. As such, there is no sales, transfer, cancellation and/or use of subsidiary holdings as at 30 June 2021.

<u>Scrip Dividend Scheme</u>

On 21 January 2020, the Company had issued and allotted 19,699,494 new ordinary shares in the capital of the Company at an issue price of S$0.1240 per new share to entitled shareholders who had elected to participate in the Aspen Group Scrip Dividend Scheme in respect of the dividend for the third quarter ended 30 September 2019. Further details on this Scrip Dividend Scheme can be found in the Company’s SGXNET announcements dated 18 November 2019 and 20 January 2020.

<u>Private Placement</u>

On 18 November 2020, placement of up to 100,000,000 new ordinary shares in the capital of the Company at the issue price of S$0.238 for each Placement Share was completed. Further details on this Placement can be found in the Company’s SGXNET announcements dated 18 November 2020.

16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Aspen (Group) Holdings Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

1.1 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern)

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

2. Review of the performance of the Group

<u>**Consolidated Statement of Comprehensive Income**</u>

The Group recorded revenue of RM122.7 million for first half of 2021, representing a growth of 13% as compared to first half of 2020. Progressive construction of Beacon Executive Suites, Vivo Executive Apartment and Viluxe Phase 1 projects from the property development segment primarily contributed to the increase in Group revenue. As for the healthcare segment, the glove manufacturing only recorded approximately one month of revenue as commercial production of gloves under Phase 1(a) only commenced on 10 May 2021 and the first shipment of gloves was shipped out on 29 May 2021. Cost of sales increased by 14% from RM88.8 million to RM101.2 million in tandem with the increase in revenue. This resulted in an increase of gross profit by 11% from RM19.4 million to RM21.5 million.

The Group's losses from operating activities increased by 73% from RM9.0 million to RM15.5 million primarily due to the pre-operating expenses of approximately RM5.0 million incurred by healthcare segment during the first half of 2021, approximately RM4.1 million of selling and distribution expenses incurred in conjunction with Vertu Resort and Beacon Executive Suites vacant possession, decrease in other income by 5% to RM1.3 million for first half of 2021 arise from the absence of realised and unrealised gain on favourable foreign exchange translation against first half of 2020 and increase in depreciation charge by about RM0.2 million on additional fixed assets purchased. This was offset by decrease in other operating expenses by 48% from RM2.1 million to RM1.1 million due to the realised and unrealised loss on foreign exchange translation from reduced foreign currency borrowing.

The decrease in finance income by 89% from RM1.1 million to RM0.1 million is mainly due to decrease in interest on fixed deposit. Finance cost is reduced by 42% from RM3.7 million to RM2.2 million due to capitalisation of interest to property development projects.

The increase in share of losses from equity-accounted investees by 120% from RM0.5 million to RM1.2 million is mainly from losses incurred by one of the associates. Tax expense increased by 102% from RM0.8 million to RM1.7 million mainly due to the increase in taxable income from property development segment. The favourable foreign currency translation differences for foreign operations resulted in RM0.1 million in other comprehensive income for the first half of 2021 as compared to first half of 2020.

Consolidated Statement of Financial Position

Non-current assets
The Group's non-current assets increased by RM156.9 million from RM785.8 million as at 31 December 2020 to RM942.7 million as at 30 June 2021, mainly due to an increase in property, plant and equipment in healthcare segment of RM157.8 million and an increase in investment in associates which was offset by the decrease in trade and other receivables mainly due to capitalisation of advances to associate into equity.

Current assets
The Group's current assets decreased by RM41.2 million from RM783.8 million as at 31 December 2020 to RM742.6 million as at 30 June 2021, primarily due to the decrease in contract assets amounting to RM90.2 million arise from increase in progress billings for Vertu Resort project and Beacon Executive Suites during the first half of 2021. This was offset by increase in development properties and contract costs by RM30.0 million and RM5.5 million respectively arising from the on-going projects. The increase in trade and other receivables of RM30.7 million was mainly due to progress billings to purchasers yet to be collected. Tax recoverables has increased from RM6.1 million to RM8.5 million due to tax instalment to tax authority. The decrease in cash and cash equivalents of RM18.5 million is mainly due to additional capital expenditure and repayment of borrowings.

Current liabilities
The Group's current liabilities increased by RM150.5 million from RM470.4 million as at 31 December 2020 to RM620.9 million as at 30 June 2021, primarily due to the increase in trade and other payables of RM130.4 million arising from the construction of glove manufacturing plant and the increase in contract liabilities by RM28.1 million mainly for Vertu Resort project. This was offset by decrease in loans and borrowings by RM5.4 million mainly due to repayment of loans and borrowings and lease liabilities and decrease in tax liabilities from RM2.7 million to RM0.1 million due to tax payment.

Non-current liabilities
The Group's non-current liabilities decreased by RM30.3 million from RM471.2 million as at 31 December 2020 to RM440.9 million as at 30 June 2021, primarily due to the decrease in loans and borrowings of RM27.5 million arising from re-classification of loans and borrowings due within one year to current liabilities.

Equity
The increase in non-controlling interests from RM61.7 million to RM73.2 million is mainly due to the capital contribution by non-controlling interest.

The Group has a positive working capital of RM121.8 million as at 30 June 2021.

<u>Consolidated Statement of Cash Flows</u>

The Group recorded net cash generated from operating activities of RM89.5 million for the first half of 2021, which comprised operating cash inflows after working capital changes of RM96.0 million and tax payments of RM6.5 million. The net cash inflow from operations was mainly due to the increase in progress billings of Vertu Resort project and Beacon Suites.

Net cash used in investing activities amounted to RM68.7 million which was mainly for the acquisition of property, plant and equipment for the healthcare segment and additional investment in associate of RM1.1 million.

Net cash outflow from financing activities amounted to RM39.1 million being repayment of loans and borrowings and lease liabilities of RM56.7 million, and interest cost paid to financial institution RM15.5 million. This was offset by proceeds from loans and borrowings of RM21.3 million, capital contribution and advance from non-controlling interest amounted to RM2.6 million and RM9.2 million respectively.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

In the Company's Annual Report for the financial year ended 31 December 2020 under the Message from the President & Group CEO section ("Annual Report FY2020"), it was stated that the completion of Vertu Resort and Beacon Executive Suites is expected to be a positive contributor towards the Group's FY2021 financial results. This prospect statement has been met as Vertu Resort and Beacon Executive Suites are the main contributors to the Group revenue for first half of 2021.

It was also stated in the Annual Report FY2020 that the Group intends to launch four projects in 2H 2021 catering to a wide spectrum of the community namely, the second phase of Viluxe and a brand new residential development in Aspen Vision City, Batu Kawan, Penang; a high-rise development in Tanjung Bungah, Penang and a serviced apartment in Kajang, Selangor. However, given the continued fluidity of the Covid-19 situation and political uncertainty in Malaysia, the Group will take a cautious approach to delay these project launches and instead concentrate on the construction and sale of its existing projects, Vivo Executive Apartment and Viluxe. If market momentum permits, the Group targets to launch the second phase of Viluxe at Aspen Vision City, Batu Kawan in second half of FY2021.

It was further stated in the Annual Report FY2020 that the Company's subsidiary, Aspen Glove Sdn. Bhd. ("AGSB") plans to commence production of Phase 1(b) from July 2021 which will take the total production capacity from Phase 1(a) and 1(b) to reach 3.5 billion pieces of gloves per annum. In addition, it was stated in the Company's announcement dated 17 May 2021 that AGSB has commenced the construction of Phase 2 of the manufacturing facility in April 2021 and the construction is expected to be completed by October 2021. It was also stated that the completion of Phase 2 will bring the total annual production capacity of AGSB to approximately 7 billion gloves per annum and production of gloves under Phase 2 is expected to commence in stages from Q4 2021 onwards and achieve full production capacity by 1Q 2022 with 24 production lines. However, there has been a slight delay in the machinery installations of AGSB's Phase 1(b) to include 6 additional lines. Although the piling works for Phase 2 of AGSB's manufacturing facility have been completed, the main building works have been delayed. These delays are mainly contributed by disruption of the supply chain due to the imposition of enhanced movement control orders in the states of Kuala Lumpur and Selangor, where the majority of the skilled manpower and machinery are sourced for AGSB's expansion plans. Notwithstanding, AGSB's general contractors and specialist contractors are currently working around the clock to catch up on the delay. The Group now expects AGSB to commence production of Phase 1(b) from Q4 2021 which will take the total production capacity from Phase 1(a) and 1(b) to reach 3.5 billion pieces of gloves per annum. Whereas Phase 2 is now expected to commence in stages from 3Q 2022. AGSB is also reviewing the product mix and strategy.

It was also stated in the Annual Report FY2020 that the Group targets to open another four Kanada-Ya outlets in Singapore at various strategic locations in 2021. However, the Group has decided to slow down the expansion plan to conserve cash due to the pandemic and open only one new outlet in Singapore in 2021. The Group will closely monitor the situation and alter its expansion plan to catch the timing of recovery.

The Company has issued a profit guidance whereby the Group is expected to report a consolidated net loss in respect of the half year ended 30 June 2021 which was announced on 30 July 2021. The Group's financial results for the half year ended 30 June 2021 is in line with the profit guidance.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Malaysia's gross domestic product ("GDP") marginally declined 0.5 per cent in the first quarter of 2021, and continues its recovery from a decrease of 3.4 per cent in the preceding quarter, as reported by the Department of Statistics Malaysia. [1] The World Bank has slashed its GDP growth projection for Malaysia for the second time to 4.5% in 2021; from 6% estimated in March 2021 and 6.7% in December 2020 after taking into account a flare-up in Covid-19 infections and slower-than-expected vaccine rollout. [2]

The spike of Covid-19 cases following the new wave of infections since the fourth quarter of 2020 prompted the Government of Malaysia to reinstate the conditional movement control order in various states. Subsequently, the worsening of the pandemic led to the re-imposition of Movement Control Order ("MCO") 2.0 in six states since 13th January 2021 and was expanded to almost all states in May 2021, dubbed MCO 3.0. Nevertheless, MCO 2.0 and MCO 3.0 allowed more economic sectors to operate with strict Standard Operating Procedure ("SOP") compared to MCO 1.0 and lessened the negative impact on the country's GDP.[3] As Malaysia's Covid-19 figures remained on the upward trend, the Government of Malaysia imposed the Full Movement Control Order ("FMCO") from 1 June 2021 to 14 June 2021 but was subsequently extended indefinitely. During the FMCO Period, all economic sectors were not allowed to operate except for essential economic and services sectors listed by the National Security Council ("NSC") of Malaysia. Due to the impact of the FMCO, Malaysia's GDP is expected to once again be revised downwards. [4]

To steer the nation out of the pandemic, the Government of Malaysia announced the four-phase National Recovery Plan ("NRP") from 29 June 2021. The NRP, which has four phases that will transition in stages, will depend on three specific threshold indicators namely the daily Covid-19 case average numbers, the capacity of the public health system and the vaccination rate. Under Phase One of the NRP, the FMCO is maintained, and all social and economic activities are not allowed to operate except for the essential sectors listed in the positive list issued by the NSC. The essential private sectors are only allowed to operate using 60% of the workforce, including operations and management staff. Malaysian states that are successful in achieving the three threshold indicators will transition from Phase One to Phase Two that will allow essential private sectors to increase their manpower to 80% subject to, inter alia, compliance with Covid-19 SOPs.

Malaysia's economic health is expected to recover gradually as the nation shifts to Phase Two of the NRP in July and August and Phase Three in September and October 2021, with more sectors to be allowed to resume operations.[5] The National Covid-19 Immunisation Programme (PICK) is also expected to restore business confidence and improve the country's economic growth. [6]

The local property market is expected to turnaround in the second half of 2021, provided the Covid-19 situation improves. To aid the property industry, the Government of Malaysia had announced several stimulus packages, including the reduction of the Overnight Policy Rate and re-introduction of house ownership campaign that make home ownership more affordable.

Despite the tough operating environment, the Group had successfully completed its two residential developments, namely Vertu Resort and Beacon Executive Suites and had delivered vacant possession in the 1st half of 2021.

The Group will take a cautious approach to delay its project launches and instead concentrate on the construction and sale of its existing projects, Vivo Executive Apartment and Viluxe. If market momentum permits, the Group targets to launch the second phase of Viluxe at Aspen Vision City, Batu Kawan in second half of FY2021. The Group is cautiously optimistic that demand for property will be sustainable, given the strategic location and right pricing of its properties.

For the Group's healthcare sector, AGSB has met all of its milestones and commenced the commercial production of gloves under Phase 1(a) on 10 May 2021. AGSB's first shipment of gloves was shipped out on 29 May 2021. However, there has been a slight delay in the machinery installations of AGSB's Phase 1(b) to include 6 additional lines and construction of Phase 2 of AGSB's manufacturing facility. The Group now expects AGSB to commence production of Phase 1(b) from Q4 2021 which will take the total production capacity from Phase 1(a) and 1(b) to reach 3.5 billion pieces of gloves per annum. Whereas Phase 2 is now expected to commence in stages from 3Q 2022. AGSB is also reviewing the product mix and strategy. With the secured sales of the entire production capacity for AGSB's Phase 1(a) in 2021 and commercialization of Phase 1(b), the Group expects AGSB to be able to generate consistent revenue and make a positive contribution towards the Group's financial results for the second half of 2021.

AGSB is currently based in the state of Kedah and is subject to the Covid-19 restriction under Phase One of the NRP. Accordingly, AGSB is still operating with only 60% of its overall manpower capacity on a 24/7 basis using 3 teams working 8-hour shifts with strict adherence to SOP. AGSB will increase its manpower to 80% once the state of Kedah transitions to Phase Two of the NRP. At the same time, AGSB is working closely with its suppliers and trade partners to ensure minimal supply chain disruption to its production schedule during this period. The Group will also continue to execute cost optimisation initiatives to deliver efficiencies and savings and at the same time strengthen AGSB's brand.

Whereas, in Singapore, where the Group's food and beverage ("F&B") sector is based, the Multi-Ministry Taskforce ("MMT") had earlier announced the reversion to Phase Two (Heightened Alert) ("P2HA") measures from 22 July 2021 to 18 August 2021 ("P2HA Period") to overcome new Covid-19 infection clusters in Singapore. During the P2HA Period, all dining-in at F&B establishments was disallowed. However, following a mid-point review of the P2HA measures, MMT has allowed some easing of the measures in two steps including the resumption of dining-in at F&B establishments for fully vaccinated groups. The first step will take effect from 10 August 2021, and the second step from 19 August 2021, if Covid-19 infection numbers remain stable. Accordingly, the Company's subsidiary, Kanada-Ya SG Pte. Ltd is now able to cater to dine-in customers on top of providing take-out and delivery options at its four existing Kanada-Ya outlets. Due to the strong support from patrons, the Group targets to open another outlet in Singapore in 2021.

Overall, the Group expects the operating environment to remain challenging and uncertain. Nonetheless, the Group will continue with its prudent and professional management approach to ensure the delivery of satisfactory performance in the second half of the year whilst consolidating its market position and strengthening its competitive edge to seize any opportunities which may emerge when the situation improves.

(1) https://www.dosm.gov.my/v1/index.php?r=column/cthemeByCat&cat=100&bul_id=dUl6ZW5ZaTMycTV4bW51d0NlWWYzUT09&menu_id=TE5CRUZCblh4ZTZMODZIbmk2aWRRQT09
(2) https://www.theedgemarkets.com/article/world-bank-cuts-malaysias-2021-gdp-growth-projection-45-amid-covid19-flareup
(3) https://www.mof.gov.my/en/news/press-citations/tightened-mco-3-0-to-have-1-0-pct-impact-on-gdp-tengku-zafrul
(4) https://www.theedgemarkets.com/article/govts-official-gdp-forecast-be-revised-downwards-says-finance-minister
(5) https://www.theedgemarkets.com/article/malaysias-economic-health-gradually-recover-national-recovery-plan
(6) https://www.dosm.gov.my/v1/index.php?r=column/cthemeByCat&cat=100&bul_id=dUl6ZW5ZaTMycTV4bW51d0NlWWYzUT09&menu_id=TE5CRUZCblh4ZTZMODZIbmk2aWRRQT09

5. Use of disbursement from Convertible Loan

The Company refers to the disbursement amounting to USD$10.89 million (excluding arranger fee of USD$0.11 million) from the acceptance of a Convertible Loan from Haitong International Financial Products (Singapore) Pte. Ltd. ("Lender") as announced on 20 May 2018 and 19 October 2018.

On 9 June 2021, the Company had obtained a letter of agreement from the Lender to extend the loan tenure to 19 August 2021 subject to the loan being reduced to USD6.0 million ("Reduced Loan"), upon the terms and conditions of the letter of agreement. The Reduced Loan shall only be used for financing of investment in Global Vision Logistics Sdn. Bhd. for the development of a logistics hub is Shah Alam.

As at the date of this announcement, the Group had repaid in cash, USD3.0 million of the outstanding Reduced Loan and the remaining balance of USD3.0 million will be fully repaid in cash by September 2021, as agreed with the Lender.

As at the date of this announcement, the status on the use of disbursements from the Convertible Loan is as follows:

Use of Net Disbursement from Convertible Loan	**Amount allocated USD$'000**	**Amount utilised USD$'000**	**Balance USD$'000**
Investment in Global Vision Logistics Sdn. Bhd.	5,445	(1,395)[1]	4,050
Construction of Central Park	3,267	(3,267)[2]	-
Investment in Bandar Cassia Properties (SC) Sdn. Bhd.	2,178	(2,178)[3]	-
Total	10,890	(6,840)	4,050

Notes:
(1) USD$1.40 million utilised for investment in Global Vision Logistics Sdn. Bhd. which intends to develop a sustainable integrated logistics and warehousing hub as announced on 13 June 2018.
(2) USD$3.27 million utilised for the construction of Central Park located in Aspen Vision City.
(3) USD$2.18 million utilised for investment in Bandar Cassia Properties (SC) Sdn. Bhd. which intends to construct the Regional Integrated Shopping Centre.
(4) The exchange rate as at 28 January 2019 of RM4.1080: USD$1.00 is used for the above compilation.

The above utilisations are in accordance with the intended use of the proceeds from the Convertible Loan and percentage allocated, as stated in the announcement dated 20 May 2018 and supplemental deed dated 27 October 2020.

The Board will continue to update in periodic announcements on the utilisation of the proceeds from the Convertible Loan as and when the proceeds are materially disbursed and provide a status report on such use in its annual report and its half yearly and full year financial results announcements.

6. Use of proceeds from Private Placement

The Company refers to the net proceeds amounting to S$23.68 million (excluding placement expenses of approximately S$0.12 million) raised from the private placement which was completed on 18 November 2020.

As at the date of this announcement, the status on the use of the proceeds from the private placement is as follows:

Use of Net Proceeds from Private Placement	**Amount allocated S$'000**	**Amount utilised S$'000**	**Balance S$'000**
Capital expenditures for the growth of the Group's business	18,944	(18,944)[(1)]	-
General working capital purposes	4,736	(4,736)[(2)]	-
Total	23,680	(23,680)	-

Notes:
(1) S$18.94 million utilised for investment in Aspen Glove Sdn. Bhd. The exchange rate as at 31 December 2020 of RM3.0396: S$1.00 is used for the above compilation.
(2) S$4.74 million utilised for working capital consist of professional and consultancy payment of S$0.54 million, repayment of loan and borrowing including interest amounting to S$2.70 million, investment in subsidiary (Kanada-Ya) amounting to S$0.74 million and S$0.76 million for general operational and administrative expenses. The exchange rate as at 31 December 2020 of RM3.0396: S$1.00 is used for the above compilation.

The proceeds from the private placement has been fully utilised and no more outstanding balance unutilised. As such, this concluded the update on the use of the proceeds from the private placement.

7. Dividend

(a) Current Financial Period Reported On: Any dividend declared for the current financial period reported on?

No dividend was declared for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year:
Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend was declared for the corresponding period of the immediately preceding financial year.

(c) Whether the dividend is before tax, net of tax or tax exempt.

Not applicable.

(d) Date payable:

Not applicable.

(e) Books closure date:

Not applicable.

7.1 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended as the management plans to conserve cash in this soft property market. The Board may declare the payment of dividends when the property market conditions improve and are more favourable.

8. Interested person transactions ("IPT")

The Group does not have an existing general mandate from shareholders for IPT. There are no IPTs during the financial period under review.

9. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers pursuant to Rule 720(1).

10. Disclosure of acquisition (including incorporations) and sale of shares under Mainboard Rule 706A.

The Company had incorporated the following subsidiary during the six months ended 30 June 2021:

No.	Subsidiary	Date of announcement	Announcement Reference
1.	AG Medical Tech Sdn. Bhd.	18 February 2021	SG210218OTHRAXYG

Further details on the incorporation of the above subsidiary can be found in the Company's announcement released on the date as stated above.

There were no acquisitions and realisation of shares during the six months ended 30 June 2021.

11. Confirmation by the Board pursuant to Rule 705 (5) of the Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the six-month period ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Dato' Seri Nazir Ariff Bin Mushir Ariff
Executive Director

Dato' Murly Manokharan
President & Group Chief Executive Officer

13 August 2021